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WOMEN AND E-COMMERCE IN NEPAL



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The manner in which business is done has been rapidly evolving with e-commerce emerging as a major mode of trade transaction alongside traditional brick and mortar approach. E-commerce, put simply, entails conducting commercial transactions electronically on the Internet. It provides opportunity for various electronic platforms to showcase products and services, trade and receive payments through the Internet. From consumers' perspective, e-commerce means enhanced convenience, wider choices and better value for money.

According to the World Trade Organisation, e-commerce transactions in 2016 was valued around US Dollars (USD) 27.7 trillion, of which USD 23.9 trillion (86.3%) was business-to-business (B2B) e-commerce transactions, and USD 3.8 trillion (13.7%) was business-to-consumer (B2C) transactions. These figures not only indicate the magnitude of global e-commerce market but also its reach.

E-commerce also contributes to market research in better understanding the e-commerce market and consumer behavior through the use of data, algorithms and artificial intelligence, making global trade more sophisticated yet accessible. The e-commerce ecosystem includes interconnecting functions of several sectors such as software and devices, websites, e-commerce platforms, e-payment, logistics, storage facilities, and data processing and outsourcing.

Current situation in Nepal

According to Nepal's e-trade readiness assessment report of 2017, the country is on the verge of embracing e-commerce due to several factors such as: increasing Internet penetration; existence of a basic information, communication and technology (ICT) infrastructure; readiness of the private sector; commitment of several regulatory and facilitating agencies; development of a rapidly expanding educated workforce; increased use of social platforms and apps, including business transactions; and increasing demand for digital payments, including for utility bills and e-government services.

These factors may have contributed to an upsurge in e-commerce sites – both platforms and providers. Some prominent ones include muncha.com, daraaz.com, esewapal.com,

foodmandu.com, hamrobazar.com and thulo.com. While cash on delivery is still the most preferred mode of payment, services such as e-sewa and khalti are getting equally popular.

Building trust among consumers and investors remains an ongoing challenge since e-commerce is perceived as being new and risky. Among several hindrances affecting the growth of e-commerce in Nepal, two major obstacles are noteworthy.

First is the e-payment system. The government has provided limited license to companies such as e-sewa, khalti, imepay and prabhupay to operate as e-payment service providers. In addition to this, last year, Nepal Rastra Bank imposed ceilings on digital transactions making it further challenging for e-transactions. Moreover, there is low level of awareness and trust on e-payment services including e-banking. Furthermore, the lack of cross-border payment gateway prevents enterprises and customers alike in engaging in international e-commerce transactions.

Second obstacle is the delivery mechanism. Delivering goods and services effectively and efficiently requires a proper postal service and addressing system for houses/apartments coupled with logistics and transportation infrastructure. Customers of e-commerce have reported delays in delivery and the mismatch between product delivered and the one shown in the websites. Poor handling of goods in transit is another area of concern.

Addressing these challenges is imperative to promote e-commerce uptake and growth. Equally important is to address the persisting digital gender divide and create a gender responsive e-commerce ecosystem, among other things, to facilitate in building an inclusive e-commerce ecosystem.

Digital gender divide

The International Telecom Union estimates that in 2017 the global Internet penetration rate was 50.9 percent for men and 44.9 percent for women. It also shows an increase in the global Internet user gender gap from 11 percent in 2013 to 12 percent in 2017. In the least development countries (LDCs) the gap further widened from 30 per cent in 2013 to 33 percent in 2017. In Nepal, there is no such gender-disaggregated data. However, according to Nepal

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अब यहाँहरुको सपना,
शीप र दक्षताको कदर गर्दै
यहाँहरुको व्यवसायलाई

सफल बनाउन मद्दत पुऱ्याउने छ ।

यहाँहरुको विश्वास जित्दै... मेगा बैंक अघि बढ्दै...



Telecommunications Authority, as of July 2017 Internet penetration rate was around 61 percent and 97 percent of Internet service was used through mobile broadband.

The widening digital gender gap has noteworthy consequences for e-commerce. In general, gendered barriers in ICT are often around availability, accessibility and affordability. A 2015 study by Global System Mobile (GSM) Association identified gendered ICT barriers to include: access to device and data cost; network quality and coverage; security and harassment; operator/agent trust; and technical literacy and confidence. According to other studies, gendered ICT barriers include: gender norms and stereotypes; availability of relevant content; and availability of relevant government policies focusing on promoting women in ICT.

