



Briefing Paper

Gender Challenges in E-commerce

What is being done to Support women-owned MSMEs?

By Anwesha Bandyopadhyay and Julien Grollier

Summary

This briefing paper summarises findings from a study by CUTS International on “Gender challenges in e-commerce: What is being done to support women-owned MSMEs?”, and presents succinctly the various challenges faced by women entrepreneurs in the digital world, the role played by global, regional and national programmes to aid the development and visibility of women entrepreneurs online and the recommendations which can help the various stakeholders to combat the obstacles surrounding digital entrepreneurship for women and allow them to achieve success in this sector.

Introduction

It is widely acknowledged that information and communication technologies (ICT), through avenues that include digital entrepreneurship, act as an engine for the development and improvement of social and economic conditions for groups that traditionally have fewer opportunities.

It has been expected that the digital spectre will remain neutral and new avenues of entrepreneurship through the digital economy will be gender neutral. However, one question remains unresolved, which is “how equal opportunities and conditions can be granted to women entrepreneurs?”. Women entrepreneurs seem to be facing gender-specific barriers making them unable to avail equally and fully the privileges offered by e-commerce to expand their businesses.

This briefing paper summarises findings from a study by CUTS International on “Gender challenges in e-commerce: What is being done to support women-owned MSMEs?”¹ and presents succinctly the various challenges faced by women entrepreneurs in the digital world, the role played by global, regional and national programmes to aid the development and visibility of women entrepreneurs online and the recommendations which can help the various stakeholders to combat the obstacles surrounding digital entrepreneurship for women and allow them to achieve success in this sector.

Challenges Faced by Women-Owned MSMEs in E-Commerce

In the present age, the growth of trade and businesses have become intimately tied with the rise of the digital world where electronic platforms and

market places have become attractive channels for entrepreneurs (small and big businesses alike) offering the chance to reach beyond regional and national boundaries and connect globally. In such an age, it becomes all the more vital for women entrepreneurs to have equal access to the digital world in order for them to grow their businesses and business networks.

However, studies have shown that there is still a gap in female connectivity, with 1.7 billion women in low- and middle-income countries not owning mobile phones (*Santosham et al., 2015*) and women being nearly 50% less likely to be connected than men. Once online, women are 30% to 50% less likely than men to use the Internet to increase their income or participate in public life (*World Wide Web Foundation, 2015*). Majority of women-owned MSME’s are limited in their ability to upgrade due to lack of educational opportunities the business owners had in their life along with the different gender and role barriers these women face in their everyday lives.

E-commerce opens up new business opportunities in international markets and offers a unique opportunity to open access to international markets for MSMEs in developing countries. However, setting up e-commerce distribution channels comes with challenges, especially for women-owned MSMEs ranging from access to basic Internet and other ICT services to training and education in different areas such as design and development of product/service, online marketing, online transactions and export management.

Barriers faced by women in digital arena have been categorised into the following three broad categories

¹ Full study is available at <https://goo.gl/WohCrB>.

as described below.

Online Presence of Women

There is a persistence of negative feminine stereotypes that women possess lesser capabilities in technological and educational aspects and hence they do not possess the capacity to digitalise their businesses successfully like their male counterparts can. Digital skills such as e-payments, marketing online, return policy, etc., remain challenges for the female community in the digital world due to less investment on teaching women these skills. Belief still persists that women should engage more in household activities.

There is an infrastructure barrier to the Internet which women entrepreneurs face due to lack of a higher investment in them being able to access ICT. There is also the natural risks of the web where online anonymity allows perpetrators to make threats towards women entrepreneurs without fear of repercussions.

Digitalisation of Gender Barriers to Trade

Women are considered by the market actors to be less likely to become scaled entrepreneurs due to the belief that this activity is more of a self-employment position while the primary interest of the women is to undertake household activities.

Women lacking equal opportunity to be educated in digital skills are not easily integrated in industries such as ICTs, which are showcased as the epitome of digital entrepreneurship. There is an under-representation of women in the physical ICT sector. It has been found that women also face challenges in securing the necessary funding to start their businesses.

Digital entrepreneurship has traditionally been linked to freedom intertwined with financial success and empowerment and in some countries, women are culturally forbidden from partaking in this kind of freedom. Establishing and becoming successful in their business becomes much harder for women in the digital world in these countries where they face cultural resistance to their digital entrepreneurship. Their participation in e-commerce is even further restrained due to a fear of the independence of not relying on their husband's income.

