

THE GREEN PAPER ON E-COMMERCE: A GENDER POLICY ANALYSIS

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THE DEPARTMENT OF COMMUNICATIONS

BY THE

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ENGENDERING THE E-COMMERCE POLICY PROCESS

STRUCTURE OF THE REPORT

The research process resulted in two main documents:

- A policy analysis report
- A policy brief

The policy analysis report was the result of analysing the Green Paper on e-commerce from a gender perspective, identifying issues in the Green Paper that were gender-specific and could have an impact on women, and possibly perpetuate the existing inequalities in society. The report contains policy recommendations concerning issues of policy that should be taken into account when the legislation on e-commerce is finalised, and recommendations around strategy, concerning issues that should be considered when the policy is implemented. This report forms the main body of this document.

The policy brief was drafted to raise issues for discussion as part of the consultation process. The final policy brief incorporates the comments and input from women's groups and organisations, and is attached as an appendix to this report.

GREEN PAPER ON E-COMMERCE: ‘MAKING IT YOUR BUSINESS’

FINAL POLICY ANALYSIS REPORT

ENGENDERING THE POLICY PROCESS

Stages in the process

The Department of Communications endeavoured to make the policy formulation process as inclusive as possible. The Department established a website (ecomm-debate.co.za) as a forum for debate and discussion around the policy. In addition to this invitation for general participation and interaction, the Department tried to ensure that women were given the opportunity to participate in the process. Measures undertaken by the Department and C A S E included the following:

- Newspaper advertisements calling for women to comment on the policy
- Radio advertisements targeting community radio stations and calling for women to participate in the process
- Establishment of a telephone line to take calls concerning comments and queries
- An internal workshop with members of the Department to ensure input from staff with technical and specific knowledge and experience
- An invitation to participate in the process was sent to NGOs, women’s organisation and organisations working with SMMEs
- More than 400 organisations, NGOs, women’s groups and organisations working with SMMEs were invited to a ‘Gender and e-commerce’ workshop held in Braamfontein in May. Delegates participated in working groups and looked at a series of questions around the most crucial issues in the proposed policy.

Publicity campaign

The e-commerce publicity campaign involved newspapers and radio advertisements. The following advertisement was placed in newspapers around the country:

Call for comments

Is e-commerce a gender issue?
 How will the new legislation on e-commerce affect women?
 How will it affect small businesses headed by women?

The Department of Communications invites all stakeholders and interested parties to contribute towards ensuring gender equity in the Green Paper on e-commerce.

Before the Green Paper becomes law, the Department of Communications would like to hear from women and all those concerned with gender equity. Let your voice be heard and ensure that the laws on e-commerce are inclusive and empowering for women.

For more information and a draft gender policy analysis of the Green Paper on e-commerce, visit www.ecomm-debate.co.za. Send your comments by email to e-commerce@case.org.za, fax 011 403 1005 or phone 073 189 2448.

The newspapers that ran the advertisement included three national and three provincial newspapers in three provinces namely Gauteng, Eastern Cape and KwaZulu-Natal.

National
Mail and Guardian
Business Day
Sowetan
Local
Natal Witness
The Star
Daily Despatch

Table 1: Newspapers that ran the advertisement

The following radio advertisement was broadcast on local community radio stations.

As the Internet becomes increasingly important to businesses in South Africa, the government is introducing new legislation on e-commerce. The government is particularly concerned with how the new laws on e-commerce will affect women and women in small businesses. How can the new legislation ensure gender equity and empower women involved in e-commerce? The Department of Communications would like to hear from women and all those concerned with gender equity. Let your voice be heard and ensure that the laws on e-commerce are inclusive and empowering for women. To find out more about the new laws on e-commerce and gender issues or to submit your comments, phone 073 189 2448, fax 011 403 1005, email e-commerce@case.org.za or write to E-commerce, C A S E, P.O. Box 32882, Braamfontein, 2017.

Radio advertisements were broadcast on six local community radio stations in five provinces: Northern Cape, Mpumalanga, Eastern Cape, Gauteng and KwaZulu-Natal. Five of these radio stations have a rural audience component.

Jozi FM 105.8
Barberton Community Radio 104.1FM
Shoshanguve Community Radio 93.0FM
Highway Radio (KZN)
Radio Teemaneng Stereo (NC)
Unitra Community Radio

Table 2: Community radio stations that broadcast the advertisement

The response to the publicity campaign was disappointing, with very few people or organisations responding. While this could reflect a measure of disinterest in e-commerce and the policy around e-commerce, it could also reflect the fact that people lack even a basic knowledge of what e-commerce is, and the implications it could have for ordinary women across the country. The lack of response from NGOs and women's groups is of greater concern, since one would expect that these groups would have a greater amount of exposure to and knowledge of e-commerce, or could at least access resources to find out some information that they could convey to their constituencies.

Critique of the process

While these efforts reflect an attempt to make the process inclusive and representative, many delegates at the Gender and e-commerce workshop felt that there were some fundamental flaws with the approach, which made it impossible to consider the process fully inclusive, representative or participatory. Some of the flaws mentioned included the following:

- The initial process of formulating the Green Paper was not sufficiently participatory and transparent. Delegates felt that this initial phase of the process should have included more consultation, instead of inviting comments and input at this relatively late stage of the process. Some delegates felt that the inadequate consultation at the early stages of the process renders the entire policy and process irrelevant.
- The lack of knowledge among ordinary people, especially among poor and/or rural women and women in SMMEs, means that it is virtually impossible for women to participate. Women generally, and marginalized women in particular, do not have enough information to be able to make a meaningful contribution. Delegates felt that this lack of knowledge should have been addressed as a precursor to calling for comments and input. Meaningful participation is impossible if the process is inaccessible to ordinary people.
- The consultation process and call for comments and input was conducted predominantly in English, and most of the workshops and consultation took place in the major

metropolitan centres. Some delegates felt that a more concerted effort should have been made by the Department to take the consultation process to the people, especially to rural areas. They felt that information sessions should have been held in rural areas, providing people with background information about e-commerce and the potential implications, benefits and drawbacks, in the home language of rural communities. Only after being given the opportunity to acquire knowledge could the consultation process become meaningful. The language and urban bias were perceived to be factors contributing to excluding particular segments of the population. These factors are a critique of the process in general, but this report argues that women are often affected to a greater extent by lack of access to knowledge and resources than men.

- Delegates argued that the low levels of participation and interaction in the process could be attributed partly to the inadequate attempts thus far to demystify the internet. Websites, contracts, training, etc are predominantly in English, and therefore inaccessible to many people. Some delegates felt that increasing literacy should be prioritised as a first step towards increasing access, and that more use should be made of community radio stations.

The criticisms raised by delegates at the conference reflect legitimate concerns. However, they reflect concerns with the process as a whole, and are not necessarily gender-specific. The exclusion of rural and particular language groups, for example, affects men in those circumstances as much as women. The poor levels of literacy and knowledge and the Department's failure to adequately address these are a reflection of the level of poverty in South Africa, more than a reflection of excluding women from the policy process. The Department did attempt to reach areas outside of urban centres with its Road Show. A more comprehensive or extensive outreach programme would have required massive resources. If the Department had dedicated more resources to a more comprehensive outreach strategy, it could have faced criticism from those who feel Government resources should, as a first priority, be dedicated to meeting people's most basic needs. The extent of poverty in South Africa will always make decisions about the allocation of resources on projects of a more sophisticated nature particularly complex.

It is a matter of concern that certain delegates felt that the participation and consultation process, especially at the preliminary stages, has been so inadequate as to render the policy and process meaningless. It reflects some of the broader, most basic needs faced by South Africa, such as the need to increase literacy and education levels, and the need to improve the quality of life for people by meeting basic needs for housing, water and electricity, which will eventually free them and enable them to become involved in concerns beyond basic survival issues.

