

SERP-P Knowledge-Sharing Forum

Analysis of the Cross-Border E-Commerce Environment for Philippine Women-led MSMEs: Challenges and Opportunities

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Zoom



OUTLINE

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BACKGROUND

Are at a crossroads of critical developments in digitalization and international trade.

They are impacted by the ratification of RCEP Agreement, non-participation in CPTPP, and other Philippine free trade agreements (FTAs).

Women-led micro, small, and medium enterprises (WMSMEs)

These FTAs, coupled with the adoption of e-commerce amid the COVID-19 pandemic, underscore the need to survey the policy environment and identify challenges and opportunities for WMSMEs who wish to engage in cross-border trade (CBT).

The success of MSMEs is critical to the growth of all APEC economies, and cross-border ecommerce presents one area for potential growth. Global total e-commerce sales were estimated at \$3.6 trillion in 2019 with much of the growth driven by the Asia-Pacific region. By 2022, an estimated 20 percent of overall e-commerce will comprise cross-border ecommerce (APEC 2021).

STATEMENT OF THE PROBLEM

Despite the opportunities afforded by developments in CBT and e-commerce, WMSMEs face disproportionate and unnecessary challenges that prevent increased participation in the digital economy.

- Does the Philippines have an enabling policy environment for WMSMEs to engage in cross-border e-commerce?;
- What are the strengths, weaknesses, opportunities, and threats in the current policy environment, both national and regional, concerning WMSMEs in cross-border e-commerce?; and
- What are policy options and considerations encompassing WMSMEs engaged in cross-border e-commerce?

RESEARCH OBJECTIVES

Adapt the questionnaire in *the women-owned businesses in cross-border e-commerce: a diagnostic toolkit* developed for APEC economies to the Philippine setting

Map relevant stakeholders among policy- and decision-makers concerned with policymaking on WMSEs and cross-border e-commerce in the Philippines

Survey the policy environment through the application of the questionnaire or toolkit, as well as through desk reviews and validation meetings

Conduct a Strength, Weakness, Opportunity, and Threat (SWOT) analysis

Recommend policy options and considerations for the Philippine government concerning cross-border e-commerce involving WMSMEs

SCOPE AND LIMITATION

This study is delimited by its definition of a “women-led” MSME and “e-commerce”.

The authors only conducted KIIs with selected key stakeholders such as government agencies, business groups, and women’s business organizations.

Acknowledging the ongoing transitions in government due to the May 2022 national elections, the authors supplemented the interviews with secondhand data through webscraping.



“Women-led MSMEs face disproportionate and unnecessary challenges that prevent them from participating fully in the digital economy and cross-border e-commerce.”

Source: <https://pidswebs.pids.gov.ph/CDN/document/pidspn2304.pdf>

RELATED LITERATURE

The Internationalization of WMSMEs through Digitalization

Perceptions of WMSMEs on the Cross-Border E-commerce and Government Services

Digital Trade Facilitation in the Asia-Pacific Region and the Philippines

Regional and National Frameworks for Cross-border E-Commerce

METHODOLOGY



The overall research design involved qualitative methods to collect, describe, and analyze data obtained from both primary and secondary sources.



The authors mapped key stakeholders that are primarily involved in shaping the policy architecture and business environment for WMSMEs and cross-border e-commerce in the Philippines.



The final list of respondents included ten (10) government agencies and three (3) e-commerce and export-oriented women's advocacy groups and business associations. However, due to the ongoing transitions resulting from the May 2022 national elections, several of the identified agencies were unable to respond to the invitation or provide their inputs within the research timeframe.

DATA INSTRUMENTATION AND COLLECTION

Women-owned Businesses in Cross-border E-Commerce: A Diagnostic Toolkit (APEC, 2020)

- US-Support for Economic Growth in Asia (US-SEGA) (2020)
- The objective of the Toolkit is to help the APEC community gain a better understanding of the challenges to competitiveness and growth for women-owned e-commerce businesses when trading within economies and across borders and assess their own support for these businesses