Women who did not have formal education can also face the barrier of language skills. This becomes particularly important in a digital trade world where connectivity through social networks and shared marketplaces has become the norm.

Specific Gender E-Commerce Barriers

In the digital world, the entrepreneur rises as some sort of hero, and the market demands to know the face behind a successful digital business venture. However, this visibility is also tied with gender barriers where women are questioned regarding their leadership abilities. It often forces successful businesswomen to be viewed as 'masculine'.

Women often face a stronger cultural barrier when expected to interact digitally with customers and suppliers. Sometimes, even specialised media tend to overlook women digital entrepreneurs to avoid being 'man-shamed'.

When a woman entrepreneur faces failure in her business, it is said that women are not able to grow and sustain their own businesses in the digital world, while a male entrepreneur is almost praised for his ability to face failure as a business learning opportunity. This can be viewed as the 'Pygmalion Effect'.

There is also a misperception of women entrepreneurs regarding the quality of their products and services, in which women ownership has been connected with lower quality. This has even led some women entrepreneurs to adopt more masculine names both for themselves and their businesses.

Initiatives to Address the Challenges

There are a number of programmes and initiatives which are being implemented by different stakeholders and at different levels to support the participation of women-owned MSMEs in e-commerce, as well as to overcome the challenges faced by women entrepreneurs in this respect. These include the following:²

Global Initiatives

Much of these programmes are designed and implemented by international organisations and global coalitions which gather different stakeholders from the ICT sector and are looking to connect women-owned MSMEs with markets and empower them with digital learning experiences. Moreover, they raise awareness of the needs of women entrepreneurs in the digital world and the proposed actions for overcoming the digital gender divide. Some of the global initiatives are:

● *The EQUALS*

The EQUALS partnership co-founded in 2016 by five partners focuses on reducing the gender gap in Internet access and use to empower women and reduce inequality. It seeks to empower girls and

women with digital skills and education competencies in order to close the gender digital divide. It also provides guidance to governments and other stakeholders to “make digital skills training available to girls and women throughout life”.

● *Mobile Technology*

Mobile Technology Programme is part of the Cherie Blair Foundation for Women and it aims to leverage mobile technology to support women entrepreneurs in becoming successful business owners. Different partners in the mobile ecosystem are working together with the foundation to provide women entrepreneurs with access to training, technology, network and capital. The main goal of the programme is to create sustainable economic opportunities for women entrepreneurs through the use of mobile phones and services and it combines research and advocacy projects to deliver its initiatives.

● *SheTrades*

SheTrades initiative launched in 2015 at the ITC is part of the Empowering Women to Trade programme. It was developed to lead companies, governments, individuals, research institutions among others, to make specific, measurable pledges on seven pillars identified as immediate actions to unlock markets for women and make growth more inclusive. It provides a web platform where thousands of women entrepreneurs can connect and offer their products and services, boost their companies in the global market etc. This platform has been made to facilitate e-commerce to women entrepreneurs and it offers a free-to-use web and mobile application connecting the women-owned

² The listing of the programmes in this section is by no means exhaustive: rather it provides a useful indicative summary of a vast and growing body.

enterprises with potential buyers, investors and trade support institutions and associations.

New projects are being launched in collaboration with SheTrades to support women entrepreneurs in the digital world. One such case is the 2017 ebay partnership with SheTrades to help women entrepreneurs digitize their businesses.

► *WEConnect*

WEConnect International is a global network that connects women entrepreneurs from different countries with multinational corporations online and offers a web platform where any women entrepreneur can register if they fulfil general requirements. Women owned MSMEs part of this network have unlimited access to a global online directory of corporate buyers and more than 5,000 companies belonging to women and invitations to training events, networking, among other consulting and assistance services are advertised through the platform. *WEConnect International* designs and implements activities for women entrepreneurs to help them grow and connect to global new markets.

Regional Initiatives

At the regional level, initiatives supporting women-owned MSMEs are scarce and cover different topics depending on the level of Internet access and basic ICT education among women in the regions. Some of the initiatives are:-

► *Americas*

Mujeres ConnectAmericas is described as "the first business social network of the Americas". Launched in 2016, it seeks to connect women entrepreneurs initially from Latin America and the Caribbean with real business opportunities and to offer them innovative tools to improve the management of

their companies. Its main goal is to help women owned MSMEs to strengthen their businesses, offering access to communities of customers, suppliers and investors of the region and the world, segmented by industry. Through a free web platform, women-owned MSMEs can learn about business opportunities and financing with allied banks, generate partnerships, have access to online courses and seminars, information about relevant sector and other events.

