



**Asia-Pacific
Economic Cooperation**

**Seminar on Supporting and Enhancing
Capacity for Women Exporters**

International Convention Center, 22-23 September 2006

APEC Committee on Trade and Investment

March 2007

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AGENDA

Seminar on Supporting and Enhancing Capacity for Women Exporters

International Convention Center, 22-23 September 2006

Day 1: 22 September 2006

08:30 -
09:00 Registration of participants


09:00 -
09:15 Opening Session

- H.E. Mr. Do Nhu Dinh, Vice Minister of Trade, Vietnam
- Mrs. Lynne Racine, Development Counsellor, Embassy of
Canada

Session1 Identification of difficulties encountered by women exporters in doing business

09:15 –
10:15 **APEC survey of policies supporting Women Exporters:
Identification of common difficulties encountered by women
exporters and policy solutions drawn from member
economies' experiences**

Speaker:

- Ms. Heather Gibb, Senior Researcher, the North-South Institute,
Canada 

- Prof. Dr. Nguyen Thi Mo and Mrs. Nguyen Thi Thu Thuy 

10:15 –
10:30 Coffee break


10:30 –
11:30 **Challenges that women exporters face and government's
support**

Speaker:

- Ms. Andrina Lever, President, Lever Enterprises, Canada, ABAC
Capacity Building Co-Chair 

- Mrs. Pham Thi Hong Diep, Package Manufacturing and Export-
Import Company (Packexim)


Status of exporting enterprises in developing economies

11:30 – Speaker:
12:00 - *- Mdm Hazimah Zainuddin, Managing Director of Hyrax Oil Sdn Bhd, Chairman of Federation of Women Entrepreneur Association of Malaysia (FEM)* 

12:00 - Q&A
12:30


12:30 - Lunch break
14:00

Session 2: Policy framework to support women exporters in APEC member economies

14:00 – **Introduction about the outcomes of the survey on APEC economies' policies to support women exporters and experiences of New Zealand**
14:45
Speaker:
Dr. Jacqui True, Senior Lecturer, Department of Political Studies, University of Auckland, New Zealand 

14:45 – **Policy framework to support women exporters in Vietnam**
15:45
Speaker:
- Mrs. Pham Chi Lan, former member of the Advisory Council to the Prime Minister
- Mrs. Nguyen Thi Hoa, Director of the Minh Khai Joint-Stock Company

15:45 – Coffee break
16:00

16:00 – **Recommendations on best policy solutions in support of women exporters**
16:30
Speaker:
Dr. Lorraine Corner, representative from United Nations Development Fund for Women (UNIFEM) 

16.30 – Q & A
17:00

18.30 – Welcome dinner hosted by Ministry of Trade of Vietnam at Hanoi
20.30 Sheraton Hotel

End of day 1

Day 2: 23 September 2006

- Session 3:** **Gender – aware export development programmes: experiences from international and national organizations in running gender – aware export development programs**
- 9:00 – **Gender –aware export development programmes in Australia**
9:30
Speaker:
Ms. Jenny Mathews, National manager for Australian Trade Commission (Austrade) 
- 9:30 – **Available capacity building programmes for Women exporters**
10:00
Speaker:
Dr. Lorraine Corner, UNIFEM’s representative 
- 10:00 – Coffee break
10:15
- 10:15 – **Program to help women exporters in the service sector in developing economies**
10:45
Speaker:
- Ms. Andrina Lever, President, Lever Enterprises, Canada, ABAC Capacity Building Co-Chair 
- 10:45 - Q&A
11:15
- Session 4:** **Concluding sessions and recommendations**
- 12:15 - Concluding remarks 
12:30
- 12:30 – Buffet lunch
14:00

End of the event

APEC SEMINAR ON SUPPORTING AND ENHANCING CAPACITY FOR WOMEN EXPORTERS

Hanoi September 22, 2006

Heather Gibb
The North-South Institute
Canada

Presentation Guide

Supporting Potential Women Exporters: A Project of the APEC Committee on Trade and Investment

- ❑ Project objectives
 - ❑ Key recommendations
 - ❑ Case studies
-

Objectives of the Project

- Demonstrate why gender is relevant to APEC's trade liberalization agenda and APEC's Committee on Trade and Investment
 - Highlight some “good practices” that support and promote the involvement of small, marginalized women producers in international trade
 - Propose practical recommendations for follow-up projects by APEC CTI that would support small women producers and exporters.
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Scope of the Project

- Project Advisory Committee
 - 5 case studies: Indonesia, Korea, Malaysia, Thailand, Vietnam
 - Overview paper: issues and strategies
 - Dialogue with CTI and GFPN
 - Final report to APEC CTI
 - www.nsi-ins.ca/english/research/completed/18.asp
-

Key Messages to APEC

- Trade policy should be linked to other domestic policy objectives, including gender equality
 - Intermediary organizations are key
 - Governments have international obligations (CEDAW, Beijing Platform for Action, Millennium Development Goals, etc.) to protect and advance women's economic activities
-

Gender and Trade

- The costs and benefits of trade expansion may be different for women and men
 - The CTI study looked at women as business owners and entrepreneurs
 - National trade strategies can affect the competitiveness of very small producers
-

Why focus on small women producers

- Women's businesses make major contributions to GDP and employment:
 - Canada: Small businesses contribute 23% of GDP - women entrepreneurs hold ownership in 45% of SMEs
 - Indonesia: women entrepreneurs represent 60% of MSMEs
 - Korea: women own 35% of businesses
 - USA: 38% of firms are women-owned
 - Vietnam: women own about 16% of total private enterprises
 - Growing the export capacity and success of women's businesses advances the gains achieved in women's education, employment and health.
-

Why focus on small women producers

- Identify the gender impacts of trade initiatives improves trade liberalization outcomes – policymakers need better data on women's businesses
 - Good practice supports women's empowerment.
-

Who are the marginalized women producers?

- They live in rural or semi-rural areas, at a distance from the main urban centres that have internet and other linkages to export markets.
 - Some are ethnic minorities.
-

Who are the marginalized women producers?

- The business development and export needs of very small producers may be marginalized in trade ministries that are better equipped to address the interests of larger producers, whose organizations are well-positioned to engage with government.
-

Who are the marginalized women producers?

- Many women business owners operate businesses that are very small, with few or no employees.
-

Potential women exporters ...

- Many women-owned businesses are in services.



Potential women exporters ...

- The associations and networks that support marginalized women entrepreneurs frequently are not included in trade-related capacity-development initiatives or in consultations on trade policy.
 - These associations may not have the time or financial resources to monitor trade policy and develop policy documents for governments.
-

Constraints, opportunities and strategies

Constraint:

- ❑ Many women's enterprises are too small to be competitive as separate units

Strategies:

- ❑ Organize into "clusters"
 - ❑ Form a cooperative or network
 - ❑ Line up with a larger, mainstream organization
-

Constraints, opportunities and strategies

Constraint:

- ❑ Women's businesses may be too small or too weakly linked with mainstream organizations to know about or be eligible for national or international trade programs

Strategies:

- ❑ Link up with larger mainstream organizations
 - ❑ Link up with fair trade organizations
-

Constraints, opportunities and strategies

Constraint:

- ❑ Gender bias in financial systems

Strategies:

- ❑ Micro-credit initiatives that include training and mentoring
 - ❑ Credit without collateral
 - ❑ Engage associations of women entrepreneurs to support and advocate for small women-owned businesses
-

Constraints, opportunities and strategies

Constraint:

- ❑ Barriers accessing ICTs

Strategies:

- ❑ “women friendly” telecentres
 - ❑ training centres can become marketing channels for producer groups
-

Case Studies

- **“Supporting Potential Women Exporters: The Case of Indonesia” Dr. Diah Widarti, Indonesia**
 - **"Women Exporters Optimizing ICT: Four Case Studies from Korea", Dr. Kio Chung Kim, Korea**
 - **“Mainstreaming Potential Women Exporters in International Markets through ICT”: Malaysia, Dr. Farida Habib Shah, Malaysia**
 - **"Supporting Potential Women Exporters: A Case Study of the Northern Homebased Workers Network, Thailand", Daonoi Srikajon, Thailand**
 - **“BDS for Women in Trade: Case Study in Viet Nam on SWED II and Women in Tourism”, Lisa Fancott, Canada, with Dr. Thanh-Dam Truong, Amsterdam, and Ms Nguyen Hien Thi, Viet Nam**
-

Northern Home-based Workers Network (NHWN), Thailand

- NHWN is the largest network of mutual self-help women's groups across the northern provinces in Thailand organized to address economic and social problems
-

Activities

- Setting up the Learning Center (LC) as business unit of the network
 - Developing a database system of the members
 - Setting up a capital fund
 - Organizing product and marketing development training
 - Expanding market channels
 - Conducting a pilot action on social protection.
-

Achievements

- Learning to become an efficient marketing unit
 - Business management skills improved
 - Products were improved
 - E-trade skills were introduced
 - Access to wider markets
-

Achievements

- Building social security through social protection, health and safety at work, and gender equality
 - Mutual welfare fund
 - Safety and health for informal enterprises
 - Gender sensitivity
-

Lessons learned

- Group organization is crucial
 - Learning Center vs. marketing unit
-

Lessons learned

- Training for community-based organizations needs tailored designs and delivery techniques
 - Inadequate capital funding is a major constraint
-

Lessons learned

- Support organizations play a crucial role
 - HomeNet Thailand
 - The Sustainable Alternative Development Association (SADA)
 - The Cotton and Silk Project (CSP)
-

Lessons learned

- Capacity-building for e-trading
 - Capacity-building on negotiations with traders
 - Intellectual property issues for traditional designs
-

Women in Tourism Services, Ha Long Bay, Viet Nam

Tourism Club, Ha Long Bay

Tourism in Ha Long Bay

- State-run enterprises dominate large-scale hotels and restaurants
 - Private guest houses, small to mid-size hotels, restaurants and tourism services are owned or managed by women
 - Smaller businesses tend to be unregistered, lack coordination and credibility.
 - Women's businesses small, lack access to resources
-

Women in Tourism Services

Ha Long Bay, Viet Nam

■ Partners:

- ❑ Support to Women's Economic Development II (SWED II) (Canadian International Development Agency)
 - ❑ Oxfam Quebec
 - ❑ Vietnam Women's Union provincial offices
 - ❑ Cooperative and Non-State Enterprise Association, Quang Ninh province
 - ❑ Other collaborators: Viet Nam Chamber of Commerce and Industry, United Nations Development Fund for Women (UNIFEM), International Labour Organization (ILO)
-

Business Support Centre Services

- Women in tourism club
 - A network for women in tourism
 - As a group, the women could receive targeted training and support programs from the Business Support Centre
-

Business Support Centre services

- Business and tourism management
 - Market information
 - Promotion
-

Business Support Centre services

- Building credibility and service standards
 - Supporting strategic alliances
 - Network with other women entrepreneurs
-

Business Support Centre services

- Business matching with mainstream organizations
 - Tourism Authority
-

Results

- After two years, over half of members received international guests
 - 25 % reported significant increase in net income
 - 10% reported expanding facilities
 - 100 full-time jobs created in 31 micro-enterprises
-

Results

■ Empowerment

- ❑ The club is an advocate for the concerns of women entrepreneurs
 - ❑ Women's contribution to tourism industry is recognized by local and provincial authorities
 - ❑ Gender stereotypes
-

Conclusions: Linking gender equality and trade policy in APEC

- Some trade issues emerging from the case studies:
 - APEC trade-related capacity building and trade facilitation initiatives
 - Intellectual property rights
 - Telecommunications
 - Finance
-

Key recommendations

- Trade policy should be linked to other domestic policy objectives, including gender equality
 - Intermediary organizations are key
 - Governments have international obligations (CEDAW, Beijing Platform for Action, Millennium Development Goals, etc.) to protect and advance women's economic activities
-

Thank you

Challenges faced by Women Exporters and lessons learnt from policy measures taken in several countries

Hanoi, 22-23 September 2006
Professor Doctor Nguyen Thi Mo, Viet Nam

The role of women entrepreneur in the economy

- ❑ Women account for a considerable percentage in the workfoce
 - ❑ Women entrepreneurs are making a lot of contribution to socio-economic developments
 - ❑ In economic sector, women have been participating in a number of sectors, including manufacturing, business, service, thus making great contribution to job creation in the society
-

The proportion of women entrepreneurs in some APEC economies

- ❑ In Korea: 35% enterprises are women-owned
 - ❑ In Indonesia: Women entrepreneur account for about 90% of the labour force
 - ❑ In Thailand: About 70% women participating in informal economic activities, contributing more than 45% of GDP
 - ❑ In Vietnam: Women own about 16% in the total of private enterprises
 - ❑ In Canada: Women entrepreneur hold 45% of the SMEs (figure of 2000)
 - ❑ In the United States: Women-owned factories account for 38% of the total factories, creating jobs for more than 27.5 million of people and 3.6 billion USD in trade (figure of 1999)
-

Common difficulties and obstacles

- Gender biased prejudice
 - People think that the scale of women-owned enterprises are usually small, then women entrepreneurs seems to have difficulties in finding and accessing their business counterparts
 - Women entrepreneurs need to compete more in the markets compared to their male counterparts as competition environment for man and women in doing business rather unfair
- Difficulties in accessing credit/banking system
 - Women entrepreneurs have lower access to credits than male entrepreneurs as their scale of business are rather modest
 - Do not have good business records to show to the banks

Common difficulties/ Obstacles

- ❑ Women entrepreneurs have more difficulties while dealing with tax procedures, licencing procedures since they have less business relations than male entrepreneurs
 - ❑ Weak capacity in establishing linkages with other enterprises
 - ❑ Obstacles in accessing with Information and communication technology (ITC)
 - ❑ Difficulties in accessing programs or initiatives on enhancing trade related initiatives
-

Difficulties in accessing ICT

- Incomplete understanding on the importance of ICT
 - Lack of investment
 - Incomplete legal system
 - Lack of human resource training on IT and e-commerce
 - Unskilled labor force
-

Common policy measures

- ❑ Experience on addressing the “small scale” issue of women entrepreneurs
 - ❑ Experience on enhancing access to financial resources
 - ❑ Experience on fostering linkages with other enterprises
 - ❑ Experience on establishing intermediary institutions
-

Common policy measures

- ❑ Experiences on establishing trade policy network and gender: way to mainstream gender in trade policies
(from programming, policy development to policy implementation)

 - ❑ Supporting roles of international organizations
-

Towards a comprehensive on promoting women exporters: key success of surveyed economies

- Overview of common policy measures drawn from 5 case studies in Indonesia, Korea, Malaysia, Thailand and Vietnam
 - Indonesia: New approach to address obstacles (macro and micro linkages)
 - Korea: Differences faced by women entrepreneurs
 - Malaysia: Experiences of Government on developing infrastructure and human resources for information technology
 - Thailand: Organization of independent women entrepreneurs in rural areas and those who come from minority groups
 - Vietnam: Experiences on establishing tourism network
-

Analysis of success in some countries

- Way to design and implement policies
 - Developing policies for specific cases:
 - Women entrepreneurs in remote areas
 - Women entrepreneurs who come from minority groups
 - Women entrepreneurs in some marginalized industries
 - Costs of implementing policies
-

Recommendations for APEC

- Trade facilitation
 - Intellectual Property Rights enforcement
 - Access to financial resources
 - E-commerce
-

Recommendations for APEC

- ❑ Collaboration with international organizations to develop and implement capacity building activities/projects for women exporters/entrepreneurs

 - ❑ Strengthening gender dimension in APEC's works
-




THANK YOU!



Challenges that Women Exporters Face and What Governments Can Do To Overcome These Challenges

By Andrina Lever, President,
Lever Enterprises, ABAC Member
Canada, Chair, ABAC Capacity
Building Working Group



Work done in international fora

- WLN, 1996 – present
- OECD, Women Entrepreneurs Conferences, 1997, 2000, 2004
- International Trade Centre (Geneva)
- Women's Trade Missions
- Canadian Prime Minister's Task Force on Women Entrepreneurs

More!

- International Labour Organization
- World Bank
- International Finance Corporation
- Women's World Banking
- International Council of Small Business
- Centre for International Private Enterprise, 1997 and 2000
- APEC SME and ME Working Groups
- First CTI Research Seminar on Women Exporters

And!

- International organizations such as OWIT, TIAW, FCEM, IFWE, AFWE, IWF, and more!
- Domestic research
- Independent research

Major Challenges

- Well identified and primarily relate to access issues:
 - Markets
 - Finance
 - Technology
 - Information
 - Training
 - Procurement (most recent)

'Soft Challenges'

- Confidence
- Supplies
- Programs
- Opportunities
- Support
- Travel
- Domestic restrictions
- Cultural restrictions

SME vs Women's 'Challenges'

- Many of the challenges faced by women are not just specific to women but are those facing ALL sme's and me's
- When designing programs and answering 'challenges' it is necessary to determine what challenges are different for women, why and how they can be addressed

Vietnam's SMEWG Priorities for 2006

- Address other SME challenges:
 - Low integration into global supply chains
 - High administration burdens
 - Low technological and logistics capabilities
 - Limited voice of SME's in policy making and lack of institutionalized public-private dialogue
 - Anti-private sector bias and mistrust between public and private sector
 - Pre-dominant role in investment and export production

APEC SME Ministerial Meetings

- 1994 – Osaka Agenda and general theme of need to foster SME growth
- 1995 – Adelaide – overall vision for SME's in the region
- 1996 – Cebu – addressed rural SME's
- 1997 – Ottawa – identified 5 access issues
- 1998 – Kuala Lumpur – SPAN

APEC SME Ministerial Meetings

- 1999 – Christchurch – 4 priority areas
- 2000 – Brunei – four more issues
- 2001 – Shanghai – ‘New Century, New Challenges’, 3 priorities
- 2002 – Acapulco – ‘Expanding the Benefits of Cooperation for SME’s’, 3 issues, created MESWG

APEC SME Ministerial Meetings

- 2003 – Chiang Mai – “Strengthening an APEC Entrepreneurial Society”, action plan for ME’s, key objectives
- 2004 – Santiago – ‘Opportunities for Entrepreneurial Growth’, Santiago Agenda
- 2005 – Daegu – ‘Promoting Innovation of SME’s’, Daegu Initiative on SME Innovation Action Plans

Vietnam's SME Ministerial 2006

- 2006 – Hanoi – ‘Strengthening SME Competitiveness for Trade and Investment’, 3 sub-themes: business enabling environment for SME, SME capacity building for trade and investment, facilitating linkages for SME's

Other APEC Ministerial Meetings

- 1998 – Makati – First APEC Ministerial Meeting on Women, ‘Women in Economic Development and Cooperation in APEC’
- 1999 - Auckland, MRT – first recognition that “women in APEC are an enormous untapped potential for improving economic and social well-being and recognized the unique contribution of indigenous businesswomen in APEC. The welcomed the recommendations from the WLN....Recognizing the differential impact of trade on men and women, Ministers agreed that particular attention needs to be paid to women’s access to finance, information, technology and their full participation in APEC’

And more!

- 2002 – Guadalajara - APEC Second Ministerial Meeting on Women, ‘Advancing Women’s Economic Interests and Opportunities in the New Economy’ with 3 sub-themes:
 - Women’s entrepreneurship
 - Micro-enterprises
 - The impact of trade liberalization on women

And others:

- 2003 – Santiago – Chilean TPO, APEC women exporters seminar
 - 2004 – Santiago - CTI Seminar on Supporting Potential Women Exporters – specific research and recommendations made to CTI to assist in programs on trade and investment and to include women
- http://www.apec.org/apec/documents_reports/committee_trade_investment/2004.html

What Can Governments Do?

- Listen!
- Take women seriously!
- Make this a priority for the advancement of SME's!
- Make this a priority for the economic development of the country – helping women is not charity – it is good business and sound economic sense!

What else?

- Research for accurate information
- Recognize the powerful economic contribution of women entrepreneurs and exporters
- Recognize that women have different challenges and needs
- Develop a domestic, global strategy including women

And More!

- Appoint an office of a 'champion' or advocate and give power and resources to this office
- Set targets with dates and make accountable with a five year plan and goals
- Identify women exporters/women with potential
- Ensure that government policies are export friendly

Develop a women's export strategy that includes:

- Identification
- Training
- Market support
- Introductions
- Multi-sectoral roundtables with government officials and stakeholders
- Technology infrastructure – learning and access to

And more!

- Working with women's business associations and women in other associations
- Building on proven initiatives such as OVOP, clustering
- Ensuring access and advocacy at the highest levels
- Do not allow non tariff barriers to be created or to exist
- Encouraging networking

And still more!

- Organizing sector specific and women's trade missions
- Developing specific policies at the TPO
- Putting more emphasis on the service sector – adopt ITC example
- Improving access to export finance

I am not finished yet!

- Convene a third ministerial meeting for women with emphasis on integrating women into global markets, trade, trade processes, knowledge of FTA's/RTA's and WTO
- 2007 – Japan hosting an OECD Symposium on Enhancing the Role of SME's in global value chains – ensure that the perspective of women is included
- 2007 – Japan hosting the second Private Sector Development symposium in conjunction with ABAC – ensure women entrepreneurs and SME's are included

Private Sector Development Symposium, Montreal May 2006

- Let's follow up and ensure that the perspective of women exporters is integrated
- Support ABAC's recommendations and ensure that women exporters are addressed:
 - improve the regulatory environment for business within APEC
 - study four priority areas
 - Use of World Bank study as a guide
 - Continue collaboration with ABAC
 - Convene a second PSD Session in Japan with ABAC, May 2007

A Few Final Comments – Why Does the ITC focus on Women?

- **It makes sense to bring women into the economic mainstream...**
- Women are service providers, farmers, manufacturers and artisans, trading domestically and internationally.
- Women-owned firms are growing in number, creating employment and consuming business goods and services.
- Women entrepreneurs tend to reinvest in their communities, making them good development partners.

And much more can be done:

- Among women-owned businesses, few are exporters.
- At seminars to build export skills and networks, women are consistently a small minority.
- Relatively few women occupy high-level national trade development positions.
- Many women work in the informal sector or in other economically precarious positions.

Some things look different from a businesswomen's perspective

- Different business goals based on different life experiences and values.
- Barriers related to finance, land ownership and integration in business networks.
- Cultural issues about roles of women in the family, business and society.

...and taking these into account will lead to solutions with impact.

- **Supporting Women in Trade**
- **Aim: Greater participation of women in international trade, through new trade development programmes or expansion of existing ones.**

Starting Points: Finance

- Move beyond micro credit.
- Investigate how to prepare women for financing, and how financial institutions can understand and capitalize on this growing market.
- Explore venture capital opportunities.

Training

- Business management training, skills for service providers and mentoring programmes are most frequently recommended by women active in international trade
- Training in standards, export development, marketing and networking also rate highly.
- Promote businesswomen's participation in export training seminars.

Information

- Provide access to business intelligence and trade support services
- Conduct needs assessments of women-owned export businesses.

Networking

- Develop linkages with public and private sector trade support agencies at all levels
- Include women in trade missions
- Encourage women to join mainstream associations such as chambers of commerce. Conduct membership drives for professional associations.
- Link with associations in other countries that help businesswomen build referral networks
- Use the Internet to create virtual networks that highlight best practices for women entrepreneurs
- Organize events for women-owned firms to meet locally-based purchasers in embassies, international organizations and multinationals
- Develop databases of women entrepreneurs.

Visibility

- Document success stories and publicize them
- Feature successful women exporters in existing television programmes, radio broadcasts or newspaper columns that focus on trade
- Encourage role models to visit schools, conferences and trade fairs regularly
- Develop credible awards programmes

Technology

- Use technology for international business development
- Pool resources to share access
- use technology to reach out to rural areas.

Social Support

- Evaluate gender-specific needs for support, from health clinics to maternity leave and childcare.

Areas to Focus on:

- ***Services***
Women open businesses predominantly in the services sector.
- ***Informal sector***
Women are a majority in the informal sector. Target programmes that help women in the informal economy become formal exporters.
- ***Textiles and clothing, food processing, handicrafts***
These sectors have a high percentage of women workers.

What can we do now?

- I could go on forever, but let us leave here making a commitment to make a difference – that this excellent seminar is not just another multi-lateral talkfest but that we present some concrete and actionable conclusions to APEC and then start at the economy level to make a difference! Let's each take an undertaking to lobby at our own economy level to create and implement a comprehensive policy to support and promote women exporters!



Thank you!

Andrina Lever
aglever@rogers.com



Post script – important websites:

- OECD -
http://www.oecd.org/document/49/0,2340,en_2649_339567_92_1886449_1_1_1_1,00.html
- http://www.oecd.org/document/26/0,2340,en_2649_339567_92_2673306_1_1_1_1,00.html
- GEM report on women entrepreneurs
<http://www.gemconsortium.org/download.asp?fid=478>
- ITC
http://www.tradeforum.org/news/categoryfront.php/id/519/4_2003.html Forum Magazine - Women in the Global Economy

And more:

- IFC: Gender Entrepreneurship Markets
<http://www.ifc.org/GEM>
- ILO :
http://www.ilo.org/dyn/empent/empent.portal?p_pr og=S&p_subprog=WE&p_lang=EN
- One woman powerhouse on women entrepreneurs, Julie Weeks of Womenable :
<http://www.womenable.com>

ITC:

- http://www.tradeforum.org/news/fullstory.php/aid/627/Integrating_Women_in_the_Global_Economy.html
- www.intracen.org
- More to come tomorrow!