While the process is flawed, and the extent of consultation and participation has not been as extensive as was hoped, what is crucial at this point is to ensure that the input from women is taken into consideration in the final policy formulation. It is necessary to take seriously the recommendations that have arisen as a result of the participation of women, and to ensure that

the process of consulting women, however limited and problematic the process has been, is not wasted.

Process recommendations:

- More attention needs to be paid to the consultation process from the outset.
- Before meaningful consultation can take place, it is necessary to first address the lack of knowledge, especially among disadvantaged groups such as women.
- Most of the consultation process was conducted in English. Consultation, especially in rural areas, should be in languages that are more accessible to a wider range of people.
- There needs to be a concerted attempt to demystify the internet, especially through the use of community radio stations, vernacular languages, and multi-purpose community centres.

Case studies

In the policy formulation process, South Africa is ideally situated to benefit from the experience of other countries that have already embarked on the process of formulating policy and legislation around issues such as e-commerce. We therefore conducted a search through a sample of government websites for information on e-commerce and gender, in an attempt to find a case study of a country that has successfully integrated gender concerns into their policy on e-commerce. It was disturbing to discover that none of the countries examined (Singapore, Australia, the European Community and the USA) appeared to have a policy on gender and e-commerce, in spite of the fact that e-commerce has been addressed in depth by all of them.

Singapore has had e-commerce policies since 1996 but the key policy concerns revolve around legal and technical infrastructure to support e-commerce, raising public awareness and SMMEs, with no mention of gender issues. Similarly, the European Initiative in e-commerce adopted by the EC in 1997 mainly examines legal and education issues, environment and e-commerce, consumer protection and support for SMMEs.

The USA is concerned with similar issues to those mentioned above. A document entitled 'Towards Digital eQuality' deals with inequality as related to socio-economic status and race but does not gender. Similarly, Australia's Human Rights and Equal Opportunities Commission has done a substantial amount of work on ensuring equality of access to e-commerce, but the focus of their work has been on Access for Older Australians and People With Disabilities, and not on gender.

Australia has done some research into women's use of the Internet and electronic commerce at home, and this report indicated that:

- 'Women generally use the Internet as a tool for activities rather than to play with or master the technology;

- Women use the Internet most enthusiastically when they perceive it as a personal medium of communication and a way of getting information in context;
- When women are comfortable with the Internet – as with the telephone – they do not perceive it as technology;
- Women farmers use the Internet and PC more extensively than the general pattern from women in the home. They use them as tools for their traditional roles of book-keeping and information gathering;
- Control of money in the home may move to the main user of personal financial management programs.

These findings have implications for increasing women's awareness of the Internet and electronic commerce; training and skilling for Internet use; delivering information via the Internet; the design of Internet services and electronic commerce; and the changes in the control of money in the home.¹

An initiative that is more relevant for South Africa as a developing country is one by the International Telecommunication Union. In Cameroon, the ITU is providing technical and financial assistance to a 3500-member association of women entrepreneurs (ASAFE) representing several countries. 'With the financial support of the Government of Japan, this project empowers women entrepreneurs as active players in the digital economy'. This Internet and e-commerce activity was intended to be operational by June 2001, and aims at establishing a sustainable e-commerce and Internet service for ASAFE. Other activities include a Women's cyber forum in Cameroon and a joint ITU/UNIFEM forum at the United Nations in New York for women from all regions of the world.²

The process of engendering the e-commerce policy in South Africa must therefore continue without the benefit of having an international example to follow.

¹ <http://www.circuit.rmit.edu.au/PROJECTS/gdecproj>. Research Report no. 25, Gender, Design and Electronic Commerce

² <http://www.itu.int/ECDC/activities.htm>

GENDER ANALYSIS OF THE GREEN PAPER ON E-COMMERCE

INTRODUCTION

E-commerce is likely to be one of the major growth industries, and it is of great importance to establish, promote and support it in such a way that it will, directly or indirectly, benefit the majority of the South African population. It is particularly important to ensure that those who have been previously disadvantaged, for example women, are able to benefit from new policies and technology.

This report will present an analysis of the Green Paper from a gender and, to a lesser extent, small business perspective. We will start with a general discussion about the context within which an e-commerce policy is being formulated and then briefly summarise each of the remaining sections of the Green Paper and note the particular gender implications of the policy being proposed.

It is important to remember that gender is only one axis of disadvantage among several, and that our interest in gender is prompted by a general interest in addressing disadvantage. E-commerce is however, almost by definition, exclusive in its present form and particularly in the current South African context. It will be argued below that, in general, e-commerce will and can mean very little for most of the disadvantaged, poor women in South Africa, and is not a key issue for them for the foreseeable future. However, while recognising this fact, it is nonetheless important to take steps to ensure that the interests and concerns of women in other spheres are protected.

While large sections of the Green Paper appear to be non-discriminatory and essentially neutral, one should not forget that South Africa is by no means a level playing field in which everyone has the same chances to succeed. A gender analysis of the proposed policy makes it immediately obvious that massive discrepancies exist between the technologically advantaged and disadvantaged.

To put in place business structures which open up profit opportunities, contacts, information and not least power to only a select few is simply to perpetuate and deepen existing inequalities. Those with access to and knowledge of modern information technology are likely to benefit enormously from support for e-commerce, while others will get left behind. Disadvantaged sections of the population have to be empowered before they can take advantage of these new opportunities. This does not mean that e-commerce should not be promoted and supported simply because it will mainly benefit those who are already advantaged. However, the policy should acknowledge that it is unlikely that an e-commerce policy, whether sensitive to the challenges faced by women and small businesses or not, will be able to address imbalances without prior and targeted intervention.

To address and remedy existing imbalances is likely to exceed the brief and scope of the Department of Communications, however, one should consider whether this would not be an appropriate time to form strategic alliances with other related government departments (like the Department of Education) to improve the capacity of the South African population.

Strategy recommendation:

Targeted intervention is necessary to address the existing imbalances faced by women and small businesses. However sensitive the e-commerce policy is to gender issues, it will not be able to address imbalances without preliminary work being done to level the playing fields. Suggested interventions could include educational campaigns to address unequal access to knowledge, and prioritising the installation of services and infrastructure.

Access and empowerment

Access to information technology and the empowerment of the population to use it to their advantage represent one of the major and immediate concerns with e-commerce. A recent national youth survey³ conducted by C A S E found that only 28% of youth had regular access to a computer, and only 27% said that they are able to use a computer. The corresponding figures for Internet technology are even more daunting, with a mere 15% of youth saying that they have regular access and 13% saying that they can use the Internet. Since younger people are more likely to be familiar with information technology than people over the age of 35, these figures would probably decrease drastically if older age groups were included. The implications for e-commerce are obvious, since the figures indicate that the large majority of South Africans would be excluded from this new marketplace both as providers and as consumers.

If these figures are disaggregated, the situation is even more serious. Information technology in South Africa, as in much of the developed world, remains an essentially male and an essentially white domain. Only 26% of all women have access to and 25% know how to use a computer, while only 13% of women have access to the Internet and 11% know how to use it. Amongst women, African females are least likely to be able to access or use any of these information technologies. One of the major shortcomings of the Green Paper is that it does not adequately acknowledge the limitations of access and knowledge, and that it makes no suggestions as to how they might be overcome. In order to promote the development of e-commerce outside the existing technological elite it might be necessary to spend funds on affordable and easily accessible computer training courses which would empower poorer sections of the population and especially women.

Access to e-commerce clearly depends on access to both computers and electricity. This access is poor for rural people and poor people, and will generally be poorer for women than men. The green paper mentions figures relating to geographical and other disparities within the countries

³ Covering respondents between the ages of 16 – 35.

