



Information
Technologies
Industry
Development Project
(Prosoft 2.0)



Project:

"Public Policy Mapping and
Local Application
for the development of
Electronic Commerce"

[Processes 2012]



**3rd. Delivery: Third
Advancement**

Executive Summary



EXECUTIVE SUMMARY

A) The "Public Policy Mapping and Local Application for the Development of Electronic Commerce [Processes 2012]" project framed in the F Component "Institutional Strengthening and Improvement of the Legal and Regulatory Framework" of the "Development of the Information Technology Industry" (PROSOFT 2.0) Project, has a general objective to identify the existing public policies in the federal entities for the development of electronic commerce with the purpose to locally create uniform criteria.

In particular, the mapping was done for programmatic and legal tools in Colima, Federal District (Mexico City), Jalisco, Sinaloa and Yucatan, based on the recommendations from the Ministry of Economy and the agreements between the Consultant and the CANIETI. The idea was to identify local strategies in favor of the development and growth of electronic commerce, or the absence of sectorial objectives, with the aim of providing some recommended courses of action.

It is stressed that the differences amongst the five entities studied cover topics of government, institutions (political, legislative, administrative or judicial) or the availability of resources to implement changes in favor of innovation. The harmonization of public policies based on the idea that globalization produced by ICT's has created enormous communication bridges between regions and countries, and

this cannot be left out from government plans and programs to be developed by the states.

- B) As a premise of the project, it is considered that public policies are designed to give response, on behalf of the State, to the needs of society; they consist of the actions that a government embarks on or leaves to undertake in order to solve a specific problem and are contained in the government's plans and programs. The origin of the same may be in the federal or state legislation, as well as in the programs of the three spheres of government: federal, state or municipal.

The question concerning the construction of public policies, i.e., planning, in our country has its basis in the provisions of Article 26 Chapter A of the Constitution of the United Mexican States, as well as in the Planning Act of January 5, 1983. Each federal entity also has its legislation in the field of development planning which serves as the basis for development and design of their corresponding state development plans and programs from which they may derive.

- C) We have analyzed international benchmarks, such as Millennium Development Goals (the United Nations Organization - UN), World Summit on the Information Society (International Telecommunication Union - UIT); Strategy for the Information Society in Latin America and the Caribbean - eLAC - (Economic Commission for Latin America and the Caribbean - ECLAC); Alliance for Open Government,

declaration signed by eight countries (United States, Brazil, Mexico, Norway, United Kingdom, South Africa, Indonesia and the Philippines) in the year 2011; Summit of the Americas 2012 (Organization of American States -OAS), April 2012; and Asia-Pacific Economic Cooperation Forum (APEC). All to serve as references.

Information from these agencies reveals that there are 146 countries in which the government has implemented policies, national strategies or plans that are aimed at the universal access to broadband, therefore this worldwide trend toward digital inclusion must be considered in the programs of the federal states of the Mexican Republic.

There are references, such as the European Digital Agenda, which has identified more important areas of opportunity and several documents that indicate an effective public policy is one that *"promotes the positive results, while minimizing uncomfortable, confused or changing regulations"*.

There are also recommendations on *"best practices for the development of the programs"*, such as applying sectional policies; adjusting the policies to each economy doing a market analysis; reaching a consensus with the stakeholders in the digital environment (governance); ensuring compliance with the plan (for example, with legal instruments); considering the supply and demand for each sector; developing the plan with an appropriate timeframe (three to five years); detailing measurable goals and strategies; considering vulnerable groups for the adoption of

differentiated actions; ensuring that legislation is in line with the plan (e.g. in the field of data protection, digital signature or electronic government); and having several agencies so that the plan can be implemented in flexible manner.

In almost all reviewed international documents, the idea that the institutional affairs are a fundamental aspect to channel the functions of public policy-making and regulation is highlighted. Bodies such as APEC are emphatic in saying that the government's role is essential as a primary agent to facilitate the development of electronic commerce with transparent and consistent processes. For this reason, the regulation must be necessary, neutral, competitive and effective. At all times the economies should favor self-regulation.

