



Briefing Paper

Mainstreaming Gender in E-Commerce: Possible Lessons for AfCFTA

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Summary

This briefing paper summarises a study by CUTS titled “Mainstreaming Gender in Key E-Commerce Policy Areas: Possible Lessons for AfCFTA” authored by Fezeka stuurman, Leslie Sajous, Julien Grollier, and Yasmin Ismail available at <https://bit.ly/3ef9m5N>. It highlights the economic potential of digitalisation in Africa for economic development and women’s empowerment and discusses the gendered-challenges faced by women-owned MSMEs. The study draws on successful case studies from Africa to illustrate the commitment of African leaders to harness the full potential of digitalisation by mainstreaming gender in e-commerce. The study concludes that including gender agenda in the promotion of e-commerce yields positive results for gender equality and international trade. It advocates adoption of an ambitious and transformative approach for this purpose while preparing for the 3rd Phase AfCFTA negotiations on an E-Commerce Protocol.

Introduction

In our digitalised world today, e-commerce is emerging as a new form of trade. To harness the full potential of e-commerce, governments around the world are adapting their policies and strategies. At the same time, the United Nation's 2030 Agenda for Sustainable Development has highlighted gender equality as a cutting-edge issue for all of its 17 goals, and a requirement for economic growth and development. Bearing this in mind, initiatives aimed to maximise the potential of e-commerce should implement gender mainstreaming. At present, Micro, Small and Medium Enterprises (MSMEs) account for almost 50% of jobs worldwide and nearly 10 million of them are women-owned. To facilitate sustainable development and integrate MSMEs into global markets through e-commerce, the integration of a gender agenda can be key.

It is important to note that world leaders have identified the digitalisation of the economy and gender mainstreaming as priority areas for trade and development policies and strategies. At the multilateral level, negotiations under the Joint Statement Initiative on E-Commerce¹ are in progress and the number of the Regional Trade Agreements (RTAs) incorporating e-commerce specific provisions and chapters is increasing. More recently, the African Union (AU) has agreed to include a third phase of negotiations for an e-commerce Protocol under the African Continental Free Trade Area (AfCFTA).

The growth of the digital economy, and its acceleration in Africa over the last decade has offered new opportunities for women. According to the OECD², the flexible working hours of e-commerce and online platform-based businesses

enable women work and simultaneously manage their domestic responsibilities. Additionally, conducting business online further eliminates the likelihood of gender-based violence of in-person transactions and enables women traders to work more safely. Such opportunities have encouraged raising ambitions of gender mainstreaming in Africa, particularly in e-commerce related policies.

E-commerce related - Challenges Faced by Women

Women-led Small and Medium Enterprises (SMEs) continue to face challenges in their attempts to benefit from e-commerce. The following key challenges are elaborated in the study:

Limited Access to Internet and ICT Devices

Even though the number of Internet subscribers have quadrupled in Sub-Saharan Africa, nearly 800 million people, mainly women and marginalised people in rural and low-income areas still lack access to Internet.³ Women are 15% less likely to own a mobile phone and 41% less likely to use mobile Internet than men.⁴ Moreover, simply providing infrastructure and Internet connectivity is insufficient in increasing female usage of those facilities. Issues such as women's physical safety in those areas and the social norms therein curtail their freedom of movement and determine their ability to access Internet facilities. As most people in Africa use mobile Internet to get online, it poses another obstacle for women, as they tend to struggle to show proof of identification required to register for SIM cards.⁵

¹ Launched at the WTO 11th Ministerial Conference in Buenos Aires, Argentine, December 2017.

² OECD. (2018). Bridging the Digital Divide: Include, Upskill, Innovate, Paris: Organisation for Economic Co-operation and Development. Available at: <http://www.oecd.org/internet/bridging-the-digital-gender-divide.pdf>

³Gates Foundation (2019). A G7 partnership for Women's Digital Financial Inclusion in Africa. Available at: https://docs.gatesfoundation.org/Documents/WomensDigitalFinancialInclusioninAfrica_English.pdf

⁴ Ibid.

