



Country Update

The State of E-Commerce in Guyana

By Jean Kanana Mbogori

Introduction

This current age of globalisation has enabled innovative cross border opportunities in trade and greater reception of information and communication technologies internationally. Barriers such as time and distance no longer pose as critical problems and global transformative changes on trading methods have levelled the ground for global business transactions and communication. Member States to the World Trade Organization (WTO) appreciate the gains of e-commerce as a new growth strategy and the need for prioritizing the enhancement of hard and soft infrastructure, while streamlining their respective legislative policies in the e-commerce sector.

The fast paced and dynamic nature of the e-commerce sector comes with many challenges for businesses, especially the Micro, Small & Medium Enterprises (MSMEs) within Least Developed Countries (LDC'S). The very survival of many of these enterprises depends on the level of awareness of the advancements in their environment.¹ However, the lack of knowledge in the global advancements of the e-commerce sector, can be related to interdependent root factors that impact development in LDC's and for a country like Guyana.

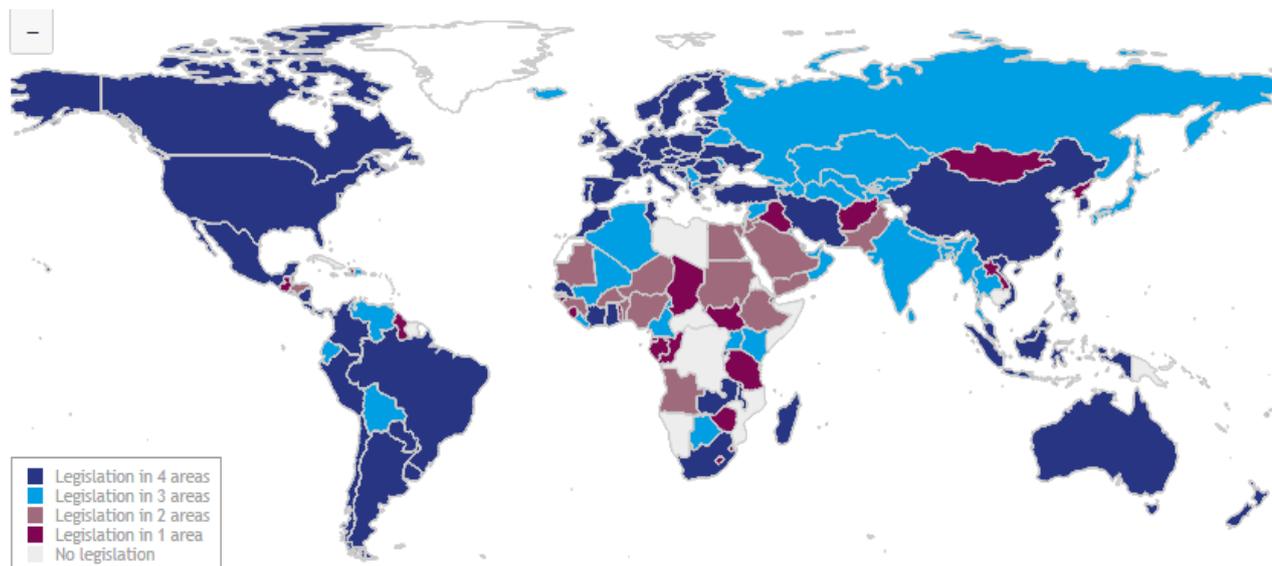
Guyana has been a Member State of the WTO since its inception (having been a GATT member before that); it is one of the countries in the Caribbean that is putting effort to enhance their e-commerce sector by taking active steps to follow the agreements that govern today's multilateral trading system.²

The creation of the regional organization (CARICOM) in 1973 aimed at promoting functional cooperation, economic integration and collective security.³ This gave rise to the potential of significantly facilitating development through policy interventions and regulatory frameworks for member countries including Guyana, clear emphasis on the importance of e-commerce in the CARICOM countries is seen as part of their development agenda, but not without its challenges.⁴

¹ Molla & Licker (2005)
² (UNCTAD) 2020

³ CARICOM, Caribbean Community
⁴ Ibid.