D) At a national level, there were valued: the agenda of the Governors National Conference Digital Development Commission (CONAGO) form December 7, 2009; the proposal of the National Digital Agenda which the industry (AMIPCI, CANIETI, AMITI) developed in 2011 with input from the Digital Access Commission of the House of Representatives; the Digital.Mx Agenda on March 28, from the Communications and Transportation Ministry; the "Study of Digital Agendas for the Development of a Digital Development Program (PDD 2012-2018)", which was conducted in December of 2012 by the Technological Institute of Monterrey through its Internet and Society Studies Center (CEIS) commissioned by AMIPCI;

Program for an Accessible and Modern Government on August 30, 2013; the National Digital Strategy (EDN) announced on November 25, 2013 by the President of the Republic; the Innovative Development Program 2013-2018; the PROSOFT (2.0 and 3.0) Agendas; and the objectives of the State and Regional Agendas of Innovation in Construction by the National Council of Science and Technology (CONACYT) with the support of the United States-Mexico Foundation for Science (FUMEC).

E) In the study, some general indicators for the IT industry and the basic ones on the advancement of commerce based in IT were mentioned. Among other items, it is stressed that in Mexico the Digital Economy contribution is of 2.8% (Argentina 3.9% and Brazil 3.6%), of which only 0.5% corresponds to e-commerce (Argentina 0.6% and Brazil 1%), while the GDP relative to electronic commerce in England is 2.6%, in Sweden 6% and in Spain 1.7%. In the specific case of the studied entities, the following was obtained:

Colima. According to the United Nations Development Program (UNDP) in 2010, the Mexico Human Development Index was in 7th place and, in agreement with the World Bank (Doing Business 2012), it was ranked in the first place as the entity in which it is easiest to do business. In terms of competitiveness, the Mexican Institute for Competitiveness (IMCO) conferred 9th place and the Federal Entities Regulatory Management Global Index, developed by COFEMER and the House of Representatives in 2012 awarded them second

place. According to the INEGI, in Colima 51.48% of the population uses computers, while 45.69% of the same uses the Internet.

Federal District. UNDP positioned the capital of the country in first place of the Human Development Index and Doing Business in Mexico 2012 in thirtieth place of their general classification of the States with which they are easiest to do business. The IMCO has given first place within the State Competitiveness Index and the Federal Entities Regulatory Management Global Index put it in first place. According to the INEGI, in the Federal District 58.23% of the population uses computers, while 53.60% of the same uses the Internet.

Jalisco. UNDP positioned this entity in 15th place of the Human Development Index 2010 and Doing Business placed it 21st among the states with which it is easiest to do business. In terms of competitiveness, the IMCO awarded them 13th place and Federal Entities Regulatory Management Global Index the 11th position. According to the INEGI, in Jalisco the 48.20% of the population uses computers, while 43.65% of the same uses the Internet.

Sinaloa. UNDP positioned this entity in 9th place of the Human Development Index 2010 and Doing Business placed it 6th among the states with which it is easiest to do business. In terms of competitiveness, the IMCO awarded it 11th place and the Federal Entities Regulatory Management Global Index the 16th position. According to the INEGI, in Sinaloa 43.7% of

the population uses computers, while 38% of the same uses the Internet.

Yucatan. According to the UNDP this entity is ranked 20th in the Human Development Index 2010 and Doing Business placed it 16th among the states with which it is easiest to do business. In terms of competitiveness the IMCO placed them 19th and Federal Entities Regulatory Management Global Index the 10th position. According to the INEGI, in Yucatan 37% of the population uses computers, while 31.8% of the same uses the Internet.

According to the AMIPCI 2013 Electronic Commerce Study, the largest number of businesses participating in e-business is located in the country's central-southern zone (D.F., State of Mexico and Morelos), representing 50% of the national total. It's followed by the North East Zone (Coahuila, Nuevo León and Tamaulipas) with 14%, the West (Colima, Jalisco, Nayarit and Michoacan) with 9%; the Southeast (Campeche, Quintana Roo, Tabasco and Yucatan) with 7%; the East (Hidalgo, Puebla, Tlaxcala and Veracruz) with 5%; the Central-North (Aguascalientes, Guanajuato, Queretaro, San Luis Potosi and Zacatecas) with 5%; the Northwest (Baja California, Baja California Sur, Chihuahua, Durango, Sinaloa and Sonora) with 4%; and the Southwest (Chiapas, Guerrero and Oaxaca) with 2%. The other 5% of businesses have their head offices in another country.

