A4AI ALLIANCE FOR AFFORDABLE INTERNET

The Costs of Exclusion

Economic Consequences of the Digital Gender Gap

Executive Summary

Governments are missing out on hundreds of billions of dollars because of the digital gender gap. Closing this gap in the next five years gives policy makers a $524 billion USD opportunity.

Across the world, millions of people are still unable to access the internet and participate online — **and women are disproportionately excluded.** Men are 21% more likely to be online than women globally, rising to 52% in Least Developed Countries.

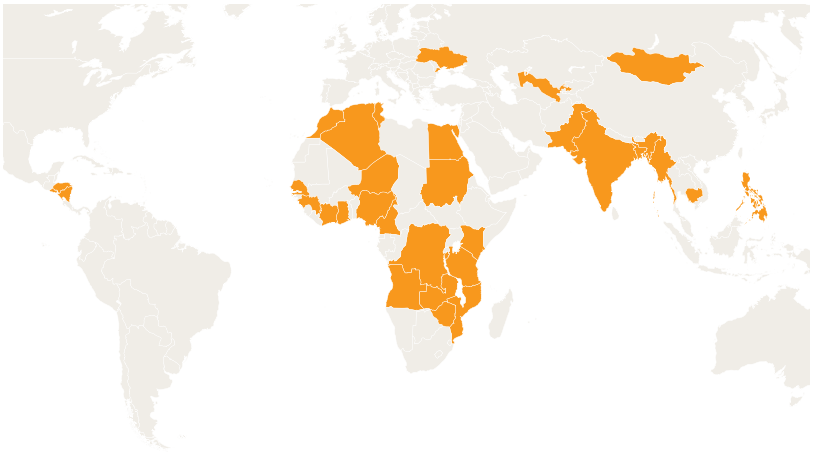
Various barriers prevent women and girls from accessing the internet and participating online, including unaffordable devices and data tariffs, inequalities in education and digital skills, social norms that discourage women and girls from being online, and fears around privacy, safety, and security.

While digital exclusion limits the opportunities for those women and girls unable to connect, it also has broader societal and economic impacts that affect everyone. With hundreds of millions fewer women able to use the internet, the world is missing out on untold social, cultural, and economic contributions that they could make if they were able to harness the internet's benefits.

This report estimates the economic impact of women's digital exclusion. Further, it underlines the economic opportunity governments have to include women in a fully inclusive digital economy.

Measuring the economic cost of digital exclusion

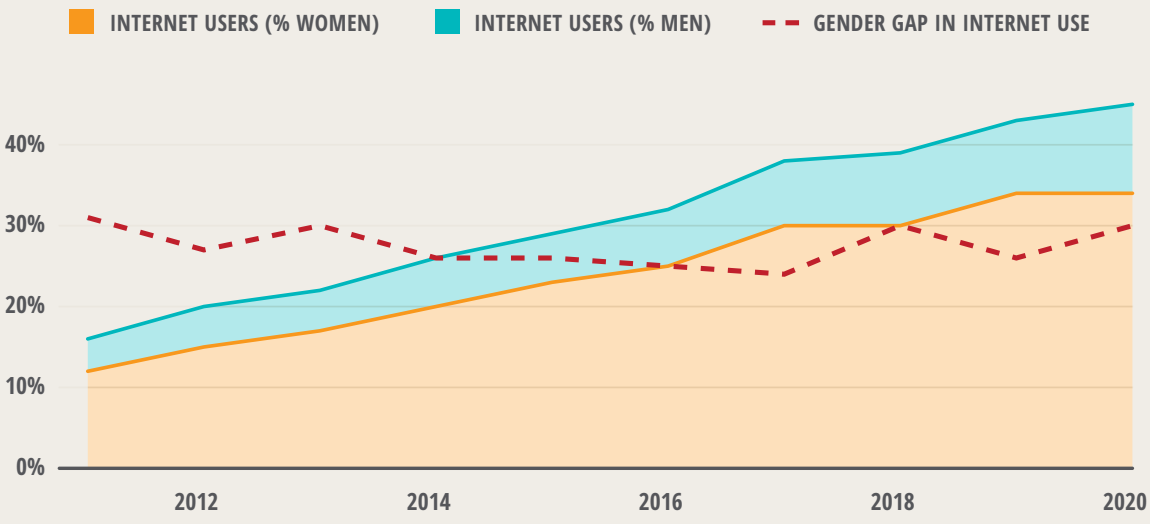
This research focuses on low and lower-middle income countries (LLMICs), where the digital gender gap is often greatest. To understand the economic impact of digital exclusion, this report models the gender gaps in 32 LLMICs, covering over 70% of the collective gross domestic product (GDP) of all LLMICs, and pairs it with existing models from the International Telecommunication Union (ITU) that calculate the economic effect of increasing mobile and fixed broadband penetration. This model gives an estimate of the total effect of the digital gender gap on the gross domestic products (GDP) of these 32 countries and projects the future impact if governments do not act to address the problem.



What we found

1

There is a substantial digital gender gap — and it's not getting better. In the 32 countries we studied, just over a third of women were connected to the internet compared to almost half of men. Since 2011, the gender gap has only dropped half a percentage point, from 30.9% to 30.4%.



Source: *Alliance for Affordable Internet, 2021*

2. **Countries have missed out on $1 trillion USD in GDP as a result of women's exclusion from the digital world.** In 2020, the loss to GDP was $126 billion USD.

3. **This economic hit means billions in lost taxes that could be invested to improve education, health, and housing.** This lost productivity translates to a missing $24 billion in tax revenues annually for these governments, based on current tax-to-GDP ratios.

4. **Governments are not adopting the policies they need to bridge the digital gender gap.** Of all the policy areas covered by the Alliance for Affordable Internet (A4AI) in its annual Affordability Drivers Index, gender consistently receives the lowest scores. In the 2020 Affordability Report, over 40% of countries studied had no meaningful policies or programs to expand women's access to the internet.

5. **Policymakers have a $500 billion+ economic opportunity.** Closing the digital gender gap in these countries would deliver an estimated $524 billion increase in economic activity by 2025.

Bridge the digital gender gap and grow digital economies

These findings show the magnitude of the digital gender gap and the opportunity that exists for governments willing to take action. As economies have contracted in the face of the Covid-19 pandemic, governments are looking to the digital world as a new, robust source of economic productivity and growth. This growth must be inclusive and must invest in programmes, policies, and infrastructure that enable more women to use the internet.

This policy approach will include investment in infrastructure to make sure stable, high-speed internet access is available and affordable to everyone. But a strategy for an inclusive digital economy must go beyond infrastructure to also address the economic, technical, and social barriers of digital exclusion.

The REACT framework, developed by the Web Foundation, defines five core pillars that give policymakers a holistic way to develop policy to promote women's inclusion in technology through: **Rights, Education, Access, Content,** and **Targets.** An effective broadband strategy must include policies that guarantees the rights of women and girls; provide skills and training for all; make internet access available and affordable; promote relevant, local content; and include clear policy targets to create accountability in the policy process.

A digital economy without the full participation of women cannot scale to reach its potential. Digital inclusion is not only good policy — it's good economics.