

GLOBAL JOURNAL OF ENGINEERING SCIENCE AND RESEARCHES CHANGING DYNAMICS OF GLOBAL MARKET: E-COMMERCE ROLE TOWARDS SUSTAINABLE DEVELOPMENT

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ABSTRACT

This Paper is focused on global retail ecommerce contribution in united nation sustainable development goals fulfilment. The main aim of the study is women empowerment (SDG 5-Gender equality), support of global ecommerce in reducing income inequalities (SDG 10) and helping in creating new opportunity for decent work and economic growth (SDG 8) Study Highlights Various Global ecommerce Platforms engaged in generating employment and reducing gender gaps by running various programs to educate them and provide supportive environment to get employment opportunity. Paper also cover the global trade barriers, the biggest loophole for any business. These platforms like etsy, amazon.com, ebay.com are providing immense opportunity to minimize the trade barrier and do the business easily.

Keywords: *Ecommerce, Women Empowerment, Sustainable development goals, SDGs, Income inequality, Cross border trade.*

I. INTRODUCTION

The united nation in 1st January 2016 bring sustainable development goals (SDGs) for the transformation of the world by reducing poverty, income inequalities, gender equality and minimizing all economical social and environmental issues. SDGs has 17 Global goal with the objective No One Left Behind. It is supported by all 193 countries and target the agenda to achieve the goal by 2030.

United Nations is strongly supporting SDGs through a large number of worldwide initiatives and partnerships. Over the past three years, the SDGs have been established as a general international framework, despite some criticism in the beginning. By now, many countries have started to integrate the SDGs in to their strategies for their as well global growth. After only three years, it becomes obvious that these goals can only be achieved if everyone works jointly.

For attaining the goal of sustainable world and sustainable growth, business plays an important role. We need new innovations, Techniques and products to make a significant contribution to a sustainable future. Basic need of hunger, poverty, water are the key challenges which require technical and business solutions in all countries. All business need to focus on new product and innovation with the aim of sustainable development

The Emerging Digital Economy, It is generally agreed among scholars and policy makers alike that the gleaming development of the Internet and its wide-range of applications during the past five years are going to change various aspects of our society in very fundamental ways as we move into the 21st century (Castells, 1998). Among the many modifications the Internet brings to society, the most noticeable, and perhaps the most important change, is the so called emerging (indeed, e- merging) digital economy as evidenced by the growth of Internet-based businesses for the delivery of goods and services worldwide. Growth of the internet across the globe has bridge the gap and connectivity with the people worldwide. Ecommerce is becoming the major platform for providing employment, poverty reduction and minimizing the gender equality.

According to the two latest national studies released by the Department of Commerce, e-commerce is quickly becoming the mechanism for economic growth in the new millennium. This e-commerce-led growth could increase in the coming years not only in the information technology (IT) sector itself, but across all sectors of the economy as

the number of people connected to the Internet proliferate and as its commercial use grows (Margherio, 1997; Tapscott et al., 1998).

Cross-border e-commerce has opened up a new, more efficient way to connect producers and merchants directly to customers around the world, bridging the gap between demand and supply. It opens new opportunities by providing new markets, products and services but also by reducing the role of intermediaries, which can result in substantial purchasing discounts. Cross-border e-commerce also provides a unique opportunity for micro small and medium-sized enterprises (MSMEs) in countries and regions that may traditionally have found it difficult to reach regional and international markets – such as landlocked developing countries (LLDCs) – and connect with potential buyers beyond their borders.

Guidelines for Manuscript Preparation

II. LITRATURE REVIEW

According to **United Nations Conference on Trade and Development**, while global trade growth has been static for several years, e-commerce has been growing rapidly. According to estimates by the United Nations Conference on Trade and Development (UNCTAD), between 2013 and 2015 the value of online trade expedited upwards, from USD 16 trillion to USD 25.3 trillion. The lack of adequate data and its official statistics on e-commerce is a major challenge for mapping e-commerce uptake and measuring its impact on development. Available data and estimates show that in terms of value, business-to-business (B2B) e-commerce represents the major share of e-commerce (89%), whereas business-to-consumer (B2C) appears to be expanding faster. Business-to government (B2G) e-commerce is also on the upswing and offers an entry point for many developing countries.

China and the United States had the biggest B2C e-commerce markets in 2015, with USD 617 billion, and USD 612 billion, respectively. The United States, however, was the leader in B2B sales, with more than USD 6 trillion, well prior to Japan (USD 2.4 trillion). Data is compiled for ecommerce sale of 10 major ecommerce economies, which shows more than a third of the aggregate GDP. While global e-commerce is still in command of developed countries, the highest growth is observed in developing regions, especially in Asia. An estimated 1.6 billion people around the world are expected to make at least single online purchase in 2018; 75% of them will be from developing and transition economies. Factors like firm size and rural locations considerably have an effect on the flexibility of enterprises to sell and buy online. The degree to which different countries, individuals and enterprises involve in e-commerce varies greatly, giving rise to a multi-faceted digital divide. Digital connectivity is a necessary, but not sufficient, condition to engage in ecommerce.