⁵ GSMA (2013). Unlocking the Potential: Women and Mobile Financial Services in Emerging Markets. Nairobi. Available at: <https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2013/08/07.-GSMA->

Research indicates that Internet penetration in developing countries is far below that of the developed world. In Middle Africa, Internet penetration is as low as 12%.⁶ A gendered analysis of Internet usage shows that women have a more limited access to ICT facilities than men. Not only is internet usage low in developing countries, the cost of those services is around 30-40% higher than that in developed regions due to poor ICT infrastructure, absent or irrelevant ICT laws, and monopolies of service providers.⁷ These high costs are another reason why women's Internet access is much lower than that of men, as women's incomes are generally lower and they find it harder to access capital. This pushes women entrepreneurs to resort to cheaper devices with poor connectivity and limited access.

Lack of security and trust

Women's limited experience with the Internet makes them most at risk of cybercrime as they find it harder to identify unusual behaviour online. Online abuse as a form of gender-based violence, curbs women's freedom and human rights and violates the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Women are vulnerable to online harassment, surveillance, illegal data retention and fraud. Research suggests that while the consumer protection related to e-commerce is as high as 73% in Europe, it is merely 46% in Africa.⁸ This makes women in Africa more apprehensive about using the Internet. The lack of consideration of women's security challenges online also stems from the fact that few women are involved in the design and development of digital technologies.⁹

[mWomen presentation GSMA-mWomen-WG-meeting July-2013.pdf](#)

⁶ Hootsuite (2019).

⁷ Alliance for Affordable Internet (2017).

⁸ UNCTAD. Online Consumer Protection Legislation Worldwide. Available at: https://unctad.org/en/Pages/DTL/STI_and ICTs/ICT4D-Legislation/eCom-Consumer-Protection-Laws.aspx

⁹ GSMA. (2019). Connected Women The Mobile Gender Gap

Lack of inclusive financial frameworks

There is significant evidence that highlights how women's limited access to finance is a key obstacle to their businesses. Globally, nearly one billion women lack access to formal financial services, with nearly 4 in 10 women in developing countries having no bank account.¹⁰ In some countries in the Middle East and North Africa (MENA) region, the law does not permit women to access capital on equal terms as men. For instance, laws may prohibit them from setting up independent bank accounts, taking out loans, owning property or starting their own business.¹¹

Nearly 95% of all consumer transactions in Africa are in cash making it harder for women-owned businesses to participate in formal cross-border transactions. Therefore, women-owned MSMEs are trapped in cash-only systems, struggle to grow their business and make profits. Cash based transactions fuel the invisible economy by limiting productivity and growth of vibrant sectors such as small and microenterprises, and making it infinitely more difficult to include these economic activities in any form of official statistics, oversight, taxation and regulation - all critical for the participation of women in e-commerce. For instance transactions that take place through platforms such as Facebook, Instagram or WhatsApp, where secure payment gateways are not available are harder to track and merge into the formal economy. In addition to this, in many parts of the developing world women are subject to restrictive cultural and social norms that curtail their freedom. For instance, many women handover incomes to husbands or parents and have no control over how their money is spent or saved. This further lowers their chances of

Report. Available at:

<https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/03/GSMA-Connected-Women-The-Mobile-Gender-Gap-Report-2019.pdf>

¹⁰ Gates Foundation (2019). A G7 partnership for Women's Digital Financial Inclusion in Africa. Available at: https://docs.gatesfoundation.org/Documents/WomensDigitalFinancialInclusioninAfrica_English.pdf

¹¹ WBL Reports

realising their economic potential.

Lack of gender consideration in trade facilitation laws & agreements

Women-run SMEs face greater challenges around trade logistics and facilitation due to restrictive societal and cultural norms. A combination of patriarchal norms, lower educational attainment, limited skills and weak business networks make it systemically harder for women traders to thrive. Their challenges are gendered, as they are a reflection of deep-rooted disparities that continue to disadvantage them and make it harder for the sustenance and success of their businesses.

Large express companies that provide better services also charge higher rates for individual Business to Consumers (B2C) packages, which lowers profit margins of women-owned MSMEs.¹² As postal operators offer more favourable prices, women are more likely than men to use them. But postal operators offer lack a range of important services including traceability and support for customs clearance, adversely affecting women traders. Furthermore, companies that develop logistics services for MSMEs are insensitive to the needs of smaller e-retailers, consequently affecting women traders more profoundly.