► *Europe*

WeHubs Women Web Entrepreneurs Hubs is a community of European business support organizations promoting female entrepreneurship in the digital sector. It connects business ecosystems and provides them with mentoring tools to support women web entrepreneurs. This project is supported by the European Union's Horizon 2020 research and innovation programme and is a consortium of eight partners in Belgium, France, Germany, Norway, Lebanon and the UK. The main goal of *WeHubs* is "to provide an indirect support to women web entrepreneurs and increase their participation in web enterprises by encouraging the existing web entrepreneur's ecosystems to provide dedicated support and services to women." The project strengthens the existing business ecosystems and supports the emergence of a dynamic European environment for women web entrepreneurs.

E-Business Enterprise Learning for Women is a partnership working across Europe and constitutes a learning resource seeking to support women-led small businesses across Europe, by encouraging them to innovate, to be more competitive and to increase their e-business activities to support business processes. They especially support women having small businesses and make them more competitive and productive. It aims to arm women entrepreneurs with learning skills to tackle current

economic and technology challenges.

► *Sub-Saharan Africa*

Zimba Women is part of Zimba Group, an IT solutions provider specializing in the supply of technical and software solutions for Small and Medium Enterprises and offers strategic and business counsel to enable development and empowerment of women-led SME's in sub-Saharan Africa. It provides tools and technology platforms, business training, mentorship and open networks to improve the livelihoods for women entrepreneurs. Zimba Women mainly aims at connecting women entrepreneurs to markets, improving the business environment for entrepreneurs, promote the use of ICT in business and support women-owned and women-led enterprises through knowledge sharing.

National Initiatives

The core of the majority of programmes at the national level is the empowerment of girls and women in rural areas to overcome the digital gender divide through access to and knowledge of technology and other ICT tools. The following six programmes mobilise women entrepreneurs to join online markets by offering access to platforms to increase visibility at the national level, obtain opportunities to be suppliers of public procurement markets, access ICT tools and other related training by the establishment of local and rural centres of learning, and learn from cases of women entrepreneurs who succeed in the e-commerce world.

► *Cameroun*

Femmes Digitales is an innovative platform with the main goal of promoting Digital Female Entrepreneurship in the country, in particular in the city of Yaoundé. The platform allows women to learn and take advantage of ICTs to advance their

businesses, learn to expand businesses with new opportunities and get access to e-commerce information among a host of other things. It brings together women micro-entrepreneurs, association leaders, women leaders, women artists and craftswomen, unemployed graduates, and ICT students and women in rural areas, all having a passion for entrepreneurship and to develop their potential through ICTs.

► *Chile*

ChileCompra is the government agency of public procurement in Chile. Since 2015, the agency has worked to make public procurement more accessible to MSMEs, in particular to women-owned MSMEs. ChileCompra implemented an Action Plan with gender-specific evaluation criteria, specialized training initiatives and a new certification program seeking to increase the participation of women entrepreneurs in public procurement, inviting them to register and use the platform as potential suppliers of the State. It focuses on the areas of Training, Mentoring, Certification. Results of the actions taken show that women participating in the public procurement system through the e-marketplace reached 36.5 per cent of the total of participants in 2016.

► *India*

*Varanasi ICT Based Integrated Development Program for Women Empowerment in Lallapura Craft Cluster*²⁰ & *ICT Based Zari Zardozi* have been implemented under the Sai Institute for Rural Development to promote entrepreneurship development in the craft cluster of Varasani for women artisans. While the former seeks to develop ICT soft skills in women, the latter enhances the skills, productivity & livelihood of the identified women artisans engaged in Zari, Zardozi work using ICT Tools. About 116 women artisans have been

trained on e-commerce tools and 5 workshops on E-commerce have been delivered.

► Spain

Portal de Emprendimiento de la Mujer Rural operates under the Institute for Women and Equal Opportunities which launched the “Rural Women Challenge” Program in 2016 with the final goal of promoting women entrepreneurship in rural areas providing support in different phases of the projects, from technical support to access to finance, in particular to those innovative initiatives linked to technology. It aims to assist rural woman at each step to develop and boost her project successfully. Some of the activities that can benefit the women are: training, mentoring, coaching, web portal for entrepreneurs and an online store. This portal was created as the main tool for rural women entrepreneurs to access information on specific actions and resources in the field.