A growing body of evidence focuses the effectiveness of aid for trade in promoting positive trade results. The focus on capturing trade outcomes (e.g. increases in exports) is now being complemented by an increasing focus on tracing the impacts of aid for trade interventions on poverty reduction, in particular for women, on whom the burden of poverty falls the most. Poor connectivity is strongly related with poverty. Territory with higher poverty rates score lower on the World Bank's Logistics Performance Index and the World Economic Forum's Enabling Trade Index. Digital approaches to trade facilitation can reduce obstruction at borders, increase revenues, and facilitate the participation of small entrepreneur and women in cross-border trade. Internet access minimizes distance and help entrepreneurs to earn income by selling online.

Further, **UN Women annual report 2017-2018** states that rural women around the world face some of the difficult barriers to equality and empowerment, with mixture of limited options for livelihoods and access to markets, poverty and often deeply rooted forms of gender discrimination.

Nehru and Bhardwaj (2013) analyzed the factors which motivate women to start their own venture and the issues faced by them when they ventured out to shape their own position in the competitive world of business environment.

A research study by **Manisha Parnami & Dr. Tripti Bisawa** shows that many women have become financial independent by selling product online. The Indian women have to perform two opposite roles in this developing economy where she has built career and to take care of household also so with help of ecommerce she can perform both the role excellently by working at home. A large numbers of women sellers are selling products online through websites such as health care, home furnishing, jewelry handicrafts, fashion, apparel. The main reason for choosing online market place is minimum investment, ease of working from home, global reach.

Study by **Goswami & Dutta** reveals that, the use e- commerce application by the women entrepreneurs can enhance the productivity and profitability of their businesses and therefore, it is acting as a positive influence on their involvement with e-commerce use. The statistically significant influence of effort expectancy suggests that the respondents will be eager to use e-commerce applications if they are easy to use. Peer influence exerts a statistically significant influence on women entrepreneurs' intention to use e-commerce. Both behavioral intention and facilitating conditions were found to be significant for women entrepreneurs' use behavior of e- commerce applications. This suggests that necessary resources and infrastructure should be provided to encourage the women entrepreneurs to use e-commerce applications.

III. RESEARCH OBJECTIVE

Our work is based on e-commerce contribution towards the SDGs and is driven by the following questions:

- How Global Retail Ecommerce is facilitating WOMEN EMPOWERMENT and reducing GENDER GAP.
- How Global Retail Ecommerce is providing new opportunity for decent work and helping economic growth.
- How Global Retail Ecommerce is helping in reducing income inequality within and among countries.
- How Global Retail Ecommerce is minimizing global trade barriers.

IV. METHODOLOGY

This research is based on secondary data analysis which are collected from various sources i.e. research papers & reports on e-commerce, publications from Ministry Of Commerce, Export Promotion Councils, Govt. of India, International Trade Centre, United Nations Conference on Trade and Development and WTO Reports etc.

V. FINDINGS

A. New opportunity for Decent work and Economic Growth (SDGs goal no.8)

Cross-border B2C transactions will occupy 30% of total B2C transactions globally by 2020. Global retail ecommerce is more welcoming to new entrants. Newcomers (sellers that did not make any sales over the previous year or new to the platform) account for 20% of online sales annually, while their share in traditional exports is around 2% only. However there is logistics performance gap between rich and poor countries and the convergence trends observed between 2007 and 2014 has altered. High-income countries score 45% higher than low- income countries in the WB Logistics Performance Index (2016). [E-commerce for Inclusive Development - Connecting SMEs to Global Markets by ITC & UNCTAD 2017]. Considering Indian Global Retail E-commerce perspective, there are many platforms which are providing global retail opportunity mainly dominated by Amazon, eBay, and Etsy.

Amazon had a few 100 sellers when it begins Global Selling Program in India in May 2015. And, today, there are 20,000 sellers with a listing of 45 million products across categories such as home décor, apparels, toys, tapestry, leather-jackets, herbal and so on. So whether it is taking small manufacturers from here or the B2B manufacturers who are selling to stores in the US, amazon is able to give access to the global customers. Etsy has generated \$3.3B in sales in 2017 for 1.9M active sellers around the world. Etsy is paving a pathway to entrepreneurship and economic empowerment: 53% of sellers first sold their goods on Etsy. 49% of sellers started their shop to meet a financial or economical challenge.

