

E-Commerce Developments

Business perspectives on Internet governance and the information society

After the conclusion of World Summit on the Information Society (WSIS) in January 2004, the International Chamber of Commerce (ICC) Committee on E-Business, IT and Telecoms, chaired by Mr. Talal Abu-Ghazaleh, prepared a paper summarizing its views on Internet Governance and the role of different stakeholders in the Information Society. “First, concerning the phrase ‘Internet Governance,’ business has long maintained the phrase has been part of a confused international debate, which has misled some to believe that a single entity controls the Internet. “The Internet consists of tens of thousands of networks that are interconnected and operated by different entities including businesses, universities, governments and others. All of these entities contribute to its proper and efficient functioning through a system of open network standards that ensure that all networks can communicate with each other.” The following are excerpts from this ICC report. See www.icc.org.

ICC has reviewed its past policy positions, most notably the 2002 Global Action Plan for E-Commerce, and summarized its general views related to the different stakeholders in the information society.

The pace of change, the fast evolving state of the Internet and the creation of a global information society heighten the risks associated with premature or unnecessary government regulation. This has increased the responsibility of business to promote a trustworthy environment through self-regulation and technological innovation. Business has a strong market incentive to foster the empowerment of users. But it will only make the necessary investments if it can trust that government will recognize and reinforce the leadership of business in responding to the highly dynamic nature of the Internet.

ICC recognizes that the Internet and the information society raise many important public policy considera-

tions that may require governmental facilitation. Government intervention may be required to develop the legal structures to ensure enforcement and for removing existing legal barriers confronting e-commerce and the integration of ICT. Such matters include intellectual property protection, taxation and the removal of barriers to competition.

However, in other matters, business solutions such as self-regulation and technology tools are the preferred and more effective means to create trust in the Internet and e-commerce transactions, especially given the rapid pace of technological innovation.

The following is a summary of the role of the different stakeholders identifying where the stakeholders have a particular sphere of influence.

Areas for Government Action

- Promotion of Competition.
- Removal of barriers to competition in the underlying infrastructure, in particular the basic telecommunications infrastructure consistent with the WTO Reference Paper.
- Trade liberalization of IT goods and services, and goods and services that can be delivered via e-commerce.
- Allocation of scarce resources such as spectrum and radio frequency.
- Government as model users and early adopters of e-commerce through e-government, which will result in improved communication with citizens and increase awareness, and will drive demand for ICT.
- Removal of legal obstacles to e-commerce including form requirements for electronic contracting.
- Ensuring a tax regime that is neutral toward and does not discriminate against e-commerce.

- Ensuring effective protection of intellectual property in a manner that balances the interests of all stakeholders including rights-holders, network operators, service providers and users.
- Recognition of electronic signatures and electronic contracts consistent with the UNCITRAL Model Law on Electronic Commerce and for electronic signatures, in a manner that ensures technological neutrality and non-discrimination of signatures from foreign providers.
- Ensuring transparent processes for policy decisions will increase confidence of business with regards to investment given increased certainty and predictability.
- Offering the education necessary – both basic education and computer/IT literacy – to ensure sustainable benefit from ICTs.
- Ensuring a legal structure and laws are in place to provide enforcement of illegal conduct in an electronic environment.
- Ensuring national legal structures and national laws are in place to provide enforcement with respect to illegal conduct in an electronic environment; with appropriate support for law enforcement cooperation across borders.

Areas Where Market-Forces Should Prevail

- Goods and services offered in a competitive marketplace should be subject to market forces with government intervention limited to the application of general competition law.
- Innovation and technological developments should be driven by market forces given their rapidly evolving advancements as well as their goal of promoting rather than restricting such advancement.

Areas Where Self-Regulation, Choice, Individual Empowerment and Industry-Led Solutions Should Prevail

- User confidence measures such as information and network security, consumer empowerment, etc. can best be addressed through industry/market solutions consistent with generally accepted international guidelines, where applicable, given the rapidly evolving consumer e-marketplace.
- Domain Names and other aspects of the technical coordination of the Internet Should be driven by private-sector leadership as embodied in ICANN

and the other entities involved in technical coordination functions.

Areas Where Joint Government and Private Sector Action is Required

- Education and skills development are essential to ensure that workers have the skills necessary to engage in the information society.
- Digital divide/opportunities can best be achieved through private/public partnership, since industry initiatives cannot result in long-term benefits if governments do not adopt the necessary policy framework to promote competition and private sector investment.
- A culture of security, where governments, business and users assume their appropriate role in enhancing security is essential to ensure that the Internet is a viable medium for information exchange, communication and commerce.
- Prevention of and enforcement against cyber-crime also requires public/private partnerships. Government must ensure that they have the necessary laws to make certain acts criminal, and that law enforcement then works with the private sector to combat cyber-crime, taking into consideration business realities and the interests of all stakeholders.

ICC Future Work on Recommendations and Policy Positions

ICC has conveyed to the UN Secretary General that it has created a special work program under its Commission on E-Business, IT and Telecom to parallel the UN Working Group on Internet Governance. In this regard, we hope to build upon existing ICC policy positions on these issues, provide information to and raise awareness among governments of the priorities and interests of business worldwide on these issues. This would include identifying and prioritizing ICC work on the three components identified above, namely: technical engineering; coordination of the names and numbers systems; and relevant public policy matters.

The ICC policy positions will be evolved through its consensus process by the Secretariat and the commission structure.