



Building Back Better with E-Commerce: A Feminist Roadmap

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The rhetoric of the e-commerce opportunity in policy dialogues on trade and development often fails to engage with concerns on equity and inclusion. While the pandemic has given a new impetus to digital trade, the status quo of data extractivism presents an insurmountable barrier to gender-inclusive economic recovery. A new gender transformative digital policy paradigm is needed that places sustainable livelihoods, data rights, and national public data infrastructure development at the center.

The Context

The gender and development implications of the digital transformation of the global economy are in the policy spotlight once again, with the 15th quadrennial conference of UNCTAD (UNCTAD15, October 3-7) and the 12th ministerial conference of the World Trade Organization (WTO MC-12, November 30-December 3) fast approaching.

There is a surfeit of optimism about the potential of e-commerce to pave the way for a rapid, gender-inclusive economic recovery in mainstream policy debates. In their joint research report on [‘Women and Trade’](#) published in July 2020, the WTO and World Bank emphasize how the ongoing negotiations on e-commerce could open up new pathways to women’s empowerment in the post-pandemic world order. The WTO Informal Working Group on Trade and Gender is gunning for a [gender and trade outcome statement](#) from the upcoming WTO MC-12 that will hasten the integration of women’s Micro, Small and Medium-Sized Enterprises (MSMEs) into cross-border value chains outlined in the [Buenos Aires Joint Declaration on Trade and Women’s Economic Empowerment \(2017\)](#). The activities of the Informal Working Group in 2020-21 [suggest](#) that digital trade/e-commerce will certainly form an important component of such a statement, despite the absence of a multilateral mandate for negotiations around this issue.

Against this backdrop, it is pertinent to ask the following questions:

1. Will the current trajectory of e-commerce get us to a feminist economic future that guarantees the rights of women in the Global South?
2. How can the potential of the digitalizing global economy be harnessed towards gender equality?

Accelerated digitalization and moral hazards of the digital marketplace

The Covid-19 pandemic saw a new momentum in the digitalization of global trade in goods and services, despite an overall slowing down of economic activity. The share of e-commerce in global retail trade is estimated to have [increased](#) from 14% in 2019 to 17% in 2020. Transactions for goods on the leading regional e-commerce platforms – Mercado Libre from Latin America and Jumia from Africa, doubled from their pre-pandemic baseline levels in 2020, as highlighted by UNCTAD and the ‘e-Trade for all’ group in their [global review](#) of Covid-19 and e-commerce. While trade in services, [overall, did poorly](#) in 2020, the one class of

services that held up relatively well was communication and business services such as finance and insurance that are deliverable remotely and digitally.

The implications of the growth of e-commerce for gender equality in the marketplace need to be urgently unpacked. To begin with, the story of women and e-commerce marketplaces is much more complex than what techno-optimists would have us believe. [Currently](#), women own or manage about 20 per cent of export firms worldwide, and a third of the world's MSMEs. There is [some evidence](#) that a greater share of women entrepreneurs have participated in online marketplaces for trade in goods and services than in traditional offline business. This is true even for developing countries. In Africa, 75 per cent of the firms trading exclusively through e-commerce are women-owned. Among the global host community on Airbnb, 55 per cent are women. More than half of all online shops on Alibaba are owned by women.

Given that socio-economic factors impinge upon participation in digital marketplaces, it is highly likely that women who have been able to take advantage of e-commerce come from relatively better-off backgrounds. Further, the e-commerce marketplace is no level playing field for women. Commissions of over 40 per cent on sales, product packaging, and stock replenishment conditionalities are simply [too difficult for women's enterprises to sustain](#). The majority of these enterprises tend to be small-size businesses – with low output levels, limited growth potential, thin price margins, and very little capacity to bear the inventory and customer service overheads to succeed in dominant online marketplaces. Thus, it is unsurprising that although women-led firms account for half of all firms selling on Alibaba, [their average sales are lower](#) than the sales of their male-led counterparts. On an average, the sales revenue of women-led firms is 18 per cent lower than that of firms led by men. We need much more research and macro statistics on how women-run businesses fare online, especially in the post pandemic context, to understand who benefits and who does not.