DATA INSTRUMENTATION AND COLLECTION

Data on Women in E-Commerce

Trade Finance

Digital Literacy, E-Payments, and E-commerce and Digital Trade Regulations

Discrimination on Online Platforms

Online Safety and Security

Networks, Representation, and Visibility

Trade Facilitation Agreement

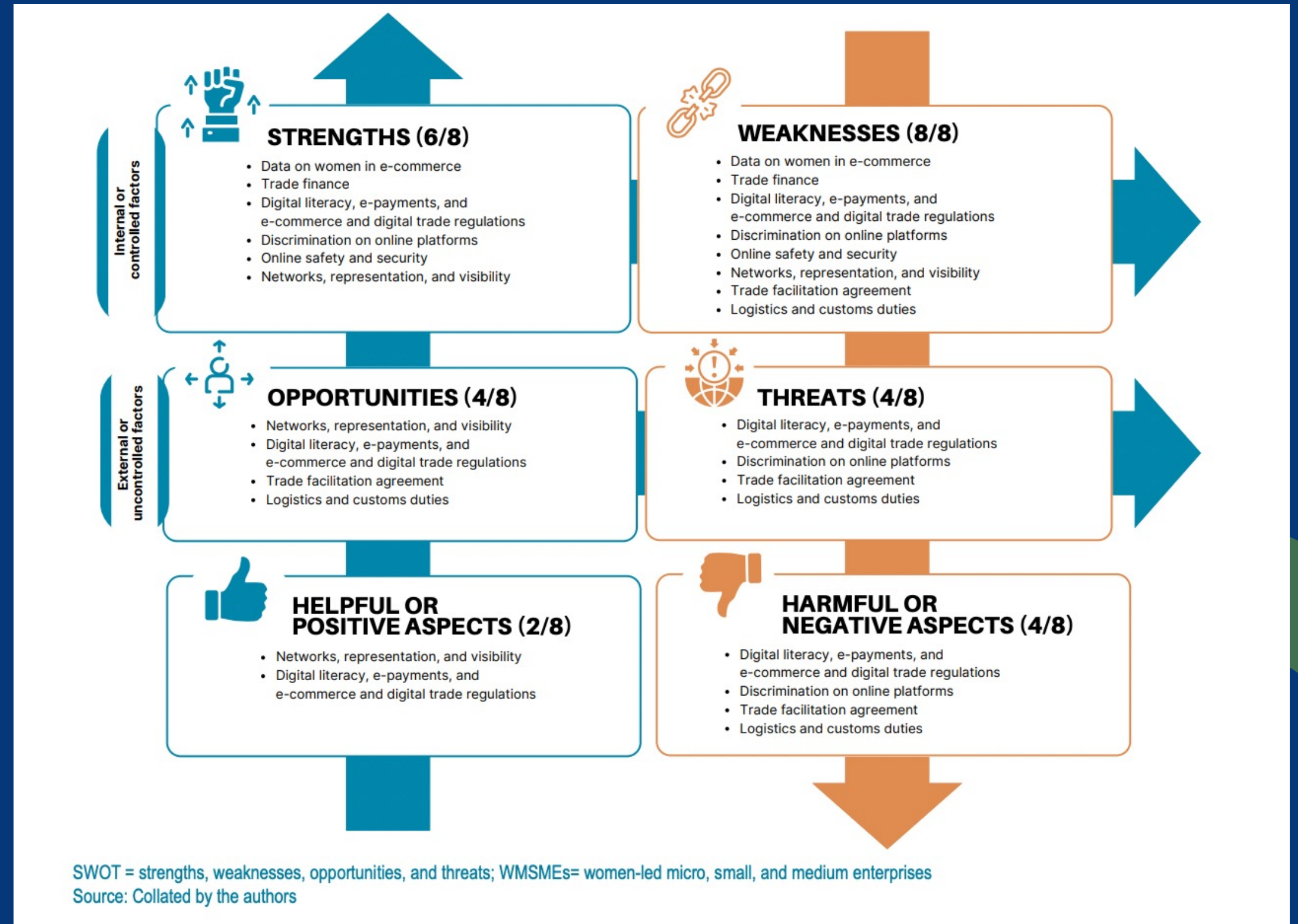
Logistics and Customs Duties

Figure 6. Mapping of the Questionnaire and the Relevant Agencies/Organizations

Agency/ Organization	(1) Data on Women in E- Commerce	(2) Trade Finance	(3) Digital Literacy, E- Payments, an E- commerce and Digital Trade Regulations	(4) Discriminat ion on Online Platforms	(5) Online Safety and Security	(6) Networks, Representat ion, and Visibility	(7) Trade Facilitati on	(8) Logistics and Customs Duties
Bureau of Customs (BoC)	✓		✓				✓	✓
Department of Trade and Industry (DTI)	✓	✓	✓			✓	✓	
Department of Information and Communications Technology (DICT)	✓		✓	✓	✓		✓	
Department of Finance (DOF)	✓	✓	✓				✓	✓
Small Business Corporation (SBC)	✓	✓	✓					
Philippine Economic Zone Authority (PEZA)	✓	✓	✓				✓	✓
Bangko Sentral ng Pilipinas (BSP)	✓	✓	✓					
Department of Foreign Affairs (DFA)	✓					✓	✓	
Philippine Commission on Women (PCW)	✓			✓	✓	✓		
Philippine Trade Training Center (PTTC)	✓	✓	✓			✓	✓	✓
Women Business Council Philippines (WomenBizPH)	✓	✓	✓			✓	✓	✓
Philippine Women's Economic Network (PWEN)	✓	✓	✓			✓	✓	✓
Philippine Exporters Confederation Inc. (PhilExport)	✓	✓	✓			✓	✓	✓

Source: Authors

THE SWOT ANALYSIS OF THE CROSS-BORDER E-COMMERCE ENVIRONMENT FOR PHILIPPINE WMSMEs



ACTIONABLE POINTS AND WAYS FORWARD

Improve coordination within and across government agencies, between government agencies and business organizations, and among government agencies and their stakeholders.

Enhance WMSMEs' access to programs, infrastructure, financing, capacity building, and other opportunities.

Educate WMSMEs on the government's policies and programs affecting their businesses.

Provide capacity building for e-commerce adoption, scaling up, cross-border opportunities, and adhering to customs-related procedures.

Help WMSMEs scale up and sustain their businesses.

CONCLUSION

Regional and national policy landscapes have put utmost interest in promoting and fostering an enabling environment for WMSMEs and digitalization.

The Philippine policy landscape exhibits strengths in two primary fields: networks, representation, and visibility, as well as in digital literacy, e-payments, e-commerce, and digital trade regulations.

Conversely, the current national framework reveals weaknesses in areas such as online discrimination, trade facilitation, and logistics and customs duties.

Likewise, policy gaps must be addressed in several areas such as public-private sector coordination and WMSMEs' lack of access to finance and capacity-building programs, low awareness of government policies and programs due to informality, and challenges in scaling up and sustaining their participation in e-commerce.

THANK YOU!



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