Trade agreements are overwhelmingly gender blind and may result in damaging impacts, especially in lower income countries. For instance, the WTO's Trade Facilitation Agreement (TFA) of 2017 that aimed to reduce cost and time of cross-border trade and support e-commerce, identified no explicit gender targets. Research suggests that gender blindness in e-commerce stems from a limited understanding of the disparate impact of trade policy on women and

thus the tendency to tie gender-related provisions to other cross-cutting issues and only viewing it as aspirational outcomes.¹³

Cross cutting gendered barriers to e-commerce

Both women's barrier to digital access and their use is shaped by deep-rooted social, economic and cultural norms. In patriarchal societies, income, educational and employment challenges faced by women discourage them from exploring the web to the best of their ability. Low female literacy levels and limited awareness of the economic potential of web opportunities, results in low engagement with e-commerce platforms. Systemic gender-based discrimination against women leaves them with limited disposal income and time to invest on skills and knowledge building. The digital gender divide will prevail as long as e-literacy exists amongst female cohorts.

Mainstreaming Gender in E-Commerce: A Transformative Approach by AU

The African Union (AU) recognises gender equality as one of its founding principles and an integral part of the pursuit of African integration.¹⁴ Even though the AU has a developed normative framework to advance gender equality, the Gender Policy in 2017 and 2018 highlighted an implementation gap. This is made evident by the fact that in Africa, women own less than 10% of the land and account for only 5% of all CEOs.¹⁵

The revised AU Strategy for Gender Equality & Women's Empowerment (GEWE) 2018-2028 aims to achieve Aspiration 6 and Goal 17 of Agenda 2063, that aspire to harness the potential of women, empower them and end violence and

¹² World Economic Forum (2018)

¹³ Padideh and Amaral (2019)

¹⁴ OAU (2000). Constitutive Act of the African Union, Lome: Organisation of African Unity. Available at: https://au.int/sites/default/files/treaties/7758-treaty-0021_-_constitutive_act_of_the_african_union_e.pdf

¹⁵ AU (2018). Draft Two African Union Gender Strategy (2018-2027). Available at: http://genderlinks.org.za/wp-content/uploads/2017/10/AUGenderStrategyDRAFTTWO_mm_mclm_112017.pdf

discrimination against women and girls. The new GEWE strategy developed a theory of change that ensures policies; actions and interventions at all levels are creating a pathway for positive change with focused and targeted outcomes.¹⁶ To do so, the strategy has identified the following four strategic pillars: (i) Maximising economic outputs, opportunities and Tech E Dividends; (ii) Dignity, Security and Resilience; (iii) Effective Laws, Policies and Institutions.

Leadership, Voice and Visibility

The first pillar, in particular, pairs gender with key digital economy and e-commerce related policies, namely: lack of financial access, lack of access to ICT and e-solutions and lack of digital skills. This new strategy takes the AU's gender mainstreaming ambition to the transformative level, as it establishes a stronger link between normative commitments and implementation; targets strategic entry points and gaps; and identifies focused and realistic interventions.

The Digital Transformation Strategy (DTS) for Africa 2020-2030 aims to foster a digital economy ecosystem and society at the continental, regional and the national level. In addition to promoting inclusive, affordable and accessible ICT and addressing the needs of women, the strategy also promotes synergies between efforts at the national, regional and continent level.¹⁷

Gender Mainstreaming and E-Commerce in the Regional Economic Communities (RECs): Recent initiatives by SADC and COMESA

African leaders are actively promoting gender responsive policies in e-commerce at the level of the Regional Economic Communities (RECs) representing the building blocks of the African Integration. In particular, the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA), have been active in reviewing their gender strategies and policies to establish a suitable trade and entrepreneurship environment for women.

The SADC Founding Treaty identifies gender equality as a development agenda and adopted the Declaration on Gender and Development in 1997 and the SADC Gender Policy in 2003. The economic agenda of the SADC focuses on the inclusion of gender in e-commerce development.¹⁸ It considers gender mainstreaming and promoting gender equality across the various policies as a pre-requisite for this new plan to achieve its goals. The 2012 SADC E-commerce Framework aims to promote socio-economic development but only makes references to “disadvantaged communities”. The lack of an explicit mention of women shows how the Framework remained gender neutral.