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The moral hazards of a monopolistic platform economy controlled by a [handful of transnational digital corporations](#) also entrenches the risk of adverse terms, depriving women entrepreneurs and workers of fair value. Algorithmic opacity in product rankings creates information asymmetries in which the seller is at the mercy of the platform. As one beauty and wellness worker with Urban Company – an India-based service work platform – shared with IT for Change’s researchers: “Before the pandemic, for a one-hour massage service, Urban Company used to deduct 130 INR as commission charges. Now they deduct 240 INR. When we asked, they said the business is expanding and so they have increased the commission. But how the price is fixed for each customer, we don’t know at all.”

Deepening gender hierarchies and the crisis of care

Going beyond the e-commerce narrative, and its boilerplate opportunity rhetoric, the platform model needs to be understood for how it transforms production relations. This shift has not augured well for women. In developed countries, automation is expected to increase low- and high-skilled employment at the cost of middle-skilled labor that women dominate, triggering a roll back of historical gains in overcoming gender gaps in pay and job status.

The shift to the digital economic paradigm is deepening global inequality in labor chains, excluding and expelling small and marginal actors. The digital futures of women in the Global South – who are mainly concentrated in informal service work, and homestead farming and agricultural wage work – seem even bleaker. Intelligent automation in sectors such as manufacturing is highly likely to result in the reshoring of jobs back to developed countries, leaving many women in developing countries unemployed, with cascading effects for entire supply chains. In platform-mediated online jobs, [just about two in ten workers](#) from developing countries are women, and they tend to be concentrated mostly in low-paid, repetitive microwork.

As [IT for Change’s research in India](#) found, women working for global digital work platforms, such as Amazon Mechanical Turk, are caught precariously between a rock and hard place – their work online has shrunk, but they cannot give up. With the pandemic creating pressures for their households’ survival, they must stay up long hours – just watching their account on the screen all night long, and waiting for work to come their way. Many of the women fear that they may be de-platformed any time, without any explanation.

Platformization also implies the concentration of data and AI power in the hands of e-commerce companies – first movers backed by venture capital funds that effectively hollow out local production capacity, blatantly undermining economic rights of small producers. A 2020 [research report by ODI](#) demonstrates how platformization of agricultural value chains in developing countries and entry of agri-tech platforms may actually exacerbate gender divides in agricultural productivity. This is not only because of the gender digital divides that prevent women farmers from accessing such platforms but also institutional constraints, such as lack of formal ownership documents and access to working capital that are needed to sign contracts with platform service providers in order to be guaranteed market and logistics services. [Research by GRAIN](#) highlights how agriculture platforms integrate small and marginal farmers (majority of whom are women) into contractual farming models on extremely unfavorable terms.

Precarious gigs mean that with a living wage no longer guaranteed, women workers are perpetually hustling to make ends meet. Quite antithetical to the benefits of flexibility that the platform economy is valorized for, what we find is an acceleration of gendered dispossession; an extraction of women's digital labor for profit, and the obscuring of the care work they perform.

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Meanwhile, the scramble to platformize services that were previously less trade-intensive and mainly the preserve of the public sector, such as education and health, portends a social policy problem with serious repercussions for gender equality. [Ed-tech](#) and [digital health](#) sectors are booming with investments, especially from Big Tech companies. In emerging e-commerce and services trade agreements, education and health are [cast as marketable commodities and not as public goods](#) that the state is delivering to the most marginalized citizen. Under these conditions, digitalization will result in a de facto marketization of services that were previously public, directly disenfranchising the most marginalized women.

