Women’s Economic Empowerment and Barriers to Digital Entrepreneurship

The Center for Women’s Economic Empowerment (CWEE) at CIPE advances gender equality in emerging markets to build more inclusive, thriving economies and democracies that deliver for all citizens. This briefer outlines how CIPE approaches can reduce barriers to digital entrepreneurship to promote women’s economic empowerment (WEE). This briefer lists some examples of CIPE programming and presents areas of interest for future research, project design, and policy exploration.

The Digital Gender Gap

Digital transformation has elevated the importance of the digital economy and highlighted the critical need for policies that advance an inclusive digital business ecosystem. The World Economic Forum estimates that in the future 9 out of 10 jobs will require digital skills. However, women face particular disadvantages in accessing digital upskilling opportunities in what has been identified as a significant gender gap. Globally, just over a third of all women are connected to the Internet, compared to almost half of all men. In total, approximately 327 million fewer women than men have access to the Internet and smartphones. The 2020 Affordability Report notes gaps in expanding women’s access to the internet.

The "digital divide" greatly impacts digital entrepreneurship. Digital entrepreneurship is defined as “entrepreneurial opportunities... created and pursued through the use of technological platforms” as well as other information and communication technologies (ICTs). Barriers that keep women from entering the digital economy also prevent their participation in digital entrepreneurship and result in a lack of women entrepreneurs and representation in ICT jobs. McKinsey & Company has estimated the effects of digital transformation on men and women in the workforce, calculating that 40 - 160 million women globally “may need to transition between occupations” by 2030 to remain employed. These transitions will require companies to provide their employees with knowledge, skills, and tools to employ advanced technologies in operations.

The digital gender gap can be partially addressed by encouraging more women to work in the ICT field and taking gender considerations into account when developing online spaces and technological tools. These changes can help alleviate some barriers that prevent women from entering digital entrepreneurship. Governments, companies, and other organizations must address these barriers to promote digital entrepreneurship, empower women to become leaders in the digital entrepreneurship field, and ensure that women’s voices lead the charge in digital transformation.

Barriers to Women’s Entrepreneurship Online

Women face several barriers to becoming digital entrepreneurs, including a lack of digital skills, and often limited access to resources and opportunities, networks, and financing. Men still dominate science and technology fields, and as a result, women are underrepresented in ICT and often lack the skills and knowledge required to conduct business online. Women are also more likely to lack financial resources that make digital entrepreneurship feasible. Women-owned startups receive 23% less funding than businesses owned by men, and traditional banks and investors are more likely to hesitate to invest in digital startups run by women, even as global e-commerce booms.

Finally, women entrepreneurs face growing threats of online gender-based violence and harassment (GBVH). Online GBVH provides a striking example of how gaps caused by rapid expansion and integration of technology can be exploited to disempower key sectors of society, particularly women and other vulnerable communities. Online forms of GBVH often involve widespread malicious defamation of victims, as well as anonymity that protects the harassers from consequences. Additionally, online GBVH damages women’s physical and emotional states and can cause irreversible economic damage to their businesses and networks. The European Institute for Gender Equality identified that online GBVH has increasingly led to economic forms of violence, where the victim’s current or future employment status can be compromised by information released online. The result is that businesswomen are often forced to resort to silence and online self-erasure, effectively silencing their voices and stifling their participation in society and democracy writ large.
Transformation.” This interactive training program supports entrepreneurs as they build digital literacy skills, innovate, and grow their business ventures online. Course content includes information about joining the digital economy, e-commerce, marketing and managing an online business, and adopting digital security.

- CIPE partnered with Connected Women in the Philippines to advance greater digital inclusion and digital literacy. Connected Women implemented a digital inclusion program focused on digital upskilling and reskilling training for women freelancers and entrepreneurs to participate in the artificial intelligence industry. Through this partnership, CIPE and Connected Women leveled the playing field for women adversely affected by the pandemic and institutionalized an advocacy network for a more inclusive digital economy.

- CIPE convened a webinar entitled “Entrepreneurial Resilience in the Aftermath of COVID-19” in May 2021 to discuss resilience challenges for women participating in the digital economy.

- CIPE supported the Bangladesh Women Chamber of Commerce and Industry (BWCCI) in assessing how the digital economy can be a tool for women’s economic empowerment and proposing policy reforms to improve women’s access to digital business and financial tools in Bangladesh. BWCCI’s research, business member insights, and advocacy priorities can be found in “Promoting Women in the Digital Economy,” published in 2021.

Importance of Women’s Digital Entrepreneurship to WEE & Democracy

Women’s digital entrepreneurship provides new avenues for economic empowerment by giving women the possibility to earn additional income, expand employment opportunities, and increase their access to knowledge and experience in the digital sphere. Digital entrepreneurship is critical to women’s inclusion in the economy; it is one of the most flexible ways to start a business, allowing women — who are often the primary care providers in their families — opportunities to work on a flexible schedule and remotely.

Women’s digital empowerment and entrepreneurial presence also leads to a more representative democracy. To participate fully in democratic societies that increasingly function in the digital sphere, women must have the capacity to engage online actively, equally, and safely. These interactions include opportunities to start businesses, expand market reach and find better paid jobs, as well as to participate more fully in public life and be visibly present in decision-making arenas. Investing in digital skills training, literacy, and targeted support for businesses and marginalized communities is key to reducing the current digital divide and ensuring that growth and participation in the digital economy post-pandemic is sustainable.

CIPE’s Approach to Women’s Entrepreneurship

CIPE supports women entrepreneurs in gaining the skills they need to thrive in the digital age. Through trainings that focus on upskilling, reskilling, and strengthening digital literacy, CIPE and its partners seek to remove barriers to digital entrepreneurship by empowering women to become leaders online.

Examples of CIPE’s Work

- CIPE worked with Layertech Software Labs Inc. to develop the digital literacy online training course, “Harnessing the Power of the Digital Economy: MSME Guide to Digital Jobs will be very different in 10 years. Here’s how to prepare | World Economic Forum (weforum.org)

4 https://www.ictworks.org/economic-cost-digital-exclusion/#.Yw-Us9fMI2w
5 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7134220/#:~:text=Digital%20entrepreneurship%20can%20be%20defined.business%20%5B1%2C%205%5D.
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