**CHALLENGES FOR WOMEN EXPORTERS
FROM THE PERSPECTIVE OF
MALAYSIAN WOMEN ENTREPRENEURS**

BY

**HAZIMAH ZAINUDDIN
CHAIRMAN**

**FEDERATION OF WOMEN
ENTREPRENEUR ASSOCIATIONS
MALAYSIA (FEM) / BOARD MEMBER OF
MALAYSIA EXTERNAL DEVELOPMENT
CORPORATION (MATRADE)**

Malaysia's Global Trade 2001 – July 2006 (Value in US\$ Billion)



Year	2001	2002	2003	2004	2005	Jan – July 2006
Exports	88.0	94.0	104.7	126.5	140.5	89.8
Imports	73.7	79.8	83.3	105.3	114.2	74.1
Total Trade	161.7	173.8	188.0	231.8	254.7	163.9
Trade Balance	14.2	14.3	21.4	21.2	26.3	15.6

Malaysia's Top 5 Trading Partners 2004 – July 2006 (Value in US\$ Billion)



Year	2004	2005	Jan – July 2006
The USA	39.0	42.5	26.8
Singapore	30.7	35.4	22.9
Japan	29.6	29.8	17.9
The PRC	18.8	22.5	14.8
Thailand	11.8	13.6	8.9
Viet Nam	1.7	2.2	1.9

Malaysia's Major Export Destinations 2004 – July 2006 (Value in US\$ Billion)



Year	2004	2005	Jan – July 2006
The USA	23.7	27.7	16.9
Singapore	19.0	22.0	14.5
Japan	15.9	16.5	7.9
The PRC	12.8	13.2	6.1
Thailand	6.1	7.6	4.9
Viet Nam	1.1	1.1	1.1

Malaysia's Major Sources of Imports 2004 – July 2006 (Value in US\$ Billion)



Year	2004	2005	Jan – July 2006
Japan	16.8	16.6	10.0
The USA	15.2	14.8	9.9
The PRC	10.3	13.2	8.8
Singapore	11.7	13.4	8.5
Thailand	5.8	6.0	4.1
Viet Nam	0.6	1.0	0.7

Malaysia's Top 5 Exports 2004 – July 2006 (Value in US\$ Billion)



Year	2004	2005	Jan – July 2006
Electrical & Electronics products	63.6	69.9	42.7
Crude petroleum	6.0	8.0	5.3
Chemicals & chemical products	6.6	6.9	4.2
Palm Oil	6.6	6.0	3.6
Liquefied petroleum products	3.6	4.6	3.6

Malaysia's Top 5 Imports 2004 – July 2006 (Value in US\$ Billion)



Year	2004	2005	Jan – July 2006
Electrical & Electronics products	47.9	51.0	31.6
Machinery appliances & parts	8.7	9.6	6.0
Chemicals & chemical products	7.9	8.4	5.4
Transport equipment	4.4	5.1	3.6
Manufacturers of metal	4.1	4.7	3.5



Malaysia's Top 5 Exports To VIET NAM (Jan-July 2006)

- ◆ **Transport Equipment (US\$ 327.9 M)**
- ◆ **Chemicals and chemical products (US\$ 134.1 M)**
- ◆ **Iron and Steel Products (US\$ 109.3 M)**
- ◆ **Electrical and Electronic Products (US\$ 92.9 M)**
- ◆ **Palm Oil (US\$ 67.2 M)**



Malaysia's Top 5 Imports From VIET NAM (Jan-July 2006)

- ◆ **Rice (US\$ 63 M)**
- ◆ **Textiles & Clothing (US\$ 25.2 M)**
- ◆ **Chemicals & Chemical Products (US\$ 22.3 M)**
- ◆ **Seafood (US\$ 20.7 M)**
- ◆ **Electrical and electronic products (US\$ 19.9 M)**



Statistics on Malaysian Women Exporters

- ◆ As of September 2006, a total of 1,782 women-owned companies are registered with the Malaysia External Trade Development Corporation (MATRADE)
- ◆ This means close to 16 per cent of the 11,270 registrants with MATRADE are women-owned companies
- ◆ Majority of the women exporters are involved in sectors such as prepared food, furniture, machinery & equipment, building & construction materials & hardware and consumer & industrial electrical & electronics products



Women Exporters Breakdown By Business Type

Business Type	Companies	Share (%)
Manufacturer	1009	56
Trading company	430	24
Service provider	316	18
Contract manufacturing	35	2
Total	1,782	100

CHALLENGES FACED BY WOMEN EXPORTERS

- FINDING NEW MARKET
- COMPETITIONS
- KEEPING ABREAST OF THE POLITICAL AND ECONOMIC SITUATION
- MARKET DEMAND

CHALLENGES FACED BY WOMEN ENTREPRENEURS VENTURING INTO EXPORT MARKET

➤ LACK OF FUND

- *INCREASE OF PRODUCTION CAPACITY*
- *PACKAGING*
- *LABELLING*
- *PRODUCT CERTIFICATION*

CHALLENGES FACED BY WOMEN ENTREPRENEURS VENTURING INTO EXPORT MARKET

➤ LACK OF TECHNICAL KNOW HOW

- *LOGISTIC OF EXPORT BUSINESS*
- *MARKET RESEARCH*
- *FORWARDING CHARGES*
- *FREIGHT CHARGES*
- *GOVERNMENT DUTIES*
- *MODE OF PAYMENT*
- *FOREIGN EXCHANGE*

CHALLENGES FACED BY WOMEN ENTREPRENEURS VENTURING INTO EXPORT MARKET

➤ MENTAL/PSYCHOLOGICAL BARRIER

➤ *INABILITY TO THINK BIG*

➤ *FEAR OF EXPANDING*

➤ *WOMEN ENTREPRENEURS IN MALAYSIA
MOSTLY ARE INVOLVED IN SMALL AND
COTTAGE INDUSTRY:*

■ *FOOD AND BEVERAGE*

■ *RETAIL*

■ *SERVICE INDUSTRIES*

CHALLENGES FACED BY WOMEN ENTREPRENEURS VENTURING INTO EXPORT MARKET

- LACK OF GENERAL INFORMATION
 - *IDENTIFY COUNTRY OF EXPORT*
 - *AREAS TO EXPORT*
 - *MARKET CONDITION*
 - *IDENTIFY CLIENT*

MALAYSIAN GOVERNMENT INITIATIVE TO ASSIST WOMEN ENTREPRENEURS

➤ SETTING UP GOVERNMENT AGENCIES

- *MATRADE – MALAYSIA EXTERNAL TRADE DEVELOPMENT CORPORATION*
- *SMIDEC - SMALL AND MEDIUM INDUSTRIES DEVELOPMENT CORPORATION*
- *MIDA – MALAYSIA INVESTMENT DEVELOPMENT AGENCY*

MALAYSIAN GOVERNMENT INITIATIVE TO ASSIST WOMEN ENTREPRENEURS

- *MINISTRY OF ENTREPRENEURIAL, DEVELOPMENT AND CORPORATIVE*
- *BANK RAKYAT*
- *SME BANK*
- *MARA*
- *INSKEN*
- *TEKUN*
- *AMANAH IKHTIAR*

MALAYSIAN GOVERNMENT INITIATIVE TO ASSIST WOMEN ENTREPRENEURS

- *MINISTRY OF WOMEN, FAMILY, AND COMMUNITY DEVELOPMENT*
 - *GRANTS*
 - *TRAINING*
 - *CONFERENCES*
 - *DIALOGUES*
 - *CONVENTIONS*

THANK YOU

hazimah@hyraxoil.com

APEC Seminar on Supporting and Enhancing Capacity for Women Exporters

Supporting Women Exporters: A Survey of APEC Economies

Jacqui True

©Jacqui True

Women and the Global Economy

'The increased employment of women in developed economies has contributed much more to global growth than China has over the past decade.'

Women are becoming more important in the global marketplace not just as workers, but also as consumers, entrepreneurs, managers and investors.

Women and the Global Economy

The point is not that women account for more than half of the labour force in APEC economies but that women's economic potential especially in terms of entrepreneurship and export activities is underutilized relative to men's.

Women and the Global Economy

- In some APEC economies, women's entrepreneurship is growing at a faster rate than men's and is now nearly equal to men's.
- In other economies, few women relative to men engage in entrepreneurial or export activities.
- Member economies have much to learn from one another in this area.

Women and the Global Economy

Enhancing and expanding women's economic activities in international trade has the potential to –

- 1) Expand the capacity for international trade and domestic growth and
- 2) Ensure that trade and economic cooperation benefits everyone (and is therefore more political and socially sustainable).

APEC Economies

APEC Economies

- The survey provides useful information regarding APEC economies' policies supporting women exporters.
- 15/21 APEC economies responded to survey.

APEC Economies

```
graph TD; A[APEC Economies] --> B[Acknowledge Gender Differences in Export Trade]; A --> C[Assume Export Trade Process is Same for Women and Men];
```

Acknowledge Gender
Differences in
Export Trade

Assume Export Trade
Process is Same
for Women and Men

APEC Economies

```
graph TD; A[APEC Economies] --> B[Acknowledge Gender Differences in Export Trade]; A --> C[Assume Export Trade Process is Same for Women and Men]; B --- D[7/15 (47%) of Economies Surveyed]; C --- E[8/15 (53%) of Economies Surveyed];
```

Acknowledge Gender Differences in Export Trade

7/15 (47%) of Economies Surveyed

Assume Export Trade Process is Same for Women and Men

8/15 (53%) of Economies Surveyed

APEC Economies

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Acknowledge Gender
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APEC Economies

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graph TD; A[APEC Economies] --> B[Acknowledge Gender Differences in Export Trade]; A --> C[Assume Export Trade Process is Same for Women and Men];
```

Acknowledge Gender Differences in Export Trade

Assume Export Trade Process is Same for Women and Men

Several economies stated that there are 'equal opportunities' for women and men to access export and business promotion programmes but it was not clear how equal opportunities are ensured or monitored.

APEC Economies

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graph TD; A[APEC Economies] --> B[Acknowledge Gender Differences in Export Trade]; A --> C[Assume Export Trade Process is Same for Women and Men];
```

Acknowledge Gender
Differences in
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APEC Economies

```
graph TD; A[APEC Economies] --> B[Acknowledge Gender Differences in Export Trade]; A --> C[Assume Export Trade Process is Same for Women and Men]; B --> D[Targeted Programs for Potential Women Exporters]; B --> E[Generic Programs But Analyze Their Take-Up by Gender];
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Acknowledge Gender Differences in Export Trade

Assume Export Trade Process is Same for Women and Men

Targeted Programs for Potential Women Exporters

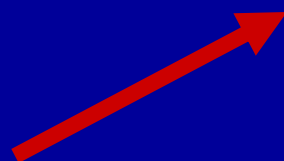
Generic Programs But Analyze Their Take-Up by Gender

Targeted Programs for
Potential Women
Exporters

Generic Programs
But Analyze Their
Take-Up by Gender

Targeted Programs for
Potential Women
Exporters

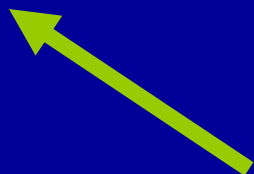
Generic Programs
But Analyze Their
Take-Up by Gender



Data on male and female take-up of
generic export programs was provided in
only one case (New Zealand).

Targeted Programs for
Potential Women
Exporters

Generic Programs
But Analyze Their
Take-Up by Gender



6 economies provided details of targeted programs (Australia, Canada, Chile, Malaysia, the Philippines and the USA).

Targeted Programs for
Potential Women
Exporters

Targeted Programs for Potential Women Exporters

Of the 6 APEC economies with gender-specific programs, 3 economies have recently established them (Australia, Chile, Malaysia).

Australia

Australia

Women in Export program for companies that consider themselves 'export capable'.

- Nation-wide Austrade Workshops attended by 500 women in 2005.
- Designated Website for Women in Export.
- Publications showcasing factors for success and successful women exporters.

Malaysia

Malaysia

Under the Women Trade Outreach Programme (WTOP) MATRADE sponsors 10 women-owned enterprises per year in participation in one international fair per year and 3 export marketing seminars (commenced June 2005 for 3 years).

Chile

Chile

In 2005 SERNAM implemented a program for a small group of micro and small women-owned enterprises to help establish them as exporters (following PROCHILE and SERNAM's hosting of the APEC 'Gender Analysis and Trade Promotion' seminar in 2003).

Targeted Programs for
Potential Women
Exporters

Targeted Programs for
Potential Women
Exporters

Established programs: Canada,
Philippines, and USA.

Canada

Dept. International Trade – Desk officer for trade and businesswomen; SME Unit supports women's trade missions, website, conferences and publications to encourage women exporters.

USA

- Small Business Administration (SBA) includes Office of Women's Business Ownership and online resources
- Well-established NGO international business women's associations/networks.

APEC Economies

```
graph TD; A[APEC Economies] --> B[Acknowledge Gender Differences in Export Trade]; A --> C[Assume Export Trade Process is Same for Women and Men]; B --> D[Targeted Programs for Potential Women Exporters]; B --> E[Generic Programs But Analyze Their Take-Up by Gender];
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Acknowledge Gender Differences in Export Trade

Assume Export Trade Process is Same for Women and Men

Targeted Programs for Potential Women Exporters

Generic Programs But Analyze Their Take-Up by Gender

Targeted Programs for
Potential Women
Exporters

Generic Programs
But Analyze Their
Take-Up by Gender

Generic Programs
But Analyze Their
Take-Up by Gender

Generic Programs
But Analyze Their
Take-Up by Gender

New Zealand: At least 50% of inquiries and applications for export support programs from women.

No gender disaggregated statistics on export business.

Women in Enterprise (2005) project notes gender differences in businesses and that women's businesses may experience more constraints than SMEs in general.

APEC Economies

```
graph TD; A[APEC Economies] --> B[Acknowledge Gender Differences in Export Trade]; A --> C[Assume Export Trade Process is Same for Women and Men]; B --> D[Targeted Programs for Potential Women Exporters]; B --> E[Generic Programs But Analyze Their Take-Up by Gender];
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Acknowledge Gender Differences in Export Trade

Assume Export Trade Process is Same for Women and Men

Targeted Programs for Potential Women Exporters

Generic Programs But Analyze Their Take-Up by Gender

APEC Economies

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Acknowledge Gender Differences in Export Trade

Assume Export Trade Process is Same for Women and Men

Targeted Programs for Potential Women Exporters

Generic Programs But Analyze Their Take-Up by Gender

Targeted Programs for
Potential Women
Exporters