In LDCs like Nepal, the lack of gendered data on ICT is not surprising. There is no exact data on the use of Internet and ownership and access to Internet among women. In the current scenario where women are constrained due to the social structure and gender norms and stereotypes, many women may find accessing ICT difficult. Moreover, age, class and geographical location, further exacerbate the gender divide.

Globally the need to have gender-disaggregated data and tackle broader gender inequalities including in the area of digitalization is critical so as to 'leave no-one behind' and achieve the sustainable development goals (SDGs). Further, the need to end digital gender divide and achieve SDG 5 (ensure gender equality and empower all women and girls) are mutually reinforcing as outlined in target 5 (b): 'Enhance the use of enabling technology, in particular, information and communications technology, to promote the empowerment of women.'

Gender responsive e-commerce ecosystem

The digital gender divide has significant implications for creating a gender responsive e-commerce ecosystem. In addition to addressing

the general challenges of e-commerce in Nepal, there is a need for a gender responsive e-commerce ecosystem that facilitates women owned/managed companies to engage and thrive. For this, two areas that demand attention are - hardware infrastructure and software requirements.

Hardware infrastructure includes: access to uninterrupted electricity; high speed Internet; and electronic devices. Getting online and staying online is key for any e-commerce business which is challenging for women due to the gendered challenges of ICT as mentioned earlier.

Software requirements include: government policies, skills and adequate human resources and access to finance mechanisms. A conducive policy environment coupled with guidelines and rules for effective e-commerce operation is critical. This requires formulation and implementation of domestic e-commerce rules in line with global rules. Gender responsive policies concerning, among others, infrastructure, law, education, ICT, consumer protection, competition, data security and data protection compliment a robust e-commerce governance system, which builds trust between the investors and users of e-commerce.

Skilled human resources contribute to smooth operation of e-commerce transactions and can lead to innovation. However, it is reported that there is a high turnover of human resources and that few women engage in ICT careers. The lack of or inadequate skills necessary to conduct e-commerce business makes it further challenging. So far, with some initiatives promoting women in Science Technology Engineering and Mathematics (STEM), interest is rising among young women to engage in ICT including e-commerce. Despite this, according to United Nations Educational, Scientific and Cultural Organization (UNESCO), globally women's representation in STEM is around 35 percent. In Nepal women's enrolment in science and technology related subjects is estimated to be lower than those in other education streams such as education, humanities and management.

One of the enduring hurdles faced by women entrepreneurs in general is access to finance. With lack of (or inadequate) collateral and project plan documentation, women entrepreneurs are obliged to limit their operation at micro or small-scale level even in the brick and mortar form. Financial institutions perceive e-commerce as relatively risky which makes it doubly difficult for women entrepreneurs in e-commerce business to obtain finance.

Scope for women entrepreneurs

Despite the gendered ICT barriers and the nascent stage of e-commerce ecosystem there is huge scope for women entrepreneurs worldwide to join the e-commerce platforms (even create such platforms) and engage in both B2B and B2C transactions. There are also many opportunities for women to be involved in the various sectors embedded within the e-commerce ecosystem in general and to create e-commerce startups in particular.

With women often facing mobility restrictions and being time-poor due to the social norms and cultures, e-commerce can be a boon to get into business, to earn and to be empowered. Furthermore, it is evident that since most of the e-commerce consumers are women, they are more likely to be good traders as well not least because they better understand the consumer needs, emotions and psychology.

Nepali women entrepreneurs through reputed networks such as Federation of Women Entrepreneurs Association of Nepal (FWEAN) are engaging and participating on discussions around the issue of e-commerce. They are also harnessing their skills and knowledge to set up e-portals, for example, winbiz.com and are also operating e-commerce sites such as ugbazaar.com and thulo.com. The future appears promising for women entrepreneurs in Nepal to be one of the prominent players of the e-commerce ecosystem. Addressing the digital gender divide and creating a gender responsive e-commerce ecosystem can bolster the government's vision of a 'Digital Nepal' as outlined in the Nepal ICT Policy 2015.



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