Diagram 1. Summary of Adoption of E-commerce legislation Worldwide.⁵



Source: UNCTAD

Diagram 1 illustrates the adoption of e-commerce WTO legislation globally in 2020, it indicates the level of country's implementation of related legislation in the four main areas of ecommerce legislation namely, electronic transactions, consumer protection, cybercrime and privacy / data protection. According to the UNCATD diagram Guyana is one of the countries that has the lowest e-commerce legislation adoption, with consumer protection legislation being the only implemented policy, The Consumer Affairs Act 2011 promotes and protects consumer interests in relation to the supply of goods and services and for related purposes.⁶

The act covers several areas relating to the rights of the consumer. Some of the areas include: Duties of Suppliers, Unfair Trade Practices, Unfair Contracts, Electronic Sale, etc. The legislation on Electronic Transactions is still being drafted and other areas of e-commerce policy in the country are not being tended to.⁷

Guyana's quest for adoption of e-commerce

legislation is primarily demonstrated by encouraging statistics with 88% of the population using mobile phones and an additional 55% connected to the internet, thus, the need for appropriate legislation to cover and protect both consumers and the enterprises.⁸ E-commerce in Guyana as observed by UNCATD has potential influence to diversify the economy however, , the need of reliable infrastructure, the countries socio-economic problems, the need of more ICT strategies and pending regulatory issues can all hinder the growth in this sector.⁹

E-Commerce Policy Prioritization

As mentioned, Guyana is among the countries with the lowest e-commerce legislation adoption. To improve this situation, and, in particular to allow the country to realise its full potential of e-commerce, following concerns and areas need to be addressed in a holistic manner.

⁵ Ibid 2 (UNCTAD 2020)

⁶ The Consumers Affairs Act 2011

⁷ Ibid

⁸: Data reportal2020)

⁹ (Jacqueline Murry 2013)

National Strategy

The Government of Guyana has recognised the need for harmonised policy and supports the notion that information and communications technology eventually enhances the performance of an economy. A national policy specifically targeting e-commerce legislation relating to information, technology and telecommunication can realise full benefits of electronic commerce.¹⁰ Consequently, the Government of Guyana has developed an ICT National strategy.¹¹ To accelerate economic growth and social development.¹² The objectives include:

- Promotion of development of ICT services and businesses for increased job opportunities and livelihoods
- Improvement of public access to information and social services.
- Enhancement of international competitiveness in the delivery of goods and services to the global marketplace
- Ensuring access to reliable and affordable ICT

Although the National Strategy is a step in the right direction, the legal and regulatory framework for the sector in Guyana is still under discussion. The slow implementation of policies in the country makes it hard for growth and development of the sector. There is dire need to implement appropriate legal and regulatory regimes that would encourage and spur growth in the e-commerce sector. Pragmatic policies that address important areas such as cyber-crime, electronic transactions and privacy and data protection within the sector, will in turn promote participation and confidence among consumers and enterprises alike. Furthermore, the Government of Guyana should consider establishing a national regulatory body that could develop, regulate and manage the sector.¹³

Liberalization of Telecommunications

The liberalization of telecommunications sectors has made access easier and affordable to many Guyanese citizens and consumers.¹⁴ The licencing and introduction of new telecommunication providers over the older monopoly holder Guyana Telephone and Telegraph Co. Ltd, has opened new opportunities for competition. However, liberalization has not adequately managed to reduce the internet costs limiting access to many citizens despite Guyana's One Laptop Per Family (OLPF)¹⁵ initiative.¹⁶ This is a significant obstacle that the country would have to overcome in order to promote e- business.

E-Security

WTO Member States Joint Statement Initiative (JSI) negotiations suggested that enhancing existing e-security mechanisms, reinforcing technical knowledge and clarifying terms could help countries with inadequate e-security to respond to their growing security concerns. Electronic security cannot be emphasised where it relates to protection of financial systems,¹⁷ Guyana needs to strengthen and harmonize its cyberlaws and develop measures such as inscriptions and firewalls that serve to militate against threats in order to benefit from a thriving e- commerce economy.

Hard and Soft Infrastructure

E-commerce infrastructure covers a broad spectrum of activities that include among others; wireless networks, internet exchange points, physical devices (computers, smartphones etc) and undersea terrestrial cables are all considered as infrastructure. Guyana like many LDCs is faced with limited access to international infrastructure due to cost of high-capacity connections that are needed to transmit the large quantities required or full internet services.¹⁸

Access to hardware in Guyana is easy and with

¹⁰ (Gibbs, Kraemer, & Dedrick, 2002)

¹¹ (Government of Guyana, 2006.)

