



## E-Commerce As a Tool for Economic Empowerment and Poverty Reduction

Ms Gaurvi Shukla

Lucknow Public College of Professional Studies, Lucknow, India

[gaurvi16@gmail.com](mailto:gaurvi16@gmail.com)

### KEYWORD

Poverty, E-commerce,  
Business, Global  
Market, Economic

### ABSTRACT

*E-Commerce refers to the selling and buying things and services through the internet services. It has grown as a powerful tool for the economic growth of country and reduction of poverty of nation. Through this revolution the businesses of country have transformed and changed the way in to interact with customer. It offers numerous benefits for worldwide nation.*

## 1. Introduction

1.1. Specially for small and medium-sized enterprises (SMEs), e-commerce provides a special platform to approach worldwide audience. Above all the barriers, E-commerce enables artisans and entrepreneurs from small and developing countries to sell their products and services to all over the world. This can lead the revenue, job creation and increased sale. It also reduces the entry barrier to the market place and making it easier to grow your business in global market. Setting up online store is also cost effective in comparison to offline store as it doesn't require physical space and operational cost[1]. It empowers individual to participate in economic growth of the country and become financially independent. E-commerce is also generating various job opportunities in areas like customer care services, online marketing, digital marketing, logistics and IT support. As the business grows in online platform it creates demand and so polish the skills and leads to the job opportunity specially for the region where the skill rate is high but the literacy rate is low. The growth of e-commerce also excludes the traditional banking systems as it offers integrated payment gateways and allowing consumers to perform transaction without physical bank account[2][3]. In this way, it can lift people out of poverty and improve their financial well-being. E-commerce also breaks the need of intermediaries in supply chain and in this way again it reduces the cost that affects both, the buyer and the seller. Lower cost can lead the lower price of product and make the product available at your door step at a very reasonable cost. For dealing with e-commerce, it requires a certain level of digital literacy and some technical skills to operate. By doing so, it will enhance your digital skills and knowledge[4]. This

**Corresponding Author:** Ms Gaurvi Shukla, Lucknow Public College of Professional Studies, Lucknow, India  
**Email:** [gaurvi16@gmail.com](mailto:gaurvi16@gmail.com)

knowledge makes them more adoptable in digital world and helps to pursue better job or become independent successful entrepreneur.

## 2. Market Analysis:

E-commerce also supports traditional business by providing them a new sales channel partner and by the broader range of customer. These supports can help to preserve the traditional craftsmanship and help to prevent cultural heritage of a country while providing a sustainable income opportunity for the local communities. However, it is important to focus on that e-commerce is not a guaranteed solution for all the economic challenges that hurdle the growth of a country[5]. Though it is helpful in reducing poverty and economic growth of a country. E-commerce also has some barriers like digital device, internet connection, signal availability[6]. Government and private sectors are continuously working on it to make it available for all that contribute towards the sustainable economic development and poverty reduction. The contribution of e-commerce to provide global market access, job creation, entrepreneurs empowerment, development of MSMEs and SMEs is markable and it is improving livelihood and raising living standard of many people. It helps to bridge the gap between digital industry and traditional industry and also creating many job opportunities for local communities. Moreover, the knowledge enhancement and skill development contributed to human capital development and promoting overall workforce[7]. While e-commerce presents positive impact on infrastructure of a country and regulatory framework must be ensure the advantages of e-commerce to avail all segments of citizen[8]. Efforts from government, private and international organizations are commendable to create an environment that nurtures unbiased growth through the e-commerce.

**3. Conclusion:** In Conclusion, by offering transformative tools, E-commerce has proven a powerful tool for the economic growth and poverty reduction of country by providing a benefit to individual, entrepreneurs, business officials and world-wide communities. By binding the potential of internet, E-commerce has created new chances for entrepreneurs, SMEs, and marginalized communities to participate in the global marketplace by utilizing the potential of the internet, promoting economic growth and lowering poverty. E-commerce will become more and more important in determining the direction of economic empowerment and the fight against poverty as technology advances. By responsibly and equally utilizing its potential, stakeholders can cooperate to build a more sustainable and prosperous global economy where the advantages of e-commerce are tapped for the benefit of all people and communities, especially those who need economic upliftment. E-commerce can thus become a crucial tool for development by lowering prices, increasing efficiency, and reducing time and distance. E-commerce has the

benefit of requiring time and effort, facilitating access to international markets, encouraging economic growth, and enhancing exports and manufacturing.

#### References:

- [1]. World Bank Group. (2020). "Global Value Chains Development Report 2020: Technology, Innovation, and Inclusive Growth." Retrieved from: <https://openknowledge.worldbank.org/handle/10986/33414>
- [2]. United Nations Conference on Trade and Development (UNCTAD). (2020). "E-commerce and Development Report 2020." Retrieved from: [https://unctad.org/system/files/officialdocument/der2020\\_en.pdf](https://unctad.org/system/files/officialdocument/der2020_en.pdf)
- [3]. International Trade Centre (ITC). (2019). "SME Competitiveness Outlook 2019: Big Tech and the Global Trade Revolution." Retrieved from: <https://www.intracen.org/publication/SMECompetitiveness-Outlook-2019-Big-Tech-and-the-Global-Trade-Revolution/>
- [4]. Ghosh, S., & Prakash, R. (2020). "E-commerce: Economic Impact and Challenges." *Journal of Commerce and Accounting Research*, 9(3), 1-6.
- [5]. Noman, A. H. M., & Jahan, N. (2019). "The Impact of E-commerce on Economic Growth and Poverty Reduction." *Global Journal of Management and Business Research: E Marketing*, 19(2), 10-16.
- [6]. Kshetri, N. (2017). "E-commerce in Developing Countries: Issues and Influences." *Information Development*, 33(6), 647-660.
- [7]. Qiang, C. Z. (2017). "Digital Trade in Least Developed Countries." *Information Economics and Policy*, 39, 47-54.
- [8]. Kim, M., & Lee, M. (2016). "E-commerce and Income Inequality: A Gini Coefficient Approach." *International Journal of Economics, Commerce and Management*, 4(11), 2016