



E-Commerce Issues in RCEP

Asian e-commerce, especially ASEAN is growing rapidly. Some institutions even report the growth of ASEAN e-commerce as one of the highest in the world in 2018. This is in line with the growth of infrastructure and the utilization of ICT (Information Communication Technology) facilities in each country. The growth number of online retail (2.8%) are still far from the total retail (offline), with more than 250 million internet users; ASEAN which has around 850 million residents has enormous economic development potential. The constraints of weak economic and trade supporting infrastructure and facilities in each country, through digital technology, have made the economic and trade forces that had been buried become increasingly open. Digital technology has become a hope for many community groups as an opportunity to build its economic strength. This huge economic and market potential is indeed promising, but it is also tempting for many 'world players'.

The development of e-commerce and other digital economies in ASEAN, especially Indonesia, cannot be separated from the high role of 'world players'. Technology and international capital support make the market potential and production capacity of the community able to work together to develop national economic potential, as shown by the birth of market place unicorns that have involved millions of SME's entrepreneurs in Indonesia. But this situation on the other hand provides a shadowy vulnerability to the dominance of the 'big world players' who are also behind the support of capital and technology. Market domination and control of technology, including through the control of world regulations, make people's 'hopes' for their economic development disappear.

Weak data protection in Indonesia is an example of how unprotected the Indonesian people from data utilization in a rough and uncontrolled manner. Data has become so precious and strategic influence on almost all aspects of life. Who control the data, will controlled the society, ruled almost all respects. So, the mastery data must be controlled. Connected digital system facilities are the main access to data collection and utilization, therefore digital economy or e-commerce is an important gateway in data collection efforts.

Control through capital and technology that occurs in the digital economy or e-commerce, has at least 2 potential threats. First, the development of e-commerce without control will be an opportunity for the widest opening of the Indonesian market. After entering the saturation period for local products, the dominance of imported products will increasingly play its role with the support of financial and technological strength behind it.

Second, the market opening process also means that data collection, which, when carried out without protection and control, will open the widest possible amount of unprotected data for world digital players. Strategically, this is a great opportunity for how the world's big companies (TNC) will be able to start managing and utilizing data according to their profits and regulating and controlling policies with the data control that they have. The threat of colonization through digital data control is becoming increasingly apparent.

In addition to the dependence on capital, the lag of technology in e-commerce has finally made developing countries pressed to follow the technology usage arrangements proposed by developed countries. Obviously it will benefit the big companies of technology rulers. This is happening in the processes of the FTA as it also occurs in RCEP negotiations.





For example, on the issue of freedom to carry out the cross-border data transmission and data localization. The reason for facilitating communication and trade transactions, the demand for freeing unlimited data transmission carried out without clarity of mechanism or guarantee of the data protection includes its management, technologically; this only means opening the broadest process of data collection and control on a large scale. The same thing also happens in the prohibition of placing servers or data locally. The reason for technology and investment standards becomes the reason for developed countries to reject this. While it is not much different, one of them is an effort to facilitate the transmission and data control.

Certainty of data protection and data localization become a crucial issue that should be maintained by countries that facing a lag of technology. The forced implementation of the e-commerce chapter in RCEP which determines the transmission of cross-border data freely without guaranteed data security will create regulations in each member country that will only strengthen the control and management of data by large companies / TNC technology authorities and create losses in the society at large.

On the other hand, transactions on digital products such as multimedia (video, music, games, social media, books / electronic texts) also include electronic services (consulting, marketing and other services), still running without regulation. The losses of countries that is inversely proportional to the profits of organizers such as not getting attention in the e-commerce chapter on RCEP. This becomes a hidden part of the agreement that will be made through RCEP if it continues.

The e-commerce chapter on RCEP which does not only have limited impact on trade issues alone, but extends to other sectors. In addition, the e-commerce chapter also has not discussed the mechanism of digital product transactions and payments that harm almost all member countries and vice versa only provide benefits to certain companies. Given these issues, **the discussion of the e-commerce chapter on RCEP should have been stopped** until the problems have a solution.

RCEP (Regional Comprehensive Economic Partnership) or other Comprehensive Economic Partnership Agreement (CEPA) in principle keeps the agendas and impacts hidden behind the agreement texts that are being compiled. Formal reasons of trade on the issues of e-commerce is not just limited to the digital trading itself but the broader impact on almost all aspects of the economy and other sectors. Termination of the comprehensive agreement on the CEPA model is an alternative solution in reducing the economic impact that will expand

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