



Policy Brief

Towards Inclusive Platformization in Nigeria



Kemi Ogunyemi

IT for Change | 2019



This report was produced as part of the research project 'Policy frameworks for digital platforms - Moving from openness to inclusion'. The project seeks to explore and articulate institutional-legal arrangements that are adequate to a future economy that best serves the ideas of development justice. This initiative is led by IT for Change, India, and supported by the International Development Research Centre (IDRC), Canada.

Authors

Kemi Ogunyemi is the Director of the Christopher Kolade Centre for Research in Leadership and Ethics at Lagos Business School, Nigeria.

Research coordination team

Principal Investigator: Anita Gurumurthy

Co-investigators: Deepti Bharthur, Nandini Chami

Editorial Support: Amla Pisharody, Deepti Bharthur

Design: Purnima Singh

© IT for Change 2019



Licensed under a Creative Commons License Attribution-NonCommercial-ShareAlike 4.0 International (CC BY-NC-SA 4)



Towards Inclusive Platformization in Nigeria

Policy Brief

Kemi Ogunyemi

Page intentionally left blank

The digital platform economy has become an essential facet of today's global economy, enabling businesses to leverage data power to grow dramatically in size and scale (Evans & Gawer, 2016).

Platforms, when adequately utilized can enhance inclusiveness. An attempt was made to look into the platform economy in Nigeria, analyze its institutional-regulatory context and examine cross-cutting issues, which include trust and consumer protection, terms of use, multilateral trade regimes, and their implications for the platform economy and Nigeria's economy as a whole.

Based on our analysis, we recommend some policy directions to promote inclusion as well as enhance governance of the platform economy. We expect that this work will contribute to progress debates regarding platform-related issues and also provide a foundation for enhancing the sustainable growth of the platform economy in Nigeria and beyond.

1. Introduction

Platforms have the potential of improving productivity and contributing to the development of economies (Evans, 2016). Yet, the obvious and inarguable benefits of increasing openness may be impaired by the challenges to equity and fairness such as marginalizing some groups or taking advantage of others. Some critical concerns include how to regulate the industry so that local and small players are not marginalized, how to protect worker rights and consumer rights, and how to address gaps in data protection with regard to confidentiality and privacy.

Our study explored the extant laws that govern the platform economy, including international agreements that Nigeria is party to, and suggests that enhanced and/or new legal frameworks are needed in the platform economy to enable it to become more inclusive and better governed. The case subjects engaged with in the process were: Yellow Mobile Account (mobile money), Gomyway (e-transport/ride-share) and Konga (e-commerce/e-marketplace).

2. Approach

This study elucidated the Nigerian context to complement global debate on appropriate regulatory frameworks that ensure inclusiveness and accountability of platform providers to the societies in which they operate. To achieve this, we asked:

- a) How are the platforms currently configured (including structures and business models) to address e-inclusion, digital gender divide, and vulnerable users?
- b) What new legal frameworks are needed in the platform economy to make it more inclusive?
- c) To what extent do the consumer protection and privacy rules of the platform compare with global standards and align with existing policy framework?
- d) What new legal frameworks are needed in the platform economy to make it better governed?

We adopted a qualitative approach in order to gain deep understanding of the operations of platforms in Nigeria. Data was collected through case studies (archival data from relevant documents available and interviews with the employees) as well as interviews with the users of the three platforms. Insights from four focus group exercises further enriched the discussion. Data obtained from the archival sources was thus triangulated with field data to enrich it and enhance reliability. The interviews with consumers used the narrative inquiry approach to grasp the issues from respondents' perspectives. The resulting data from these multiple sources were critically analyzed (using NVivo software to explore the consumer interviews) to assess the interplay between regulation and governance, the digital environment in Nigeria, the operations of the platform companies.

3. Results

Findings about issues surrounding consumer protection, data protection, and role of government emerged, which are detailed below:

- a. Low trust levels about data protection and privacy:** Some platform users expressed anxiety about the safety of personal information/data obtained from them and spoke about how they protected themselves through means such as creation of special email accounts, providing alternate home addresses for online transactions, being wary of suspicious websites, non-disclosure of full names, and being cautious when there seemed to be an intrusive nature of data gathering or information processing by operators.
- b. Lack of consumer protection channels:** Generally, a good number of platforms have customer care issues. There is a lack of effective and proper channels for complaints and dispute resolutions; impatient or non-customer oriented customer care representatives; lack of government interventions particularly in regulating the platform operators; and cases of fraudulent transactions experienced by users.
- c. Difficult environment for platforms:** The research enumerated possible causes of platform failures like unfavorable policies for small businesses, lack of funding to sustain operations, improper management, high costs of data, and poor customer service.

4. Recommendations

- The platform economy in Nigeria needs to be co-regulated by the government and the operators for more effective governance. At the moment, there is a high dependence on the operators to self-regulate. This presents a regulatory vacuum that can be detrimental to consumers and to the public. Especially if platform operations are unscrupulous.
- Regulators should map out adequate consumer protection and privacy policies for platforms to follow and that such policies meet with the CPC guidelines and the Data Protection Guidelines of 2017. Increased stakeholder engagement would help to achieve the best policy architecture towards these goals.
- Platforms should be made more inclusive by tackling barriers, e.g., communication of the terms and conditions in indigenous languages; consideration for specific needs of vulnerable users such as persons with disabilities, children, etc.
- There is a need to ensure that data collected by platforms are collected with users' consent and are used for the purposes for which they were obtained (purpose specific) so that the data use by platforms respects the privacy of the owners.
- The existing laws need to be updated and harmonized for the platform age, and awareness should be increased so that consumers know their rights.

The implementation of these recommendations will raise trust levels in the platform economy while driving up governance and inclusion for the sector.

References

Kenney, M. & Zysman, J. (2016). The rise of the platform economy, *Issues in Science and Technology* 32 (3), 61-69.

Evans, P. C., & Gawer, A. (2016). The rise of the platform enterprise: A global survey. https://www.thecge.net/app/uploads/2016/01/PDF-WEB-Platform-Survey_01_12.pdf&ved=2ahUKEwjYn5S_k8ncAhWQ6aQKHRelBw4QFjAAegQIAxAB&usg=AOvVaw3fbcws3J69IHeY9qZNU9E-

Ogunyemi, K., Onyeajuwa, M., Adeola, O., Aneke, U., Nwogu, C., Akagha, O., & Ajibola, A. (2020). Towards inclusive platformization in Nigeria, IT for Change. Bangalore, India.

Izuogu, C. E. (2018). Personal data protection in Nigeria, World Wide Web Foundation. Washington, USA. Retrieved from <https://webfoundation.org/research/personal-data-protection-in-nigeria/>