```
graph TD; A[Targeted Programs for Potential Women Exporters] --> B[Central or Local Governments Deliver Women and Export Programs]; A --> C[Government-NGO Partnerships Deliver Women and Export Programs];
```

Central or Local
Governments Deliver
Women and Export
Programs

Government—NGO
Partnerships Deliver
Women and Export
Programs

Targeted Programs for
Potential Women
Exporters

Central or Local
Governments Deliver
Women and Export
Programs

Chile

Malaysia

Canada

Government—NGO
Partnerships Deliver
Women and Export
Programs

Philippines

Australia

USA

Targeted Programs for Potential Women Exporters

Central or Local Governments Deliver Women and Export Programs

Government—NGO Partnerships Deliver Women and Export Programs

Evaluation of Programs

- Informal Participant Feedback
- Impact Assessment
- Gender Analysis

Evaluation of Programs

- Informal Participant Feedback
- Impact Assessment
- Gender Analysis

Evaluation of Programs

- Informal Participant Feedback
- Impact Assessment
- Gender Analysis

Evaluation of Programs

- **Informal Participant Feedback**
- Impact Assessment
- Gender Analysis

Australia and Mexico sought feedback from participants in export development programs.

Attendees of the Australian export workshops were unequivocal about the need for more of these specifically for women.

Evaluation of Programs

- Informal Participant Feedback
- **Impact Assessment**
- Gender Analysis

Export programs are often spread across govt & private agencies making it difficult to collect gender-disaggregated data and analyse differences in take-up and outcomes of programs.

But without evaluation of program outcomes there is no evidence that can be used to improve or expand programs or to provide a rationale for continuing to fund them.

Evaluation of Programs

- Informal Participant Feedback
- Impact Assessment
- **Gender Analysis**

Some respondents (NZ, Chile) noted that women exporters/businesses may be concentrated in different sectors than men, e.g. service, retail, handicrafts, which have different demands for competitiveness.

A gender analysis would reveal these patterns.

Evaluation of Programs

- Informal Participant Feedback
- Impact Assessment
- **Gender Analysis**

US and Canada generate gender disaggregated data for export trade.

But they do not use it to -

- a) support gender-specific export promotion programmes, or
- b) analyse results of programmes promoting exporting by women.

Evaluation of Programs

- Informal Participant Feedback
- Impact Assessment
- **Gender Analysis**

Conclusion: APEC needs a follow-up evaluation to track any further, future policy changes in member economies as a result of the CTI project on supporting women exporters and other projects on gender and trade promotion.

The End



Recommendations on Supporting & Enhancing Capacity for Women Exporters



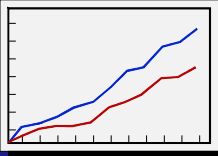
Lorraine Corner



Outline

- *Women in business – what do we know?*
- *Women's business – a growing proposition*
- *Why export?*
- *Women exporters – what do we know?*
- *Support - who can provide what?*
- *Enhancing capacity – how and who?*



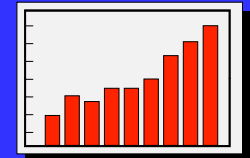


1. What do we know about women exporters?

- Data is critical for lobbying, advocacy & analysis
- YET surprising lack of RECENT data

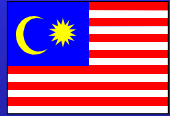
- National sources – varied
 - tend to be ad hoc
 - Some official, some private sector
 - Often not representative or comprehensive
 - Reluctance of NSOs to add new statistical series
 - Reluctance of governments to finance statistics

- Global Source
 - Global survey of entrepreneurship (GEM)
 - Covers only some countries which change from year to year
 - Limited sample size





1.1 Recent data sources - Asia



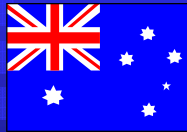
- Malaysia 1998
 - survey of 84 women-owned businesses in Klang valley



- Thailand
 - 214 survey responses from 500 forms sent through Rotary & BPW all over Thailand



- Philippines
 - 75 valid responses to 300 forms distributed at random through women's business clubs
 - All sponsored by Women's Business Councils and UNDP, assisted by Asian Institute of Management



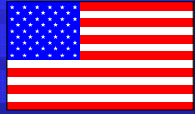
1.2 Recent data sources

■ Australia –

- 2001 Bureau of Stats – Survey of SMEs – sex of non-employing businesses
- 2005 sex disaggregation of ICT producing SMEs
- 2006 Business Review Weekly survey of 100 top female entrepreneurs

■ Canada

- 1996 – Pioneering study Economic Power of Women-led Firms in Canada
- Census 2001 & 2005 – women entrepreneurs growing at twice rate for men
- 2004 CIBC Small Business Outlook Poll – survey of 1,829 SME owners



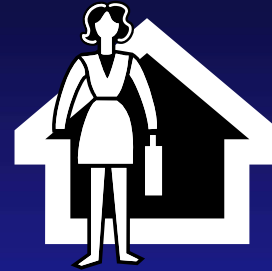
1.3 Recent data sources

■ US

- 1997 & 2002 US Bureau of Census economic census, data on private women-owned (51% or more) businesses
- 1985 - 2000 US sole proprietorship database (Small Business Advocacy)

■ EU

- 1996 Annual Report of the European Observatory for SMEs
 - ⌚ self-employed & family workers
 - ⌚ Enterprise survival rates for 6 countries over 3-5 yrs
- Eu 2001 Scoreboard
 - ⌚ 1980-89 to 1990-99 Period averages self-employed women as % of total self-employed

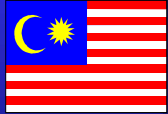


2. Women's businesses: a growing proposition





Asian women in business



- Malaysia, Philippines, Thailand
 - Women-led businesses make a major contribution to employment generation
 - Most women's businesses SMEs or micro enterprise but some are also large
 - Women cluster in certain sectors but can also be found in real estate, technology and business services
 - Women's businesses are survivors: 26% of the Malaysian firms, 53% Philippines & 61% of Thai firms in business more than 10 years
 - Women's businesses tend to be family businesses



Australian women in business

- 2001 non-employing businesses
 - 59% predominantly male operators (56% 1999)
 - 23% predominantly female (23% 1999)
 - 19% equal

- 2005 Sensis data - ICT-SMEs
 - 75% male operated, (67% general SMEs)
 - ICT-SMEs also larger 11% medium (5% general SMEs)
 - Women more likely to operate Ses

- 2006 BRW survey
 - 71% started business from home (50% BRW male-dominated Fast 100)
 - 86% aim to grow quickly
 - 47% want to dominate a market niche (71% Fast100)
 - 30% want to make a difference (19% Fast100)
 - only 6% have money as main motivator
 - 22% want to control their time
 - 66% have children and say this is a barrier to business growth.



Canadian women entrepreneurs 1

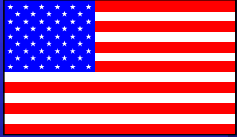
- 1996
 - 700,000 women entrepreneurs providing 1.7 million jobs,
 - increasing at twice national average;
 - self-employment growing faster than paid employment
- 1981-2001
 - 208% increase in women entrepreneurs (38 % for men)
- 2002
 - 1/3 self-employed women – more than other countries
- 1998
 - women owned firms are 35% all SMEs – more in services
- 2000
 - 45%, at least 50 % of knowledge-based firms and 31% manufacturing firms



Canadian women entrepreneurs 2

■ 2004 CIBC Survey –

- women-run business rising 60% faster than men's, still only 1/3 of total
- Sole proprietors driving business growth, especially among women
- some women pushed into self-employment, revert to paid employment when jobs available but since 2002 increase in women's self-employment in buoyant economy.
- Women entrepreneurs are older (45 +), well educated, 40% belong to trade associations (double that for men)
- problems in managing children and care responsibilities – revenue for single women rose 70% faster than for married women
- estimate 60% choose business as a way of balancing work/ family
- revenue generated by women-owned businesses lower than for men – 0.80 for every \$1 earned by a man
- 1/3 women generate less than \$50,000 revenue (20% firms owned by men generate more than \$500,000) but gap closing



United States women in business

■ 2002 economic census

- Women owned 28% non-farm businesses; 14% employed 7.1 million workers
- Small - 80% earned less than \$50,000 in receipts

■ 1997-2002

- women-owned firms increased at a rate of 20%, those employing labour by 8%.
- More than 2/3 in service sector
- highest rate of growth in wholesale trade (283%), lowest in professional, scientific & technical services (83%).

■ 1985-2000 sole proprietorships (taxation data)

- Women-owned grew faster in numbers, receipts & net income.
- Women's SPs smaller. Highest growth for women's SPs in transport, communications & utilities



Women in business in Europe

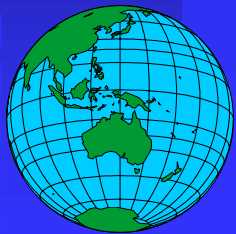
- 1996
 - Self-employment 75% male; family workers 70% female
 - Enterprise survival rates only 6 countries (Denmark, France, Germany, Netherlands, Norway, Sweden) – female-operated businesses slightly lower rate but largely due to sector choice

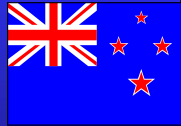
- Roadmap for equality 2006-2010
 - continues to use self-employment as an indicator of women's entrepreneurship



1.2 Global Entrepreneurship monitoring 2003

- Women's participation < men's except Italy (equal)
- Median ratio female/male (F/M) 47%
- Wide variation –
 - lowest Finland & Slovenia (26%), Ireland;
 - highest Italy (100%), China (93%), Chile, S Africa
- China (F/M 126%) SAfrica (114) – more female start-ups
- Median F/M ratio for start-ups 45%
- Italy – more female young firms (55%) but both low
- High F/M ratio young firms Chile (94), Brazil (91), Australia (83), China (78)





1.3 GEM 2003

■ New Zealand

- M/F ratio 10% - ranked 7th in GEM countries
- BUT % female entrepreneurs falling: 43% 2001; 37% 2003
- Maori females 5x more likely motivated by opportunity

■ Australia

- female entrepreneurs up 5.6 to 9.6%
- Ratio of female/male up 48 to 71%
- Trend for more women to start businesses
- More women motivated by opportunity, men by necessity



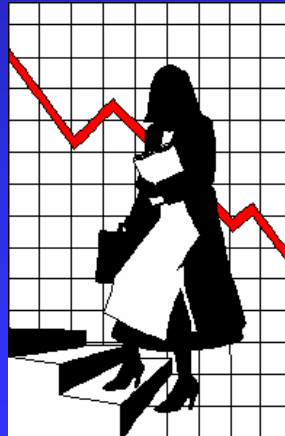
2. Why export?

- Increase sales (65% of Canadian women exporters)
- Niche markets may need exports to expand
- Smaller countries need exports to achieve scale
- Women in export-oriented developing countries also likely to be export-oriented – Malaysia, Philippines, Singapore, Thailand, etc
- Certain sectors – IT, crafts, tourism, travel – more export-oriented
- Previous contact - familiarity with market
- Unsolicited request (23% Canadian Women Exporters) – especially for service providers, shows importance of websites & visibility
- Hobbies can expand into export businesses (Inland Trading, Island Olive Grove)





3. Women exporters: what do we know? who are they?





3.1 Australian women exporters

- 2005 Sensis Business Index (May)
 - ④ Female exporters 9% total sole proprietors; male 14%, mixed 9%
 - ④ Most (78%) exporting proprietors aged 40+
 - ④ Most (54%) export businesses established 15+ yrs
 - ④ 15% CEOs in exporting enterprises female (range 7-28% by state)
 - ④ 22% heads of exporting divisions were female
- 2006 BRW survey of top 100 female entrepreneurs
 - ④ 1/3 export (cf 60% of male Fast100);
 - ④ 20+% want only domestic expansion (10% of MFast100)



3.2 Canadian women exporters

- 1998 Survey of 254 women business owners
 - ⌚ 30% firms began exports at start-up
 - ⌚ Most exporters were product-based (contrast with majority of women-owned SMEs)
 - ⌚ 74% exporters to US; 60% Asia; 58% EU
 - ⌚ Exporters generate 40% sales from exports
 - ⌚ Committed to growth – seek 50% increase in sales
 - ⌚ Active exporters average 15 yrs industry experience

- 2000 – Study of 130 women service exporters
 - ⌚ 92% founded their firm; 92% tertiary degrees
 - ⌚ 71% less than 10 employees
 - ⌚ 42% began exporting on start-up
 - ⌚ 48% export training services



3.3 Official statistics – government

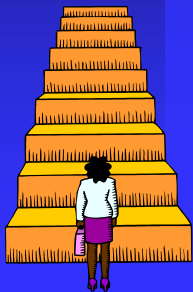
- Knowledge - a powerful tool for analysis & lobbying – data required for accountability
- Most economies do not know contribution of women's businesses to national growth
- National statistics offices should collect data on business & entrepreneurship
- Official statistics should be sex-disaggregated for sole proprietorships
- Bank data should be sex-disaggregated for individual personal & business loans





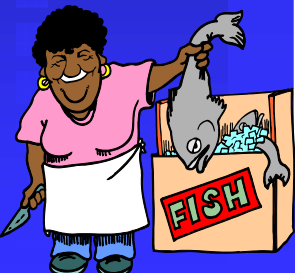
3.4 Research – universities etc.

- More research needed on specific problems of women entrepreneurs
- Women's businesses
 - Start smaller
 - Start largely with personal capital
 - Often face obstacles in accessing bank finance
 - Tend to survive longer but stay small
 - Often lack access to mainstream business support services and networks
- Why? How can women achieve equality with men in business?



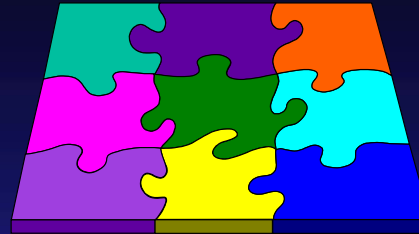
4. What do women exporters need?

- Finance – exporting is expensive, promotional costs, travel essential
- A marketable idea & ability to adapt to changing markets
- Technology – especially effective communications, websites,
- Advice – management, accounting & finance, technology, recruiting agents & representatives
- Mentors, role models, networks – national & international
- Information – markets, legal environment, patents & trademarks, cultural context
- Access to trade missions, the same support as is available to men
- A supportive family and family support – the level playing field



4.1 Women-specific issues

- Balancing family and the business
- Business networks are dominated by men & masculine cultures – hard for women to break in
- Financial networks are dominated by men & masculine cultures – women borrowers overlooked
- Women's small businesses often not taken seriously
- Women exporters often experience difficulties in actually getting paid
- Gender-based discrimination – still with us



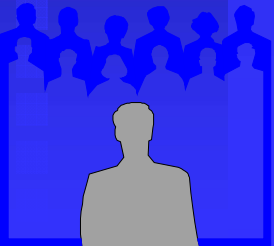
5. Support – who provides what?





5.1 Role of government

- Entrepreneurs must survive in markets; governments market expertise is limited
- Government can facilitate access to markets
 - Trade information – statistics, political & cultural briefings; foreign government regulations
 - Trade missions – contacts with potential markets
 - Short-term specific financial assistance – eg partial coverage of promotional costs (Austrade)
- Problems – many women's enterprises too small
 - to qualify for certain government support (Canada)





5.2 Women helping each other & themselves

- Form women's business networks
- Be active in mainstream business networks
- Identify women-specific problems & lobby governments
 - policy changes
 - gender equality
- Best – help each other
 - Identify areas of common interest
 - Avoid letting business competition get in the way of strategic cooperation
 - penetrate mainstream business networks
 - put women's business issues on mainstream policy agenda





5.3 Enhancing capacity – what & who?

■ Consultants?

- Useful for technical roles – financial, technology, legal matters
- how current are they with the market?

■ Mentors – invaluable because IN the market,

- but must match personality & business interests

■ “Solicit inputs from as many sources as possible”, analyze then make your own decision

■ Self-development

- In every area of business, learn to ask the right question
- **With the right question, solutions can usually be found**



6. General observations

- Women exporters, like all entrepreneurs, must survive competition in the market
- Success is very dependent on the individual
- Exporting is initially expensive but can be very profitable in the long run
- Needs resources – capital, cash, personal capacity. Don't start before you are ready.



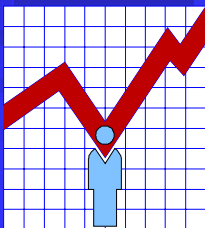


6.1 Suggestions to address gender issues

- Balancing family and business
 - Travel – take the family too?
 - Partners – involve them if possible, keep them in touch
 - Time – always make some for yourself, monitor your personal health

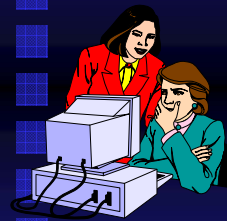
- Penetrating male networks
 - Join in small groups – easier with numbers
 - Volunteer but don't be exploited
 - Maintain your own values & identity but work within masculine cultures
 - Consider a male mentor

- Getting your small export business taken seriously – be professional
 - Do your market research thoroughly & constantly monitor changes
 - Use your national trade support agency
 - Understand the legal context – regulations, patents - protect your product
 - Establish credibility in home market & use to promote export business
 - Careful costing and pricing
 - Establish your brand & then protect it



6.2 Suggestions 2

- Challenge gender stereotypes when appropriate – but nicely!
- Challenge gender discrimination through appropriate channels
 - Quietly first – it is often unconscious & unintended
 - If necessary, use official channels but try to gain the support of other women colleagues first (not always easy!)
- Fight for more & better data on women & men in business
 - develop your case on facts
 - lobby NSOs, politicians, business organizations
 - USE existing data – figures speak louder than words
 - Tailor your data to the audience – interesting graphs, not boring tables
 - Use case studies & role models
- Collaborate with researchers to gather & analyze data & case studies by sex (always compare with male counterparts)



6.3 Suggestions 3

- Build personal relationships – in many cultures these come before the business relationship
- Attend trade fairs but be patient – don't expect instant results, establish a reputation
- USE the web and invest in a good website
- Explore innovative ways of getting paid – electronic
- Organize – join women's international business networks, encourage them to focus on business rather than social objectives & activities

Austrade Women In Export

Jenny Mathews

**State Manager Western
Australia**

Australian Trade Commission



Objectives of presentation

- Overview of Austrade and mainstream programs
- Why does Austrade have a women in export program?
- Recommendations



What is Austrade?

The Australian Trade Commission is the Australian Government's main export and international business facilitation agency

Austrade is part of the Foreign Affairs and Trade portfolio

Austrade helps Australian companies reduce the time, cost and risk involved in selecting, entering and developing international markets

We're in the business of taking Australian business to the world



Australian Government

Austrade

Track Record of Success

- Austrade helped **4,358** Australian businesses in 2004-2005, in export deals worth **A\$18.4 billion**
- Austrade won the '**Best TPO from a Developed Country**' Award at the 2004 World Trade Promotion Organisation Awards



Austrade Services To Exporters

- Market information and advice
- Market selection
- Opportunities matched to Australian businesses
- On-the-ground support overseas
- Identifying potential partners and other key contacts
- Seminars and events – markets; export issues



Austrade's Global Network

Austrade's Global Network



Austrade New Exporter Development Program

Assistance for new exporters

Austrade has developed a package of services to assist companies make their first export sale. Elements of the program include:

- Export capability assessment and preparation
- Export planning - including market selection
- Export plan implementation - involving a market visit
- Ongoing one-on-one export coaching



Export Grants

- Australian Government's financial assistance program for exporters
- Designed to encourage small and medium sized Australian businesses to develop export markets
- Reimburses up to 50% of export promotional expenses,
 - Marketing material; brochures
 - Website development
 - Overseas promotional visits



Why Women In Export?

- One-third of Australia's 1.6 million small-to-medium enterprise (SME) businesses are run by women. This number is expected to grow substantially over the next 5 years.
- In Australia, 15 per cent of all exporting companies have a female chief executive officer (CEO), while 22 per cent have a female leading their export division.
- Women in business represent a strong pool of potential clients for Austrade
 - Particularly for the New Exporter Program



Women In Export: Objectives

- Linking women into mainstream government trade programs and opportunities
- Understanding key issues and critical information gaps relating to women and developing strategies to address these
- Providing networking and mentoring opportunities for women in export
- Identifying businesswomen who are active in export and who could become role models for other women in business



Women in Export

Main elements:

- Section on Austrade website with information and case studies
- Publications/brochures targeting women
- National Roadshow/Seminar series (2005; 2006)
 - Associated media; publicity
 - Key Markets
 - Key Sectors



Women In Export National Roadshow



AUSTRADE NATIONAL NETWORK

■ Austrade office □ Trade Start Office ● Export Hub




Australian Government
Austrade

National Roadshow: Marketing

- Direct Marketing Campaign
- Ally Direct Marketing Campaign
- National Printed Media Campaign
- Sponsorship of Channel 9 “Your Business Success” show.
- Austrade Web Site Promotion
- National Sponsorship Program

**Austrade Seminar Series
Women in Export.**
Build your business potential.



This half-day seminar will provide you with advice and practical case studies whether you are already exporting or assessing your business export potential.

This event features:



- Senior Trade Commissioners from our offices in London, Paris, Seoul, Toronto and Singapore.
- Tim Harcourt, Austrade's Chief Economist.
- Case studies from successful women exporters.

Last year's seminar was a runaway success with more than 550 attendees and we predict another sell out event this year. Hurry and register for an inspiring seminar to start your day. Call us on 1300 662 776 or visit www.austradevents.com.au/wies

Seminars commence at 9.00am (registration from 8.30am) and finish at 1.00pm, with light lunch at 12 noon. Cost \$45 per person.

City	Date
Brisbane	Monday, 22 May 2006
Sydney	Wednesday, 24 May 2006
Melbourne	Friday, 26 May 2006
Adelaide	Tuesday, 30 May 2006
Perth	Wednesday, 31 May 2006

So register today by calling us on 1300 662 776 or visiting www.austradevents.com.au/wies



National Roadshow: Marketing

Target Audience

- Existing women exporters who have an association with Austrade and wish to expand their international focus
- New/potential exporters who own or operate an organisation that has export potential
- Existing women's networks who can help members achieve a greater export and international business focus



National Roadshow: Marketing

Key sectors:

- Food and wine
- Computer Technology
- Education and Training
- Homewares
- Arts
- Health & Fitness
- Fashion
- Toys & Games
- Creative Arts
- Film & Video Production
- Professional Services

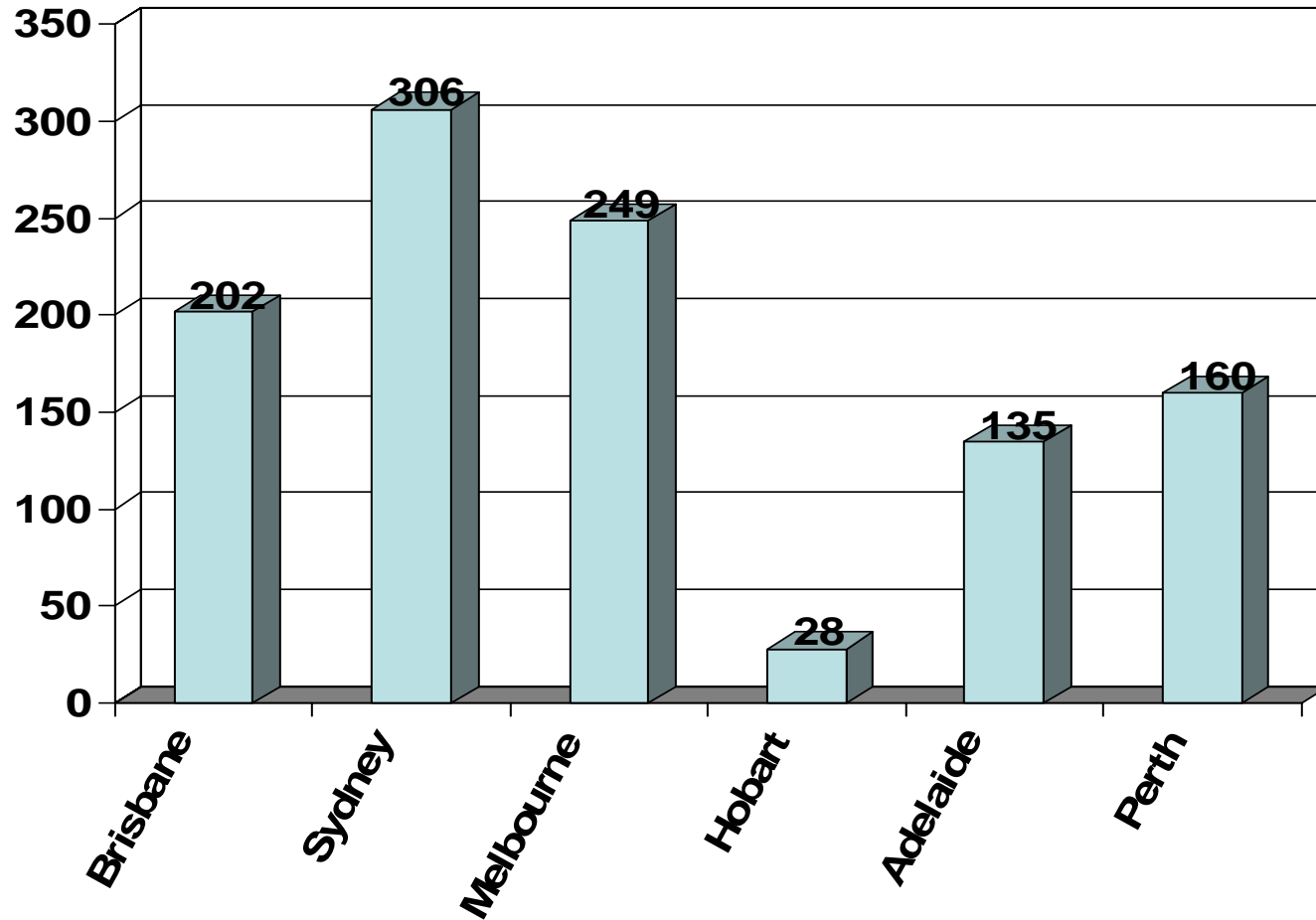


Ally Collaboration

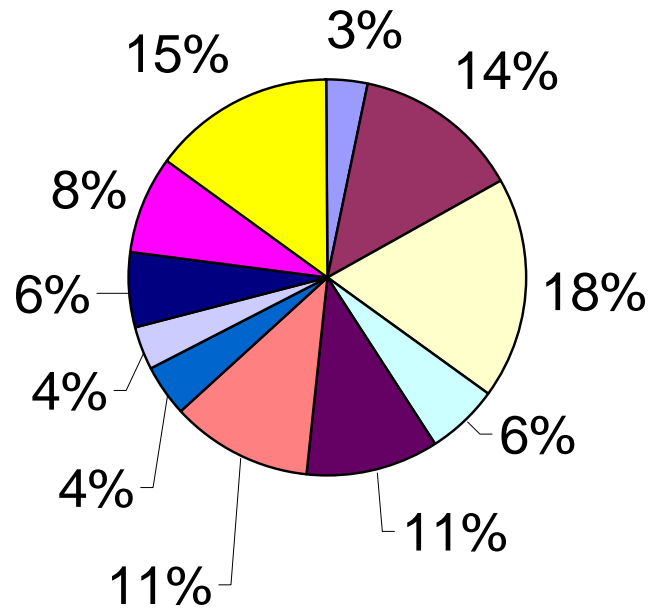





Australian Government
Austrade

Registrations by State



Registrations by CBS Category



- | | |
|---|---|
|  Agribusiness |  Business and Finance |
|  Consumer Goods |  Culture Media and Entertainment |
|  Education and Training |  Food and Beverage |
|  Health and Medical |  ICT |
|  Personal and Other Services |  Textile Clothing and Footwear |
|  Other | |



Austrade Presenters

Alison McGuigan
Lewis
Senior Trade
Commissioner
London



Austrade Presenters

Sally Anne Watts
Senior Trade
Commissioner
Toronto



Austrade Presenters

Kirsten Sayers
Senior Trade
Commissioner
Paris



Case Study Speakers

Wild Child

Leanne Preston

“It is very important to build strong relationships with your overseas partners. It’s a lot of hard work and it takes a lot of money, but it is worth it.”



Case Study Speakers

Inland Trading Company Marita Corra

“Have confidence to go with the highs and the lows of business. Also make sure you have a product that the client wants,”



Case Study Speakers

E-word Technologies Wendy Kennedy

“It’s really important to do the research on your market. But even more importantly, make sure you do your feasibility study and make sure you are going to get a return,”



Case Study Speakers

Aspire Advantage Valentina Stolar

Extensive overseas work creates family challenges. “From a woman’s perspective it certainly disrupts your family life – it can be very difficult sometimes”



Panel Discussions



Seminars



Roadshow Feedback



Brisbane – *“All excellent, panel great”. “Very informative and relevant to our business needs and propositions”*



Sydney – *“Interesting and I appreciate Austrade supporting Women In Export.” “Case study speakers very inspiring”*



Melbourne – *“All of your speakers were excellent and I’m particularly impressed with the fantastic women you have within Austrade”*



Perth – *“Fantastic - encouraging, inspirational and worthwhile !”*



Outcomes

- Over 1000 women from a diverse range of industry sectors registered for the seminar.
- The seminars provided an important opportunity for women from diverse organisations and industries to network and exchange views and experiences about exporting and doing business internationally.
- The attendees are providing Austrade with valuable information about the export needs of women in business
- The seminars were successful in raising awareness of Austrade and the federal government's trade promotion assistance



Key Challenges

- Accessing mainstream networking/mentoring opportunities
- Critical information gaps in key areas: e-business; trade finance; legal issues
- Juggling demands of business and family
- Cross –cultural issues; dealing with male buyers in traditional male dominated societies



Key Challenges

- Credibility issues – eg access to finance; venture capital
- Preference for consulting widely before making a decision which may slow decision-making affecting competitive advantage/speed to market or reaction
- Adopting an ad hoc sporadic approach to exporting



Next Steps

- Survey of attendees at roadshow
- Regional networking seminars for women
- Workshops on e-business; trade finance
- Workshops for getting into export targeting specific sectors – eg consumer goods
- Brochure of case studies
- Gender specific activities – eg trade missions



Recommendations for APEC

- Website for women in export linking APEC trade promotion websites