[page 53], and points out the difficulties in Africa more generally, including language [page 12]. All of these will apply to poorer areas and disadvantaged individuals within South Africa. The green paper also notes that e-commerce could increase the gap between richer and poorer countries [page 32]. It could in a similar fashion increase the gap between richer and poorer people within one country. While projects such as multipurpose community centres, telecentres, etc. are mentioned [page 47], the green paper does not state how widespread and/or viable these are, nor what the user profile is in terms of key demographic variables, such as gender and age.

Strategy recommendation:

- The delivery of services and infrastructure must be prioritised. Strategic alliances with related government departments (e.g. education and labour) must be forged in order to address existing imbalances in a meaningful and co-ordinated manner.
- The e-commerce policy needs to include guidelines for establishing and operating multi-purpose community centres and telecentres to ensure increased access to disadvantaged groups, especially women.

The low rates of information technology access and knowledge amongst African women should be a particular concern since this is the population group most interested in the establishment and development of small businesses. Women, and African women in particular, represent the majority of those who run small businesses and who are employed in small business ventures. The C A S E youth study found that African women are amongst the most fervent believers in the earning potential of SMMEs, and that there are most likely amongst youth to have set up at least one small business at some point. Over half of these business ventures failed, mainly due to financial constraints. However, the other main problems are the extremely low levels of knowledge about training and support institutions which assist small-scale entrepreneurs. It is not clear how such entrepreneurs can be expected to succeed in the electronic market place without structures of support that do not even exist in the more traditional spheres of business.

Strategy recommendation:

Levels of knowledge among women, especially African women, about training and support for small scale entrepreneurs is low. It is necessary to improve levels of knowledge and awareness through the creative use of information technology, by using, for example, the provision of free email services to small businesses, websites which carry basic business training materials, and the establishment of community centres with internet access.

However, the fact that many women are interested in SMMEs conceals the fact that, while the link between gender and SMMEs is often made, the fact is that women predominate at the smaller end of enterprises, in the type of businesses that are unlikely to be able to benefit from e-

commerce. The type of businesses most likely to be able to use e-commerce will generally be more formal SMMEs. It is in the informal SMMEs – such as fruit sellers – where women predominate. While the green paper (page 10) mentions supporting the informal sector in its use of e-commerce, this point needs to be developed if it is to have practical implications. The green paper (page 11) also talks about using e-commerce for government procurement. This could however further disadvantage SMMEs who do not have access to computers.

Policy recommendation:

The green paper should provide more detail about the use of the internet for government procurement. In particular, the policy needs to outline how the internet-based procurement can be used by women, how women can benefit from it, and which provisions should be instituted to ensure that women are not further disadvantaged.

Provision of affordable and easily accessible computer technology is another issue which would enable a larger section of the population to partake in e-commerce. Access to computers is especially difficult in non-urban areas, not only in terms of the physical hardware, but also with regard to electricity supplies, access to telephone lines, safeguarding of equipment, and the ability of women to conduct business in traditional communities.

The majority of small businesses operate with relatively small profit margins, and the Green Paper does not adequately address the issue of start-up costs and continuous overheads. Those who wish to engage in e-commerce will either have to finance their own technological equipment or make use of public computer service providers. Unless we consider businesses with adequate financial backing to be the main targets and beneficiaries of the promotion of e-commerce, it has to be acknowledged that owning computer technology is not a viable option for most of South Africa's small-scale entrepreneurs. The use of public computer and Internet service providers, on the other hand, would also represent a continuous financial drain and is not really beneficial to conducting business for extended periods of time. Just as it might be prudent to form strategic alliances with appropriate departments to raise the levels of knowledge, alliances with large corporations who might be able to provide technology as well as support (either directly to businesses or to special free computer centres) could be one possible way to overcome such obstacles.

A last area of general consideration is access to banks and banking services. E-commerce is inextricably linked to formal banking facilities like business accounts and credit cards, and access to the formal banking system is a pre-requisite for accessing e-commerce. Many South Africans already find it difficult to physically access banks, especially in rural areas with low population densities and inadequate public transport systems. A large section of the population is also effectively excluded from formal banking services because of low levels of income, lack of formal and therefore provable income, and because of relatively high fees charged by banks for

the use of accounts. These obstacles have to be taken into consideration by any policy governing e-commerce if such a policy genuinely wishes to make e-commerce available to a large proportion of the population.

Policy recommendation:

The e-commerce policy must actively take into account the possible negative effects for women and other disadvantaged groups of extending e-commerce, in order to avert the potential dangers and inequalities of these policies.

While the executive summary of the Green Paper claims that two of the four key issues are the “need to enhance the information infrastructure for electronic commerce” and the “need to bring the opportunities of e-commerce to the entire population” (p6), the bulk of the document seems to address legal and technical rather than social issues. Concern about the legal and technical implications and challenges of e-commerce is undoubtedly necessary, but there should also be a firm foundation of stakeholders and interest groups to whom the legal framework would then apply rather than the development of a framework in which only a select few are able to participate.

There is a danger that the green paper, and the emphasis on e-commerce itself is primarily aimed at employers and those who are part of the business world – those who can make ‘business’ from e-commerce. Cosatu (reported in Business Day, 3 April 2001) expressed some concerns around this issue, mentioning the fact that the paper pays little attention to workplace issues like jobs, working conditions and skills. Stated differently, it focuses on the issues of employers and owners rather than employees. We can take this point further, and look at all the different roles that citizens could play in relation to e-commerce. In particular, there is their role as consumers. This is, in fact, discussed at some places in the paper, but it is not discussed from a gender perspective. When analysing these concerns from a gender perspective, it is important to consider what it means to women and men as (a) bosses/owners; (b) workers/employees; and (c) consumers. Women are likely to be concentrated among (b) and (c) to the extent that they feature at all.

In terms of women as workers/employees there are two issues which we need to consider – changes in the types of employment and changes in the form of employment. In the first instance there could be substantial changes in the type of employment as e-commerce becomes more widespread. One key area in which a reduction in employment may occur is among sales and service staff, an area which employs a substantial number of women. An e-commerce policy needs to acknowledge and make allowances for these possible negative effects. In the second instance e-commerce may allow more people to work from home rather than in workplaces. While this may appear to have positive implications for women who have additional household and child-rearing tasks, there are also some negative implications. Working at home is more

isolated, makes it more difficult for unions to organise and for rights to be enforced and such opportunities will only be available to those who have electricity in their home.

Policy recommendation:

The e-commerce policy must pay more attention to workplace issues such as working conditions and the skills required. A substantial number of women are found in the sales and service sectors, and the policy must proactively ensure that these positions are protected and that they are not negatively affected.

CHAPTER 2 LEGAL FRAMEWORK

Chapter 2 of the Green Paper looks at a possible legal framework governing e-commerce and at the particular challenges posed by this new form of business transaction. The main issues of concern are the validity and enforceability of electronic contracts, geographical jurisdiction and information security for both providers and clients. The aim of such a framework is to protect those who engage in e-commerce and to provide guidelines on how to handle disputes which might arise from electronic transactions. Particular concerns raised in this chapter (like electronic signatures or taxation of e-commerce) are dealt with more specifically in other chapters of the document.

The Green Paper also recognises the fast-changing and developing nature of information technology, and therefore asks “how flexible should the laws be that are being proposed to accommodate future changes” (p15). CDFM claims that “for any legislation to be of durable impact, a technology neutral position needs to be defined so that we have a robust law that can adapt to whatever new technological advances may follow the e-commerce revolution”. However, just as no-one could have foreseen the technological revolution which has rendered inadequate current legislation governing the marketplace, it is unlikely that any policy could take into account future developments. The current situation requires specific laws to avoid as many of the pitfalls of e-commerce as possible, but legislation should also be broad enough to be adaptable to future changes without having to be completely re-written. Legislators ought to be aware that any laws governing e-commerce will have to be reviewed on a regular basis and as the need arises.