A study from Mexican Institute for Competitiveness, A.C. (IMCO) in 2014, points out that 6 of the most entrepreneurial

states have - in proportion to its population -, concentrated 55% of country's IT entrepreneurs: **Jalisco**, Baja California, Nuevo Leon, **Federal District**, **Yucatan** and **Sonora** .

Mexico is in the last position in digitization amongst the OECD countries, and in fifth position in Latin America, with a value of 37.05 points for the year 2011. As already stated, in the Global Competitiveness Index issued by the World Economic Forum, Mexico is located in 144th place with low levels with regard to technological readiness and innovation.

- F) The first review of local laws and programs reveals that Mexico already relies on important tools for the development of e-commerce, but only at the federal level. The entities have written little - in laws, plans or programs - for the development of the digital economy. The evaluation of public policies is essential to critically measure the effectiveness of the instruments, plans, programs and development agendas.

Mexico has been inserted into the performance evaluation and the effectiveness measurement systems of public policies on specific issues, so it is important that the federal entities adhere to models consolidated methodologically.

The scheme of the Federal Government concerning the follow-up to public policies and to make their periodic evaluation, done by the Office of the Presidency with the support of the agencies and entities of the Public Administration, is an institutional tool that can be considered as reference for federal entities.

The scheme in charge of the national Digital Strategy Coordination and public policy in the area of ICT, created on April 2, 2013, can also be considered. It has been entrusted with the responsibility of addressing the issues of coordination, launching, guidelines issuance and implementation of all topics of the National Digital Strategy.

In another instance, it is recommended that the federal entities should be provided with a unit that is responsible for the task of guiding the issuance and execution of public policies and guidelines, as well as the implementation mechanisms, derived from the digital agendas or programs.

It is essential that mechanisms to measure the degree of effectiveness of the local public policies in the field of digital economy exist, in its section on e-commerce, has a role as a catalyst for change in accordance with what sustains the ECLAC.

While the federal entities do not have a mandate on several topics related to telecommunications, trade, or Internet, and in addition do not have the necessary resources to invest in infrastructure, they can consolidate a policy framework that will act on the critical factors which determine the deployment of their respective digital economy, as are to ensure equity in access and use of ICT, aspects that have elements of public interest, as they facilitate the provision of social services (governance, health and education) and of public properties.

Those public policies should be affecting the 3 components of the digital economy: the broadband network infrastructure, the ICT applications industry and the end users.

The local public policies should promote services provided by the ICT, especially in the business, as well as the analytical or knowledge processes industry.

For the design of public policies, it should consider that the business processes include horizontal applications such as financial services, accounting and human resources, as well as the vertical business processes associated with specific activities such as financing, the public sector, the manufacturing sector, trade, telecommunications, transportation and health.

The local public policies should consider the end users (individuals, firms, and government) who define the degree of absorption of the digital applications through their demand for services and applications.

Public policies should be based on diagnostics on how businesses can improve the efficiency of productive processes. The design and implementation of public policies for the IT sector must consider society, industry, academics and government. For their design, the federal entities must take into account that there are international recommendations on "best practices for the development of the programs" on the ICT.

Although the EDN is a reference to update the current agendas and to create new ones, there are reviews such as the European Digital Agenda, where it is established that an effective public policy is one that promotes the positive results, in which the digital policies should be balanced between getting the maximum potential of the technologies and at the same time no one is left behind in the digital inclusion.

The five entities studied: Colima, Federal District, Jalisco, Sinaloa and Yucatan, recognize the growing role that the IT sector has had as means to increase their human well-being, productivity, competitiveness and economic growth indexes, for which they have made some comments on the plans, programs or other instruments of public policy. However, public policies for the IT sector in general and for the Digital Economy in particular, are more developed at the federal level.