- Survey: Use results of findings to develop a program of activities for women in export across the region on key issues
 - Cross cultural issues
 - E-business
 - Trade Finance
 - Legal/Tax issues: Intellectual Property
 - Global trade issues
 - Growth markets (China, India)



Thankyou!

- Visit www.austrade.gov.au
- Email info@austrade.gov.au

**Austrade can give you the edge to help
your business stay ahead of your
overseas competitors**





UNIFEM's capacity-building programs for women exporters

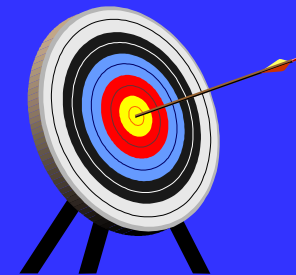


Lorraine Corner
Former Regional Programme Director,
UNIFEM East & Southeast Asia, Bangkok Office



Outline

- *Early days – learning by doing*
- *Some early successes – the power of “happenstance”*
- *More strategic approaches*
- *Current focus and activities*





1. Early days – learning by doing

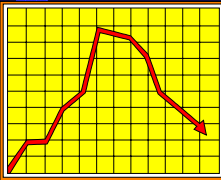
- Lao Cotton Factory – a multi-agency collaboration
- Gender-sensitive Venture Capital in Thailand
- Vietnamese Women in Fish Processing



1.1 Project characteristics

- Small scale (except Lao Cotton Factory)
- Focus on poor women
- Lack of technical experience in UNIFEM
- Limited technical inputs in most projects





1.2 What we learned

- Lao Cotton Factory – the importance of marketing & how little we really knew!
- Venture Capital – not appropriate for poor women because cannot afford risks involved
- Fish processing – lacked information on production & marketing, needed initial feasibility study
- UNIFEM works with micro-enterprise NOT entrepreneurs – often enterprise of necessity not choice



1.3 Vital lessons

- Markets will always change – must be monitored continually
- Projects must provide capacity for the poor to respond to market change
- Poor need to learn design & product development skills
- This is likely to involve long-term relationships with bigger institutions; potential for internet
- Those who fail cannot return to subsistence
- This imposes ethical dilemma for agencies



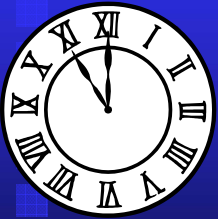
2. Early successes – “happenstance”

- Advancement of Mongolian Women – building the capacity of the Mongolian Women’s Federation to develop & service micro credit projects
- Cottage industry in the Democratic People’s Republic of (North) Korea



2.1 Project characteristics

- Mongolia – institutional development, micro credit (when that was new)
- DPRK – initial cottage industry concept proved impractical, moved to factory setting, strong technical inputs with private sector expertise & experience



2.3 What we learned - Mongolia

- Timing is vital
- Project coincided with MWF dis-established as government body, major budget cuts
- Project offered MWF significant alternative income source
- MWF learned to manage & implement micro credit projects for others for a fee – as a result, it survived to represent Mongolian women



2.4 What we learned – DPRK (a)



- Macro-economic change overtook the project – fall of Berlin wall
- Project moved to a market-oriented approach, designing & making ready-made clothing for women & children
- Technical inputs from private sector experts – design, tailoring, marketing, management – were critical
- Project featured at the Hong Kong Fashion Fair – one of the largest in the world



2.5 What we learned – DPRK (b)

- Had to teach concept of profit, accounting, management
- Upscaling – partnered with other UN agencies, esp UNDP
- Project a competitor in the national & international mainstream
- Successful in HK Fashion Fair 3 years – exporting to UK, EU
- Value of consultant experienced, credible & current in the market – her reputation passes onto the project
- Had to build a business-based relationship between the project and the private sector consultants – control in hands of the producers, market incentives for partners



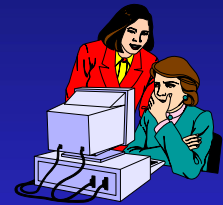
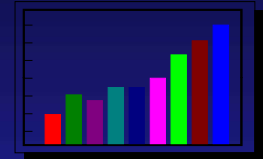
2.6 What we learned – DPRK (c)

- A small group of women CAN compete successfully in global markets!



3. More strategic approaches

- Statistics on gender issues in the Asia-Pacific Region
- Monitoring technical changes in women's employment – the IT sector
- Developing employment opportunities in Khmer Handicrafts thru training & product development (Lotus Pond Centre Cambodia)
- Partnerships with business women's organizations– ASEAN, APEC, support for WLN, WBC





3.1 Project characteristics

- Focusing on issues rather than specific groups of women
- Statistics and Monitoring employment were regional in focus
- Khmer handicraft project partner a not-for-profit organization operating in competitive markets
- Partnering with Women in Business – using prominent business women to lobby for poor women in micro enterprises



3.2 What we learned



3.3 Statistics on women in business

- Data is vital for analysis, advocacy, lobbying – figures speak louder than words
- Most economies do not collect sex-disaggregated data on businesses – use self-employment, employer data from labour force surveys
- Sex-disaggregated data possible for sole proprietorships or entrepreneurs, individual loans
- Economies generally unaware of women's businesses, how they differ, women's issues
- Existing data show women's businesses nationally significant, face different challenges



3.4 Monitoring women's employment

- Study of impact of new technologies – sub-contracting, homework - benefit or exploit women?
- Collaboration with UN University Maastricht
- Working with local NGOs
 - to obtain data
 - help them understand impact
 - Use data to lobby & advocate for women workers
- Difficult for NGOs to provide credible data
- Workshop between government & NGO advocates to discuss findings – communications often difficult



3.5 Khmer craft employment opportunities



- Partnership with not-for-profit avoided provided market expertise, reduced potential for exploitation of project
- Provided training in new products (pottery), product development existing products, marketing
- Training benefits limited to few – need to incorporate upscaling & benefit spread in design
- Markets continually change – difficult to build in capacity to respond to market change

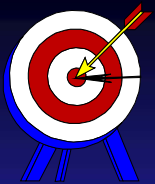
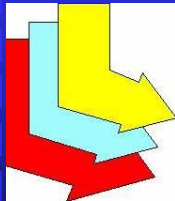


3.6 Working with businesswomen



- Women business networks can be powerful advocacy & lobby group for poor women in micro-enterprise
- Some existing networks oriented more to social & charitable activities
- Use comparative advantage of bigger businesswomen to help poor women
- Started with support for businesswomen in ASEAN APEC economies, led to WLN and WBC
- Some WBCs more willing to work & advocate for poor women in microenterprise than others





4. Strategic lessons

- Think big – focus on issues, multi-country
- Innovative & catalytic pilot projects
- Plan upscaling from beginning
- Clear objectives, outcomes & outputs
- Align with UNIFEM global multi-year funding framework
- Strategic partnerships with the mainstream – inside & outside UN



5. Current focus of economic empowerment



- Alignment with UNIFEM global framework – holistic, integrated with other goals
- Market-oriented, working with the private sector & government
- Sustainable profits, capacity to respond to market change, upscaling & spreading benefits widely
- Cooperation, adding to efforts of others – adding gender to ongoing economic activities
- Building on UNIFEM's comparative advantage – organizing, partnerships, advocacy, gender statistics, gender budgeting



5.1 Current activities

- Gender, globalization and marketing of Timor Tais (traditional weaving)
- Lao women's economic empowerment through the handcrafted textile industry





5.2 Timor tais - challenges

- Product is little known outside Timor, poorly documented
- Undervalued compared with other eastern Indonesian textiles
- Negative impact of tourism & peacekeeping tastes on traditional designs
- Domestic market very limited – prices low
- Traditional backstrap loom limited in width & length, high quality but time-consuming for small return



5.3 Timor tais in global market 2

- Implemented by Timor Aid NGO
- Project brought skills & technology in handlooms from Thailand to teach Timorese & replace SOME traditional backstrap looms
- Product design and development using the new technology
- Documentation & research into traditional techniques, dyes, patterns, ethnology



5.4 Timor tais results

- Women in 6 villages learn to use higher productivity upright handloom with flying shuttle
- Men learn to construct upright handlooms
- Simple pattern-making skills learned by young women
- New products developed
- Extensive computerized database on traditional technology, dyes, materials and samples of traditional tais established
- Website being build to share these materials
- Plans for further technical inputs from Thai weavers



5.5 Timor tais further challenges

- How to preserve traditional skills & patterns on backstrap looms while promoting use of higher productivity upright looms
- Solution? - niche marketing traditional product at high prices
 - Learn from Lao, Thai & Cambodian experiences
 - Requires documentation, visibility, promotion, global market
- Positioning output of upright looms at lower prices to wider markets – target tourism industry, both tourists & operators
- Several NGOs work on tais – need to cooperate better, specialize in their areas of expertise – UNIFEM role?
- Need data on tais production – volume, value – government fails to recognize potential – UNIFEM & NSO collaboration?



5.6 Lao silk textile development 1

- Implemented through Lao Handicraft Association under National Chamber of Commerce & Industry
- Building new & developing existing skills in the value chain
- Pilot project Paktheap village – focus on poor women, long-term sustainability, preserving cultural uniqueness of textile handicrafts
- Outcomes – double income, double demand, double participation



5.7 Lao textile project 2

- Strategies
 - Village-owned – sustainable
 - Also build capacity of other institutions to support women weavers – free use of Onestop Marketing Centre 1 year
 - Increase demand, find new markets
- Capacity building
 - Weaving & dyeing techniques
 - Accounting, marketing, product development
 - Study tours to build links with clients
- Silk-revolving fund established in Paktheap



5.8 Lao textile project activities

- Visibility of LHA & Paktheap increased
 - Study tours from other villages
 - Participation in exhibitions & festivals
 - Daily radio spots
 - Website launched & VCD produced
- Identified & implemented cost-saving measures in value chain
 - Building own silkworm houses, doubled number of families benefiting & doubled plantation area
 - Natural dye house and water bore constructed to ensure quality & avoid buying chemical dyes
- Participants incomes increased from US \$22 per month to US \$190-220 per month



5.9 Lao textile project challenges

- Upscaling
- Sustainability in changing markets
- Continuing to preserve & develop traditional skills
- As incomes increase, young women less attracted to traditional weaving unless returns are high



6. Key lessons learned



- UNIFEM works for poor women in micro-enterprise
- Many would prefer regular waged work if available
- When women enter the market, they cannot return to subsistence
- Projects must provide for those who do not succeed
- UNIFEM needs to work with government on data & gender budgeting to help create more level playing field for women producers
- Women's business networks CAN help – but by using their comparative advantage, not by charity



Women Exporters in the Service Sector

ANDRINA LEVER, PRESIDENT,
LEVER ENTERPRISES, ABAC
MEMBER, CANADA



ITC Initiatives on Women and Trade

- The ITC has researched a variety of programs that have been undertaken as well as research on women and international trade
- A list of these initiatives is included as an appendix to this presentation
- This presentation will focus on the service sector



Program to support women services exporters in LDC's

- Developed by International Trade Centre, Geneva and Lever Enterprises, Canada
- Focusing on women
- Why? No women at usual ITC training courses – no other programs for services export focused on women



Women Service Exporters

- Tested in: (2003)
 - Nigeria
 - Mozambique
 - Mauritius
 - Namibia
 - Zambia
 - Botswana



Materials and courses

- Developed by ITC, Dr. Dorothy Riddle and Lever Enterprises
- Aimed at:
 - TPO's
 - Trade negotiators
 - Organizations
 - Individuals
 - Women's associations



How does it work

- The following slides are an actual training program delivered in Nigeria earlier this year.
- Nigeria has been used as a model due to strong local support as well as particularly strong challenges for women
- Nigerian Network of Women Exporters of Services – model for future networks – launched, March 2006



Export in Services Program

- A Six step program aimed at all levels of government, associations and companies to promote export in services in the LDC's
- 7th step added focussed on women
- Can be implemented anywhere
- All material are available from the ITC, Geneva



International Trade Centre

UNCTAD / WTO

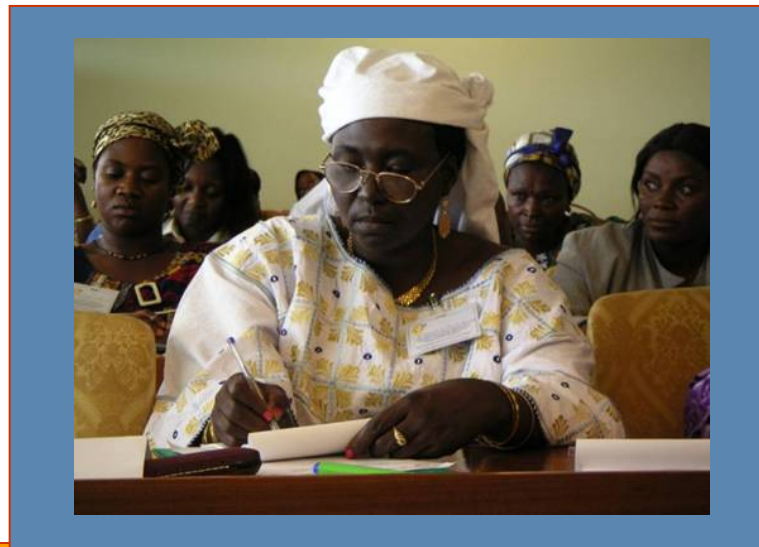
Trade in Services Unit: 6-step Workplan to Increase Exports of Services





Nigerian Network of Women Exporters of Services (NNWES)
presents:

ACCESS! to International Trade Workshop





Nigerian Network of Women Exporters of Services (NNWES)

- After experiencing and testing the 7 steps previously described, the next step was to create a women's network as a model for future networks
- new alliance specifically dedicated to business and professional women in the service sector
- a support network to existing associations and chambers of commerce
- to promote, support and educate
- to be the voice of Nigerian women in the service
- sector nationally and internationally
- to build a strong recognizable public profile for Nigerian women exporters in the service sector

Businesswomen supporting each other in the global economy



Why?

■ Why the service sector?

- the fastest growing sector globally
- the majority of business and professional women
- everything except manufacturing, agriculture, mining and fishing.
- Services can be exported without having to leave home.

Perhaps you are already exporting but do not even realize it!

■ Why a network for women?

- Women often feel more comfortable with other women.
- Women with mentors are more successful.
- Women often face different challenges in the global economy.



Agenda

- Who Exports Services?
- Is Exporting Right for you?
- Exercise – is exporting right for you?
- Export Preparation – 3 steps
 1. Things to do from your office
 2. Things to do from your country
 3. Things to do by travelling to your target market
- Sources of information – CD-ROM
(distributed at the workshop)



Exporting Services

What services?

Who exports?

How they do it?

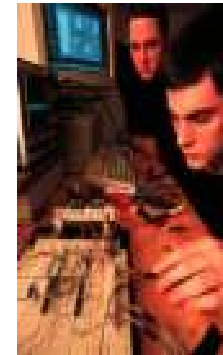


What services can be exported?

Over 155 sub-sectors according to WTO

Some examples:

- **Agricultural services**
- **Architecture, Design, Engineering**
- **Education and Training**
- **Finance and Insurance**
- **Health-related services**
- **Information technology**
- **Legal and Accounting services**
- **Management consulting**
- **Promotion, advertising, marketing**
- **Tourism-related services**





Who can Export Services?

Agricultural Services

Become an irrigation expert and export your consulting services

Train in the use of innovative crop rotation strategies

Provide repair and maintenance services for food processing equipment

Become a wholesaler and exporter of agri-food products

Offer specialized export packaging and documentation services

Arts, Culture, Handicrafts

Export your artworks to the U.S.

Curator for a gallery or museum in Mexico

Buyer or collector of artworks

Art critic for an Australian magazine

Perform in a troupe traveling to Germany

Perform on a solo tour of Southeast Asia

Information Technology Specialists

Design graphic arts for a film studio in the U.S.

Create and host websites for companies in Africa

Set up a translation company that delivers online

Design an e-business platform for handicraft

artisans in Thailand

Provide online medical transcription services to

hospitals in France



Agricultural Services

- Has been exporting agricultural products for several years
- Now providing consulting services to over 5 countries in West Africa



Colette Fowler
Agricultural Services Specialist
Senegal



Education and Training Services



Fatou Bintou Traore
Trainer and Consultant
Senegal



Desiree Biboum
Lecturer – Douala University
Cameroon



Textile and Handicraft Specialists



Bridget Kyerema
Handicraft Consultant
Ghana



Leila Ben Gacem
Textile Marketing Consultant
Tunisia



**Leila with new partner
from Spain**



Business Services



Nigest Haile
Management Consultant
Ethiopia



Juliet Musoke
Information Technology Specialist
Uganda



Translation Services

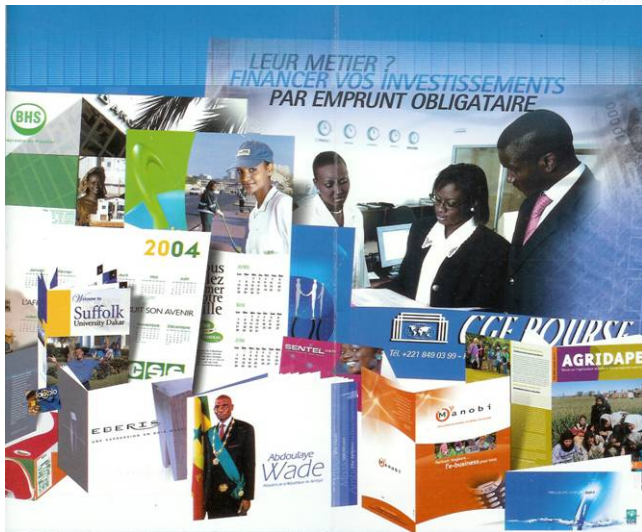
- Translation in 5 languages
- All documents are emailed
- Time zone advantages
- Excellent quality, excellent service



Translation team in Cameroon



Graphics Design Firm from Senegal





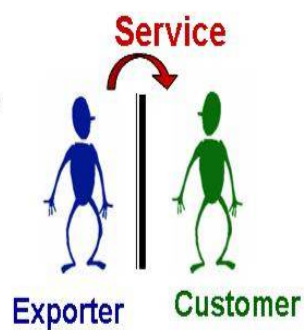
How are Services Exported?

Mode 1:

Cross border

the service itself crosses the border.

- *Management consulting*
- *ICT*
- *Marketing,*
- *Engineering*
- *Transportation*



Mode 2:

Consumption abroad

the consumer travels across the border.

- *Tourism and travel*
- *Education and training*
- *Legal*
- *Health services*

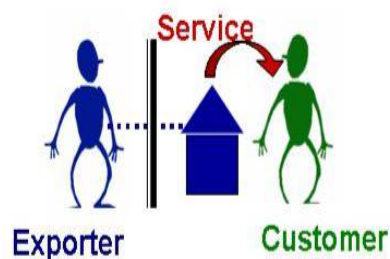


Mode 3:

Commercial presence

establishment of an office or entity.

- *Financial*
- *Insurance*
- *Construction*
- *Distribution*



Mode 4: Movement of natural persons

the supplier travels across the border.

- *Arts and culture*
- *Recreation and sporting*
- *Trades people*
- *Education and training*





Marketing Services is Different

Selling intangibles... selling invisibles... selling a promise!

Factor	Products	Services
Information Needs		
Cultural factors	Product design and packaging	Interpersonal dynamics
Local associations	Distributors, marketers	Service industry
Local events	Trade shows	Conferences (as speaker)
Media	Product advertising	Press coverage, magazine articles
Local partners	Production/distribution firms	Other service firms
Government procurement	Goods acquisition	Services contracts
Marketing Your Product or Service		
Demonstrations	Sample product	Presentation of capabilities
Initial marketing by	Sales representatives	Firm's principals – raise awareness, profile, credibility
Stages of marketing	Marketing your product and your service	Marketing value and solutions
Local market presence	Sales/distribution facility	Office or virtual office in target market
Marketing skills	Demonstrate product features	Networking, Relationship Marketing
Delivering Your Product or Service		
Transportation	Products are shipped by air/sea/land	Client or service provider travels
Technology	E-marketplace to show products	Essential for communication and timely delivery of services
Distribution	Importer/Distributor	Local partner



Are there really opportunities?

Services Skills

Anticipated US Services Jobs moving Offshore

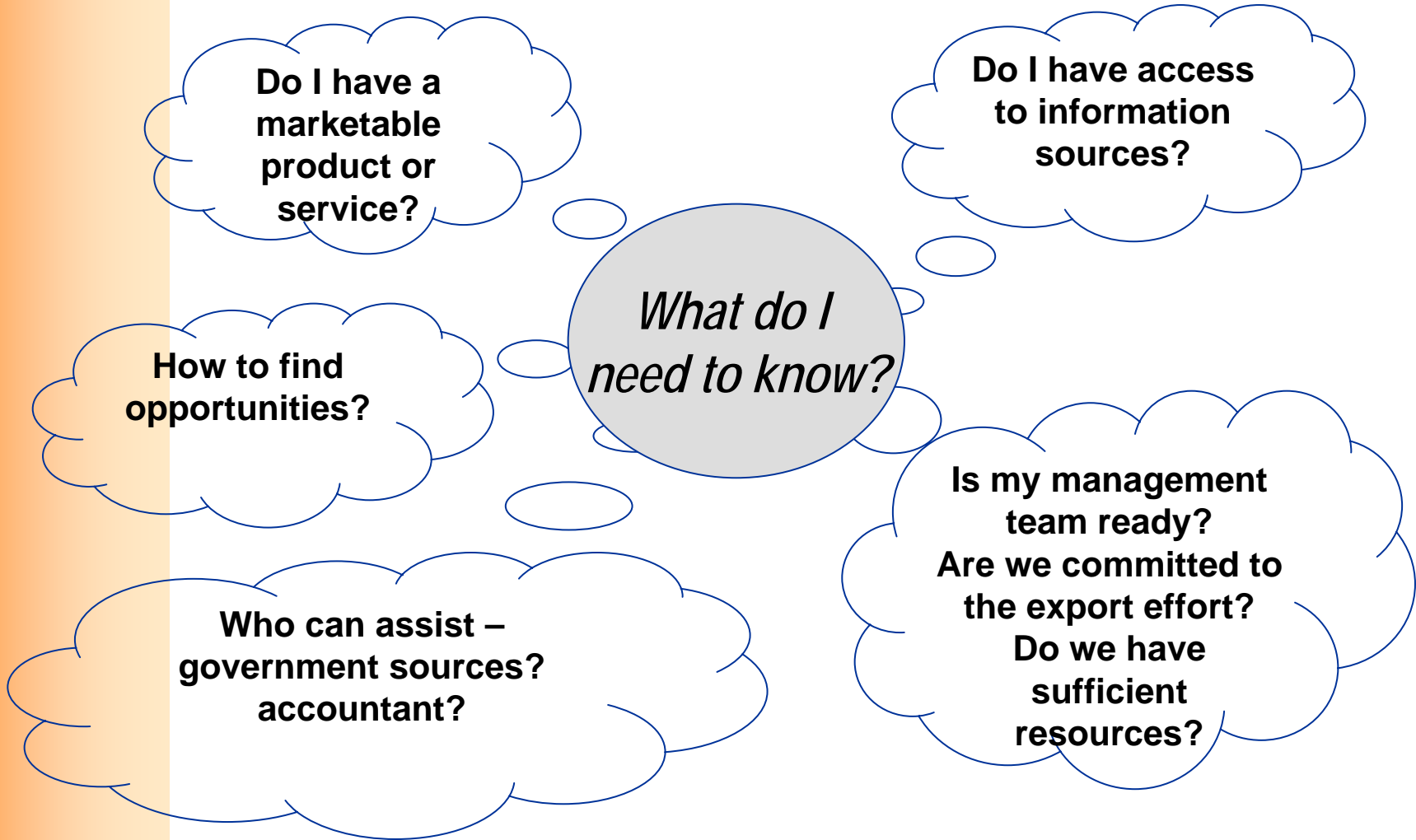
	2005	2010	2015
Life Sciences	3,700	14,000	37,000
Legal	14,000	35,000	75,000
Art, Design	6,000	14,000	30,000
Management	37,000	118,000	288,000
Bus. Operations	61,000	162,000	348,000
Computer	109,000	277,000	473,000
Architecture	32,000	83,000	184,000
Sales	29,000	97,000	227,000
Office Support	295,000	791,000	1,700,000
TOTAL	588,000	1,591,000	3,300,000



Is Exporting Right for You?



Where to start?





Getting Ready to Export

1. In your office

2. In your country

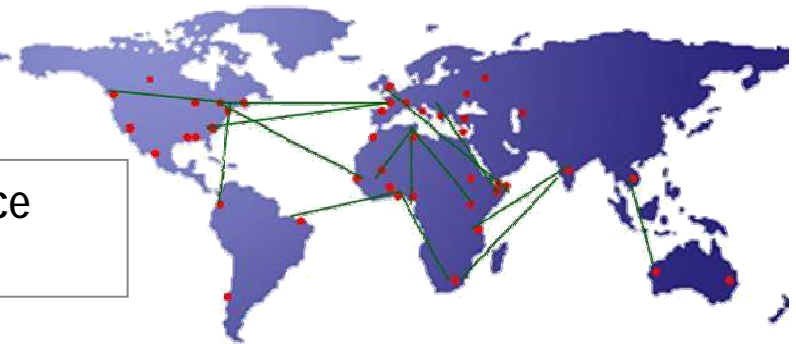
3. By traveling to the target market.

- Export preparation involves 3 stages:

1. Things to do in your office
- Prepare your business

2. Things to do in your country
- Prepare for Your Market

3. Things to do by traveling to the target market
- Market Your Services



Remember:

At least 2/3 of export preparation takes place without ever traveling abroad!



1. In your
office

2. In your
country

3. By
traveling
to the
target
market.

1. Things to do in your office

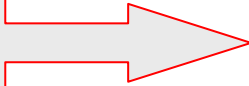
... Prepare your
business



Why Are You In Business?

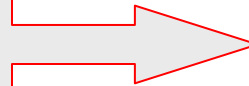
"To Make Money"

How much money?



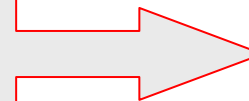
As much as possible.

How can you
make money?



Become better than your
competitors.

How can you make
as much money
as possible?



Maximize bargaining power.
Be the sole supplier.

An enterprise with maximum bargaining power
is a competitive enterprise

Mission, Vision and Goal...



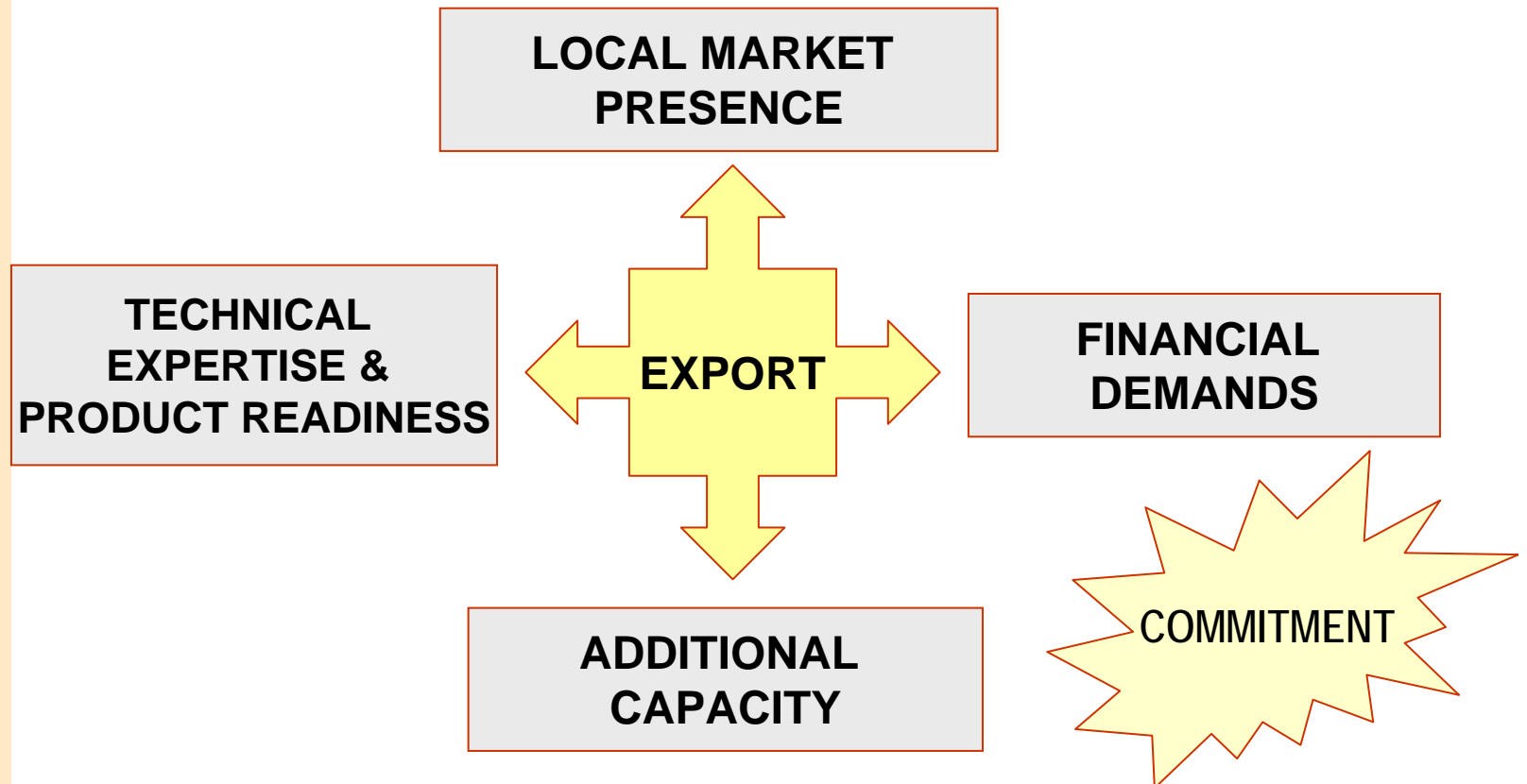
Key Factors to Consider

1. In your office

2. In your country

3. By traveling to the target market.

The present way in which you conduct business locally will determine how well equipped your company is to export.





Building a Competitive Business

1. In your office

2. In your country

3. By traveling to the target market.





Do I have a Marketable Service?

1. In your office

2. In your country

3. By traveling to the target market.

- What is unique about the services I have to offer?
- Who would want to buy my services?
- Are my services world-class and high quality?



Do I have the Right Technical Expertise?

1. In your office

2. In your country

3. By traveling to the target market.

It is important that your company is in a position to develop the necessary technical capabilities in order to adapt your products and or services to meet international technical requirements.

- Recognition of Professional Credentials
 - Engineers
 - Lawyers
 - Doctors
 - Accountants

EUROPEAN UNION





Do I have Excess Capacity?

1. In your office

2. In your country

3. By traveling to the target market.

Your company should be in a position to supply your **local market** and still have **additional capacity** to supply international markets.



When selling products



When selling services



Do I Understand the Rules and Regulations?

1. In your office

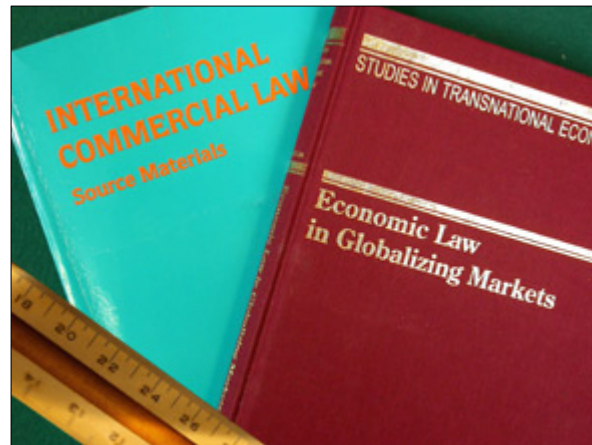
2. In your country

3. By traveling to the target market.

Anyone intending to do business in the global market

must allocate resources

to ensure knowledge of, and compliance with, **national and international rules of trade.**





How do I Protect my Intellectual Property?

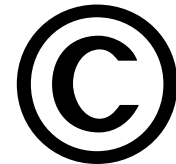
1. In your office

2. In your country

3. By traveling to the target market.

How do I make sure foreign competitors do not copy my business ideas? Do I need special permits to sell my product in foreign markets?

- **Intellectual Property (IP) refers to inventions, designs, writings, films, plants and seeds. These are governed by international rules that allow people, companies and institutions to “protect” them through:**



- **Copyrights and trademarks**
- **Patents**
- **Industrial designs**
- **Geographical indications**





Do I Need to Adapt?

1. In your office

2. In your country

3. By traveling to the target market.

- Your products are selling well in the local market, are competitively priced and are attractive to international markets.



- Your services are unique, high-quality, timely and relevant to customer needs.





Can I Meet Financial Demands?

1. In your office

2. In your country

3. By traveling to the target market.

Marketing internationally requires additional funding in order to carry out activities such as:

- Market research
- In-market visits
- Trade fair participation
- Preparing detailed proposals
- Setting up partnerships





How is my Cash Flow?

1. In your office

2. In your country

3. By traveling to the target market.

Clients don't pay on time

Suppliers are asking for cash payments

Investors not interested

No money to buy assets



Unable to pay the salaries on time

Banks don't want to lend



Techniques for Improving Cash Flow

1. In your office

2. In your country

3. By traveling to the target market.

- **Collecting Payments**

- Bill promptly
- Collect faster or on time
- Sell cash
- Use aggressive collection techniques

- **Paying Bills**

- Purchase on credit
- Do not pay bills early

- **Making Management Decisions**

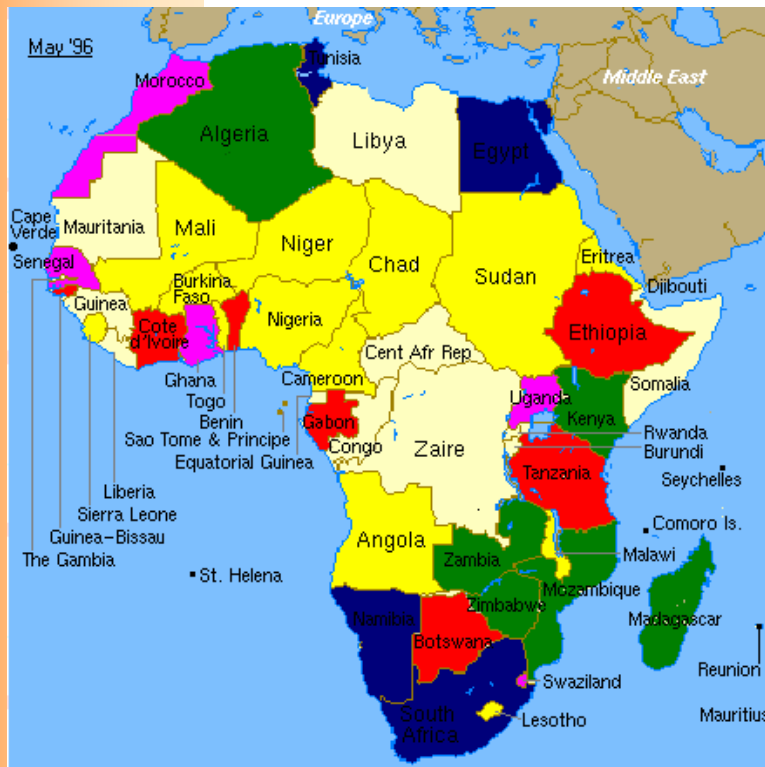
- Increase prices to customers
- Negotiate lower prices from suppliers
- Negotiate volume discounts
- Rent or lease instead of purchasing
- Reduce slow moving stock
- Reduce inventory
- Tighten credit



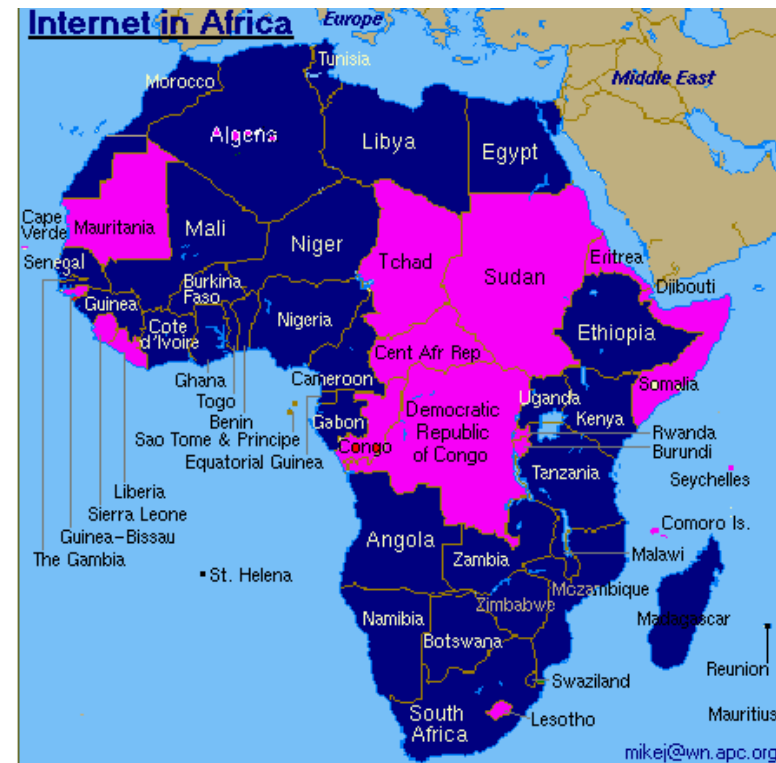
Technology...has changed the world

Internet Connectivity in Africa

May 1996



Sept. 2001



<http://www3.sn.apc.org/africa/index.html>

ACCESS! to International Trade Workshop



Why use the Internet?

1. In your office

2. In your country

3. By traveling to the target market.

- Customers want 24x7
- Increased international visibility
- Effectively communicating your message
- Global sourcing of temporary or contract workers
- Cost savings
- Efficient monitoring of global trends, your customers, your competitors
- Locating new customers and bidding on new contracts



1. In your
office

2. In your
country

3. By
traveling
to the
target
market.

If you are NOT on the Internet ...



You DON'T EXIST!



What Kind of Information should be on a Businesswomen and Trade Website?

- How do to business in the UK?
- Market information
- How to export the items – shipping documentation
- In country supply base information
- How to export from Nigeria
- Information on financing for businesswomen
- How to market, commercialize, build partnerships
- Building confidence
- Building relationships
- Managing time
- Cultural differences
- Operating environment in target market
- Quality of goods and services
- Market requirements – standards, etc...
- Branding
- Unique selling points
- Differentiation



ACCESS!

FOR AFRICAN BUSINESSWOMEN
IN INTERNATIONAL TRADE



Kampala, Uganda - Training Team localizes
the ACCESS programme

FRANÇAIS

ABOUT ACCESS! EXPORTING MARKET INFORMATION WOMEN EXPORTERS EVENTS WHAT'S NEW PUBLICATIONS LOG IN



African Businesswomen in International Trade

www.womenexporters.com