Legal and technical issues relating to e-commerce are hotly debated on an international level and it is undoubtedly of value for South Africa to participate in and learn from these debates. However, policy makers in this country should nevertheless keep in mind that the majority of countries currently engaging in e-commerce are First World countries who operate from different premises and in different environments. Policy makers have to keep in mind South Africa’s current situation as a developing country and its position as part of Sub-Saharan Africa.

Legal frameworks are essentially gender and business size neutral areas, since they are designed to apply to everyone engaging in this form of business in equal measures. It is questionable whether any legal framework governing e-commerce could address the specific needs of women, especially since they do not receive such consideration for more established forms of business transactions either. However, an issue of concern might be the general status of women in South African society with regard to legal transactions, particularly if this status is influenced by cultural customs and traditions. The rights and capacities of women entrepreneurs who are married according to traditional law or in community of property might be such a particular concern which needs to be addressed when developing a legal framework for e-commerce.

The question of special protective measures for smaller businesses engaging in e-commerce might be of greater importance, keeping in mind that it is women who represent the majority of small business entrepreneurs. Small-scale entrepreneurs are indefinitely more vulnerable to the dangers of e-commerce as outlined in the Green Paper than entrepreneurs with greater resources at their disposal. However, this chapter of the Green Paper appears to focus on the concerns and problems of larger businesses, especially when speaking about international trade and “the overall efficiency of South African commercial transaction” (p14). The fact that one of the principles said to underpin the shaping of a legal framework is that it “should minimise the regulatory burden on business and government, and keep litigation costs to a minimum” (p14) also appears to be of little immediate concern to smaller business ventures.

Small business owners are less likely to be well-informed about their legal rights and responsibilities with regard to electronic transactions, which might put them at greater risk of legal repercussions. Larger businesses are more likely to afford measures which will protect their data (especially payment details) and interests from outside threats, while small businesses are more vulnerable to electronic fraud. Finally, e-commerce policy should consider the availability and affordability of informed legal advice to small business owners.

Policy recommendation:

Small-scale entrepreneurs are more vulnerable to the dangers of e-commerce than entrepreneurs with greater resources. The green paper must pay attention to the legal protection of smaller and less well resourced businesses, which is most often where women are situated.

Strategy recommendation:

Small business owners are generally less aware of their legal rights. Educational campaigns and programmes for small business owners are necessary to ensure that small business owners who enter the e-commerce terrain do so on an equal footing to larger, more established businesses.

CHAPTER 3 CONTRACTING AND TRADE LAWS

As mentioned in the previous chapter, one of the main concerns for legislators regarding e-commerce is the legality and enforceability of commercial transactions executed in electronic space. The aim is to achieve legal recognition for e-commerce and equal status with traditional commerce. Policy makers hope to build on the existing legislation and shape the extension of these laws according to international standards governing e-commerce. The expressed aim is for any new legislation to be enabling rather than regulatory to give e-commerce entrepreneurs flexibility and the opportunity for self-regulation.

Much of the debate about a legal framework for e-commerce centres around ensuring the legal recognition of electronic communications (section 3.2). Current legal language generally pertains to paper-based documents and environments, and local and international laws often require compliance with certain terms (for example, 'original') which are not applicable to or defined for electronic transactions. This might affect the validity of such transactions, and the logical conclusion is that we require either new contracting and trade legislation or extensions to the existing legislation which are technology neutral. Considerations for policy makers are the scope and detail of such new laws or extensions, and the possible development of standards to which electronic communications have to conform in order to be legally valid. There also have to be provisions for possible exceptions from these laws, and the consideration of external laws which might impact on South African legislation. However, if laws governing the validity of electronic communications were clearly defined and established, much of the subsequent discussion would be easier to solve.

None of the issues covered in chapter 3 appear to require any specific consideration for the needs of women or small businesses, but the points already mentioned in chapter 2 which relate to these groups should be taken into account. The Green Paper seems to envision e-commerce as operating in a neo-liberal marketplace where success is based on natural selection and survival of the fittest. Given the social inequalities of South Africa, one should remind oneself that the assumption or provision of 'equal opportunities' in itself can be excluding and discriminatory. Self-regulation in particular requires fairly high levels of knowledge and business acumen, which is likely to work to the disadvantage of smaller businesses.

CHAPTER 4 ELECTRONIC COMMERCE AND SOUTH AFRICAN TAXATION

E-commerce has the potential to drastically alter the consumption of certain goods and services like software or music to the extent where such goods and services are no longer traded in physical form. This might have implications for the classification of income and VAT. The Green Paper's chapter 4 is therefore primarily concerned with preventing a shrinking of the government's tax base and the possible reduction of fiscal revenue while installing a taxation system which is fair and does not distort the conduct of business. However, the chapter fails to expand on the meaning of 'fair' in this context, and fair towards whom. The Green Paper also claims that South Africa's challenge is "to develop a taxation policy that is not isolated from its

e-commerce partners” (p22), but does not make any mention of South Africa’s particular social situation and how this might be incorporated in the taxation of e-commerce ventures.

Section 4.2 looks in even greater detail at how e-commerce taxation is handled on an international level, and asks in as much these international principles should be incorporated in South African taxation of e-commerce. Overall, the international principles of taxation appear to be more concerned with government revenue rather than the problems of e-commerce entrepreneurs, and such an approach might not be entirely appropriate in the South African social and economic context.

None of the issues covered in this chapter appear to require any specific consideration for the needs of women or small businesses.

CHAPTER 5: THE MULTILATERAL TRADING SYSTEM AND E-COMMERCE

The section of the policy seeks to simplify or untangle the ambiguities brought about by the different regulatory bodies since at the present moment there appear to be no tangible agreements in place. The policy guidelines are specific to tariffs and levies. One of the purported aims of this policy is to bridge the digital divide between rich and poor nations.

One issue of concern is the protection of conditions of employment for South African workers, particularly those who may take on low paying jobs which are outsourced by foreign companies wishing to reduce labour costs.

None of the issues covered in this chapter appear to require any specific consideration for the needs of women or small businesses.

CHAPTER 6: INTELLECTUAL PROPERTY RIGHTS

This section of the Green Paper addresses some of the challenges around the protection of intellectual property rights. There is a concession that South African intellectual property law is not fully equipped to deal with the implications of the Internet. This section also notes some concerns about the protection of indigenous South African intellectual property.

None of the issues covered in this chapter appear to require any specific consideration for the needs of women or small businesses.

CHAPTER 7: BUILDING TRUST IN THE ELECTRONIC COMMUNITY

South Africans have not really taken to the idea of shopping online, due to a number of reasons. Firstly only a minority has access to the Internet, and even some of these consumers have major concerns about making online purchases. One of these concerns is that unauthorised people may have access to their information without their consent. The policy document does acknowledge that security measures used in conventional commerce may not be adequate to provide trust, in

the electronic economy. It further states that the collection of data should be transparent and legal, and it should not be disclosed except with the consent of the user or by authority of law.

None of the issues covered in this chapter appear to require any specific consideration for the needs of women or small businesses.

CHAPTER 8: CONSUMER PROTECTION

This chapter stresses the need for overall consumer protection. E-commerce provides women with a much larger range of goods and services which are available 24 hours a day, heightening convenience and ensuring personal safety in that banking and shopping can be done from the home.

However, the convenience of shopping online in South Africa is limited to a small minority and this should be acknowledged in the policy. Women who do not have access to online shopping and banking facilities should not be penalised for this, for example through being charged higher bank charges for using automatic teller machines.

In addition, shopping as an activity is often a focus point for women meeting and interacting with each other and being aware of what is happening in the community. Home-based shopping may negatively impact on women's social interaction and awareness.

Policy recommendation:

The green paper must make provision for women with no access to on-line shopping and banking, to ensure that they are not penalised – for example by paying higher costs for off-line transactions.

