

MSME Digitalization in a Post-COVID World: Implementing a Gender Inclusive Action Agenda

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Abstract:

The COVID-19 pandemic has made digitalization a priority for micro, small and medium enterprises (MSMEs) in the Asia-Pacific Economic Cooperation (APEC) region. While efforts to engage MSMEs in the digital economy precede the pandemic, social distancing measures now require MSMEs to adapt from in-person to online operations. As economies prepare to assist MSMEs in digitalizing their operations, governments' policy approaches must account for the pre-existing inequalities facing underrepresented groups in entrepreneurship – especially women- and youth-led MSMEs – in order to ensure an inclusive transition to the digital economy. Drawing from the implementation experiences of the APEC-Canada Growing Business Partnership, a joint international development project between the Asia Pacific Foundation of Canada and APEC Secretariat, this paper analyzes the Partnership's on-the-ground activities promoting inclusive growth among MSMEs in Indonesia, Peru, the Philippines, and Vietnam. Based on the project's preliminary findings, this paper provides two policy recommendations on how to (1) utilize a gender-based analytical framework in MSME digitalization; and (2) build the capacity of on-the-ground partners to provide gender-based training and research concerning digitalization. We highlight both international strategies (e.g.: APEC Policy Partnership on Women in the Economy) and Canadian tools (e.g.: Canada's Feminist International Assistance Policy and gender-based analysis plus (GBA+) approach), which recognize the specific context of women-led businesses in the Partnership's implementation. We therefore recommend that government measures regarding MSME digitalization operate through an analytical gender-based lens. Ensuring an inclusive transition of MSMEs to digital operations is crucial toward facilitating the full economic participation of underrepresented groups moving forward.