▶ ACCESS! Information

▶ Select an ACCESS! Country Portal

ACCESS! the global marketplace...

Welcome to WomenExporters.com, the portal for *ACCESS! for African Businesswomen in International Trade*.

WomenExporters.com is only recently launched, and will continue to grow over the coming weeks. If you are a businesswoman located in one of the countries on this map, we urge you to select your country and learn what services and information are available to you as you build foreign markets for your products and services. And be sure to revisit the portal often, as more content and sources of assistance will continue to be added.



Click on an
ACCESS!
Country

ACCESS! to International Trade Workshop



Management Commitment

1. In your office

2. In your country

3. By traveling to the target market.

Exporting requires additional resources in the form of:

- **Time**
- **Capital**
- **Technical expertise**
- **Understanding the export process**
- **Total commitment to the export endeavour**





Go for Export?

1. In your office

2. In your country

3. By traveling to the target market.

Companies should be certain about:

The reasons why the company has decided to export

The benefits to be derived from exporting

Their proposed initial action plan

What additional finances would be required in order to enter into the costly world of exporting

Remember:

If you are considering exporting because your company is not doing well in the domestic market, then perhaps reconsider entering into the export market.

Only companies that have enjoyed a successful track record locally should export.



The Export Readiness Checker

1. In your office

2. In your country

3. By traveling to the target market.

In order to establish if your company and the products you produce are export ready, you need to identify your strengths, weaknesses, opportunities and threats.

- **Business Readiness**
- **Product and Production capabilities**
- **Marketing**
- **Export Development**

Export-readiness Diagnostic Tool for Service Exporters
www.intracen.org/servicexport/sehp_diskette.htm



Networking Effectively

1. In your office

2. In your country

3. By traveling to the target market.

- There are five types of networkers – which one are you?
 - The loner networker
 - The passive networker
 - The inquisitive networker
 - The social networker
 - The dedicated networker





“The Elevator Test”

1. In your office

2. In your country

3. By traveling to the target market.

- Can you succinctly communicate your unique expertise and why it will matter to potential customers?
- Answer each of these questions in 25 words or less.

“WHAT SERVICE DOES YOUR COMPANY PROVIDE?”

“WHY SHOULD I BUY FROM YOU?”

“WHAT DISTINGUISHES YOU FROM YOUR COMPETITORS?”



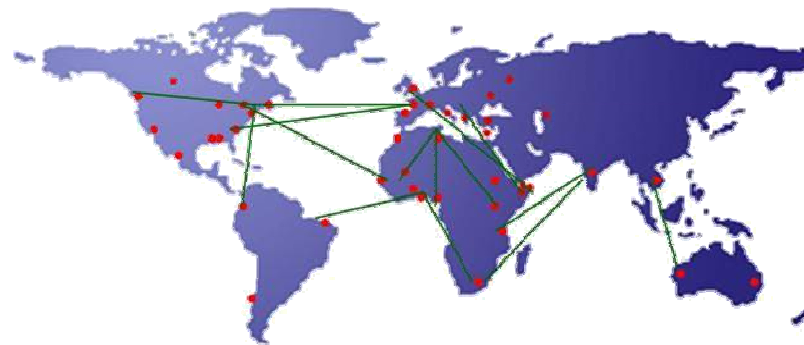
1. In your
office

2. In your
country

3. By
traveling
to the
target
market.

2. Things to do in your country ... Prepare for your Target Market

Market Research





Contacts in other Countries

1. In your office

2. In your country

3. By traveling to the target market.

- Who do you know in other countries?
 - Business associates?
 - Family members?
 - Foreign students?



Join Associations and Networks

1. In your office

2. In your country

3. By traveling to the target market.

- Chamber of Commerce
- Your sector association
- Bilateral trade councils
- Women's business associations
- Other networks
 - Network for Nigerian Women Exporters of Services (NNWES)



Importance of Market Research

1. In your office

2. In your country

3. By traveling to the target market.

- Planning
- Decision making
- Cost-benefit analysis
- Product and process development
- Issue analysis
- New opportunities
- Focus effort
- Monitoring performance



International vs Domestic Market Research

1. In your office

2. In your country

3. By traveling to the target market.

Differences:

- Access to information
- Issues addressed
- Environment
- Methodology
- Comparability
- Timing
- Cultural characteristics



Challenges in Accessing Market Information

- Using the Internet - in general and to its fullest potential
- Lack of awareness about local sources of market information
- Limited amount of available resources



Kinds of Data: Quantitative and Qualitative

1. In your office

2. In your country

3. By traveling to the target market.

Generally researchers talk about two types of data:

- Quantitative - having to do with numbers, percentages and statistics gathered
- Qualitative – consist of comments, perceptions and statements from people, based on their personal experiences

53%^{15.2%}
36%
3.5%^{99%}





Sources: Primary Data

1. In your office

2. In your country

3. By traveling to the target market.

Collected directly for your company and tailored to specific requirements

- Interviews
- Surveys
- Observations
- Focus groups
- data collected at trade fairs
- trade mission feedbacks
- market visits





Sources: Secondary Data

1. In your office

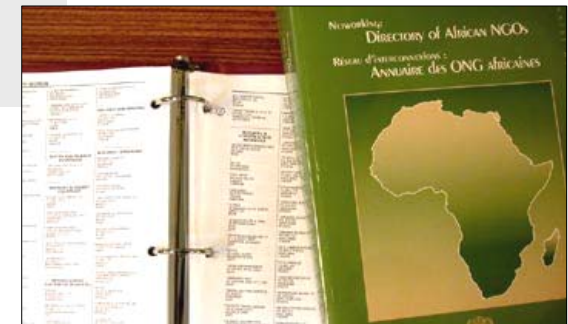
2. In your country

3. By traveling to the target market.

Collected by other researchers for another purpose, but which may also be useful to your company and save you time and money

- Government and commercial sources
- Business and trade associations
- Trade magazines and websites
- Financial institutions
- National trade publications

Then...
analyze.. draw conclusions
...make recommendations





Getting the Global Picture: Strategic Information



1. In your
office

2. In your
country

3. By
traveling
to the
target
market.

- **Begin by obtaining a general overview of the global market**
- **What are the trends in your industry, both inside and outside your home country**
- **Map out and understand the Global Value Chain (GVC)**
- **Identify markets and strategies that will bring you the greatest benefits and lowest risks.**

Examine:

- **Existing trade agreements**
- **Homogeneoususness of the market**
- **Familiarity of environment**
- **Distances between your country and the market**



Country Profiling: Influential Factors

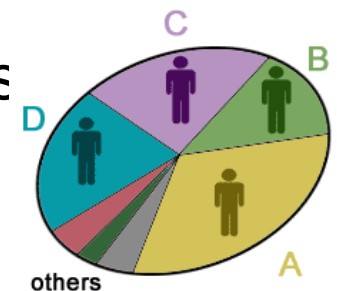
1. In your office

2. In your country

3. By traveling to the target market.

It is important to understand the big picture or “macro-level” environment of the country in which you will be offering your products or services

- Political environment
- Economic and Social environment
- Infrastructure, Labour and Business Development Services
- Socio-cultural influences
- Demographics and Psycho-graphics
- Industry Profile and Competitive Environment





Using the Internet in Market Research

1. In your office

2. In your country

3. By traveling to the target market.

The Internet is extremely important in gathering market research and is used for many purposes:



- Manufacturers selling products (e-commerce)
- Market research firms selling services and publications
- Chambers of Commerce, boards of trade, and industry associations operating sites to promote interests of members, including foreign trade
- News and trade publishers extending normal publishing activities



The Trade Information Research System

1. In your office

2. In your country

3. By traveling to the target market.

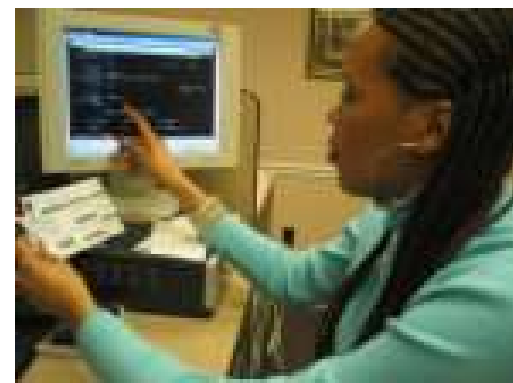
The trade information research system at www.intracen.org/tirc/welcome.htm is a useful tool
It is organized into the following databases:

- **General**

- Reference documents
- Periodicals
- Serials
- Index to Internet sites

- **Subject specific**

- Trade statistics
- Multi Lateral Trading System documents
- Market surveys (of interest to developing countries)
- Selective Bibliography of Published Market Research
- Quality control and management





International Market Research Checklist

1. In your office

2. In your country

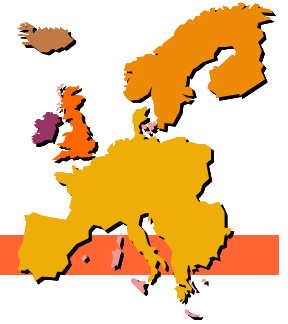
3. By traveling to the target market.

- General Information
- Form and nature of government
- General marketing factors
- Economic Indicators
- Economic development plans
- Banking infrastructure
- Transport and communication facilities
- Foreign trade data
- Import licensing
- Special customs provisions
- Other regulations and factors affecting trade





Selecting a Target Market



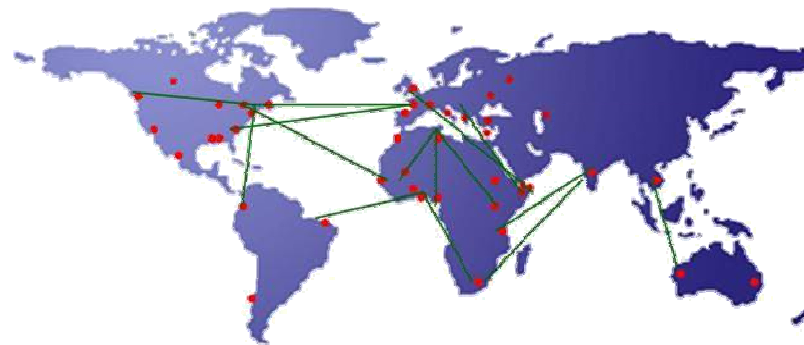
1. In your office

2. In your country

3. By traveling to the target market.

Selection Criteria	Market A	Market B	Market C
<input type="checkbox"/> Good market for our type of service:			
<input type="checkbox"/> Few/no major competitors & growing market:			
<input type="checkbox"/> Good cultural match with our firm:			
<input type="checkbox"/> Easy to reach:			
<input type="checkbox"/> Easy to make contacts:			
<input type="checkbox"/> Easy to establish “local presence” through:			
<input type="checkbox"/> Easy to service at a distance through:			
<input type="checkbox"/> Other: _____			

Your Marketing Approach





Be customer-driven



1. In your office

2. In your country

3. By traveling to the target market.

Successful companies:

- Know how to attract new customers
- Know how to retain existing customers
- Reach their target market in a variety of ways
- Reach their market in the most effective and efficient means
- Build systems to track the effectiveness of these methods

Customers are what drive our business



Examples of Ways to Reach Customers

1. In your office

2. In your country

3. By traveling to the target market.

- Referrals
- Trade fairs and conferences
- Buyer-seller meetings
- Promotional Web pages
- Personal sales visits
- Direct sales literature
- Trade missions
- Press releases
- Sales advertisements in newspapers





Review your Marketing Materials

	Marketing Tool	Desired Impression	Are yours:
1. In your office	Business card	"excellent quality"	<input type="checkbox"/> easy to read <input type="checkbox"/> in contemporary colours <input type="checkbox"/> professionally designed <input type="checkbox"/> informative* <input type="checkbox"/> consistent across staff
2. In your country			
3. By traveling to the target market.	Brochures	"world class"	<input type="checkbox"/> offset/laser printed <input type="checkbox"/> easy to scan <input type="checkbox"/> informative*
	Client lists	"experienced"	<input type="checkbox"/> comprehensive <input type="checkbox"/> up-to-date <input type="checkbox"/> grouped appropriately
	Client testimonials	"highly recommended"	<input type="checkbox"/> representative <input type="checkbox"/> from top executives <input type="checkbox"/> included in brochure
	Media pieces	"recognized leader"	<input type="checkbox"/> quoted in brochure <input type="checkbox"/> reproduced on letterhead <input type="checkbox"/> displayed in office <input type="checkbox"/> mailed out



Trade Fairs – Common Mistakes

1. In your office

2. In your country

3. By traveling to the target market.

- The fair is unsuitable
- The products or services do not meet market requirements
- Exhibiting company is not ready to export
- Inadequate planning of participation
- Poor execution of certain important activities
- Clear objectives have not been established



Personal Contacts & Press Relations

1. In your office

2. In your country

3. By traveling to the target market.

A program of personal contacts to target market would consist of:

- Telephone calls
- Personal visits



A full-fledged publicity program for a trade fair stand includes:

- A series of press releases
- Individual placement of feature articles
- Press conferences
- Other special events for the press



Advertising and Promotion

1. In your office

2. In your country

3. By traveling to the target market.

When entering an export market a company must:

- Decide on which market to enter
- Develop a market entry strategy, including segmentation
- Decide on the positioning of its goods or services

Ask yourself:

How do you intend to reach the end user through advertising and promotion?

What message do you want to convey regarding your company and its product/services?

Your message should convince people to purchase your product by creating public confidence in your company and the products/services it sells.



Types of Advertising

1. In your office

2. In your country

3. By traveling to the target market.

Prior to developing advertising material, determine the following:

- The objective of the advertisement
- The target market
- The message you want to convey



Types of advertising used to reach your target audience include:

- Printed/Graphic - brochures, newspapers, posters, magazines, billboard and banners
- Electronic - television, radio, Internet (web sites) and telemarketing
- Sampling - distribution of samples



Advertising campaigns

1. In your office

2. In your country

3. By traveling to the target market.

Advertising is communication. Your advertising plan in one of the strategic elements of your marketing plan.

Advertising Plan components:

- A message
- A media
- Timing (a period the advertisement will run for)
- The target audience



How much to spend on advertising is determined by:

- competitive pressures
- profit margins
- financial stability of the business
- cost of each means of communication



Internet - Email Marketing

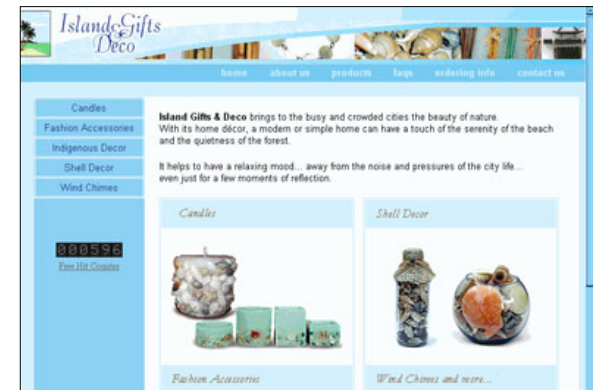
1. In your office

2. In your country

3. By traveling to the target market.

Why use e-mail marketing?

- Fast results
- Leverages time and resources
- Tracking and reporting capabilities
- Nurture sales leads
- Drive traffic to your website
- Increase response rates
- Shorten selling cycle



You don't have to be in the technology industry to benefit from e-mail marketing or the Internet!



Pricing Methods

1. In your office

2. In your country

3. By traveling to the target market.

- **Cost-oriented pricing (cost plus)**

- Full cost
- Direct cost
- Marginal cost
- Break-even

- **Market-oriented pricing**

- **Demand-oriented pricing**
 - perceived value
 - product differentiation

- **Competition-oriented pricing**

- Going rate pricing
- Sealed bid pricing

Pricing policies can be formulated in different ways. Most successful companies use a combination of primary and secondary objectives to arrive at pricing decisions.



Product
Place
Price
Promotion

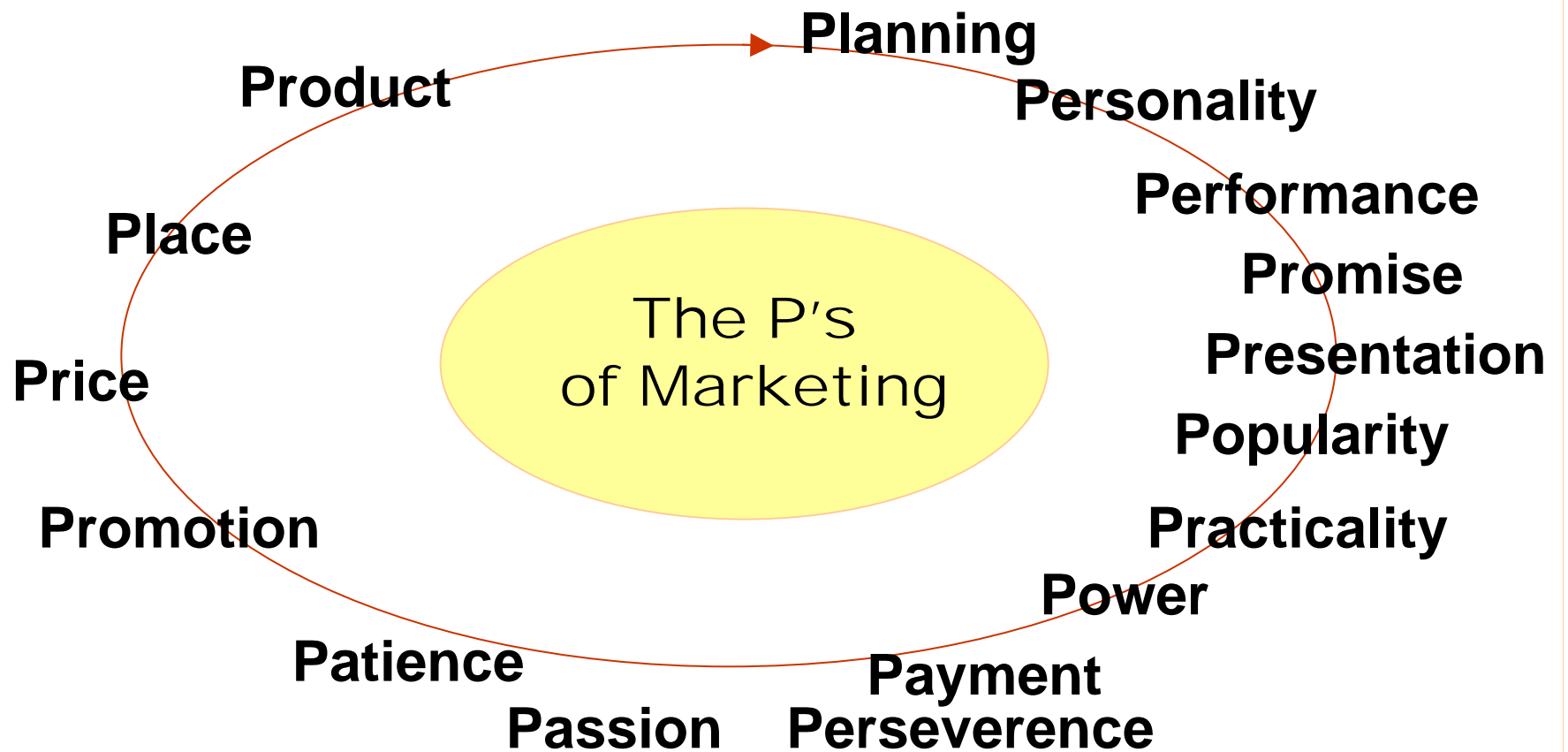
The P's
of Marketing

What other
key words
start with
the letter
"P"?



The P's of Marketing

- Product
- Place
- Price
- Promotion





1. In your
office

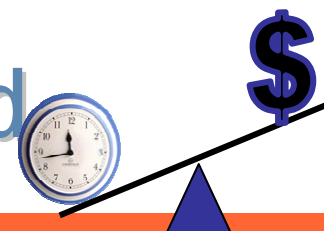
2. In your
country

3. By
traveling
to the
target
market.

3. Things to do
by travelling to the target market
... Market Your Services



Time is Money – Stay Focused



1. In your office

2. In your country

3. By traveling to the target market.

Time	Opportunity	Strategy
1 minute	Networking	<ul style="list-style-type: none">Elevator PitchWhat does your firm do?What is unique about your company?What is your value proposition?
1 hour	Meeting/Presentation	<ul style="list-style-type: none">Validate needsMatch your solution to the needsPropose follow-up activity
1 day	Post-meeting	<ul style="list-style-type: none">Thank client for their time.Re-confirm discussion, validate need and review plan of action.
1 week	Follow-up	<ul style="list-style-type: none">Present proposal or forward information which was suggested as the follow-up action item.Follow-up at weekly intervals, or within reason.
1 month	Secure project	<ul style="list-style-type: none">Within a month of the meeting is the best time to ascertain the possibility of securing a business opportunity.Find innovative ways of staying in touch.
1 year	Relationship Marketing	<ul style="list-style-type: none">Establish regular contact to maintain a strong client relationshipAfter the project is over, continue to share information, new trends, new developments at least once and preferably twice a year.



1. In your
office

2. In your
country

3. By
traveling
to the
target
market.

Successful Strategic Alliances





Working with Strategic Partners

1. In your office

2. In your country

3. By traveling to the target market.

- Why?
 - Ready-made local network of contacts
 - Possibility of subcontracting
 - Lower costs
 - Shared risks
 - Increased credibility

- Selection criteria
 - Similar philosophy of doing business
 - Complementarity of skills
 - Respect for each other's expertise
 - Commitment and openness
 - Project management skills





Finding a Potential Partner

1. In your office

2. In your country

3. By traveling to the target market.

- Trade shows, missions, other business events
- Networking breakfasts, product/service launches
- Industry association
- News, magazine coverage
- IFI project postings
- The Internet
 - Horizontal, vertical business portals
 - Sector-based online communities
 - List-servs (online community networking)
 - Tender feeding systems
 - Online business directories



Selecting a Partner : Short List

1. In your office

2. In your country

3. By traveling to the target market.



- List qualified candidates
- Make short list of best potential
- Meet/contact to establish interest and potential “fit”
- Look for: *Capability, Compatibility, Commitment*
 - Complementary skill and leadership, credibility, market reputation, sales/marketing and distribution “fit”, experienced people?
 - Is the “chemistry” right? Can you build trust?
- This may take time; 3 - 12 months in total

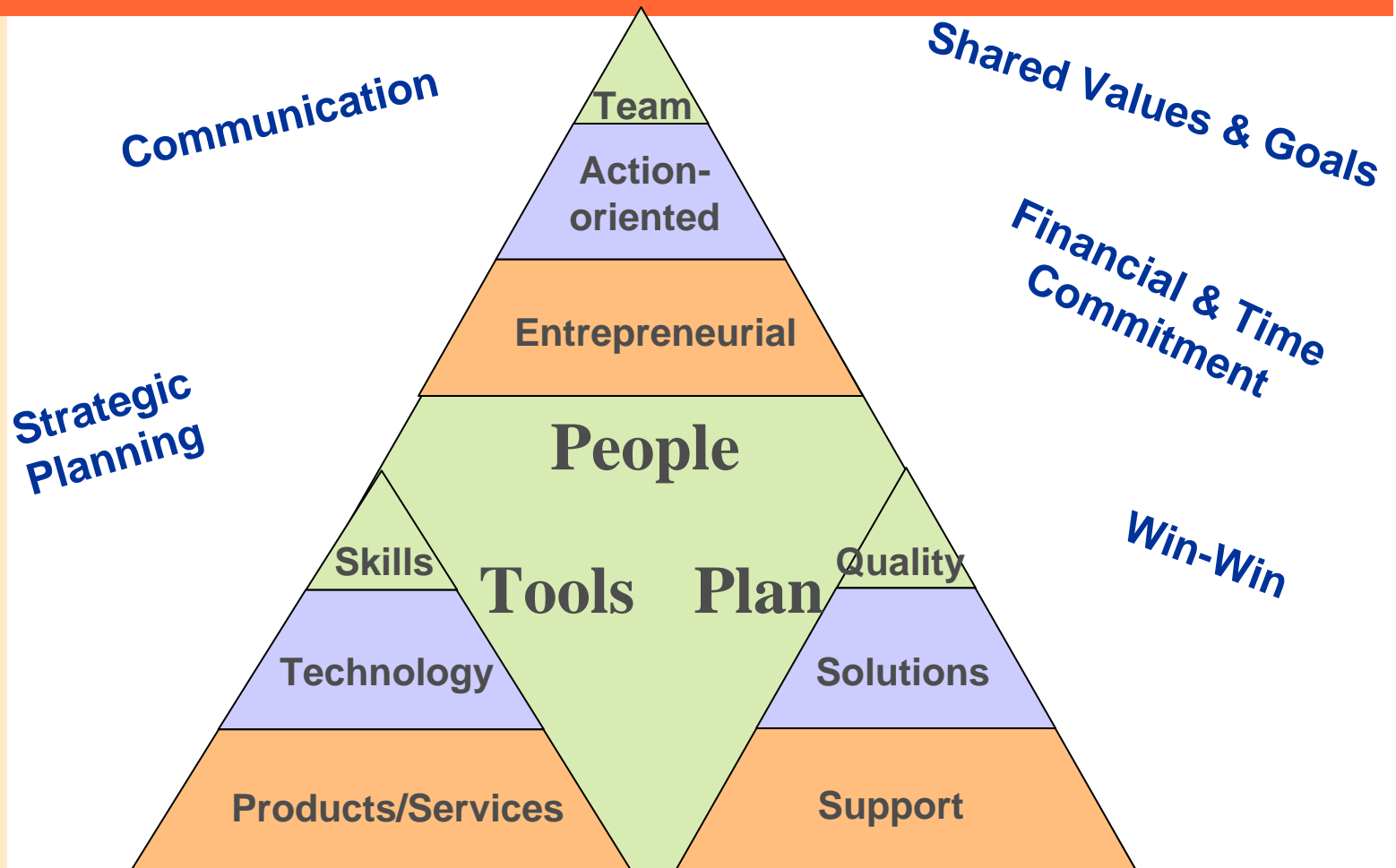


The Right Ingredients

1. In your office

2. In your country

3. By traveling to the target market.





Cultural Considerations

1. In your office

2. In your country

3. By traveling to the target market.

- Dress code
- Business cards
- Standard greetings
- Body language
- Gift giving
- Written or verbal communications





Next Steps

Register your
Company Profile
on ServiceExport.com

servicexport.com - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address http://servicexport.com/cprofiles/se-cprofiles.php?count=Romania

servicexport.com The Gateway to Service Exports in **Romania**

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country profile

Romania

Click here to contact for more information on Romania



Click photos to enlarge

Population (2001 est): 22,456,000

servicexport.com - Microsoft Internet Explorer

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servicexport.com The Gateway to Services Exporting in **Canada**

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Sign up for our newsletter
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Unsubscribe
Go

country profile

Canada

Click here to contact for more information on Canada



Click photos to enlarge

Population (2002): 31,413,990

National Capital: Ottawa-Hull (pop. 1,128,914)

Major Business Centres:
Toronto - 5,029,855
Montreal - 3,548,775
Vancouver - 2,122,684
Calgary - 993,182
Edmonton - 957,166
Quebec - 697,753
Hamilton - 686,882
Winnipeg - 685,507
Kitchener - 437,952

Official languages: English (58.5%), French (22.6%)

Currency: Canadian dollar

Gross Domestic Product (GDP 2001 est.): US \$689.7 billion

GDP per capita (2001): US \$28,800

Neighbouring countries: United States

servicexport.com - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address http://servicexport.com/cprofiles/se-cprofiles.php?count=Tunisia

servicexport.com The Gateway to Services Exporting in **Tunisia**

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- Surveys
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Tunisia - La Tunisie

Cliquez ici pour plus de détails sur la Tunisie



Cliquez la photo pour l'agrandir

Population (estimée en 2003) : 9,9 millions d'habitants

Capitale : Tunis

Villes principales : Tunis, Sfax, Sousse, Kairouan, Gabès, Bizerte

Langues officielles : l'Arabe

You are in the **Tunisia** profile.
New country profile:

Inbox - Microsoft O... Microsoft PowerPol... servicexport.com...

serviceexport.com The Gateway to Services Exporting
Network... Explore... Promote... Learn... Export.

Sun. Jul. 9, 2006 Nigeria **LOG IN TO MANAGE YOUR PROFILE** (forgot password?)
Select a sector in Nigeria enter username **GO**

Services Exporting: Country Contact

NIGERIA

add a company profile

Complete the form below to add a profile to ServiceExport.com. Mandatory fields are indicated with asterices (**).

Organization Type
**SELECT: Select one...

Username/Password
**Usernames and passwords can be up to 10 characters long, and should only include letters and/or numbers. Both are case-sensitive. You will use your username and password to login and edit/add to your profile in future.

**USERNAME:
**PASSWORD:



Some Final Tips



Build Your Confidence

- **Look confident**
 - Body language
 - Start with a warm smile
 - Hold your head up
 - Make eye contact
 - Dress for success
- **Celebrate your achievements**
 - Communicate your successes
 - Talk about your team
 - Track your success



Set Goals

- **Be realistic**
- **Aim (fairly) high**
- **Break it down**
- **Be positive**
- **Write it down**
- **Prioritize**
- **Be specific**
- **Plan for it**
- **Reward yourself**

SMART Goal-setting

Specific

Measurable

Attainable

Rewarding

Timely



Manage your Time

- **Plan your task**
- **Eliminate time-wasters**
- **Important things first**
- **Delegate**
- **Remember that cost is relative**
- **Save your energy**
- **Ask for help**





Articles and Websites

- Why Services Matter
- Selling a Promise

www.intracen.org/serviceexport

www.serviceexport.com



www.womenexporters.com



Join the Network

Nigerian Network of Women Exporters of Services (NNWES)



Businesswomen supporting each other in the global economy.

Contact: Koinonia Venutres Limited
Mr. Olufemi Boyede, Mob: 08033065224

ACCESS! to International Trade Workshop



Additional Handouts

- ITC List of Publications
- NNWES Brochure
- ABAC Supporting APEC SME Service Exporters Report
- ITC Initiatives on Women and Trade

Thank you

Andrina Lever
aglever@rogers.com



SUMMARY REPORT

APEC Seminar on Supporting and Enhancing Capacity for Women Exporters

Hanoi, 22-23 September 2006

Introduction

The APEC Seminar on Supporting and Enhancing capacity for Women Exporters was held in Hanoi, Vietnam on 22-23 September 2006. The Seminar has attracted around 80 leading women exporters and representatives of women support organizations coming from 9 APEC member economies, including: Australia, Canada, Indonesia, Malaysia, New Zealand, Papua New Guinea, Peru, the Philippines and Vietnam. Representative of UNIFEM also attended and spoke at the Seminar.

The Seminar was held in response to APEC efforts to enhance the integration of women in the process of liberalization. The Seminar discussed a range of issues including the main obstacles faced by women entrepreneurs across the APEC region, successful case studies of women in export, and good policy practices undertaken by some APEC member economies. As well as raising awareness and promoting an exchange of experiences, the Seminar also produced key recommendations to APEC.

Issues discussed at the Seminar

Obstacles faced by women entrepreneurs

Discussion at the Seminar focused on identifying key obstacles and challenges faced by women exporters in APEC member economies. Challenges can be identified as “hard” and “soft” ones. Visible (hard) challenges include:

- Many women enterprises are too small to be competitive as separate units;
- Women’s businesses may be too small or too weakly link with mainstream organizations to know about or be eligible for national or international trade programs;
- Gender bias in financial systems;
- Barriers accessing ICTs, education and training
- Lack access to information, training...

Soft challenges exist due to the nature of women as mothers and housewives, they are facing with more restrictions than men in terms of domestic and cultural restrictions. Women also lack chances to access to business opportunities, support programs run by the governments and intermediary organizations. There exist also mental/psychological barriers such as inability to think big and fear of expanding.

Business representatives also shared views that women exporters face with a number of difficulties when venturing into export market. These include: increase of production capacity, packaging, labeling and product certification. Women also face with other challenges, among them are lack of technical know on logistics of export business, market research, forwarding charges, freight charges, government duties, mode of payment and foreign exchange; lack of general information on identifying country of export, areas to export, market conditions and identifying clients.

Supporting policies and programs for women exporters

Participants shared information on supporting policies and programs for women exporters available in their economies.

Australia

The Australian Trade Commission (Austrade) is the Australian Government's main export and international business facilitation agency, which is mandated to help Australian companies reduce the time, cost and risk involved in selecting, entering and developing international markets. Austrade also grants support to women businesses as one third of Australia's 1.6 million small-to-medium enterprises (SMEs) businesses are run by women. The aim of Austrade is to link women into mainstream government trade programs and opportunities, provide networking and mentoring opportunities for women in export and identify businesswomen who are active in export and who could become role models for other women in business. Austrade has established the National Roadshow as one of programmes to promote women in export. Target audience are existing women exporters who have an association with Austrade and wish to expand their international focus, new or potential exporters who own or operate an organization that has export potential and existing women's networks who can help members achieve a greater export and international business focus. The Roadshow helps to promote marketing on key sectors, including food and wine, computer technology, education and training, homewares, arts, health and fitness, fashion, toy and games, creative arts, film and video production and professional services. Different activities were carried out at the Roadshow: case study speakers presented their true stories in doing business, panel discussions on specific topics and seminars.