CHAPTER 9: INFRASTRUCTURE, ACCESS AND CONVERGENCE

Chapter 9 of the Green Paper points out the importance of a well-developed infrastructure, convergence of technologies and affordable access to the establishment of e-commerce in South Africa. It also mentions the additional obstacles South Africa faces as a developing country, and section 9.2 acknowledges the fact that “lack of access and cost of hardware and software components of infrastructure, especially to consumers and small businesses, lowers the possibility of participating in the global electronic marketplace for much of the country's population” (p52). However, while section 9.4 elaborates on this theme, it appears to be confused as to whether the aim of e-commerce policy is to expand the existing infrastructure or enable larger sections of the population to access what exists already.

Section 9.4 fails to make any recommendations about how the existing infrastructure might be expanded, or how this might be financed. It is unlikely that a government which is already financially stretched will undertake any major efforts in the near future to develop the

infrastructure necessary for widespread e-commerce while there are more pressing and immediate problems to be tackled. Moreover, it is unlikely that such an expenditure, if it were affordable, could be justified at present since the positive impact of e-commerce on job creation and general social benefits is questionable. "Government should also consider using public subsidies and tax breaks to fund the construction of high-speed Internet networks in disadvantaged areas. This is one way of stimulating broadband access to correct for 'market failure', reduce the 'digital divide' and encourage SMEs to embrace the Internet."⁴ However, if such revenue were available, the use of it in alternative areas of development might reap greater benefit to larger sections of the population.

Alternatively, an expansion of infrastructure could be financed through collaboration with large companies who have some kind of vested interest in South Africa's development, however, it might prove difficult to move such companies to invest in more disadvantaged areas. Nevertheless, it might be of use to the Department of Communications to identify potential companies (both national and international) and consider what concessions are available that could be of interest to such companies.

Strategy recommendation:

The expansion of infrastructure should be financed through collaboration with private sector partners. The Department of Communications should identify potential partners in the provision and expansion of this infrastructure.

There is also no recommendation in section 9.4 about how access to existing or future communications infrastructure would be made available to larger sections of the population. The section mentions the promotion of public information terminals, Multipurpose Community Centres etc., but makes no suggestions about how the expansion of such options might be financed or how this kind of service might be brought to non-urban areas. Maybe most importantly, the section does not acknowledge that one of the greatest obstacles to information technology access is not only unavailability or cost, but lack of knowledge about how to use such technology. While it is reasonable to assume that knowledge levels would increase if information technology were more widely (and cheaply) available, the Department of Communications should not only concern itself with the development of a suitable infrastructure, but also with the development of suitable knowledge among the population.

E-commerce is currently inextricably linked to the availability of telecommunications, the problematic of which is covered in the discussion of inadequate infrastructure. However, even if such a telecommunications infrastructure were available to larger sections of the population, the cost of accessing and using such a network for business purposes might still be prohibitive. Access to technology and telecommunication should be made affordable to all the population,

⁴ Page 3, "E-Business: A Necessary Condition for Global Competitiveness", Policy Brief, School of Development

and potential investors have to be identified. Moreover, a choice of connection options should be available for different business needs. This would ensure that large corporations which require more sophisticated linkages in terms of speed and capacity could be billed for such services, and that process might finance or subsidise the ability of smaller businesses to connect to the Internet relatively cheaply while still having a reliable and speedy link.

Strategy recommendation:

Access to technology and telecommunication must be made more accessible and affordable. A choice of connection options must be made available.

E-commerce policy in general should consider the possibility of reducing or subsidising telephone costs and Internet connection fees to make such services available to a broader range of users. For example, in the U.S.A, local calls are free, which enables longer Internet access and supports smaller businesses engaged in e-commerce. The costs of providing free local calls needs to be weighed up against the benefits of a more informed, skilled and connected society, which could be beneficial to the facilitation of growth in the SMME sector in South Africa. However, much more research needs to be done in relation to reaching small and micro enterprises, women, poorer sections of society and rural areas.

Policy recommendation:

The green paper on e-commerce should consider reducing or subsidising the connection fees for disadvantaged groups, especially women.

CHAPTER 10: DOMAIN NAMING

This is a very critical topic in cyberspace and e-commerce because it characterizes occupation of space on the Internet. It is as critical as a home address without which we may not transact business. Access to domain names/urls is therefore very critical in that it justifies the very existence on the web.

None of the issues covered in this chapter appear to require any specific consideration for the needs of women or small businesses.

CHAPTER 11: ELECTRONIC PAYMENT SYSTEMS

This chapter deals mainly with the various forms of electronic payment.

Safety and efficiency are two very useful results of electronic payment systems. On page 63 and elsewhere the green paper discusses smart cards and similar technology. These are being

considered by Home Affairs and others for delivery of services such as pensions. This will have a definite impact on the poor, and in particular on women. The advantages and disadvantages of such a move need to be discussed more broadly. For example, will it be a benefit or not to force poor people to use banks? Will people understand and trust systems based on such technology?

The introduction of certain smart cards may be limited by type of business/geographical area and still requiring the carrying of cash for certain types of transaction. Such a limitation was proposed on the pilot introduction of a new smart card being pioneered in the Western Cape, but may only be applicable in the start-up phases.

Strategy recommendation:

Electronic payment systems potentially can be safer and more efficient. However, the promulgation of the system must be preceded by educational campaigns to overcome potential mistrust among disadvantaged groups such as women.

CHAPTER 12: MAXIMISING BENEFITS

Chapter 12 of the Green Paper speaks of the benefits of modern technology and e-commerce, and of the need to extend these benefits to communities and previously disadvantaged individuals through appropriate policy measures. The chapter claims that the development of e-commerce can create sustainable socio-economic growth through its social and economic impact, the development of new markets, greater awareness, training, jobs and skills.

Section 12.2 discusses the economic and social impact e-commerce might have on the population by allowing for the expansion of internal markets, low-cost international expansion and access to financial services for formerly marginalised groups. However, no proof is offered that would substantiate such claims, and no evidence is offered that e-commerce in particular (as opposed to greater access to information technology in general) would have a beneficial socio-economic impact. While some vague allusion to the greater effectiveness of companies and workers is being made, the section does not expand on what type of company or worker might benefit from e-commerce. The section also claims that the necessary elements are “access, as determined by income and availability, confidence and trust” (p67). There is again a complete failure to mention knowledge (as in ability to use technology) as a determining factor of access. Access to the physical network needs to be supplemented with training in its use so that e-commerce can reach its full potential. The 12.2 subsection titled ‘The digital divide challenge’ acknowledges inequality within South Africa and that if this inequality is not addressed “the expansion of e-commerce would indeed contribute to broaden rather than reduce a possible digital divide” (p67). However, no suggestion as to how exactly this inequality might be addressed is being made, which seems woefully inadequate given the length of the Green Paper and the amount of detail that has been elaborated upon in other chapters. Section 12.2 needs to note that women have been more marginalised than men in the information technology sector.

This is of importance because women constitute a large proportion of employers and employees within small and micro businesses and are generally more active as community organisers.

Policy recommendation:

- The green paper on e-commerce must consider in more detail the effect of e-commerce on the expansion of internal markets, low-cost international expansion and the access to financial services for marginalised groups. At present, the policy appears to be based on insufficient empirical evidence.
- The green paper needs to explicitly formulate possible methods for addressing and overcoming the digital divide.

The overview of the South African e-commerce market focuses primarily on large companies with high revenues. Small and medium sized businesses are only mentioned in as much as that they “appear to be slow in embracing the use of the Internet and thus the ability to benefit from an increased global market” (p68). No mention is made of the reasons for this, namely the lack of access, finance and technical knowledge that prevents these smaller businesses from embracing e-commerce. It is also rather misleading to talk about the relatively high adoption of e-commerce in South Africa (especially among ‘high-income households’) compared to “other developing countries”. South Africa has an infrastructure infinitely superior compared to most of the African continent which enables certain sections of its population to adopt e-commerce in the first place. Most countries in Southeast Asia, commonly classified as ‘developing countries’, have embraced e-commerce for much longer and much more extensively than South Africa.