¹² Ibid

¹³(Guyana Information Strategy)

¹⁴ Ibid 9 Gibbs

¹⁵ (Guyana Chronical the Nations Paper2014)

¹⁶ Ibid 8 Murry

¹⁷ Ibid

¹⁸ (Pearson A. Broome 2016)

flexible tax regime, however, the absence of intellectual property legislation means that there is an accessibility to proprietary software. This liberal stance can cause future complications when Guyana implements Intellectual Property legislation.¹⁹

Compared with other countries, there has been limited introduction of competition in the telecommunication services, perhaps this is informed by small number of Internet Service Providers (ISPs) who provide services both directly to end users and through public venues, such as internet cafes.²⁰

Another hurdle to the growth of e-commerce in Guyana is the unreliable electricity supply²¹, Many micro and small entrepreneurs and MSME's rely on the standard electricity supply through the main electricity provider, significant investment is needed in the energy sector to maintain a continuous flow of information that in turn enhances trade.

Guyana's Central weakness is that its infrastructure is in-adequate and unreliable for the development, generation, and reception of information and knowledge. This is mainly due to the low penetration levels of internet access services and other value-added services provided to the general public and to schools and other public institutions. Inadequate tele-density is also one of the sectors weaknesses in Guyana. The e-commerce infrastructural sector can be improved by promoting the competitive provision of Internet access services in order to bridge the digital divide.²² Additionally, increasing access to reliable and advanced information infrastructure and services at the lowest sustainable prices in all regions would be proactive step to improve the e-commerce infrastructural sector in the country.

Digital Literacy and Awareness

Guyana like many other countries needs to enhance digital literacy through education and other services. Exploring the opportunities and gains of e-commerce and the potential for a countries growth

needs to be done in conjunction with the acknowledgment of the awareness and knowledge of individuals and enterprises in the sector.²³ It is evident that barriers in knowledge and awareness can have detrimental effects on a country that is keen on development and growth in the e-commerce sector. This can mainly be due to the norm of exchanging information and goods through culture and traditions of the local community.²⁴

While its apparent that the Government of Guyana has supported the growth in digital literacy and education,²⁵ the private sector continues to be an effective player designing many training programmes for the public. This partnership with private sector is healthy and should be encouraged. The government of Guyana must redouble its efforts in supporting the development of e-commerce to counter the public perception that the telecommunications sector must be even broader for the full benefits of ecommerce to realise.²⁶

Challenges and Recommendations

While Guyana has made progress in e-commerce sector, it must overcome key challenges in seeking to develop a long-term technological and industrial development. It can be said that small developing countries have a pattern to follow at a distance in e-commerce sector due to more pressing root issues a country must deal with. Nevertheless, it's important to make continuous advances to work towards bridging the gap whilst simultaneously acknowledging the importance of e-commerce as a driver of trade and development.

The analysis indicates that unless Guyana's e-commerce sector participants address the lacuna in the political, economic, cultural and educational areas prohibiting the large-scale immersion of e-commerce in the country, then the success of this sector will continue to delay. The following could serve stakeholders as policy areas for consideration

¹⁹ (Feasibility Study for an E-commerce Development Programme through the Institute of Private Enterprise Development (IPED))

²⁰ Ibid

²¹ (Kaieteur News 2019)

²² – (President Jagdeo, 2006)

²³ (Kshetri, Nsir.2013)

²⁴ (Travica, Bob2002).

²⁵ Ministry of Education Guyana

²⁶ Ibid 19

and a way forward:

- The Government of Guyana should consider establishing a national regulatory body that could develop, regulate and manage the e-commerce sector.²⁷
- Guyana's e-commerce sector stakeholders must seek to enhance existing national strategy by enacting laws and implementing cyber-crime laws that are favourable, timely and pragmatic.
- The partnership with private sector in the design and implementation of training programmes for the public is healthy and should be further encouraged.
- There is need to continue advancing work towards bridging legislative and regulatory policy gaps to provide impetus to e-commerce as a driver of trade and development.
- The legislation on electronic transactions should be expedited and should explicitly include related policy areas that affect e-commerce transactions.²⁸
- Political good will is needed to steer the large-scale immersion of e-commerce in the country.
- Expedited liberalization and competitive policies in the telecommunication services sector should be pursued to further increase Internet Service Providers (ISPs) and end users' traffic through public venues.²⁹
- Structured digital literacy within the country should be ensured by implementing public educational programmes that address e-commerce awareness and utilization.
- The ICT strategy should also address inadequate tele-density by promoting and supporting private sector investment with easy credit for subscribing connectivity, regular mobile generated power and purchase of hardware in order to bridge the digital divide.³⁰
- Multiyear public Investment should be aimed at increasing steady power supply and distribution, access to reliable and advanced information infrastructure and provision for services at the lowest sustainable prices in all regions

²⁷ (Guyana Information Strategy)

²⁸ Ibid

²⁹ Ibid

³⁰(President Jagdeo, 2006).

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