The outcomes are very encouraging. Over 1000 women from a diverse range of industry sectors registered for the seminar. The seminar provided an important opportunity for women from diverse organizations and industries to network and exchange views and experiences about exporting and doing business internationally. In return, the attendees provided Austrade with valuable information about the export needs of women in business. Another success was that the seminars were successful in raising awareness of Austrade and the federal government's trade promotion assistance. Feedback from attendees show that the Roadshow is an excellent event, which is very relevant to business needs and propositions.

To follow-up, Austrade will carry out a survey of attendees at the roadshow, organize regional networking seminars for women, workshops on e-business and trade in finance and

workshops for getting into export targeting specific sectors (e.g. consumer goods), publish brochure of case studies, organize gender specific activities (e.g. trade missions).

Malaysia

The Government of Malaysia has set up government agencies to help women exporters such as Malaysian External Trade Development Corporation (MATRADE); Small and Medium Industries Development Corporation (SMIDEC) and Malaysia Investment Development Agency (MIDA). Some commercial banks in Malaysia also have programmes to provide credit for micro-enterprises such as Bank Rakyat, SMEs Bank, MARA etc...

Thailand

HomeNet Thailand

Established in June 1998, HNT is the coordinating center of the network of home-based producers and home workers as well as concerned NGOs in the country. HNT created a forum of regional network of NGOs and home-based workers in the Northeast, the North and in Bangkok. HNT provides coordination at the national and international levels on policies and issues to home workers.

The Sustainable Alternative Development Association (SADA)

SADA provides constant support to the Northern Home-based Workers Network (NHWN) in relation to technical and financial resources. The objectives of SADA include: promoting occupational development with energy and environmental conservation; encouraging self-reliance of grassroots groups; supporting gender equality; promoting participation of people in improving their quality of life and cooperating with public and private strategies to achieve these objectives: participation, gender equity, cooperation, networking and partnership through various approaches, including: community-based enterprises, social protection, organizational development, facilitating fora to share experiences and information and government-NGOs.

Vietnam

Women in tourism club in Vietnam: Under a project funded by CIDA, Canada, a provincial business support center was set up to facilitate women in tourism sector in Ha Long Bay, Vietnam. The Center adopted a strategy that had been proposed by the women entrepreneurs in tourism to facilitate the creation of a women in tourism network or business “club”. By forming a group or club, it made easier for the Business Support Center to design training and support services. For more specialized training, the center introduced the group to mainstream training programs and service providers. It was easier to do this on behalf of the entrepreneurs as a group than as individuals. The business support center offered targeted training and support programmes that met the needs of women entrepreneurs whose household responsibilities as wives and mothers constrained their ability to network socially and professionally and to travel or take time for activities outside the household. These

gender-related constraints made it more difficult for them to respond competitively to opportunities in the international tourism market.

ITC programme

The International Trade Center (ITC) has developed a programme to help women exporters in the service sector in developing economies. The programme were tested in Nigeria, Mozambique, Mauritius, Namibia, Zambia and Botswana. The programme aims at Trade Promotion Organizations (TPOs), trade negotiators, organizations, individuals and women's associations. Service sector is the fastest growing sector globally and this sector is very suitable for women to take part in because services can be exported even without having to leave home. A six-step program has been developed to aim at all levels of government, associations and companies to promote export in services in the LDC's. The 7th set added has focussed on women. The next step is to create a women's network as a model for future networks. Why a net work for women? Women often feel more comfortable with other women and often face different challenges in the global economy, then women with mentors will be more successful. Consultancy services have been provided on different service sectors such as: agriculture, education and training, textile and handicraft, business, translation, graphic design v.v...

Information can be found in the website: www.intracen.org

UNIFEM programmes

The United Nations Development Fund for Women (UNIFEM) has implemented a lot of projects in Vietnam, Lao, Thailand, Mongolia, People's Republic of Korea and other developing economies to support local businesswomen working in different areas such as cotton industry, fish processing, cottage industry. Based on the success of these projects, UNIFEM is seeking more strategic approaches for future implementation of its projects. There is the need for statistics on gender issues in the Asia-Pacific Region, partnership with business women's organizations such as ASEAN, APEC etc...Above all, projects should be implemented in alignment with UNIFEM global multi-year funding framework.

Recommendations

Based on discussion at the Seminar, the Seminar produced the following key recommendations to APEC:

1. APEC should promote specific capacity-building initiatives for women exporters, including intermediary associations such as women associations;
2. Incorporating gender issues in the Trade Facilitation Action Plan (TFAP): APEC members report annually on the implementation of TFAP in 4 narrow areas, namely customs procedures, standards, ecommerce and mobility of business. This TFAP annual reporting needs to include an assessment of the impact of trade facilitations on

women-owned or managed businesses and a plan for addressing the obstacles of small businesses owned and/or run by women in trade facilitation measures;

3. APEC should address Intellectual Property Rights issues with regards to small businesses owned and/or run by women, especially with respect to issues related to traditional and/or indigenous knowledge;
4. APEC should produce sex-disaggregated data on women-owned and/or managed businesses and design cooperation programs to encourage member economies to undertake gender analysis of the take-up and outcomes of mainstream trade development and promotion programs;
5. Create linkages, include web-links, between APEC-relevant program supporting women exporters delivered by trade promotion programs of member economies and women's organization in member economies;
6. Consider organizing an APEC Road-show of women in export trade success stories to educate and encourage potential women exporters;
7. Organize 3rd Ministerial Meeting on Women in 2008 with an emphasis on the impact of trade liberalization (multilateral, bilateral, regional), especially the proliferation of non-tariff barriers and free trade arrangements, on women exporters. Suggested theme: "Differential impacts of trade on women";
8. The APEC Trade promotion working group (TPWG) should follow up its project on gender analysis in trade promotion activities with an APEC program for supporting women exporters;
9. APEC SME Working Group should consider developing a project that could provide training on negotiation skills for women exporters;
10. Furthering One Village One Product Initiatives (OVOP): Disseminate information related to this initiative endorsed by APEC Leaders in 2005 and currently implemented in Japan, Thailand and Chinese Taipei, Malaysia to other economies. APEC should assess these existing models in terms of their support for women exporters and select successful models to support women exporters and select;
11. More capacity-building for women exporters and women's support organizations is needed with respect to expanding the ir opportunities in the services sector.

The Challenges & Opportunities of Women Exporters In Indonesia : A Personal View

By

Fatchiyah A. Kadir
(Indonesian Women Entrepreneurs Association)
as a chairperson 1995 – 2005

Export has a significant contribution to the economy of a nation. It's most profitable and sustainable in international trade. Some government who have outward looking policy, take export as the development central of gravity.

In this presentation, I will reflect my own experience in doing export, in line with the condition of women exporters in my country.

I did not imagine being an exporter now. Still clearly pictured in my mind, my father, with his own way, showed us (his children) , how to make his guests (buyers and traders) felt the hospitality at our handicraft workshop. They satisfied with the quality of our products, although some of them were just looking around.

OPPORTUNITIES

Mirroring from my father's experience as craftperson, when I was becoming mother of three sons, the momentum and milestone of my export business was likely to happen. Together with my husband, I initiated Tobal Batik. Firstly domestic market was my main target, but then I switched it to a more challenges target, international market, where Australia, USA and Europe being the targets.

CHALLENGES

30years experiencing challenges in doing export, the past 5 years was and is still the hardest. The impact of Asian financial crisis that struck Indonesia in 1997 still shadowing us. Bali bombing and travel warning also affecting indecreasing Tobal batik annual sales revenue and also never ending disasters, from tsunami to earthquake causing the recovery of Indonesia economic recovery snailing / very slow.

Ironically, the fact that, the majority of female-owned businesses represent 60 % of the about 30 million micro, small and medium enterprises in Indonesia (The State Ministry of Cooperative & Small & Medium Enterprises). 85 % of nearly 16,000 national

members are owners of micro and small enterprises (Iwapi memberships data base). Their products based on traditions that are now lost in many other societies.

We do have a long tradition of home and village industries, of high-quality craftpreneurs not only provide valuable services and generate income for themselves and their families, but also create jobs for others. It shows that women entrepreneurs have a significant impact in recovering economic crisis in one country.

A long term programme necessary to break all constraints :

1. Changing social perception via gender analysis will open equal opportunities for women and men.
2. Internalization gender perspective to governments officials, civil society organization and private sectors.
3. The State Ministry of Women Empowering, The State Ministry of Cooperative & Small & Medium Enterprise together with The State Ministry of Trade have to take seriously “ Women Exporters Development Roadmap”, and integrate them into the national export strategy.
4. Information Technologi literacy to women exporters, to assist women to use modern information technology, including appropriate technological know-how, to access essential global information and market their businesses internationally.
5. Study-visit, trade fairs, linkages and networking among women exporters can bring up their morale.

Pekalongan Central Java Indonesia
September 16,2006

STATUS OF WOMEN EXPORTERS IN MALAYSIA

Report Prepared by AZLIN AHMAD SHAHARBI

THE MALAYSIAN ECONOMY

- Malaysia's exports have grown at an average annual growth of 14.4% over the last 3 years
- Malaysia exported US\$89.8 billion worth of products in the first seven months of 2006
- Main export destinations for Malaysian products are USA, Singapore, Japan, China and Thailand
- During the first seven months of 2006, exports to ASEAN countries increased by 14.5%
- Malaysia's top exports are electrical and electronic products, crude petroleum, chemical and chemical products, palm oil and liquefied petroleum products
- Malaysia's exports of electrical and electronics products which is valued at US\$42.7 billion makes up 47.6% of the country's total exports

WOMEN EXPORTERS IN MALAYSIA

- As of September 2006, a total of 1782 women-owned companies involved in export activities are registered with the Malaysia External Trade Development Corporation (MATRADE)
- Malaysian women exporters make up 16% of the 11,270 companies which are registered with MATRADE
- Out of the 1782 women-owned companies involved in export activities, 1009 companies are involved in manufacturing, 430 in trading, 316 in services and 35 in contract manufacturing
- Majority of the women exporters are involved in sectors such as prepared food, furniture, machinery and equipment, building and construction materials and hardware, consumer and industrial

- However, there are many women entrepreneurs in Malaysia who have not yet ventured into the export market primarily due to the lack of funds, information and exposure. As women entrepreneurs are traditionally in small businesses or cottage industries, they are unable to "think big" and overcome the psychological barrier of expanding to become export-ready.

INITIATIVES OF THE MALAYSIAN GOVERNMENT TO ASSIST WOMEN ENTREPRENEURS

1. GOVERNMENT MINISTRIES AND AGENCIES

- **Ministry of Entrepreneurial Development and Co-operative.**
Under this Ministry, there are several government agencies such as **MARA**, **TEKUN** and **AMANAH IKHTIAR** which provides grants, training and assistance to women entrepreneurs. The latest addition to this Ministry is **INSKEN** which is the National Training Institute for Entrepreneurs. The Ministry also has programs such as "**One District, One Product**" and the development of home-based businesses to assist women entrepreneurs
- **Ministry of International Trade and Industry.**
Under this Ministry, there are agencies focusing on Malaysian exports (**MATRADE**), development of small and medium industries (**SMIDEC**), national productivity (**NPC**) and development of foreign investment in Malaysia (**MIDA**). **MATRADE** has a special grant called **WTOP (Women's Trade Outreach Program)** especially to assist women entrepreneurs to export their products. Women entrepreneurs and exporters enjoy special programs, grants and fast track service in all these agencies
- **Ministry of Women, Family and Community Development.**
This Ministry also provides various programs and grants for women entrepreneurs especially single-mothers and is active in reviewing the Malaysian laws to facilitate women in employment and business.

2. DEVELOPMENT BANKS

- Malaysia has several development banks such as **SME Bank** (small and medium enterprises bank), **Bank Pembangunan** (Development bank), **Bank Rakyat** (People's Bank) and **Bank Simpanan Nasional** (National Savings Bank). As funding is the main problem facing entrepreneurs, these development banks focuses on loans for entrepreneurs and micro-credit schemes.

3. WOMEN ENTREPRENEUR ASSOCIATIONS

- In Malaysia, there are many women entrepreneur associations throughout the country which assist women entrepreneurs in capacity building and networking by conducting training, conferences, and conventions. 11 of the women entrepreneur associations are under an umbrella body called the **Federation of Women Entrepreneur Associations Malaysia (FEM)** which works closely with the government ministries and agencies.

**APEC SEMINAR ON SUPPORTING & ENHANCING CAPACITY
FOR WOMEN EXPORTERS**

STATUS OF WOMEN EXPORTERS IN PAPUA NEW GUINEA

It is my privilege as well as a worthy opportunity for my sector to attend the APEC Seminar on Supporting & enhancing Capacity for women exporters in Hanoi, Vietnam 2006.

The seminar brought together representatives from Asia and the Pacific to come together and met to reach proposals and make strategies the reinforce the capacity for women exporters

I am not able to give the exact number of formal and informal enterprises that are managed by women or even the percentage of Female enterprises that are exporting now from my country. (Papua New Guinea)

An appropriate investigation study has to be done to give the exact number of statistical data.

After the seminar I have some point of view that I would like to discuss:

- 1 - Majority of the women in Business (Formal & Informal) do not have the experience in business, Money or credit conditions which make the financing more difficult.
- 2 - Women do not have a good economical situation. (Meaning they can manage their home BUT it is not common that they have the family property for their enterprises projects.)
- 3 - The new millenium with the latest technology e.g; telecommunications - those are tools that are not available for poor women exporters to compete in the global markets.
- 4 - Gender is the biggest problem faced in my country. Governments must achieve necessary implementation of Laws that gives women the equality of opportunities. Most of the difficulties are based on Education, Lack of information, politics etc...

To start a business could be a possibility but only with great sacrifice, effort and risk. It must also be noted that without Training and necessary resources, IT WILL FAIL!

**APEC SEMINAR ON SUPPORTING & ENHANCING CAPACITY
FOR WOMEN EXPORTERS**

It is very important to understand women in two different aspects, Private and Professional Lives.

We must establish support programme for women in Education, Language, Cultures and Family responsibilities.

**ABOVE ALL THE OPPORTUNITY TO TRADE IN FOREIGN
MARKETS!**

**APEC SEMINAR ON SUPPORTING ENHANCING
CAPACITY FOR EXPORTER WOMEN**

It is a privilege as a woman and a manager as well as a worthy opportunity for my sector, the small and micro management (PYME), to take part in this APEC Seminar, a brilliant occasion which gets the representatives from 21 countries members of Pacific Asia Cooperation Forum together and met today to reach proposals and make strategies that reinforce the capacity for exporter women. Their testimonies will also be useful in terms of experiences taken from the reality in their countries for the input which lets us the net formation as an essential ingredient for success.

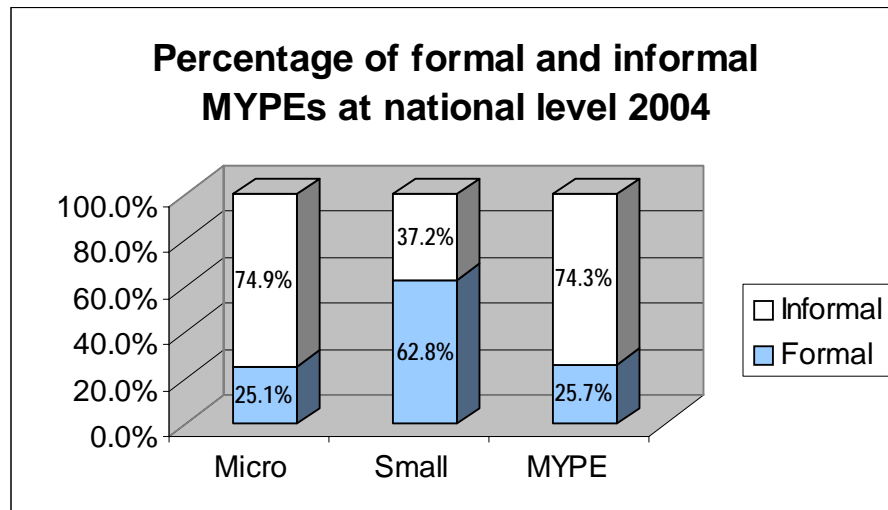
It is true that the surge of PYME is giving a greater dynamism to our economy, but what is amazing now is to know that the PYME leading is in charge of women and in some countries it gets to an important 55%. I want our participants to know that in Perú there are 2'518,617 from which only 648,147 are formal, however they represent 98% of the whole management.

The Pymes have a low level of participation in the outside market. 0.14% of micro management, 29.1% of small management and 0.26% of MYPE stated direct sales outside in November 2004. That means only 1674 out of 648,147 enterprises which are part of formal PYME say they make exports directly. This cipher is the same as PROMPYME which estimated in 2002 that only 0,36% out of 1,814 enterprises were direct exporters.

Orientation exporter of the micro and small formal company

RANGE OF SALES	NUMBER OF ENTERPRISES	NUMBER OF ENT. EXPORTERS	ORIENTATION EXPORTER
MICRO	622,209	918	0.14
SMALL	25,938	756	2.91
MYPE	648,147	1,674	0.26
MED+GRAN	10,899	1,383	12.69
TOTAL	659,046	3,057	0.46

It is unknown the exact number of formal or informal enterprises managed by women or even more the percentage of female enterprises which are exporting now, which is not possible because one of the barriers to design appropriate strategies and guarantee successful results in my country is the lack of an "Economical Observatory" that makes investigation studies and gives exact statistical data, such as the percentage of enterprises which are involved in external commerce, the problems we face, if we have or not a hardware or software which helps us to be involved and advance in this topic or simply know if we apply good practices which let us increase that low percentage of small exporting enterprises (1.76%).



Besides this limited participation in the outside markets, there is also a reduction in the number of exporting PYMES, as well as the export values.

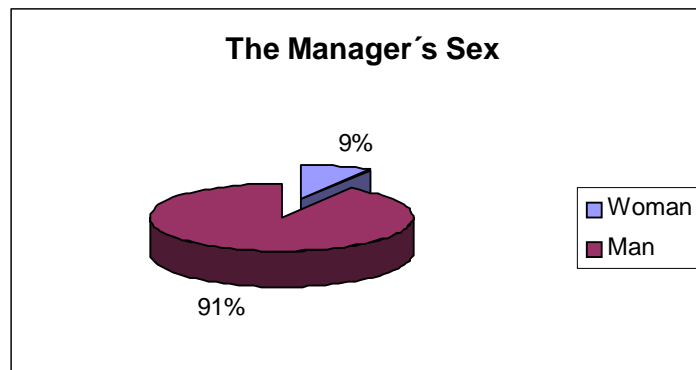
Enterprise Sector	Total of Exporters Enterprises (2001)	Total of Exporters Enterprises (2002)	Variation % of the structure national exporter	Value FOB Exported in 2001 (Millions US\$)	Valor FOB Exported in 2002 (Millions US\$)	Variation % of Value FOB Exported
MYPE ¹	1897	1814	-4.4%	152.5	133.5	-12.46%
No. MYPE ²	2,136	2,551	19.4%	6,754.6	7,458.8	10.43%
TOTAL	4,033	4,365	8.2%	6,907.1	7,592.3	9.9%

It is important to point that because of exports, the enterprises in developed countries are setting the basis for a better future for their workers and their communities this show nowadays that a dynamic enterprises can get. In the case of business women, the exporting increase goes together with the social compromise. Tembeka Nkamba Van Wyk, exporter of craftsmanship products and who gives job to thousands of Southafrican women says that “one who works with unfavorable situation people should not only apply merchandising criteria, but also behaving as a social promoter”. I think this good practice should be taken into account as a beginning point to accelerate the growth of our small enterprises, since we have human resources, we are guaranteeing their own success.

After a deep analysis, there are four points of view I would like to synthesize to focus on those problems which impede the reinforcement of exporter women capacities. Obviously, they are related to Public Politics we have proposed from the private sector to our government.

I am able to give testimony of those obstacles because I come from a small enterprises family whose work is with mechanical metal and which my father began more than 40 years ago. I know about the effort and barriers that Pymes go through, above all the fight we have to face day after day to keep an enterprises alive in sub developed country, with an unfavorable situation and non-appropriate program designs and with lack of an internal agenda, only our faith and hope keep us alive and the government that becomes our partner to change those discouraging percentages of exporting Pymes.

The first point I have considered is the difficulties we as women find. In Perú, it has been notorious the high control of men in the enterprises management, it is based on a big survey in the biggest industrial city in Lima, Villa El Salvador and it was found that 91% are men and only 9% women.



On the other hand, 10 years ago I founded the Peruvian Southern Industrial Female Association, which has 647 business women who are in 8 different productive areas, each of who wants to export and has considered the possibility to do it, but we do not know how and makes them be frightened. Many male managers go through the same, but women have more difficulties due to their limited experience and lack of knowledge and formation, also the difficulties to travel have a big influence. Some exporters say that first they need to know what other countries want, it is not possible to apply spontaneous criteria in production, they need to travel, to know the tendencies, to talk to many people, visit the shopping, malls and supermarkets, see what they have to offer, which are their preferences, and if we really can satisfy their demands.

Besides the common difficulties in Pymes, when women start their enterprises, they do not have the experience in business, money or credit conditions which make the financing more difficult. In Perú, women do not have a good economical situation although they manage the family situation, it

is not common that they have the family property for their enterprises projects. This is one of the reasons why the financing entities do not believe and create barriers for obtaining credits for women, in other cases their husbands disapprove this alternative and even more they have to sign the bank approval to have access to a possible credit. This is required by law. So, where can she gets the loans from? The people who lend money called "prestamistas" who ask for excessive interests in money and which disappears or cancels the benefit. In fact, the difficulties for access of economical resources are generally all over the world.

The second point I am going to show you is about the difficulties we find not only for being women but also for being PYMES; nevertheless, this is the economical stability sector that every country needs. The managing women are really important; however, although the new millennium has accelerated the technological advances which include telecommunications, these tools are not reached by them, they do not even know how to use these tools, the number of small enterprises which have a computer is really short. The marginalization, specially in Latinoamerica, for women, threaten the enterprises managed by women, as a consequence these are not actualised and can not compete with effectiveness in the global markets.

We can also see that banks do not usually give small credits because they are not profitable and also because the concept they have for the PYME managers is that since this is a "high risk" sector, it should ensure its inversion by charging higher interests, however, today we are eager to give PYME a different image, since we are trained to talk about quality, ISSOS, value chains, competitiveness, productivity, RSE, etc. We have totally assumed we are in a globalized time.

This effort is giving Micro Finance Institutions good results, it seems there is a natural attraction between women and Micro Finance Institutions (IMF). It has not been like this, but in the last years, with expansion and growth of microfinance, the industry has become female. These entities do not only provide loans but have also begun to recognize that women are good payers and give more confidence.