Section 12.4 claims that e-commerce has the potential to facilitate growth of SMMEs and concludes that because a third of jobs are created by SMMEs⁵, the faster adoption of e-commerce would create jobs in South Africa. However, these claims do not take into account what type of SMMEs or jobs are being talked about, nor whether or not an unnamed American study is applicable to the South African economy. The claim that e-commerce would lead to job creation cannot be substantiated at present, especially since the adoption of modern technology has already enabled many employers to reduce their staff and replace them with computers. According to the BMI-TechKnowledge survey, only 16% of 600 000 registered SMMEs engage in e-commerce, but the section does not expand on the size of these SMMEs, the goods and services offered by them, or their location. All these factors are likely to have an impact on the adoption of e-commerce. The section also mentions that ‘sadly’ 31% of these SMMEs don’t think that they will ever make use of the Internet, without clarifying why these answers were given by those particular SMMEs. This would be helpful in enabling SMMEs to overcome their particular obstacles, or in identifying SMMEs to which e-commerce is not applicable. In “Questions for policy consideration”, questions are asked about how SMMEs can be empowered to make use of e-commerce. It is important that these questions do not remain unanswered in the

⁵ According to an American study

final policy if e-commerce intends to have a beneficial impact on SMMEs. Research needs to be done urgently to find solutions to these questions, or the adoption of e-commerce by small businesses will never reach its full potential.

Sections 12.5 and 12.6 discuss the interaction of e-commerce with human development and education and rightly point at high levels of illiteracy in South Africa and the 'brain drain' which is currently exacerbating South Africa's skills shortage. Computer training needs to become part of the educational curriculum on all levels if South Africa wishes to remedy this situation in the future. However, this also means that the inability of many South Africans to access and remain in education needs to be addressed adequately.

Women in particular need to not only have physical access to information technology but need to be trained at school and in adult training programmes in the use of the Internet and its potential for accessing potential customers and services. Women in rural areas need to be targeted specifically as they have less physical access to knowledge, government services and potential markets. Moreover, computer literacy should not only be limited to use of the Internet, but could also be combined with basic computer training in word processing, bookkeeping, design etc. which are all useful skills in the running of a small business.

Strategy recommendation:

Educational programmes need to be instituted, especially in schools and adult training programmes. Women in rural areas need to be targeted, and computer literacy must not be limited to the use of the internet, but should be combined with basic computer training.

Section 12.7 assumes that e-commerce growth will lead to the creation of jobs, which is by no means proven. It is also inadequate as it creates the impression that the benefits of e-commerce will naturally outweigh the disadvantages. A huge amount of research is already available on the impact of information technology on the number and nature of jobs, and all of this research cautions that government intervention is necessary to ensure that those people displaced in such circumstances from their jobs are re-skilled, that new jobs which are created are not exploitative, and that conditions of employment applicable to all areas of the new labour force are controlled. Some of the specific aspects relating to women are mentioned below:

Creation/retention of jobs:

It is important to analyse how information technology will impact on job creation/losses/quality of employment for women. If the jobs created by e-commerce are more flexible and home based, women need to be protected and supported – the conditions set out in contracts must be fair, there needs to be provision made for pensions, unemployment, leave, maternity, childcare benefits and reasonable working hours.

Type of work:

Women, especially those in lower level jobs which do not require face-to-face contact, may be shunted out of the workplace into their homes where overheads are less, or their jobs may be made redundant as technology is able to replace them (for instance data capturers). New jobs which are created may be located in remoter areas where remuneration is less. While this provides new opportunities for women living in small towns, it also brings about a general lowering in the wages of workers and a loss of good quality jobs in the city. This has been the trend in the U.S.A specifically.

If women are to work from home, it will also be important to counteract the potential negative impact on their skills/career development and to find ways in which this should be addressed. It is commonly accepted that women are more vulnerable in the job market than men. There needs to be re-skilling of women who are made redundant because of the advances of information technology so that they can compete in the new job market.

Research on this topic by Manuel Castells which he based on empirical data from various countries indicates the following trends in the move towards an information society:

“The truly fundamental social cleavages of the Informational Age are: first, the internal fragmentation of labour between informational producers and replacement generic labour. Secondly, the social exclusion of a significant segment of society made up of discarded individuals whose value as workers/consumers is used up and whose relevance as people is ignored. And thirdly, the separation between the market logic of global networks of capital flows and the human experience of workers’ lives”. (1989, p.346).

He finds that as a result of the Informational Age:

- Inequalities between those in the workforce with different skill levels are increasing substantially.
- The new jobs are characterised by a bifurcated distribution in which the bulk of the new jobs pay lower wages and enjoy less social protection (1989, p.202). There is a decline in middle level jobs, and women tend to be concentrated in the low wage stratum (1989, p.199).
- There is a loss of a stable relationship to employment and this has resulted in the weakening of the bargaining power of workers. This loss of stability then tends to lead to a higher level of major crises within families.
- Employment relationships are “tendentally individualised”, meaning that each producer will receive a different deal. There has been frequent abuse and exploitation of individual producers, particularly smaller businesses (1998, p.356).
- Unskilled homework is more likely to be associated with the growth of an exploitative underground service economy than with the free worker controlling her premises and time (1989, p.166).

On the positive side he mentions:

- The rise of informational systems holds the possibility for increasing connections among small businesses, and among corporations and their small business ancillary suppliers, through networks of information systems. This goes together with a marked trend towards decentralisation of production and organisational flexibility (1989, p.166).
- Routine clerical work performed by women at home on a full time (or more often a part time) basis will allow women to combine paid work and unpaid family duties will tend to develop. However such workers will need to regain control over their labour conditions through collective bargaining.

Section 12.8 rightly recognises that more awareness needs to be created of the potential benefits and threats of e-commerce. The inclusion of this aim in the actual Green Paper might have been of benefit, and should this document be revised for renewed public consumption it might be prudent to include more factual details of how e-commerce can benefit small businesses. There also needs to be a strategy devised which will enable policy makers to reach potential participants in e-commerce, keeping in mind the low levels of Internet connection in general and especially of women.

Strategy recommendation:

Awareness must be created about the potential benefits *and* threats that could result from e-commerce. Women will only be empowered to make informed judgements if they are adequately informed about both positive and negative aspects.

CHAPTER 13 FRAMEWORK FOR E-GOVERNMENT

The Green Paper concludes with a chapter on the possibilities of e-government, which would allow citizens to interact and conduct business with the South African government through different electronic media. The aim is to modernise government, allow better service delivery, improve customer focus, save administrative costs and foster entrepreneurship. However, there is little information on how such a development might be financed, and the low rates of ICT access among the population are not addressed. This would exclude a significant part of the population from interacting with the e-government.

Moreover, e-Government should not be limited to one level, but should be implemented on the national, provincial and local levels. Strategies will have to be devised whereby local government information can be easily accessed, as it is particularly at this level that services such as housing, water and electricity are provided. This is not mentioned in the chapter.

Positive impact needs to be encouraged:

E-commerce could potentially be used to positively influence the lives of women through:

- Easier access to information about and transactions relating to government services should be available online, for example, housing subsidy registration, housing rental payments, services payments, health services, and other support services.
- Women should be encouraged to use the Internet for communication and organisation.
- Women should be able to use the Internet to take a greater role in the political sphere /community groups/lobbying, formation of groups.
- Sharing and learning of new skills over the internet should be enabled with the help of government.