In terms of the public policy instruments design (workmanship), it is considered necessary for the federal entities to ensure consistency with the National System of Planning which, not only requires the public policy theory, but their own local laws.

- G) Derived from the reviews made to the **Development Plans** of the entities referred to in the IT, digital economy and e-commerce topics, it was found that:

The analyzed federal entities' Development Planning Laws define what a Development Plan is and set out the procedure to prepare it, but does not establish what should be understood by "public policy", if it does - for example - the law of the State of Quintana Roo. That is why a first recommendation may be convened to generate a concept, which conceptually standardizes the planning and development programming.

The State Plan for Development of Colima, along with the Federal District, is one of the few that sets the direction for their Digital Agenda, by means of setting 22 specific goals. However, these goals are more focused on the issues of e-education, e-government, national ID, electronic records and citizen participation, than in the promotion of the digital economy including e-commerce.

For the development of the digital economy and e-business, Colima has only two generic goals in its development plan: to establish a collaboration agreement with the productive sector organizations to jointly design a strategy for supporting SMES in the field of IT; and to carry out a project which allows to intercommunicate and simplify access to ICT's in all the enterprises that carry out operations in relation to the Inland Port.

Of the Development Plans studied, Colima's is the only one which allows to promote the harmonization of IT regulations, as one of its objectives is the following: To carry out, by means of the participation of an interdisciplinary group, a

comparative analysis of national and international standards which will serve as the basis to update the regulatory framework of the State in the field of ICT and to encourage its dissemination.

The Federal District General Development Program is the only one that explicitly mentions the topic of Electronic Commerce, when one of their action lines said that they should: "*Advance in the following aspects of the Digital Agenda: e-Health, e-Education, e-Justice, e-Security, e-Commerce, e-Anti-corruption and e-Government*".¹ However, it does not define specific public policies. Although it does not outlines the goals, objectives or strategies which the Digital Agenda must have (as opposed to Colima's which dedicates a section), it only sets out the general aspects.

The Jalisco State Development Plan focuses on the theme of the reduction of the digital gap in the productive and social sectors of the entity. An interesting issue because it promotes the inclusion up to the reference of the economic sphere; however, it does not precise strategies for digital business, although it gives relevance to the strengthening of the Digital Agenda, it does not explicitly say what would the topics be. However, it could be said that the text of the entire Plan gives you "clues" on the scope of the proposal once it is developed.

Of the revised plans, Jalisco's is the only one which is in favor of establishing synergies with the federal objectives and strategies, but only by what it does to Public Administration

¹ Ibid.

improvement and increase of the e-government index. Other plans in regards to creating a harmonization framework with the rest of the Republic are neglected.

The Sinaloa Development Plan focuses on the topics of e-government and the promotion of digital skills in the educational system. Although it does not explicitly refer to the topics of digital economy, it barely defines a simple goal to encourage the development of new technologies in the industry, favoring the "digital corporate culture".

The Sinaloa's Plan does not provide guidelines for a Digital Agenda and does not mention its possible existence, nor gives guidelines for the development of the digital economy and least of e-commerce.

Among the studied Development Plans, Yucatan's is the one in which more space is devoted to the topic of the Information Society, although it is more focused toward goals aimed at reducing the digital gap in the state (more connectivity, improved infrastructure). In other words, in a strict sense, it contributes little to topics of the digital economy.

The Yucatan State Development Plan outlines strategies for strengthening the infrastructure of the state's electronic networks and services in education, health, safety and public services; to encourage greater competition and competitiveness of the telecommunications system in the state; and to promote mechanisms for the Internet public access in all the state territory. Part of these strategies, can be

considered support of a greater digital economy, but only at the level of interpretation.

Although the Yucatan Development Plan does not specifically speak of digital economy or e-commerce, it has an initiative in the field when it says that it should be promoting connectivity to enhance the digitization of the production processes of businesses or to support SMES through ICT (p. 302).

