



Think tank proposes rules for digital economy shift

by Czeriza Valencia, November 19, 2017

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State-run Philippine Institute for Development Studies (PIDS) is urging the government to set up regulations that will allow digital economy in the country to flourish as the use of innovative technology will have a positive impact on the creation of more jobs.

“Digital economy is beneficial but it has to be regulated,” said PIDS president Gilberto Llanto.

“Digitization, big data, advanced analytics, and disruptive technologies are creating new waves of innovation, productivity, and growth in a manner that has not been seen before,” he added.

Llanto said governments are now benefitting from digital infrastructure to improve the delivery of public services such as health and education.

“The business sector, such as financial technology firms, are also taking advantage of digital tools and systems in competing with traditional brick-and-mortar private lending institutions to provide financial products and services to those who have been financially excluded, especially those in the rural areas,” he said.

The shift to online trade and services has also contributed to greater efficiency in business operations.

“The retail sector has successfully used digital technologies to create effective database management systems, client-server platforms, enterprise planning software, computerized management tools for inventory and product and services delivery. These all contribute to improve the efficiency of businesses and their ability to cope with the growing demands of consumers,” said Llanto.

Online shops and ride-hailing services, in the country have responded well to consumer demands by using disruptive technologies that connect customers, sellers, and service providers efficiently in the goods and services markets, he noted.

Llanto said it is important for the government to craft regulations that would allow digital economy to thrive in the country.

He likewise stressed the need for such an economic model to be attractive to investors but would benefit more people.

“It is important for regulators to develop a sense of what and how to regulate digital economy, and consider the need to encourage innovations and experimentations that may create new pathways for inclusive services. He also underscored the importance of educating consumers and building their capacities to navigate the digital world in order to increase their level of welfare,” he said.

Regulators must also address the challenges and threats confronted by the digital economy such as cyber security, data and privacy breaches, assignment of liability and cyber bullying.