CONCLUSION

In addition to the points mentioned in the sections above, there is an urgent need for comprehensive monitoring and evaluation to take place of the impact of e-commerce in the South African context. As one of the first African countries to reach the point where we are beginning to grapple with these issues, we need to examine the effect and implications of e-commerce in our specific context, the impact on and inter-relationship it has with poverty, unemployment, service delivery and empowerment.

The policy on e-commerce cannot be developed in isolation. It has to form part of a greater government approach to development and empowerment. Government departments need to consult more closely and work together in a more systematic way, to ensure that e-commerce initiatives are accompanied by literacy programmes, the delivery of electricity and other services, the extension of banking facilities and services, and so on. Co-ordination and consistency between government departments is necessary to work towards the same overall goal, and to ensure that different initiatives complement each other.

Finally, in the absence of comprehensive local research, it is crucial that the policy is flexible and can be reviewed and changed as women's needs and the impact the policy and e-commerce have on women are assessed and re-evaluated.

APPENDIX A: FINAL POLICY BRIEF

GREEN PAPER ON E-COMMERCE: 'MAKING IT YOUR BUSINESS'

INTRODUCTION

Gender is only one axis of disadvantage among several, and our interest in gender is prompted by a general interest in addressing disadvantage. E-commerce is however, almost by definition, exclusive in its present form and particularly in the current South African context. It will be argued below that, in general, e-commerce will and can mean very little for most of the disadvantaged, poor women in South Africa, and is not a key issue for them for the foreseeable future. One of the strongest messages from the women involved in the consultation process was that women in South Africa, especially rural women, face many other more basic hardships and problems which need to be resolved as a matter of priority. Basic issues such as water, safety, housing and literacy need to be addressed to enable women to become involved in issues beyond basic survival. While there is a need for Government to focus on infrastructure and service delivery before looking at the digital divide, other women argued that, unless Government starts addressing these more sophisticated concerns, and ensuring that the discrimination of women is not perpetuated, South Africa will never be able to compete with the rest of the world.

Thus, while recognizing that there are many women in South Africa for whom e-commerce is not yet a priority, it is nonetheless important to take steps to ensure that the interests and concerns of women in other spheres are protected.

While sections of the Green Paper appear to be non-discriminatory and essentially gender neutral, South Africa is not a level playing field where everyone has the same chances to succeed. A gender analysis of the proposed policy makes it obvious that massive discrepancies exist between the technologically advantaged and disadvantaged.

To put in place business structures which open up profit opportunities, contacts, information and not least power to only a select few is simply to perpetuate and deepen existing inequalities. Those with access to and knowledge of modern information technology are likely to benefit enormously from support for e-commerce, while others will get left behind. Disadvantaged sections of the population have to be empowered before they can take advantage of these new opportunities. This does not mean that e-commerce should not be promoted and supported simply because it will mainly benefit those who are already advantaged. However, the policy should acknowledge that it is unlikely that an e-commerce policy, whether sensitive to the challenges faced by women and small businesses or not, will be able to address imbalances without prior and targeted intervention.

This policy brief examines the four main areas addressed by the Green Paper:

- Access issues

- Financial issues
- Economic issues
- Legal and regulatory issues

ACCESS

Inequalities of access can take the form of unequal access to infrastructure (e.g. access to electricity and telephones), physical access to computers, and access to information and knowledge. There is a gender component to all of these problems of access, because historically women have been excluded to a greater extent than men.

When investigating ways to increase access, it will be necessary to ensure that those who benefit most from the internet and e-commerce subsidise less fortunate groups. The privileged groups should bear the bulk of the costs – both of installation and use.

Physical access

Access to information technology and the empowerment of the population to use it to their advantage represent one of the major and immediate concerns with e-commerce. Only 28% of young people between the ages of 16 and 35 have regular access to a computer, and only 27% are able to use a computer⁶. A mere 15% of young people have regular access to the Internet and 13% know how to use the Internet. These statistics would be much lower for older age groups. The implications for e-commerce are obvious, since the figures indicate that the large majority of South Africans would be excluded from this new marketplace both as providers and as consumers.

Information technology in South Africa remains an essentially male and an essentially white domain. Only 18% of African women have access to and 16% know how to use a computer, while only 7% of African women have access to the Internet and 4% know how to use it. The Green Paper does not adequately acknowledge the limitations of access and knowledge, and it makes no suggestions as to how they might be overcome.

Infrastructure

Access to e-commerce depends on access to both computers and electricity and access to these resources is generally poorer in rural areas and among women. Access to computers is especially difficult in non-urban areas, not only in terms of the physical hardware, but also with regard to electricity supplies, access to telephone lines and the safeguarding of equipment. The extent of poverty creates additional problems in that when electricity is eventually delivered to poor or rural communities, households are often unable to afford to use it. Access without knowledge or resources is meaningless. The quality of the services that are delivered needs to be able to support the potential use of computers and the internet. Currently, the low quality of services such as electricity often makes it impossible to operate different appliances simultaneously, and

⁶ *Youth 2000* National Youth Survey, C A S E, 2000.

would make operating a computer unviable. Government needs to be selective when awarding tenders for service delivery, to ensure good quality and a holistic approach to development.

While projects such as multipurpose community centres, tele-centres, etc. are mentioned [page 47], the Green Paper does not state how widespread and/or viable these are, nor what the user profile is in terms of key demographic variables, such as gender and age. These centres need to be distributed evenly across a range of communities, and need to be accessible to communities in terms of location and cost. Ways of subsidising these centres need to be investigated.

Another area of consideration is access to banks and banking services. E-commerce is inextricably linked to formal banking facilities like business accounts and credit cards, and access to the formal banking system is a pre-requisite for accessing e-commerce. Many South Africans already find it difficult to access banks, especially in rural areas with low population densities and inadequate public transport systems. A large section of the population is also effectively excluded from formal banking services because of low levels of income, lack of formal and therefore provable income, and because of high fees charged by banks for the use of accounts.

The Green Paper does not include recommendations about how the existing infrastructure might be expanded, or how this might be financed. There are also no recommendations about how access to existing or future communications infrastructure would be made available to larger sections of the population. The Green Paper mentions the promotion of public information terminals, Multipurpose Community Centres etc., but makes no suggestions about how the expansion of such options might be financed or how this kind of service might be brought to non-urban areas. E-commerce policy in general should consider the possibility of reducing or subsidising telephone costs and Internet connection fees to make such services available to a broader range of users.

Knowledge

The low levels of interest and participation in the consultation process around the formulation of the policy on e-commerce is at least partly indicative of the fact that many women simply do not have enough information to be able to make an input. A lack of even the most basic level of information about e-commerce and its implications has prevented women from participating. An information campaign should have preceded the call for input, comments and participation.

The low rates of information technology access and knowledge amongst African women should be a particular concern since this is the population group most interested in the establishment and development of small businesses. Women, and African women in particular, represent the majority of those who run small businesses and who are employed in small business ventures. The C A S E youth study found that African women are amongst the most fervent believers in the earning potential of SMMEs, many of which fail due to extremely low levels of knowledge about training and support institutions which assist small-scale entrepreneurs. It is not clear how

such entrepreneurs can be expected to succeed in the electronic market place without structures of support that do not even exist in the more traditional spheres of business.

Small business owners are also less likely to be well-informed about their legal rights and responsibilities with regard to electronic transactions. This could put them at greater risk both legally and financially. Larger businesses are more likely to afford measures which will protect their data (especially payment details) and interests from outside threats, while small businesses are more vulnerable to electronic fraud. The e-commerce policy should consider the availability and affordability of informed legal advice to small business owners.

The Green Paper includes a chapter on the possibilities of e-government, which would allow citizens to interact and conduct business with the South African government through different electronic media. However, there is little information on how such a development might be financed, and the low rates of ICT access among the population are not addressed. This would exclude a significant part of the population from interacting with the e-government. Strategies will have to be devised whereby local government information can be easily accessed, as it is particularly at this level that services such as housing, water and electricity are provided. This is not mentioned in the chapter.