COMESA focuses on women's participation in business and SMEs across sectors - agriculture, industry and trade.¹⁹ It further identifies the contribution of women in socioeconomic transformation and growth and encourages

¹⁶ AU (2009; 2018b). African Union Gender Policy. Addis Ababa: African Union. Available at: https://www.un.org/en/africa/osaa/pdf/au/gender_policy_2009.pdf; Draft Two African Union Gender Strategy (2018-2027). Available at: http://genderlinks.org.za/wp-content/uploads/2017/10/AUGenderStrategyDRAFTTWO_mm_mclm_112017.pdf

¹⁷ AU (2020) Available at: <https://au.int/en/documents/20200518/digital-transformation-strategy-africa-2020-2030>

¹⁸ (SADC, 2017). Summary Of The SADC Revised Regional Indicative Strategic Development Plan 2015-2020, Gaborone. Available at: https://www.sadc.int/files/5415/2109/8240/SADC_Revised_RIS_DP_2015-2020.pdf

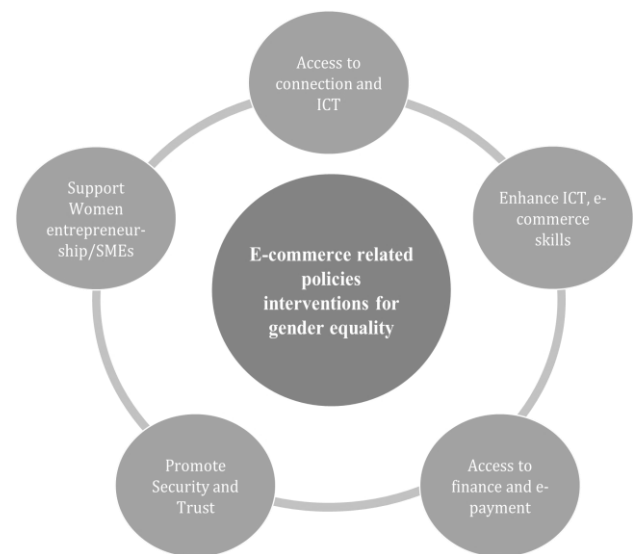
¹⁹ The State of African Women Report (2018). Chapter 4: The Regional Economic Communities and women and girls' rights, Nairobi: State of African Women Project Consortium. Available at: <https://rightbyher.org/wp-content/uploads/2018/12/SOAW-Report-Chapter-4-Regional-Economic-Communities-.pdf>

member states to eliminate discriminatory regulations and customs. To do so, COMESA launched its Medium-Term Strategy 2016 -2020 to foster gender equality and promote informed policies that respond to women’s specific needs in a fast-changing economy and rapidly-evolving technology. The Strategy focuses on gender analytical work; data collection and analysis, periodic gender audits and assessment to gain an insight into women’s roles and needs for empowerment. To enhance digital reach, COMESA implements the Digital Free Trade Area (DFTA) concept, which focuses on three trusts. First, e-trade: a platform for online trade, an e-payment gateway and mobile apps for small-scale cross-border traders; e-Logistics: the use of ICT to improve logistics; and, e-Legislation: legislation which allows countries in the region to carry out e-transactions and e-payments.

E-commerce related National Initiatives and and Interventions to Promote Gender Equality: Some African Success Stories

As the study has highlighted, the success of e-commerce is dependent on closing the gender gaps in access to capital, resources, finances and skills development. Figure 1 below, illustrates a set of tools and interventions at the national level to implement gender equality in e-commerce.

Figure 1: A graphic representation of the interventions to implement gender equality in e-commerce



Source: Authors, inspired by Joekes *et Al*, 2020.

The following successful case studies illustrate how e-commerce can be a catalyst for gender equality in international trade as it brings new opportunities for women to grow their businesses.

Kenya: Leader in Mobile Money

Evidence shows that mobile money solutions have been a game changer for Africa as they allow Internet connectivity and remote non-cash money exchange without requiring a bank account. Such transactions bring financially excluded groups into economic activity and primarily help rural poor and women. E-money enables women to have greater autonomy over their capital and transactions and access finance safely.

