

Chapter 27

Mobile Value Added Services in Fiji: Institutional Drivers, Industry Challenges, and Adoption by Women Micro Entrepreneurs

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ABSTRACT

While mobile phones are making significant inroads in many developing countries, little is known about the institutional drivers, policy barriers and industry challenges that affect their use for business growth of micro- enterprises. The authors address this gap. After conducting semi-structured interviews of 74 women-owned micro entrepreneurs and ten key informants from the government and industry in Fiji, the authors found that appropriate policy framework, supporting infrastructure and appropriate ecosystem are required for rapid uptake of mobile value added services by women-owned micro entrepreneurs. They contribute by proposing a revised technology adoption framework as well as the four shackles theory of women micro entrepreneurs' empowerment and emancipation. The authors also highlight the policy initiatives necessary to accelerate the growth of women-owned micro enterprises by mobile value added services which could also guide other developing and emerging economies.

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1. INTRODUCTION

Women-owned and operated micro enterprises (WMEs) suffer technological disadvantage, though businesses everywhere thrive on technology. Throughout the world, women's access to technology is inadequate, particularly for those living in rural and remote areas (UN, 2011). Though WMEs contribute to economic growth they have limited access to digital channels, markets, resources, and mentorship (CBFW, 2012). Mobile value added services (MVAS), that is, end-user service provision beyond standard voice calls (Deloitte, 2011, p.15), might be a valuable and convenient solution in such a situation. A 10% substitution from 2G to 3G increases GDP per capita by 0.15%, a doubling of mobile data increases GDP per capita growth rate by 0.5% and a 10% increase in the mobile penetration increases total factor productivity in the long-run by 4.2% (Deloitte, 2012). Greater use of ICT is essential for micro enterprises as well as Fiji's socio-economic growth where poverty rose from 7% to 35% (GoF, 2006). A micro enterprise is 'any enterprise with a turnover or total assets not exceeding \$30,000 and employees not more than five' (Fiji's Small and Micro-Enterprises Development Act 2002).

Though MVAS is especially crucial for WMEs growth, it has been underused (ICRW, 2010, p.2). WMEs represent the largest segment of women-owned enterprises in Fiji (85% - according to Kinivuwai, 2005) and a larger role for them might improve the country's economic performance. MVAS 'could generate transformational outcomes to improve socio-economic and livelihood opportunities for women entrepreneurs and commercial benefit to private sector stakeholders' (CBFW, 2012, p. 40). In Fiji, 95% of population had 3G coverage and 40% of mobile phone users were women but our study found that only about 18 percent of the WMEs were using SMS for business-related purposes and 26 percent were engaged in web-browsing (mainly Facebook for social networking). Several policy barriers and industry-challenges affected MVAS growth.

Given our focus on WMEs, we discuss the notions of 'gender (empowerment and emancipation aspect)' and 'entrepreneurship among women'. Woman entrepreneurs face more severe obstacles to business creation than men and continue to be discriminated in ICT usage (Hilbert, 2011). This situation calls for emancipation and empowerment of women. MVAS lowers the cost of transactions, improves security, generates new employment opportunities, and creates a platform for business growth (Donovan, 2012). Consequently, it is important to study how women entrepreneurs could be empowered through MVAS, yet only 10% of academic research focusses exclusively on them (Brush & Cooper, 2012). The Fijian government has taken several steps to increase women's participation in socio-economic development, amend legal disadvantages, and provide additional resources to develop WMEs. Though we focus on WMEs, the results are relevant to all micro-entrepreneurs especially in developing countries and possibly to SMEs.

Fiji, a South Pacific Island, has a population of about 900,000 with 94% literacy rate (female literacy 92%). Its GDP growth declined after the 2006 coup d'état. Major issues faced by micro-enterprises, among others, include the lack of capital and strategic orientation (Singh et al., 2007). MVAS appears to be an appropriate tool to address these challenges. Accordingly, we aim to identify factors influencing adoption of MVAS among WMEs to develop our understanding of technology adoption in remote islands. The focus is especially on policy- barriers and industry challenges impacting MVAS growth. We proceed as follows: Section 2 provides the framework, section 3 and 4 present data and method and results, respectively while section 5 concludes. We address the special issue theme of critical success factors and challenge for information management in the Pacific with focus on MVAS and WMEs. We

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