Yucatan does not mention in the Development Plan the existence of a Digital Agenda, and only mentions that digital literacy programs must be developed for the general population (p. 303). Therefore, it should be understood that there is not a high-level public policy on the subject.

As previously seen, all the studied State Development Plans (General Development Program in the case of D.F.) dedicate a paragraph to the IT topic, but with a large asymmetry between one and another, in the format as well as in the objectives, strategies and goals.

Colima, Federal District (D.F.) and Jalisco, are the only entities that make any explicit reference to the topics of digital economy at the level of their respective Development Plans. However, diagnostics or references on the topic of business or digital e-commerce are quite shallow.

H) Regarding the **Development Programs** studies (sectorial, special, regional, institutional, mid-term, etc.) it turned out that:

From the Development Program Mapping of the five subject federal entities in this study, it is clear that its content is not public information, which only allows inferring that they have not been updated or developed.

Of the localized instruments with character of programs, it was found that there was no correspondence between one and another on the issues of IT development in general, because some entities deal with issues of digital gap as a center for public policy and others give that range to innovation, or to e-government and education.

In regards to issues related to the digital economy and e-commerce there are also varied focuses. For example, Colima focuses on the Municipal Business Centers Network. The Federal District focuses on incubators of new highly competitive enterprises. Jalisco refers to e-business and in their programs, strongly focusing on software topics, or logistics management centers via Internet. Sinaloa specifies actions of foreign trade (Web Exports) and other for innovation with IT. Yucatan emphasizes that IT has been more favorable to the service sector than to the rest of the local economy, without defining strategies to take advantage of the context in this and other sectors.

It is considered that the Jalisco schemes for the integration of the new business models derived from the new technologies, can serve as a point of reference to all other entities. Similarly, it should be on the Colima public policy to create geographic spaces linking businesses to the marketplace, universities,

research and development centers, financial agents, incubators, accelerators and government, for the purpose of fostering the creation, innovation and improvement of technologies.

Each federal entity studied has developed its public policies in the context of its local situation and the potential it can offer to the digital markets; however, there are areas of opportunity to focus the development programs. On the digital economy topics, the 2013-2018 Innovative Development Program from December 16, 2013 is useful as an alignment reference of local development programs.

- I) The analysis of the **Agendas or their equivalents**, allows the formulation the following conclusions:

On the basis of the information published by the Digital Government Unit of the Government of the Republic, only 5 entities show that they have a Digital Agenda or an equivalent: Colima, Federal District, Hidalgo, Jalisco, and Quintana Roo, of which Colima, Jalisco and D.F. correspond to the study subject of this report².

From a legal point of view, it is important to note that the Digital Agendas do not have a framework to substantiate its legal value in any of the federal entities studied. In effect, as has been seen in this study, the Planning Laws only recognize

² However, Sinaloa has reported a Digital Agenda within the text of the 2011-2016 Governance and Governmental Innovation Sectorial Program, which text has not been located.

the development plans and programs as instruments of public policy, and do not mention others.

As described in the previous section, there are three conditions recommended for its formal recognition: a) to reform the local laws to accommodate them and give them due formality, (b) to recognize them as programs. Quintana Roo is found in this second hypothesis, it gave a "special program" character (Digital Agenda Special Program), a recognized modality in its Planning Law; and/or c) that the Development Plans mention them as another additional instrument of public policy, such as in the cases of Colima, Jalisco and Federal District, whereas neither Sinaloa nor Yucatan mentioned them in the Development Plans. One could add another alternative, which is the procedure followed by the National Digital Strategy, which is based on the "2013-2018 Program for an Accessible and Modern Government".

From the information collected, it infers that the presentation or the name of each instrument known as Agendas, are not homogeneous. Some are "presentations" of a public policy (Colima, D. F. and Hidalgo), one is a Digital Agenda (Jalisco) and another is a Digital Agenda Special Program (the most strictly adhered to the Planning Laws).

None of the federal entities studied relies on any instrument that harmonically corresponds with the 2013 National Digital Strategy, which is understandable as it was recent issued, but it is essential to achieve some sort of linkage between the national and local objectives. However, it is important to note

that it is known that Colima, Jalisco, and Yucatan are developing their new agendas or strategies with this national reference point.