Another difficulty of a PYME woman is her short productive capacity which impede the external requests, there has to be an aggressive work in terms of society to overcome this barrier.

In our sector there is much ignorance about the technical obstacles for trading to have access in international markets, we are making great efforts to create with BID FOMIN a national project which lets us increase these barriers, this work together with the government is a consequence of the TLC negotiating process with the U.S. through the Andean Forum Mipymes (Micro, small and medium enterprises).

A third point are the difficulties that a woman faces as a "provincial" due to centered capital situation which we can not overcome in our country, there is a great rate of political indecision, to

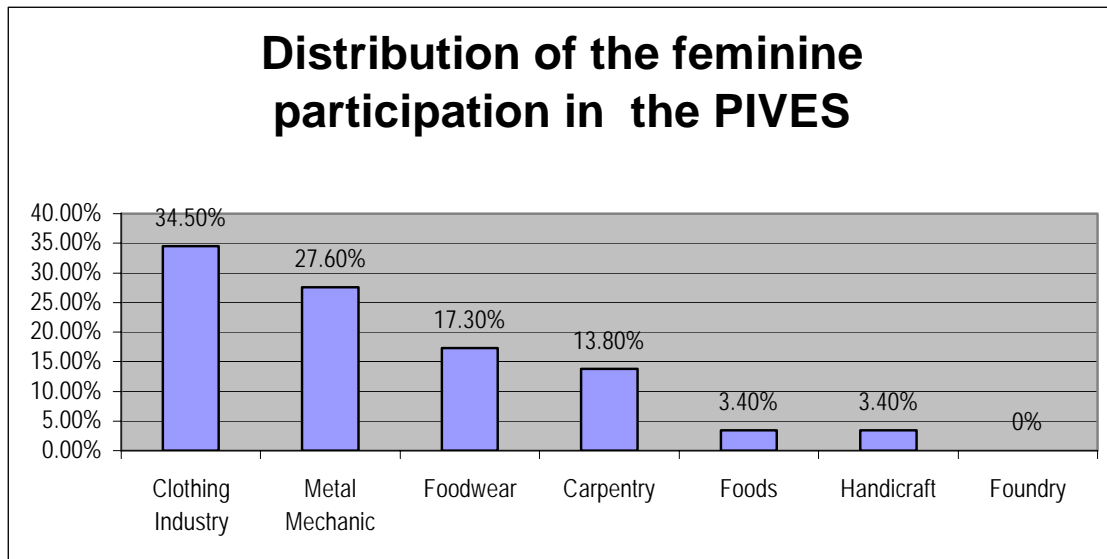
disconcentrate the political, economic and tributary power and it will continue constituting one of the obstacles more stressful because everything concentrates on the capital. The exporting offers begin as a productive chain in the communities and in a rural zones where we can find comparative advantages. The difficulties here are based on education, economical limitations, lack of information and opportunities for a better development. The Pymes urban women the following chart shows the provinces like "The rest of the country".

Geographical distribution of the PEA occupied in MYPEs 2002
(Value Absolute)

	Micro enterprise Absolute % (Millions)	Small Enterprise Absolute % (Millions)	MYPE Absolute % (Millions)	
1-FORMAL				
Lima	288,014	346,989	635,003	62.0%
Country's Rest	210,121	177,954	388,075	38.0%
TOTAL	498,135	524,943	1'023,305	100.0%
2-INFORMAL				
Lima	905,786	102,471	1'008,257	16.3%
Country's Rest	4'948,775	246,273	5'191,048	83.7%
TOTAL	5'854,561	348,744	6'203,305	100.0%
3-TOTAL (1+2)				
Lima	1'193,800	449,460	1'643,260	22.8%
Country's Rest	5'158,896	424,227	5'579,123	77.3%
TOTAL	6'352,696	873,687	7'222,383	100.0%

The fourth point are the difficulties that a woman whit a type of job usually developed by a man has, that is the case of mechanical metal and whit own experience I may say if does not provoke much trouble. I was born surrounded of different metals, I learn to know the best school in the way of prestige, my father always had a very important role with his leadership, for him I learnt that an enterprise can be sustained compactly only if you work with ETHIC and HONESTY, with solidary spirit and with equity. We have had very good times and a have a clear remembrance when he allowed me to participate in a discussion about financial topics with an American Enterprise that because of my woman condition. They took into account only for formal aspects, however, when the meetings were over they had to accept that only the perseverance and detailed aspects -owned by a woman got- them recognize that they also "can mistake". The raid of the woman on these areas "Land" of men and to make it really well permits that our enterprises grow very fast, the problem is in the products we make because we do not have a way to get high technology and we can not compete with countries of Asia that nowadays they send metal furniture in dozens. We have had to diversity our products and our immediate necessities are directed to the kind of market we should go to export, parts and pieces or some products which do not require a sophisticated technology.

The following chart shows that the participation of woman in the enterprises of industrial parks is really important even it is not very high. There is a higher number of woman in the clothes making enterprises.



From all the points previously mentioned, we can say that this situation gets worse and some governments have never warned this problem which affects all the countries and their financing. It has not been achieved a necessary implementation of laws that give women the equality of opportunities. This situation gets complicated “chauvinistic” idiosyncrasy of the Latinoamerican countries impede and put barriers in their social and economical development.

The only way to reinforce the abilities of exporters women comes from public basic level, the governors must understand that while more reinforced PYMES are, better balance and socio-economical welfare we will have the solution is found in having goals, aims and objectives in common, and that business women at global level must assume a position and attitude of “Solidarity”. The programs directed to women must be oriented especially to whom get the lowest incomes to be incorporated into the national economy.

My Government must offer with resources of the fiscal box, programs of technical support, credit assistance and capital, use the internet as a developing tool for TLC women, with programs and services on his portal, taking into account that a high percentage work at home because they are owners of family business and that they work from there, this together to a national organizations not centered in the capital created to this will let them incorporate to a globalized world as it is done in other countries with excellent results. These programs must be designed for business women in reply their demands.

From here the persistence in asking research study to know how many we are?, how high is the percentage of work?, how much we sell? and which is our incidence we have in the National Economy. If it is minimum, accelerate a public politic design to invert the results. It must be taken into account that the fact that most enterprises that begin have problems, it is due to the business people are not well prepared and that their strategies were not well designed, they did not make a correct research, to ensure that there it might exist a market for their products or services in their community or maybe there was a lack of financing.

For many women, to start a business could be a possibility, but only with a great sacrifice, effort and risk, many of them, without the training and necessary resources will fail. In other countries the subject of business women appear as long as they started to be a part of an economic power. In our country it must be documented the power of business women.

I think that today Perú should establish a national politic for business women by creating a National Entity that first works in PROMPYME. Later there can be laws for women who are owners of these enterprises which give responsibility of the program that go beyond promotion. Maybe by establishing training centers for business women with resources for their execution. The centers would provide the training in a long term and consultancy women, as well as access to all the programs and services of PROMPYME. An alternative could be INTERNET with offers for business training plans, in trading, in individual consult, giving links to many places and from there they can reinforced the women capacities to make them stronger and lead them to business success. Another alternative could be the Government Sales program; nevertheless, the updated law. The law could be appropriated to give more importance to women enterprises.

The Commercial Missions to other countries could be used to increase the exporting numbers of women Pymes, because they permit to explore new markets, know new tendencies, reinforce the business net and encourage them to be more competitive. If many initiatives are done to increase the number of women involved in the opportunities of international commerce, our goals will surely be achieved, the new technology brings a higher efficiency and better results in the collaboration and organic stuff nets, this has been demonstrated in our case because of this, next week eight enterprises of exporter women will be in the third International Women Enterprise Fair in Sevilla, Spain, FIDEM 2006, which increase the opportunities of trading between two different continents.

It is really important to understand the special necessities for women in both aspects, their private and professional lives, and how one of them impacts the other. We get closer to different women, specially to those of low resources to get them into the main current of prosperity of the nation. We want the state to establish technical supporting programs above all for women who have difficulties with the language, education, family responsibilities and different culture and to give us trading opportunities in foreign markets.

The experiences of success in Perú, the available data, will be necessary to make Congress, as well as the press and the public more aware of the growth of enterprises which belong to women, their contribution and vital importance of national economy.

In other words, the objective of public politics of our countries must be the one create a competitive and firm atmosphere which stimulates and promotes a private incentive as the engine of the productive activity and social framework, without getting aside the role that the Government has to supply and complement the strengths of the market, in those cases where the failures or differences of it, between the social benefits and the private ones do not coincide and always have in mind that one can not be competitive by means of law life conditions of the producers, but either one can not be competitive without creating a frame of social development, held in the reinforcement of the productive and institutional base.



CONSULTATIVE CYCLE 2006
 INNOVATIONS IN EXPORT STRATEGY

GENDER EQUALITY, EXPORT PERFORMANCE AND
 COMPETITIVENESS – A PRACTICAL APPROACH

THE GENDER-NEUTRAL PHILIPPINE EXPORT
 DEVELOPMENT PLAN

Prepared by
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 Deputy Executive Director
 Export Development Council
 The Philippines

LAO - Director
 CHAMBER of
 Handicraft Inc.

women exporters. It was the first time that women in business were recognized at the highest level since it was attended by no less than the President of the Philippines.

After that forum, the Philippines experienced a surge in active involvement of women in exports in terms of investments, management, and services.

PEDP Planning Process

In 2004, the Export Development Council (EDC) Secretariat together with the Bureau of Export Trade Promotion conducted workshops on the simplification of export procedures as part of the basic research for the PEDP.

Given the rapid events in the global marketplace, declarations about the future state of major economies in the APEC, ASEAN, and WTO were seriously considered in the Plan as these affect opportunities, priorities, and objectives. Research on global market situation, actual supply condition, and Philippine export performance as basic input were thus conducted. Scenarios were drawn up to provide sensitivity analysis based on possible increases and decreases of import demand from key markets as well as movements in Philippine exports supply capabilities.

A series of consultations with the public, private sector and industry groups via regional meetings in Metro Manila, Cebu and Davao was conducted. These were led by EDC in coordination with the following:

1. Department of Trade and Industry
2. Department of Agriculture
3. Department of Science and Technology
4. Department of Health
5. Department of Environment and Natural Resources
6. Technical Education Skills Development Authority
7. Bureau of Customs
8. National Economic Development Authority
9. Bangko Sentral ng Pilipinas, and
10. Philippine Exporters Confederation, Inc.

Final review and validation across the board was done through the EDC members and its Executive Committee.

Implementation of the National Export Strategies

Implementation of the National Export Strategies is through the management of the Business Development Managers (BDM) of the Department of Trade and Industry. BDMs develop programs and projects to implement the strategies in the PEDP. They coordinate and harmonize activities of various agencies and sectors in order to ensure that activities are carried out in accordance to the objectives of the Plan. They monitor the export performance of the sectors assigned to them. It is important to note that out of 13 BDMs, 10 are women!

Background

The Philippine Export Development Plan (PEDP) embodies the export strategies of the country. It is a rolling three-year plan that forms part of the Medium-Term Philippine Development Plan (MTPDP). It defines the country's export strategies and programs that are implemented by government and the private sector. The President of the Republic of the Philippines, presently a woman, sets the targets and programs in these plans.

The Export Development Act of 1994 or Republic Act 7844 is the legal basis of the PEDP. This law states that:

"...the government shall champion exports as a focal strategy for a sustainable agri-industrial development.. The private sector shall take the lead in the collective effort to promote exports... The government and the private sector shall jointly transform the Philippines into an exporting nation... the State shall instil in the Filipino people that exporting is not just a sectoral concern, but the key to national survival and the means through which economic goals of increased employment and enhanced income can most expeditiously be achieved. "

As the blueprint for the country's export sector, the PEDP serves as the main guide from which the government shall form their concerted action plans on exports development and for private businesses to craft their industry- and firm-level exporting strategies. Taken all together, these are designed to achieve sustainable growth of the export sector and provide opportunities for job creation.

It may be noted, at this point, that the Philippine export strategy is gender-neutral. It is therefore not an issue since the country is more focused on the collective accomplishment of the plan.

Filipino women in business

Women in the Philippines have been recognized to contribute so much in economic activities and entrepreneurship since policies have strengthened the environment of women enterprises. Today, there are existing laws that protect and motivate women to go into business. These laws, among others, are:

- Act Providing Assistance to Women engaging in micro and cottage business enterprises (Republic Act 7882); and
- Women in Nation- Building Act: Framework Plan for Women (Republic Act 7192), which provides equal opportunities for women in all areas including equal rights in entering into contracts and loan agreements.

In addition, government agencies such as the National Commission on the Role of Filipino Women (NCRFW) and the Women's Business Council Philippines (CBCP) have been established. The NCRFW steers development efforts

towards women's empowerment and gender equality while the WBCP addresses the needs of women in business such as access to finance, to markets, to training and technology, data and networks. WBCP is also a policy advocacy group to inform and influence decision-makers in formulating gender sensitive policies in government and industry to support the growth and sustainable development of women-led businesses.

Specialized government programs for women in business have been developed. These are Micro-Financing for Women, Framework Plan for Women (Phil. Plan for Gender Responsive Development, 1995-2025).

A survey on the nature, issues and concerns of women in business was conducted in 1998 by the WBCP with the Asian Institute of Management, the UNDP and the UN Office for Project Services. The survey showed that women are clustered into "traditional" sectors for women-led business (i.e., cooking, sewing, etc.). However, they break through other areas such as real estate, technology-linked business and services. Women-owned and led businesses are:

- Electronics and appliances
- Transportation
- Commerce
- Real estate
- Financial consulting
- Restaurants
- Marketing
- Public relations
- Publishing

With the heightened use of Information and Communication Technology, this list has expanded to include ICT Services such as call centers, medical transcriptions, animation, business process outsourcing and software development.

The same survey revealed that women-run enterprises were more likely to be family-owned. Hence, most firms are Filipino-owned. Only few women were in joint-venture with non-Filipinos. Surprisingly, at least one-third of the respondent firms had no debt.

Exports for Housewives Only

Realizing the potential of women in gearing up the economy through their entrepreneurship, specifically in exports, the government embarked on a Program for women to go into exports. A big forum entitled EXPORTS FOR HOUSEWIVES ONLY was conducted by the Department of Trade and Industry. It attracted large participation of women in business and those who want to go into business. The forum was free of charge and was held at the most prestigious conference venue in the Philippines at that time, the Philippine International Convention Center. It encouraged ladies, housewives and non-housewives to go into exports. It also highlighted the success stories of the few

**SUPPORTING POTENTIAL WOMEN EXPORTERS:
THE CASE OF INDONESIA**

A case study prepared for the project

**“Supporting Potential Women Exporters”
CTI 34/2003 T
APEC Committee on Trade and Investment**

September 2004

**Diah Widarti
Indonesia**

Table of Contents

List of Tables and Annexes	iii
Executive Summary	iv
Glossary	v
Chapter 1. Introduction	1
1.1. Background	
1.2. Methodology	
1.3. Organization of the Report	
Chapter 2. Women in the Indonesian Economy	3
2.1. Women Labor Force Participation and Employment	
2.2. The Role of Micro/Small Enterprises in Indonesia	
2.3. Women Entrepreneurs	
2.4. Supports for Micro and Small Entrepreneurs	
Chapter 3. Women Micro Entrepreneurs: Two Case Studies of Potential Exporters	19
3.1. Case Study I: The “Joint Enterprise” (<i>Kelompok Usaha Bersama</i>) Initiative	
3.2. Case Study II: Graduating an Income Generating Initiative	
Chapter 4. Conclusions and Recommendations	26
4.1. Conclusions	
4.2. Policy Environment	
4.3. Recommendations for governments	
4.4. Recommendations for APEC	
References	32
Annexes	35

LIST OF TABLES

- Table 2.1. Labor Force Participation Rates by Sex, Indonesia 1985-2000
- Table 2.2. Employed Person by Industry, Occupation and Sex, Indonesia 2002
- Table 2.3. Employment in the Informal Sector by Industry and Sex, Indonesia 2002*
- Table 2.4. Number of Manufacturing and Trading Business Units (Based on amount of sales per year) by Scale of Enterprises, Indonesia, 1998 – 2001 (thousand units)
- Table 2.5. Number of Employed People in Manufacturing and Trade by Scale of Enterprises, Indonesia 1998-2001 (in thousand)
- Table 2.6. Structure of Gross Domestic Product by Main Sector, Indonesia, 1990-1999
- Table 2.7. Number of Business Unit, Labor, Gross Domestic Products and its Ratios, Indonesia 2001
- Table 2.8. Percentage Distribution of Services Workers by Sex, Payment Status and Types of Services in Non-Legal Entity Enterprises, Indonesia. 2001

LIST OF ANNEXES

- Annex 1. Share of Non Agricultural Labor Force by Sex in Informal Sector and Women's Share of Informal Sector in Selected Asian Countries
- Annex 2. Employed Person by Industry, Work status and Sex, Indonesia 2002
- Annex 3. Internet Customers and Users in Indonesia, 1998-2003
- Annex 4. Foreign Trade, Indonesia, 1992-2001 (Million US\$)

EXECUTIVE SUMMARY

Persisting gender-based barriers for women's access to resources (credit, skills training, and policy environment, among others) have implications for the success of initiatives intended to support the participation of women engaged in micro and very small businesses and potential for these businesses to engage in international markets. Gender equality is key for the promotion of women's opportunities and participation in business activities in all sectors.

The paper describes innovative approaches to address barriers experienced by marginalized women producers in Indonesia. The paper situates these initiatives in the overall context of Indonesian women's labour force participation and activities in micro and small enterprises in Indonesia. Government and non-government initiatives that support women's businesses are reviewed. Two case studies feature women micro producers of garments and handicrafts at different stages of market-readiness. The studies point to the importance of improving linkages between micro and macro interventions, and developing long-term strategies. Government programs for skills training, finance and marketing must correspond with the actual needs of producers.

The first group established a "joint enterprise", or *Kelompok Usaha Bersama/KUB* and a cooperative that has been successful in addressing their marketing and finance needs. In recent years, however, the producers have been threatened by imports of second-hand clothing. The second case study is of women producers at a much earlier stage of market-readiness, where the major strategy is clustering micro-producers to generate sufficient capacity to participate in global markets. There is potential for collaboration with a fair trade organization.

Key recommendations for government include addressing legal barriers to women's equal access to economic resources; supporting strategies that promote clustering micro enterprises that produce similar products, and financing or micro-credit mechanisms that do not require collateral. Streamlining export procedures and regulations will assist micro producers and the organizations that assist them in reaching international markets. APEC could encourage national governments to include NGOs and other associations that help micro enterprises in trade-related consultations and capacity-building activities. APEC should also encourage the use of e-commerce in member economies.

GLOSSARY

APINDO	Indonesian Employer Association
APPBI	Indonesian Second-hand Clothes Traders Association
ASPPUK	Association for Women Micro Enterprises Assistance
BAPPENAS	Board of National Development Planning
BKK	Council of Sub-district Credit (<i>Badan Kredit Kecamatan</i>)
BPR	Board of People Credit
BRI	Indonesian People's Bank
INKOWAPI	Headquarter of Cooperative for Indonesian Women's Entrepreneurs
IWAPI	Association of Indonesian Business women
<i>Kabupaten</i>	Geographical Administration boundary one level below provincial level
<i>Kecamatan</i>	Geographical administrative boundary one level below <i>kabupaten</i> level
KADIN	Indonesian Chamber of Commerce and Industry
KKB	Business Consulting Clinic, now changed to People Economic Post
KSP	Cooperative for Saving and Loan
KUB	Joint enterprise
LIK	Centre of Small Industries
NPWP	Tax Registration Number
P2W-IK	Project of Women Small Enterprises' Development
P2W-KSS	Improvement of Women's Role in Fostering a Healthy and Prosperous Family
PBB	Building and Land Tax
PER	People Economic Post
PROPENAS	National Development Program
SAKERNAS	National Labour Force Survey
SENTRA	Cluster
UPAKARTI JASA PENGABDIAN	This is award given by the President to those having dedicated towards an excellent achievement
UPT	Technical Development Unit (the units were originally under the Ministry of Industry and Trade; with the decentralization they are now under the regional government)
USP	Savings and Loan Unit

CHAPTER 1 INTRODUCTION

1.1. Background

The Nairobi Forward-looking Strategies for the Advancement of Women (1985), the Jakarta Declaration for the Advancement of Women in Asia and the Pacific (1994), and the Beijing Declaration and Platform for Action (1995) set out governments' goals for the economic and social empowerment of women. In the Platform for Action, governments pledged first, *“to ensure that national policies related to international and regional trade agreements do not have an adverse impact on women’s new and traditional economic activities”* and secondly, *“to establish mechanisms and other forums to enable women entrepreneurs and women workers to contribute to the formulation of policies and programmes being developed by economic ministries and financial institutions”* (Strategic Objective F1 and 165 (k)).¹

At its First Ministerial Meeting on Women in 1998, APEC acknowledged that as workers, entrepreneurs and investors, women contribute to sustained economic growth. Nevertheless, as a result of gender biases in institutions, women workers and women in business are often less able to take advantage of the economic opportunities that may be created by trade and investment liberalisation. Since then, some APEC working groups have undertaken projects to address the gender dimension of their agendas. This paper is a contribution to the APEC Committee on Trade and Investment project, “Supporting Potential Women Exporters”. It seeks to demonstrate that with appropriate policies and programs in place, women's increasing labour force participation and the growth of women's businesses can advance the capacity of APEC economies to engage in and benefit from global trade.

1.2. Methodology

This paper examines barriers encountered by marginalized women producers in Indonesia. Marginalized women entrepreneurs here are defined as those women entrepreneurs who are self-employed or own micro enterprises and usually work without permanent workers (family assistance). They have few assets or no assets at all and have difficulties accessing productive resources.

Two case studies describe innovative approaches that have assisted marginalized women producers reach a stage of readiness to enter international markets. Information on the case studies was obtained through interviews with the women micro producers, the project and program coordinators, and stakeholders from both public and private sectors. Interviews for the first case study were conducted at the national level with stakeholders from the Ministry of Industry and Trade, and at the micro level with the women micro producer. Interviews for Case Study 2 were done at the national level with the key stakeholder (a foundation) and at the micro level with women micro producers.

¹ www.nsi-ins.ca/ensi/publications/wto.html, “The World Trade Organization, Gender Equality and Trade”. Notes from the “Gender Equality, Trade and Development Panel Discussion”, Fifth WTO Ministerial Conference, Cancun, Mexico. September 2003.