B. Women Empowerment through Global Retail E-commerce

Data on women Entrepreneurs through ecommerce by Clarus Research Group reveals that the women entrepreneurs having less than 40 hours or less work experience amounted to 62% which denotes e-commerce is providing opportunity even for those who do not have working experience. The study also reveals that the women between age group of 18-34, 35-54 and 55-64 amounted to 39%, 48% and 13% respectively, which reveals the fact that new opportunity is for everyone and age don't play any crucial role for starting an ecommerce business. Talking about e-commerce platforms, Etsy is empowering women around the globe with the fact that total 1.9 million active Etsy sellers in which 87% of Etsy sellers are women 87% of sellers are women 97% run their shops from their homes, 80% are businesses of one, 28% of sellers live in rural areas, 53% of sellers first sold their goods on Etsy, 60% of Etsy sellers sell on multiple channels, including in-person, online, and through retail. On average, sellers are earning the highest share of their sales through Etsy. Etsy insight report further reveals that 55% of Etsy employees are women, both etsy Board of Directors and Executive Team are at least 50% women. Etsy engineering team is having 29% women engineers.

Amazon has launched 'Amazon Saheli' last year to focus and address challenges faced by Indian women entrepreneurs and help them gain visibility and access to resources. Amazon has also partner with organisations such as Mann Deshi and COWE, who share the same vision of supporting women entrepreneurs and help them become more economically strong. They Launched last year in November with SEWA and Impulse Social Enterprise, Amazon Saheli currently has over 900 products such as kurtis, sarees, dupattas listed by women entrepreneurs. Through the program, Amazon is conducting extensive training and skill development workshops for its partners to help women entrepreneurs understand variation related to online selling and, develop skills and capabilities necessary to grow their business on Amazon.in. The training workshops will comprise of sessions on listing of products, imaging and cataloging, packaging and shipping, inventory and account management and customer service to name a few. The workshops will be free, and will offer several exclusive benefits including assisted on boarding and mentorship programs. Amazon is targeting to facilitate around 62000 women entrepreneurs through this program.

C. Gender Gap Reduction through Global Retail E-commerce

As per MSME Report 2017-2018, Out of 633.88 lakh MSMEs, 608.41 lakh (95.98%) MSMEs were proprietary enterprises. There has been huge predominance of male owners in proprietary MSMEs. Thus, for proprietary MSMEs as a whole, male owned enterprise is 79.63% as compared to 20.37% owned by female. There was no significant deviation in this pattern in urban and rural areas, although the dominance of male owned enterprises was slightly more noticeable in urban areas as compared to rural areas (81.58% as compared to 77.76%). Further male dominance in ownership has been more prominent for small and medium enterprises with 95% or more enterprises being owned by them as compared to micro enterprises where 77.76% were owned by male. While e-commerce companies providing Global retail opportunity reveals that around 33% amazon global sellers, 44% of eBay cross border sellers and 87% of etsy sellers are female which denotes global retail e-commerce is minimizing gender gap more prominently.

D. Reducing income inequality within and among countries

Etsy has established guidelines around hiring and training to help ensure equity and that its workplace is one where people from all backgrounds feel welcome. Amazon runs various programs for craftsmen and handcraft artisans to train them for global selling. Similarly eBay carries out awareness programs through various channels so that even sellers with low income profile and elementary education level can start global shop through ebay.

E. Minimizing Global trade barriers

Amazon, eBay and etsy are just few companies which are successfully providing global trade opportunity for domestic sellers. Further, there are a lot more companies which has opened their doors for global shop for domestic sellers such as wish.com, Rakuten, lazada etc. These platforms are providing a bridge between international buyer's and domestic sellers, which is contributing towards SDG17-Minimizing Global Trade Barriers.

VI. CHALLENGES & SUGGESTIONS

There are certain Barriers which SMEs face to conduct e-commerce such as Product isn't a good fit for sale, Poor marketing of products, Lack of online visibility, Access to register as vendors on ecommerce platforms, Lack of adequate infrastructure (roads, airports, railways, ports), Inefficient/ unreliable transport services, Complicated customs procedures and Lack of simplified customs procedures (e.g. deminimis). For 49% of Etsy sellers, are facing financial challenge contributed to their decision to start a creative business 87% believe it's important to run an environment friendly or responsible business. The challenges that women in ICT-based e-commerce businesses still have yet to overcome are dependence on government contracts, societal contacts that arise as existing power structures are threatened by the increasing economic independence of women involved in these projects and issues related to work-life balance in more traditional societies. The logistics performance gap between rich and poor countries remains and the convergence trends observed between 2007 and 2014 has altered. High-income countries score 45% higher than low-income countries in the WB Logistics Performance Index (2016). Inadequate infrastructure and legislation for implementing and monitoring consumer protection policies in many developing countries. Other challenges and issues are Difficulties with international banking transactions, Exclusion from international e- marketplaces, Infrastructure deficit, Inexperience with sales tax and import duties, Socio- political barriers, the remaining digital divide. The Potential Solutions can be working with policy makers, public-private action, Institutional capacity building, Enterprise capacity-building, corporate structure- sharing, Technology-sharing and improved access to international transport and logistics. Eliminating the need for "trial and error" significantly reduces the start-up costs, which is particularly important for women. The best practices are easily replicable and their systematic follow through will considerably facilitate the long-term viability and success of women-owned e-commerce/ e-retailing projects.

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