On the Colima Agenda, there is a glimpse of the digital economy theme, considering the paragraph from *Digital Development of the Business Sector*, but it is barely confined to the issue of government paperwork for the opening of enterprises.

The Federal District Agenda – barely announced in the General Development Program – seeks to favor the creation of a "smart city", and explores little of e-commerce. The CDMX Open Government Manifesto focuses more on intentions regarding the e-government.

In the case of the Jalisco Digital Agenda, it is said to be a strategy to strengthen the ICT with 19 sectorial programs from the State Development Plan; but these have yet to be published.

Sinaloa strengthens its Agenda items to the Prosoft topics that, while they are federal, could have a positive impact in e-commerce, but lacking explicit local public policies.

From the Yucatan, one can glimpse intentions arising from its Development Plan, inasmuch its own Digital Agenda is developed.

In conclusion, it must be said that when it comes to digital economy and e-commerce issues, a harmonization system, information, monitoring, evaluation and dissemination of the

impact of the programs do not exist at the local level; and that assists in promoting a transversal alignment.

- J) In the stage of public policy proposals in the field of electronic commerce, the ECLAC was cited, for which the digital economy, *"is a crucial force to promote structural change, to progress in the reduction of inequality and strengthen the social inclusion so needed by the countries of the region"*.

In order to develop respectful proposals, the following came from the reality of the local public policies:

- 1) They do not adhere to the National Planning System, laid down in Article 26 of the Constitution of the United Mexican States;
- 2) They do not define what should be understood by "public policy";
- 3) They do not adhere to the Planning Laws from their respective federal entities;
- 4) They are not reflected in the Development Plans, considered - at least legally - as the pinnacle of the planning instruments;
- 5) Digital agendas, if they exist, have not been developed following the rigorous planning development standards;
- 6) The digital agendas are not based in any standard which contributes to its implementation;

- 7) The local digital development policies do not correspond to national guidelines;
- 8) There is no harmony of the public policies of an entity with the other federal entities, at least in their region;
- 9) They do not include elements (strategies, objectives, or lines of action) linked to policies in favor of the digital economy or e-commerce;
- 10) They do not have parameters for assessing digital policy;
- 11) They do not have indicators - outside the international or national ones - which may be useful to measure the effectiveness of the public or private activities relating to the IT sector;
- 12) They do not systematized the governmental organization or institution of the follow-up of these policies;
- 13) No data is logged on the usefulness or feasibility of policies for the IT sector;
- 14) Terms or validities (beyond six years) to address the problem or to assume the area of opportunity are not defined.
- 15) In the revised public policy schemes, models for querying, updating, expert advice, linking with the committees of development planning (COPLADEs), or some other mechanism of analysis and discussion were

not found. Given the specialty of IT topics and e-commerce in particular, the integration of teams of trained people from within and outside of the government must be considered as relevant. Here it has been recommended to follow the example of the new Prosoft 3.0 formed by an Advisory Council in early 2014, because it promotes the creativity of the stakeholders or analysts to define paths and solutions with clear goals, to invent new challenges or alternatives.

16) It is essential to comment that, from a strictly legal standpoint, the trade issues are federal jurisdiction in accordance with the Commerce Code (articles 89 to 114). At the same time, it has become exclusive authority of the Union Congress to legislate in the field of Information and Communication Technologies. An aspect that must be clarified detailing in the secondary laws in order to know how far the States and the Federal District can go in dictating concurrent standards in the field. However, the promotion of productive activities, such as trade, achievable through IT, if they can (and should) be part of the federal entities public policy, in virtue of which are essential for local economic development.

17) Although the particular issue of diagnostics is not part of this work, it is important to stress the importance of the realization of statistics; consolidation of data on the local dynamics of IT and e-commerce; the precision of the skills, challenges, human talent, areas of opportunity,

types of investment and market prospects; as well as the current performance of the sector and the size or value of the productive apparatus in the current technology. It is necessary to define the mature, dynamic, and emerging sectors in order to devise focuses in the industrial, services and, in particular, e-commerce areas. The role of the SMES, the values of competence and transactions, the dimensions of innovation and fostering other priorities with a local approach must be analyzed qualitatively and quantitatively.