Easier access to information about and transactions relating to government services should be available online, for example, housing subsidy registration, housing rental payments, services payments, health services, and other support services.

The high levels of illiteracy in South Africa and the 'brain drain' which is currently exacerbating South Africa's skills shortage are further obstacles to access to knowledge. Computer training needs to become part of the educational curriculum at all levels. However, this also means that the inability of many South Africans to access and remain in education needs to be addressed adequately. Thus far, the consultation process and calls for participation have been predominantly in English, which is also likely to have excluded segments of the population. Most websites, contracts and training courses are also in English, and this needs to be addressed if women are to be included to the greatest extent possible.

Women in particular need to have physical access to information technology and to be trained at school and in adult training programmes in the use of the Internet and its potential for accessing potential customers and services. Women in rural areas need to be targeted specifically as they have less physical access to knowledge, government services and potential markets. Moreover, computer literacy should not only be limited to use of the Internet, but could also be combined with basic computer training in word processing, bookkeeping, design etc. which are all useful skills in the running of a small business.

FINANCIAL

A taxation system for e-commerce has to consider all the possible social implications and not only those related to the conduct of business. Marginalised groups, and in particular women as the major recipients of state social spending, will be the most likely to be further disadvantaged by any reduction in state revenue and are also probably the least likely to directly benefit from the expansion of e-commerce. The policy needs to ensure that the costs of e-commerce are not passed on to those least able to afford them. The convenience of shopping online in South Africa is limited to a small minority and this should be acknowledged in the policy. Women who do not have access to online shopping and banking facilities should not be penalised for this, for example through being charged higher bank charges for using automatic teller machines.

There are potentially many hidden costs, and it is important that women and SMMEs do not bear the brunt of these. For example, more competition could result in a loss of clients or business for small companies that cannot afford expensive marketing and advertising. Protection is necessary for smaller companies so that they don't suffer.

The Green Paper discusses the safety and efficiency of using smart cards and similar technology (e.g. for pensions). This will have a definite impact on the poor, and in particular on women. The advantages and disadvantages of such a move need to be discussed more broadly. For example, will it be a benefit or not to force poor people to use banks? Will people understand and trust systems based on such technology? The introduction of certain smart cards may be limited by type of business/geographical area and still requiring the carrying of cash for certain types of transaction.

ECONOMIC

E-commerce could have an impact on the population by allowing for the expansion of internal markets, low-cost international expansion and access to financial services for formerly marginalised groups. However, no proof is offered that would substantiate these claims, and no evidence is offered that e-commerce in particular (as opposed to greater access to information technology in general) would have a beneficial socio-economic impact. While some vague allusion to the greater effectiveness of companies and workers is being made, the Green Paper does not expand on what type of company or worker might benefit from e-commerce.

The Green Paper claims that e-commerce has the potential to facilitate growth of SMMEs and concludes that because a third of jobs are created by SMMEs, the faster adoption of e-commerce would create jobs in South Africa. However, these claims do not take into account what type of SMMEs or jobs are being talked about, nor whether or not an unnamed American study is applicable to the South African economy. The claim that e-commerce would lead to job creation cannot be substantiated at present, especially since the adoption of modern technology has already enabled many employers to reduce their staff and replace them with computers.

However, even though many women are interested in SMMEs and the link between gender and SMMEs is often made, the fact is that women predominate at the smaller end of enterprises, in the type of businesses that are unlikely to be able to benefit from e-commerce. The type of businesses most likely to be able to use e-commerce will generally be more formal SMMEs. It is in the informal SMMEs – such as fruit sellers – where women predominate. While the Green Paper mentions supporting the informal sector in its use of e-commerce, this point needs to be developed if it is to have practical implications. The Green Paper also talks about using e-commerce for government procurement. This could however further disadvantage SMMEs who do not have access to computers.

The majority of small businesses operate with relatively small profit margins, and the Green Paper does not adequately address the issue of start-up costs and continuous overheads. Those who wish to engage in e-commerce will either have to finance their own technological equipment or make use of public computer service providers. Unless we consider businesses with adequate financial backing to be the main targets and beneficiaries of the promotion of e-commerce, it has to be acknowledged that owning computer technology is not a viable option for most of South Africa's small-scale entrepreneurs. The use of public computer and Internet service providers, on the other hand, would also represent a continuous financial drain and is not really beneficial to conducting business for extended periods of time. Just as it might be prudent to form strategic alliances with appropriate departments to raise the levels of knowledge, alliances with large corporations who might be able to provide technology as well as support (either directly to businesses or to special free computer centres) could be one possible way to overcome such obstacles.

There is a danger that the Green Paper, and the emphasis on e-commerce itself is primarily aimed at employers and those who are part of the business world – those who can make 'business' from e-commerce. COSATU (reported in *Business Day*, 3 April 2001) expressed some concerns around this issue, mentioning the fact that the paper pays little attention to workplace issues like jobs, working conditions and skills. Stated differently, it focuses on the issues of employers and owners rather than employees. When analysing these concerns from a gender perspective, it is important to consider what it means to women and men as (a) bosses/owners; (b) workers/employees; and (c) consumers. Women are likely to be concentrated among (b) and (c) to the extent that they feature at all.

In terms of women as workers/employees there are two issues which we need to consider – changes in the types of employment and changes in the form of employment. In the first instance there could be substantial changes in the type of employment as e-commerce becomes more widespread. One key area in which a reduction in employment may occur is among sales and service staff, an area which employs a substantial number of women. An e-commerce policy needs to acknowledge and make allowances for these possible negative effects. In the second instance e-commerce may allow more people to work from home rather than in workplaces. While this may appear to have positive implications for women who have additional household

and child-rearing tasks, there are also some negative implications. Working at home is more isolated, makes it more difficult for unions to organise and for rights to be enforced and such opportunities will only be available to those who have electricity in their home.

The Green Paper assumes that e-commerce growth will lead to the creation of jobs, which is by no means proven. It is also inadequate as it creates the impression that the benefits of e-commerce will naturally outweigh the disadvantages. Research has examined the impact of information technology on the number and nature of jobs, and all of this research cautions that government intervention is necessary to ensure that those people displaced in such circumstances from their jobs are re-skilled, that new jobs which are created are not exploitative, and that conditions of employment applicable to all areas of the new labour force are controlled. Some of the specific aspects relating to women are mentioned below:

Creation/retention of jobs:

It is important to analyse how information technology will impact on job creation/losses/quality of employment for women. If the jobs created by e-commerce are more flexible and home based, women need to be protected and supported – the conditions set out in contracts must be fair, there needs to be provision made for pensions, unemployment, leave, maternity, childcare benefits and reasonable working hours.

Type of work:

Women, especially those in lower level jobs which do not require face-to-face contact, may be shunted out of the workplace into their homes where overheads are less, or their jobs may be made redundant as technology is able to replace them (for instance data capturers). New jobs which are created may be located in remoter areas where remuneration is less. While this provides new opportunities for women living in small towns, it also brings about a general lowering in the wages of workers and a loss of good quality jobs in the city. This has been the trend in the U.S.A specifically.

Another issue of concern is the protection of conditions of employment for South African workers, particularly those who may take on low paying jobs which are outsourced by foreign companies wishing to reduce labour costs.

REGULATORY AND LEGAL ISSUES

Issues around legislation, contracting and trade laws, property rights and so on are essentially gender and business size neutral areas, since they are designed to apply to everyone engaging in this form of business in equal measure. A more general area of concern is the general status of women in South African society with regard to legal transactions, particularly if this status is influenced by cultural customs and traditions. However, the issues covered in the following chapters do not appear to require any specific consideration for the needs of women or small businesses.

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