

Women's empowerment and gender equality in the digital economy

Considerations that must inform trade policy decisions

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How women's empowerment is framed in dominant discourses of digital trade

There is overwhelming emphasis that the moment for women's entrepreneurial freedom is finally here with the digital revolution (eg. Joint Declaration on Trade and Women's Economic Empowerment)

Unlocking this transformative opportunity is positioned as a matter of simply making trade rules simpler and easier and liberalising access to the digital marketplace

An illustration of this 'digital exuberance'

“Inclusive digital trade is about leveraging the digital opportunity for small businesses, women, young people, especially those in developing countries (...) we need to make trade rules easier and simpler ...we need to protect trade, (we don't need) trade protectionism. This means more free trade, and more globalization.”

- Jack Ma, at WTO Public Forum 2018

Why such digital exuberance may be unjustified

Unfair terms of participation in the digital marketplace controlled by a handful of e-commerce platform companies

- unaffordable membership fees and commission/ brokerage on sales (evidence from 2017 study conducted by International Trade Centre with 2200 MSMEs from 11 developing countries)
 - algorithmic gaming of the platform marketplace (Eg. Buy Box algorithm of Amazon)
 - predatory pricing (Eg. Trip Advisor's arbitrary discounting practices that affects partner home stays)
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Why such digital exuberance may be unjustified (contd)

- Capital backed cash burn and willingness of platforms to forgo short term profits for long term market capture that undercuts women small traders who are not integrated into the digital marketplace.

“Amazon is like the Guppy fish in the pond. It will bide its time and swallow up everything until no one else is left. While we hope to have made a small margin at the end of each day, the platform cares only about turnover. Doesn’t matter if it is running on losses.” – woman small trader from India

Exclusion of women MSMEs from the platform marketplace

- The majority of women-led enterprises, especially in developing countries, which are small size businesses with low output levels, limited growth potential, thin price margins and very little capacity to bear inventory and customer service overheads (Asian Development Bank 2017)
 - Clearly, the terms of participation in the platform marketplace do not work for the majority of women MSMEs
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The heart of the problem

Platform model extracts data and digital intelligence to completely enclose entire economic ecosystems and appropriates value through monopoly rent. It's not just in retail commerce.

Model is pervasive across all economic sectors, including the sector where a major proportion of women are employed in the global South: agriculture.

Platformisation and agricultural livelihoods

a. Food retail: e-commerce platforms building cross-border supply chains of agricultural commodities, through new “farm to fork models”. Research suggests this decimates local agricultural markets and livelihoods of marginal and small researchers (Eg. Research by GRAIN into Alibaba’s forays in agriculture in Asia)

b. Agri-tech platforms: platforms bundling info services, credit and input advisories. Research suggests the focus of these models is more about making marginal women farmers legible to big capital rather than productivity enhancement (Eg. Mann and Iazzolino’s 2018 research on agritech platforms in Africa)

Policy response – what is needed at the national level?

1. Checking the power of platform monopolies and their anti-trust practices, especially algorithmic gaming.

2. Digital industrialisation strategy that focuses on Investment in digital public goods

- publicly funded e-commerce/ agri-trade marketplaces

- seed funds for women farmer producer groups, service worker unions and social enterprises to set up alternative platform models based on ethical brokerage and equitable value distribution

Digital trade/ e-commerce policy proposals

What will be the impact of the digital trade/ e-commerce policy proposals on the table on domestic policy space to put in place frameworks for an inclusive digital economy?