► Tanzania

Apps and Girls is a private social enterprise which was founded in 2013 with the aim to bridge the tech gender gap in women and girls. It seeks to impart quality coding training and entrepreneurship skills to girls in secondary schools via coding clubs, and to university level students at academic institutions, host holiday events such as hackathons, bootcamps, and competitions, provide internships and high-class mentorship to girls to create tech start-ups and use the enterprise’s network to promote the girls’ works to customers, partners and potential funding opportunities. About 25 coding clubs have been created with 2656 girls trained since 2013.

► Turkey

Hepsiburada leads and owns one of the largest operation centers of e-commerce in Turkey and is the largest e-commerce platform in Eastern Europe,

Africa and the Middle East. Its founder is a women entrepreneur who believes e-commerce levels the playing field for women both in Turkey and across the region. In 2017, it started the Technology Power for Entrepreneur Women Program to empower women to grow their businesses through e-commerce fostering their participation. The programme aims to help at least 1,000 women entrepreneurs per year.

Recommendations

It is possible to design and implement crucial support programmes for women-owned MSMEs in e-commerce by considering some of the following recommendations:

- Aim to overcome basic infrastructural barriers which directly affect the participation of women-owned MSMEs in e-commerce; this is particularly critical for developing countries and LDCs where infrastructure for access to the Internet is still limited for women in rural areas.
- The agencies responsible for entrepreneurship, innovation, technology and women, as well as the relevant ministries to aid in the creation of national ecosystems of women entrepreneurs in e-commerce.
- Design supportive policies and quality programmes for education of women entrepreneurs in digital technologies which can arm them with skills to tap into market opportunities.
- Undertake specific studies addressing the barriers faced by women-owned MSMEs in developing economies.
- Design and implement different ways to spread relevant information on how to be active in e-commerce for women entrepreneurs in remote areas or rural areas

- Promote the work of trade support institutions and other organisations and associations supporting entrepreneurship at the national level who have direct access to women entrepreneurs' networks and work with women entrepreneurs.
- Explore ways to incorporate women-owned MSMEs into public markets by the use of technology and platforms which approach, in particular, rural women-owned enterprises with opportunities which are often given to urban enterprises.
- Promote and support the creation of centres of learning in remote rural areas so that women-owned MSMEs can benefit from online training and webinars to receive technical information, helping minimise the cost of face-to-face capacity-building activities.
- Design tax policies which promote the growth of private sector support for national and regional female digital entrepreneur ecosystems.
- Directly address the creation of new programmes with organisations sensitive to the matter, i.e., family offices which manage family business investments.
- Support the creation of elective courses in higher education institutions worldwide to sensitise professional women who can act as replicators of programmes and policies.
- Raise awareness and disseminate information among the population, women and men, on the digital gender divide, the barriers women experience to being economically active and how technology and e-commerce can bridge the gap.
- Identify and highlight role models of successful women entrepreneurs in e-commerce to

increase the awareness of the importance of and opportunities for women in the economic development of their countries and to disseminate information on managerial best practices in e-commerce.

Conclusions

Women-led MSMEs are a fundamental component to achieving social cohesion and economic prosperity in any region. It particularly works to enhance women's participation in the economic development of their country. However, women entrepreneurs face a wide array of challenges when doing business online. It has been found that most of the barriers women entrepreneurs face in the physical world, i.e. offline, are also experienced in the digital world, strengthened by the digital veil hiding the perpetrators.

International efforts to create some sort of 'safe spaces' or 'e-market places for women entrepreneurs only' must be undertaken as temporary remedies or actions in pursuance of the final goal of making all markets safe spaces for women entrepreneurs.

Ongoing initiatives at the national, regional and global levels are contributing towards positioning women entrepreneurs in the digital arena and providing them with visibility and technical education and connecting them with institutional ecosystems. This is helping to establish women entrepreneurs and their businesses in the digital world and enabling them to become successful. The number, reach and impact of these initiatives should be increased while learning from the experience of existing initiatives.



CUTS International, Geneva

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37-39, Rue de Vermont, 1202 Geneva, Switzerland
geneva@cuts.org • www.cuts-geneva.org
Ph: +41 (0) 22 734 60 80 | Fax: +41 (0) 22 734 39 14 | Skype: cuts.grc
Also at: Jaipur, Lusaka, Nairobi, Accra, Hanoi, Delhi, Calcutta and Washington, D.C