A gender-transformative digital trade agenda

Policy discussions at the global level seem to ignore the gendered realities of the current digital economic paradigm. Powerful countries want the hyperliberalization of e-commerce in goods and services despite overwhelming evidence that this is inimical to gender equality and global economic justice. They want data to flow freely to tighten their control over data-based intelligence, the key resource in the fourth industrial revolution.

At some level, it is no surprise that the Joint Statement Initiative on e-commerce, a plurilateral negotiation of [dubious procedural legality](#) led by the US and its allies at the WTO, attempts to entrench the colonial data paradigm. But in what can only be described as a truly disheartening development, the outcome document of UNCTAD15 also calls for establishing an international enabling environment for [“data flows in trust”](#), a dangerous policy position first mooted at the G-20 meeting at Osaka in 2019. In the guise of addressing concerns about personal data protection and security in cross-border data flows, this formulation just reinforces data extractivism. The platform economy is rooted in the worrying materiality of data exodus from the Global South. It undermines the right of people in developing countries to own their data. It prevents a feminist platform economy from taking shape, legitimizing the leaching away of data resources from the Global South by powerful transnational digital companies of the Global North.

For the digital revolution to be harnessed towards feminist futures, the governance of digital infrastructures needs to be reimagined. The Global South can build back better only through sustained public investment, including from generous official development assistance, channeled to create public e-commerce marketplaces for small producers and workers; public cloud infrastructure providing affordable business intelligence services for social and solidarity economy enterprise models, home-grown AI capabilities to support gender-inclusive service delivery, and so on.

The jurisdictional sovereignty of all countries over their data resources is an extension of the right to development. As Article 2(3) of the [Declaration on the Right to Development](#) highlights, the right to development is concomitant with the duty of states to “formulate appropriate national development policies that aim at the constant improvement of the well-being of the entire population and of all individuals [...] and in the fair distribution of the benefits resulting therefrom”. In the context of the digital economy, what this means is that jurisdictional sovereignty over data resources has to be exercised in ways that enable the fair

distribution of data value among all citizens, preventing the cornering of network-data value by a few digital behemoths – transnational or domestic. We need a new data governance paradigm that protects and promotes civic-political and economic rights in data, appropriately balancing individual and collective claims in data resources.

An e-commerce agenda that is gender transformative is, thus, contingent on distributive integrity in the platform economy, grounded in a democratic global governance paradigm for data that centers sustainable livelihoods, data rights, and national public data infrastructure development.

The outcome document of UNCTAD15 reveals the hegemonic power of the global digital economic order, failing to measure up to the aspirations and rights of those instrumentalized by platform capitalism. Under the circumstances, it is vital that UNCTAD reclaims its mandate to galvanize an equitable global digital economy. It needs to support the policy space of developing countries to govern data value chains, especially in relation to regulating Big Tech and evolving domestic digital economy strategies that protect and promote access to decent work and labor mobility for women. It must catalyze dialogues for a UN Tax Convention to strengthen the fiscal revenue base for developing countries to enable them build their social and care infrastructure. UNCTAD must also encourage South-South cooperation on domestic digital industrialization roadmaps.

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As countries go into the final leg of negotiations in the lead up to WTO MC-12, the need to commit to a feminist economic future is more urgent than ever. Developing countries must abstain from participating in plurilateral negotiations at the WTO. The hyperliberalization of e-commerce will neither nurture women's MSMEs nor improve the condition of informal workers in digitalizing value chains. They must reject any outcome statement on gender and e-commerce at the WTO MC-12; a future work program on this issue has

no multilateral mandate. They must demand that a new global treaty on the governance of cross-border data flows be negotiated at the multilateral level. Rules on cross-border data flows cannot be negotiated in trade forums.

Feminists have long pointed out that growth is about the nature and direction of the economy's expansion, not the rate. Any attempt at evolving a gender-transformative digital trade agenda must begin, therefore, with challenging exploitation and exclusion in the sphere of production and social reproduction under data capitalism.
