Gender and Digital Trade in the AfCFTA

Introduction

Digital trade generally encompasses digitally-enabled transactions of trade in goods and services that can either be digitally or physically delivered. Compared to physical trade or brick-and-mortar businesses, digital trade provides several benefits for women and opens new opportunities for women entrepreneurs and can contribute towards achieving gender equality.

The use of digital technologies, digital platforms, smartphones, internet and digital payments or services provide equal opportunities for all and can help countries to bridge the digital gender divide and build more inclusive economies.

Digital trade can enable women-owned businesses, whether in remote or rural areas, micro, small or medium enterprises even start-ups to internationalise their businesses and participate in electronic trade. These businesses have become micro-multinationals through digital platforms that connect them to large and outside markets. Digital platforms immediately reach potential consumers across borders. It is true, however, that for such e-commerce opportunities to be realised, goods ordered online will still have to cross borders. This underscores the importance of the connections between the e-commerce and the trade facilitation agendas in the AfCFTA.

The access to and use of internet and information and communication technologies have the potential to increase greater business efficiencies and increase meaningful participation of women in the digital economy or digital trade and to boost their economic autonomy. In the digital trade world, the playing field is levelled for all players through lower transaction costs, and improved business efficiency and outreach. Meaningful participation of women in the digital economy and trade means increased contribution to the revenue and gross domestic product of countries.
Digitalisation can increase income, unlock economic opportunities for women entrepreneurs through seamless access to knowledge, information, services and new markets. It allows women to promote their businesses through digital marketing services, and to reach a wide range of customers and enhance their integration into the regional or global value chains.

The advent of digital trade or access to internet has challenged the relevance of the brick-and-mortar business models. Millions of women-led businesses worldwide are increasingly generating revenue online and participating in electronic commerce. Many online businesses (e.g. Uber and Airbnb) are employing more women than similar traditional businesses. In digital trade, women can leapfrog some of the challenges they face in physical trade and use their electronic devices to execute transactions from the comfort of their homes.

**Digital Trade and Gender in Africa**

The growth of mobile broadband, smartphone ownership, and social media activity is driving digital trade or electronic commerce on the African continent. Women can now easily make payments or access financial services through mobile money. Women can engage in e-commerce from the comfort of homes through social media platforms such as Facebook, WhatsApp and Instagram.

However, the digital gender divide in Africa poses a threat to the growth potential of digital trade in Africa and its prospects to advance gender equality. The digital gender gap is largely due to limited access to internet and digital technologies by women, high digital illiteracy rates among women, and few women in the tech industry.

There are substantial gender differences in access to resources, capabilities to use information and communication technology (ICT) within and between African countries, regions, sectors and socio-economic groups (see Figure 2). Africa’s digital gender gap is the largest in the world (see Figure 1). Moreover, in Africa, women are, on average, less likely to own a smartphone than men. There are also more men in the ICT industry than women.

Other obstacles that affect women in digital trade or economy include the affordability of ICTs, socio-cultural factors and cybercrimes such as trolling, cyberstalking, online harassment or even sexual trafficking.
Figure 1: Digital Gender Divide in Africa

Based on the available limited data, the gender divide is significant, with percentage differences of up to 14 per cent in Guinea. This divide is least pronounced in Cabo Verde and Zambia.

<table>
<thead>
<tr>
<th>Country</th>
<th>Female (%)</th>
<th>Male (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cape Verde</td>
<td>61%</td>
<td>63%</td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>33%</td>
<td>40%</td>
</tr>
<tr>
<td>Guinea</td>
<td>15%</td>
<td>29%</td>
</tr>
<tr>
<td>Kenya</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>8%</td>
<td>19%</td>
</tr>
<tr>
<td>Zambia</td>
<td>13%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: ITU, 2022

Figure 2: Distribution of digital skills in Africa

"Developing digital skills is critical both for job success and to participate fully in a digital society. Such skills include generic competencies like searching online, communication via email, or instant messaging, as well as the ability to use work-related online platforms and knowledge of digital financial services."

- ITU, 2021

"Strengthening digital skills will narrow the global digital divide. Among the main reasons why people are not using the Internet in developing countries is the lack of capacities and skills, either to use technologies or to benefit from the information and services available online. Enhancing citizens' digital capacities serves to boost Internet use."

- ITU, 2021

"In Sub-Saharan Africa, over 200 million jobs will require digital skills by 2030, creating the need for almost 600 million training opportunities."

- IFC, 2019

Based on available data, Kenya, Mauritius, Senegal, Seychelles, Tunisia, Egypt, Cape Verde and Ghana are leading with respect to active population possessing digital skills (scoring between 4.7 and 4.1)

Source: WEF Global Competitiveness Index, 2022
Unless these obstacles are substantively addressed, benefits accruing from digital trade will be unequally distributed to the disadvantage of women. To ensure that gender inequalities are not further exacerbated by advances in digital trade, the digital gender divide must be addressed in the ongoing digital trade negotiations at the AfCFTA or e-commerce discussions at the World Trade Organisations and African Regional Economic Communities.

**Addressing digital trade barriers and gender inequality in Africa**

To grow digital trade in Africa, all the risks and barriers to electronic trade need to be addressed and the digital gender divide needs to be closed. International trade rules and negotiations are the appropriate tools or instruments to address these issues.

The AfCFTA Protocol on Digital Trade presents this opportunity. The Protocol could address these through the incorporation and enforcement of provisions related to cybersecurity, consumer protection, protection of personal information or data and unsolicited electronic messages or spam. Such provisions feature now in most free trade agreements including chapters on digital trade or e-commerce.

African countries can also address gender or structural inequalities by improving internet access, enabling enhanced, safer and more affordable access to digital tools as well as developing and implementing domestic policies or strategies aimed at ensuring that women contribute to and benefit from digital trade.

Governments can provide capacity building and technical assistance programmes designed to foster digital inclusion, including the participation of women and rural communities and other marginalised groups that may disproportionately face barriers to digital trade.

Governments can also develop cooperation mechanisms including sharing information and best practices, peer-to-peer learning in relation to enhancement and generation of business opportunities and the participation in digital trade by women.

Other initiatives necessary to support the meaningful and equitable participation of women in digital trade and broader digital economy include developing initiatives to provide digital financial services accessible and appropriate for women, increase female participation in STEM education and employment, extend internet access to remote or rural areas, promote access to and affordability and use of connected digital devices, and increase online safety.
ralac gratefully acknowledges the support of its Development Partners

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