For instance, the success story of Kenyan mobile money service provider M-PESA is proof of how e-commerce facilitates economic growth for women. Nearly 70% households were M-PESA users in 2009 and the usage had increased formal financial service to 67% in 2013.²⁰ M-PESA has enabled Kenyan women to save their money

²⁰ Jack and Suri (2011). Mobile Money: The Economics of M-Pesa. Available at: <https://ssrn.com/abstract=1749882>

safely, rather than saving it in their homes.²¹In patriarchal households, M-PESA helps women further by allowing them to manage their household liquidity with less control by the men in their families.²²

Chad: Partnership between Government, NGOs and Private Sector

In Chad, private sector, NGO and government partnerships started an initiative to promote women's access to ICT hardware and connectivity. To do so, they aim affordable smartphone ownership in emerging markets, removal of taxes on mobile phone and subsidisation of 20,000 smartphones over 3 years for women. More than 700 women-owned SMEs are expected to benefit from this initiative.²³

Nigeria: Digital Education and Skills Development

In Nigeria, the government's Girls and Women Initiative Nigeria (G-WIN) initiative promotes targeted interventions to benefit women and girls across the sectors, through ICT training for young women and girls. As part of this initiative, the Digital Girls Club web platform is implemented in secondary schools across the country to teach girls Internet safety, digital products design, web development and the use of ICT for productive goals.²⁴

Tunisia: Impact of 'Virtual Market Place' Project

The World Bank runs 'Virtual Market Place', a pilot project in Jordan, Morocco, and Tunisia to help women and youth owned SMEs in the MENA

region increase their exports through e-commerce platforms and create business enabling environments. The project was extremely successful in Tunisia as nearly 42% of participating SMEs were women-owned and managed to export to over 20 destinations through e-commerce platforms such as Etsy, eBay, TradeKey, Alibaba, and Amazon, generating revenue of over 471,500 Tunisian Dinar (US \$165,350).

Tanzania: Women Security in Cyberspace

As research suggests, cyber security regulatory frameworks help increase women trust and openness for establishing and lead online-based businesses, Tanzania adopted a Cybercrime Act in 2015. The Act primarily aims to protect sensitive infrastructures, reduce vulnerability and cyber bullying, and minimize the damage that cyber-attacks may cause. As the Act did not explicitly address online violence against women, in 2016, the country adopted the National Plan of Action to End Violence Against Women and Children, to review all existing frameworks to safeguard women and children for acts of violence.

Conclusion

The study has thrown light on how digitalisation presents opportunities for growth and development in Africa. The decision of African leaders to include a Protocol on e-commerce in AfCFTA is evident of their determination to harness the full potential of e-commerce.

The study also highlights the need to integrate a gender agenda in e-commerce to maximise the potential of Africa's growing digital economy. This research has identified that despite the

21 White (2012). The Social and Economic Impact of MPESA on the Lives of Women in the Fishing Industry on Lake Victoria Available at:

https://digitalcollections.sit.edu/isp_collection/1246/

22 Morawczynski and Pickens (2008). Poor People Using Mobile Financial Services : Observations on Customer Usage and Impact from M-PESA. Available

at:<https://openknowledge.worldbank.org/handle/10986/9492>

23 GSMA (2018). Full report Available at :

https://www.gsma.com/mobilefordevelopment/wp-content/uploads/2018/08/Accelerating-affordable-smartphone-ownership-in-emerging-markets-2017_we.pdf

24 Full report available at: <http://digitalgirls.org.ng/dgcc/#>

substantial potential for women in e-commerce, their success and growth is challenged by a series of hindrances including troubles accessing finance due to lack of collateral or bank account ownership; limited access to and training of ICT; cultural biases rooted in gender-discrimination which prevents them from being taken seriously; and issues of trust and security in cyberspace that are particularly severe for women.

The analysis of AU and REC Plans and Strategies as well as national level initiatives and projects

that have specifically targeted women empowerment in the digital space in Africa, illustrate how the continent is taking a massive step in the right direction. This momentum should be taken into the negotiations for an E-Commerce Protocol under AfCFTA Phase 3 which provides a unique opportunity for comprehensive upscaling of gender mainstreaming in e-commerce. All stakeholders including African policy makers and negotiators, CSOs and women groups, private sector, as well as development partners should join hands in this endeavour.



CUTS International, Geneva

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