K) Following the development planning logic, an important step to follow is the alignment of the local public policies with the objectives of the National Development Plan (PND), in this case, with respect to the bulletin for the 2013-2018 period by the President of the Republic, Enrique Peña Nieto³. Beyond that, it is a purely political process, the federal entities rely - in their respective jurisdictions on planning (applicable to the State and municipalities, or the D.F. and their delegations) - on the standards which stipulate that the "congruence" with the National Development Plan is compulsory. In effect, the federal entities subject of this study (like many others in the Republic), founded the programmatic process of alignment with respect to the PND (and programs resulting from the same) in legal devices referred to in their respective laws of

³ Decree approving the 2013-2018 National Development Plan. Official Journal of the Federation on May 20, 2013. http://www.dof.gob.mx/nota_detalle.php?codigo=5299464&fecha=20/05/2013

Development Planning and which are textually quoted in this study.

The federal or local decision-makers will ponder, in the context of consultation, the coordination or the democratic system of planning which proceed legally, when and what issues must be aligned with a view to steer the development of the digital economy and e-business. The Development Planning Committees (COPLADE) or equivalent, for now would be the legally valid analysis forum.

The issue is to clarify: To which program must the federal entities in electronic commerce align themselves? For this purpose, we recommend the following: Program for an Accessible and Modern Government 2013-2018, National Digital Strategy and Innovative Development Program 2013-2018.

A matter that might seem a mere question of semantics is the name that the instrument containing the public policy for the development of the digital business registered in the topics of digital economy should have. Which in turns form part of other larger - comprehensive, transverse or universal - matters as are the innovation and the digital development of the Mexican Republic.

As previously indicated, neither the legal jargon nor the planning laws recognize digital agendas or strategies with that name, only giving value to the development plans and programs deriving from the same.

Therefore, a respectful suggestion is being made. That public policies should focus on a Digital Innovation and Development Program of each federal entity in such a way that comprehensively deals with all the issues in the ICT sector, as would be the topic for the digital economy and its derivatives corresponding to this work (e-business and e-commerce)⁴.

- L) Derived from the foregoing, in the final part of this study, recommendations were made for an "E-commerce Axis" of an **Innovation and Digital Development Program**, with six sectorial objectives:

Sectorial Objective I. To promote with the Federal Government bodies, the telecommunications, and the Internet industry, the provision of basic elements of infrastructure for channeling the local connectivity through local access networks, points of public access and affordability.

Sectorial Objective II. To promote the legal harmonization of the entity with the Federation, other entities and the international environment in order to facilitate the development of electronic commerce between local or registered businesses in the entity, or otherwise, to facilitate new investment in the sector.

Sectorial Objective III. Promoting services and applications for individual users, businesses and government.

⁴ See the case of the Innovation Strategy and Digital Development, launched by the Municipality of La Paz, Baja California Sur, on May 25, 2014.

Sectorial Objective IV. Developing a promoting policy so that final users - individuals, businesses and government - may achieve better usage levels of digital applications through its demand for services and applications.

Sectorial Objective V. To promote innovation and digitizing of enterprises to increase their competitiveness and productivity.

Sectorial Objective VI. To promote the Digital Development of the strategic and emerging sectors of the entity.

M) While the Federation's and the local governments' policies alignment must be coeval with the analysis of the viability of the same, the reflection of the national environment serves as a basis to emphasize local factors which define the relevance of their instrumentation. Public policies, in order to be viable, must be adjusted to each local economy doing a market analysis, as well as the need for institutions that can be implemented in a flexible manner.

N) A general recommendation for the federal entities is that they must build state information systems for the incorporation and use of ICT in businesses making it possible to monitor and evaluate the results of the policies. At the end of the day, it is fundamental to sponsor governance, to ensure that there are the appropriate mechanisms for the coordination of policies.



GEV Asesores Internacionales, S.C.

Mexico, July 2014