Secondary data was obtained from the Ministry of Industry and Trade and the Ministry of Cooperative and Small Medium Enterprises that are responsible for the micro/small/medium enterprises development, and other related government agencies, including the Indonesian Bureau of Statistics, United Nations data, and other government and non-government institutions.

1.3. Organisation of the Report

The report consists of four chapters. Chapter 1 sets out the background and methodology of the study. Chapter 2 describes the role of women in the Indonesian economy, covering their employment structure as well as the role of micro/small enterprises in Indonesia in terms of economic contribution, employment and export values and the support system for micro enterprises in Indonesia. Chapter 3 presents the two case studies. The last chapter, Chapter 4, presents conclusions and recommendations.

CHAPTER 2

WOMEN IN THE INDONESIAN ECONOMY

The increase in women's economic participation has been the most significant change throughout the Asia Pacific region during the last two decades. This is reflected in the growing labour-force participation rates across all countries in the region for the period 1980-1996.² This has been also the case for Indonesia (see Table 2.1.).

This chapter describes the economic participation and roles of Indonesian women, and their participation in micro and small enterprises. Government and multilateral programs that support women entrepreneurs are reviewed.

2.1. Women's Economic Activity

As in many other developing countries, women's economic participation in Indonesia has been increasing over the years. In 1985 the Labor Force Participation Rate of Indonesian women stood at 43.5 percent, compared with 81.7 percent for men. In 2001, the LFPR of women was 51.78 percent, while the rate for men was unchanged (Table 2.1.). In the five-year period 1995-2000, women's participation rate increased by about 6 percent. This rise might have indicated that more women entered the labor market in order to bolster falling family incomes in the wake of the 1997 economic crisis. Women's role in contributing to family income is crucial.

Women are significantly employed in four industrial sectors in Indonesia: agriculture (45.4%); trade, hotel and restaurants (25.3%); manufacturing (15.1%); and community, social and personal services (12.3%). Participation in financial institutions, real estate and business services, 0.8% is much smaller (see Table 2.2.). Consequently, women are concentrated in such occupations as agricultural workers (45.2 percent), sales workers (24.6 percent) and production/related workers/transport equipment operators and laborers (16.2 percent and to a lesser extent as services workers, 5.2 percent (Table 2.2.). In services, women are mainly engaged in community/social/personal services (37.1 percent) followed by financial institutions and real estate business. Although the services sector employs a substantial number of women, the services are mainly for the domestic market. Women, interestingly, are increasingly involved in the services exporting business.³ As Riddle (2000) points out, at least half of the enterprises in the formal and informal sectors are service enterprises which have received very little attention as "productive" activities, although they typically show strong employment generation potential and are frequently headed by women.

² ESCAP, 1999.

³ For example, a women-led consulting firm such as Insan Hitawasana Sejahtera does international research/consulting. Some research institutions are noted to involve women in doing international consultancy jobs. Health-related services are also growing in recent years in big cities like Jakarta for taking caring the aged or sick people at home or baby sitters.

Women in the Informal Sector

Women in developing countries are over-represented in the informal sector: in several East Asian countries, half or more of the female non-agricultural workforce in 1991/1997 was in the informal sector (Appendix 1). In Indonesia, the informal sector accounted for 70 percent of women's employment in 2002 (Table 2.3.), and is a larger source of employment for women than for men (United Nations, 2000). The vast majority of women in the informal sector in Indonesia are unpaid workers, particularly in agriculture, mining and quarrying, wholesale/retail trade/hotel and restaurants, and in manufacturing sectors respectively (Table 2.2.). The data demonstrate that trade sector provided the highest informal employment for women (Table 2.3.).

The majority of women workers are unpaid family workers and are self-employed. A substantial number of women in the latter group are self-employed with family assistance, meaning they are employers with an informal working relation. They might be home-based workers or home workers that are frequently managing their own business from home.⁴ In spite of working from their homes, many home-based workers are linked to the global economy through global subcontracting chains. Barne (2000: 39) mentions that home-based subcontracting arrangements, where part of the production process is subcontracted to home-workers, appears to be widespread in Indonesia. Women form the majority of workers in this industry.

In Indonesia, women are less likely than men to be owners. These gender-based differences in employment status within the formal and informal sector have implications for relative earnings and poverty levels too.

2.2. The Role of Micro/Small Enterprises in Indonesia

Indonesia recognizes three business types in terms of size: large enterprises, medium enterprises and small enterprises. The latter in Indonesia are further categorized into four smaller groups: small-enterprise *medium*, small enterprises *small*, small enterprise *micro* and small enterprise *micro poor economic unit* (Noer Sutrisno, 2003).

Employment

According to the Ministry of Industry and Trade, the number of all manufacturing and trade enterprises has been on the increase since the 1997 economic crisis, largely due to the rise of micro/small scale enterprises (Table 2.4.). Such enterprises have received even more attention since they have great potential in employment creation for both men and women. Micro/small enterprises grew at a relatively high pace

⁴ "Home-based workers" commonly refers to types of workers who carry out remunerative work within their homes, namely dependent subcontract workers; independent own account producers; and unpaid workers in family businesses. "Home-workers" refers to the first category only.

during 1998-2001, at a rate of 11 percent per annum. Micro and small manufacturing and trade establishments contributed more than 99 percent of the total number of establishments in 1998 and 2001 (Table 2.4.).⁵ The number of trade establishment units almost four times that of manufacturing establishments,

Employment absorption in micro and small enterprises is higher than that of medium and large ones. In 1998 micro and small manufacturing enterprises provided 58 percent of the total employment in industry. The figure further grew to 65.4 percent in 2001 (Table 2.5.). Employment opportunity in micro and small manufacturing industry grew relatively faster, 15.9 percent annually compared to those of medium and large establishments; each was only growing at 4.2 percent per annum during 1998-2001.⁶ This is also the case for trade employment. In 1998 micro and small trade enterprises contributed to 90 percent of total employment in trade, it then increased to 92 percent in 2001 (Table 2.5.). Micro and small trade enterprises provide very substantial share of employment opportunity of the total trade employment.

The Indonesian Central Board of Statistics began collecting data on “non-legal” (“unregulated”) enterprises in services in 1996. This type of enterprise is classified as informal entity. Table 2.8 shows that both males and females in these enterprises are concentrated in personal and domestic services. Around 68 percent of males and 71 percent of females found employment in such services in 2001.

Economic Contribution

The past few decades have seen Indonesia evolving into a more diversified economy. The services sector plays a vital role in the formation of Gross Domestic Product, although it declined from 41% in 1990 to 37% in 1999. Meanwhile the contribution of industry was 39 and increased to 43 percent of the GDP in the same period (Table 2.6.).

Table 2.7. reveals that the Gross Domestic Product (GDP) contribution by manufacturing sector is in fact larger than that of the trade sector due to inputs from large enterprises. For the trade sector, on the contrary, micro and small enterprises contribute more to the GDP than medium and large enterprises (Table 2.7.). The table further indicates that productivity and GDP contribution of both business unit and labor are highest in large enterprises and are lowest in micro and small enterprises, demonstrating that labor in itself cannot bring high productivity. Factors such as management style, networking, technology, and access to capital play a role in enhancing a business unit’s productivity. The use of information technology, for example, among micro and small enterprises is very low. It was estimated that only 20 percent of micro and small enterprises throughout Indonesia have been able to make use of IT to support their businesses (*Bisnis*, 2003).⁷

⁵ Unfortunately the data could not show the component of services in these trade and manufacturing enterprises.

⁶ Using the employment approach, it was estimated that in 2001 there were 95.8 percent micro enterprises, 4.1 percent small enterprises, 0.3 percent medium and 0.1 percent large enterprises (Ministry of Industry and Trade, 2002).

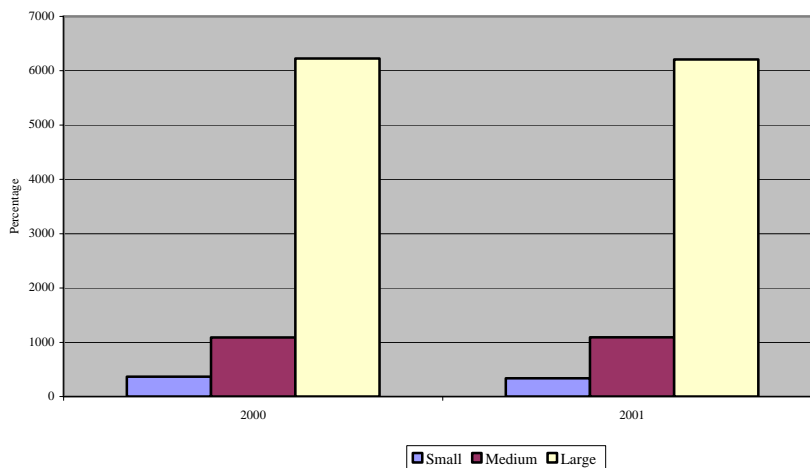
⁷ The reasons noted were ranging from capital, market information to lacking access to internet-based information technology.

Exports

Indonesia is a leading global exporter. The value of exports of goods, excluding oil and gas, (USD 23 billion in 1992, 43.7 billion in 2001) is much greater than exports of commercial services (USD 3 billion in 1992 and 5.4 billion in 2001). Interestingly, in Indonesia a surprising number of the business service firms surveyed in one study were exporting in order to have a large enough client base (Riddle, 2000).

In contrast to its high employment absorption capacity, the value of exports from micro and small industries is very small. In 2000, micro and small manufacturing firms' exports only amounted to one percent of the total output, while the exports of medium and large enterprises were 11.4 and 24.8 percent, respectively. The exports from small industry are concentrated in such products as wood and other forest products (*ISIC 33*), cement and non-metallic quarried products (*ISIC 36*), textile, leather goods and footwear (*ISIC 32*) and food and beverage (*ISIC 31*) (Ministry of Cooperation and SME, 2001). The vast majority of products from small enterprises are sold in the domestic market (Ministry of Industry and Trade, 2002). The share of exports from small industries was only 6.1 percent of the total non-oil export in 1999, the figure increased to 6.9 percent in 2001 (Ministry of Industry and Trade, 2002)). These figures unfortunately do not reveal linkages with micro and small enterprises through subcontracting, which is most likely the case. In general, the Indonesian exports are still based on labor intensive- and natural resources-based products.

Chart 1. Percentage of Non Oil Export of the Gross Domestic Product by Scale of Establishment, Indonesia 2000 and 2001



2.3. Women Entrepreneurs

There is a strong tradition of women's entrepreneurship in Indonesia, particularly in micro and small enterprises. In *Central Java* and *Yogyakarta*, batik and traditional herbal cosmetics production have been purely women's business. However, the more formalized a business gets, the fewer women will be involved. This is seen in the small number of women employers. In 2002, only one percent of women of the total employment were employers, compared to 4 percent of men (Appendix 2).

Despite their small numbers, women entrepreneurs in Indonesia have a good reputation. A 2001 survey by the Asian Development Bank (ADB) technical assistance found that 85 out of 483 small and medium enterprises in *Semarang* and *Medan* were owned by women. The finding further showed that women do better in small business than men partly because they are apparently more realistic and cautious.⁸

Even though women's role as self employed workers and contributing family members has been noted, their contribution to the household economy has frequently not been acknowledged and hardly obtained recognition. It is estimated that around 60 percent out of 30 million of micro, small and medium enterprises in Indonesia are women. Yet the outlook for development is not very encouraging, faced with considerable constraints from such factors as inadequate marketing know-how and lack of access to capital.⁹

*PERSEPSI*¹⁰ and Corner (1999: 17) observe that there are many problems faced by women micro entrepreneurs wanting to expand their businesses. These include excessive workloads that affect their health and limited access to productive resources (capital, market information, materials and production technology), that in turn have limited their ability to expand their business opportunities. More specifically, Damanik (1999)¹¹ and the ILO/SEED (2002) elaborate such problems as follows:

- *Business Atmosphere*: (weak and discriminatory regulations make it difficult for women to obtain a tax registration number (*NPWP*); limited access to participate in the bidding process as it is male dominated world; various unnecessary/illegal fees for female applicants; difficulty in obtaining required permits including enterprise-establishment permits¹² ;
- *Access to Funding*: husbands have the highest priority in the family to use collateral; low educational level of women make it difficult to formulate credit proposals; high interest rates; complicated and time consuming procedures to obtain credit from formal financial institutions;
- *Business Services*: limited availability of business services (time and location); limited access to services due to lack of information; training in general at times not suitable to the needs of trainees;

⁸ In www.newasiawoman.com.

⁹ Based on the speech of the Indonesian Minister of Women's Empowerment, "Women Business in the Era of AFTA", on October 20th, 2003 in www.bisnisindoneis.com.

¹⁰ PERSEPSI is an NGO under the Institution for Social and Economic Studies (*LP3ES*) that in 1979 started as a project implementer on the activity for Small Industry and Rural Handicraft Development in the district of Klaten, Central Java. PERSEPSI has been working for more than 12 years to assist women in eight *kecamatan* in Central Java.

¹¹ Based on the interviews conducted for the study without mentioning the reasons.

¹² For example, there are some sections of the Marriage Act that have constraints on women's business activities and development. Firstly, it recognizes the husband/male family member as the head and sole breadwinner of the family, even when a woman is the head of the household. This results in relegating women's income to that of a supplementary status. Secondly, tax registration number (*NPWP*) is normally registered in the name of a male member of family. This leads to further inconveniences for women entrepreneurs who are running their businesses independently and who need to pledge their tax registration number for business activities. Thirdly, women cannot sell/pledge any immovable property without the consent of their husbands or male members of the family.

- *Business Networks*: women's business associations are frequently not effective¹³ and can not accommodate the interests of all members; women business owners have difficulty participating in trade exhibition (domestic or overseas), as time and location make it difficult for women to leave the house due to their dual roles.

The crucial key barrier for women entrepreneurs and women workers in general is their dual function as entrepreneurs/workers and at the same time as housewives or possibly household heads. Because of these dual roles some women entrepreneurs consider their involvement in business is only a supplemental activity to help the family's income (Damanik and CEMSED, 1996 and 1997; *Gajah Mada* University, 1993 and *Kompas* Daily 22 March 1994 cited in Konta Intan Damanik in ADB and ILO, 1999). However, an interview with the executive of an NGO association that supports women micro entrepreneurs reveals that almost 80 percent of women micro entrepreneurs in Java actually function as the main household breadwinner. Damanik (1999) revealed various reasons for women to devote themselves to micro and small enterprises including (1) to raise family income (2) husbands are unemployed or being single parent (3) self actualization as women have experience and knowledge (4) businesses passed down by parents and (5) to utilize free time.

2.4. Supports to Micro and Small Entrepreneurs

SMEs are regulated and affected by many government departments. Such policies were partly responsible for the failure of micro-enterprises to succeed in becoming SMEs. For example, in many cases, the same participants in SME programs can be repeatedly involved in a number of similar government programs of different ministries. This is most likely due to the lack of coordination between ministries which frequently makes programs overlap. In addition, due to the extent of various assistances they become dependant on the government, and lack self- motivation. The failure of government policies in developing SMEs is also noted by the Ministry of Industry and Trade (2002).¹⁴ Supports to micro and small enterprises, including women entrepreneurs, are reflected in many various programs and projects developed and carried out by various agencies both government and non-government as well as donor agencies. The programs/projects range from financial assistance to training. The Ministry of Industry and Trade business development program targets women who are potential entrepreneurs

¹³ The answer is based on the interviews conducted for the said study; no reasons were offered. Cited in Mangara Tambunan (2000), based on the survey conducted on SMEs (both men and women) it shows that all surveyed MEs stated that they have no support from their business associations either on strengthening their bargaining power in market or on decision-making policy. Although there are many associations, all MEs stated that they have no information and awareness with these associations. Because of this lack of awareness their participation in such associations is very low too. In other way, MEs saw that joining in such an association was not very important. Therefore by not joining in any business associations MEs actually could not exploit the possibility of collective bargaining power for solving their structural constraints.

¹⁴ See Ministry of Industry and Trade (2002). "The Masterplan of SME Development 2002 – 2004. Book I: General Strategy and Policy on SMEs Development".

2.4.1. Government Agencies

The government ministries or agencies that commit to assist in the development of small entrepreneurs are mainly the Ministry of Cooperative and Small and Medium Enterprises and the Ministry of Industry and Trade. Some other ministries and agencies that are indirectly supporters of SMEs are the State Ministry of Women's Empowerment, the Board of National Family Planning, and the Ministry of Manpower and Transmigration. BAPPENAS, as the national planning coordinator, has placed a key instrument for gender equality in the PROPENAS (national development program), which also contains specific references to the promotion of micro, small and medium scale businesses, as well as women's empowerment.

2.4.2. Non-Government /Multilateral/Bilateral Agencies and Association¹⁵

Support comes from the International Labour Organization (ILO), United Nations Development Program (UNDP), Canadian International Development Agency (CIDA), Asian Foundation, ASPPUK (Association of Women Micro Enterprises Assistance), Indonesian Employers Association (APINDO), Women's Cooperative, Women Entrepreneurs' Association such as *Ikatan Wanita Pengusaha Indonesia (IWAPI, the Indonesian Women's Business Association)*¹⁶, and its cooperative branch, *INKOWAPI*, Swiss-Contact (Swiss Foundation for Technical Cooperation) and other women's organizations such as the *Muslimat Nahdlatul Ulama, Ali Sakadhadjah*, as well as academic institutions like the University in Semarang, University Satya Wacana in Central Java and the Women's Studies Centre in the University of Indonesia, Jakarta.

2.4.3. Types of Support

Financial Assistance

In 1988, the government introduced a number of financial support systems, as lack of access to capital is one of the main constraints faced by micro and small enterprises. These financial facilities, however, were not freed from the ordinary requirements for business credit by financial institutions. Credit schemes for small entrepreneurs were introduced and implemented by some commercial banks. At the same time there were improvements in procedure, and amount of credit granted. Yet, the results were still unsatisfactory. Micro and small entrepreneurs were still lacking access to credit. They are commonly not able to provide collateral, while commercial banks were hesitant to provide credit as they learned that the repayment rate of micro and small

¹⁵ This section covers only whenever the information is available

¹⁶ IWAPI is committed to enhancing the entrepreneurial competencies of its members and has an extensive national network with a focus on promoting grassroots level development for their members, especially in their regional chapters. Together with INKOWAPI, these two institutions have a membership of nearly 15,000 members spread over the 26 provinces (ILO/SEED, 2002). They are representative associations of Indonesian women in business that aim to empower women in small and medium enterprises through improving their capabilities by organizing training programmes and providing them with opportunities to access credit, technology, marketing facilities and other services at the national, provincial, and district levels. Although members of IWAPI are mostly from small enterprises (85 percent), some of them own medium scale enterprises (12 percent) and a few (3 percent) own large enterprises. There is close coordination between INKOWAPI and IWAPI in the sense that INKOWAPI runs a micro credit scheme and extends credit for those participants of IWAPI's training programmes who propose to set up their own businesses.

entrepreneurs was low. Even when credit was granted by both state owned and private commercial banks, it was a minimal amount and not sufficient for the needs of the enterprise.

A scheme which has been running for the last ten years makes it mandatory for all state owned enterprises to allocate 1 to 5 percent of their net profit for the development of small and medium businesses. This scheme has been particularly successful in and around Bali and *Yogyakarta*, where there are large concentrations of women entrepreneurs.

In an effort to reach poor communities, the government has also introduced micro credit schemes aimed at making micro credit easily accessible, improving timeliness in the procedures, charging affordable rates of interest and targeting grass root levels and lower income people.¹⁷ The extent of micro financing is considered helpful to the marginalized communities. Micro enterprises commonly find it difficult to get loans through conventional intermediary institutions such as banking.¹⁸ Considering this fact, the role of micro financial institution in assisting the micro enterprises Indonesia is very important. Micro credit in Indonesia can be accessed through commercial bank especially *Bank Rakyat Indonesia Unit* and People's Bank (*Bank Perkreditan Rakyat/BPR*) serving a large proportion of villages in Indonesia. Cooperatives specializing in savings and loans such as *Koperasi Simpan Pinjam/KSP* and *Usaha Simpan Pinjam* are another source of loans for small and micro enterprises. Micro financial units which are established by various government or non-government agencies (local and foreign), private and religious institutions including *Lembaga Kredit Desa* (Village Credit Institution) and *Badan Kredit Kecamatan* (Sub-district Credit Institution/government-run),¹⁹ *Bina Swadaya*, Mercy Corps.²⁰ A private bank, Danamon Bank, in cooperation with the INKOWAPI, is also providing credit to SMEs.²¹ Cooperatives (*KSP* and *USP*) have more outlets and borrowers compared to *BRI Unit* and other micro credit institutions. Some micro financing schemes have been implemented by local NGO and or foreign NGOs. For example, there are some success stories about how micro-finance has enhanced marginalized women's enterprises in urban rural areas around Jakarta.²²

Business Development Services (BDS)

There have been many business development service programs in Indonesia, for example, the "Technical Development Unit" (*Unit Pengembangan Teknis*) by the Ministry of Industry and Trade, "Small Industry Zone" (*Lingkungan Industri Kecil*) by Ministry of Industry and Trade" and "People Economic Post" (*Pos Ekonomi Rakyat*) by the Ministry of Cooperative and SMEs. These three mechanisms are recognized in providing advice and consultation for small enterprises (Hilebrand, 2001: 112). In addition, there are *Business Incubator*, *Small Enterprises Consultation*

¹⁷ Asian Productivity Organization's Proceedings on Multi-Country Study Mission on Micro Credit for Community Development. Study Mission 25 June to 05 July 2001.

¹⁸ The requirement of borrowing money from banks and other formal financial institutions is to have proper legal and administrative documents, which most micro entrepreneurs do not have.

¹⁹ Ibid. 2003 Noer S

²⁰ See also Lea Jellinek, 2001 in "Jakarta Women's Barefoot Bank".

²¹ See Bank Danamon website www.danamon.co.id, Press Release 09 April 2003, "Bank Danamon Jalin Kerjasama dengan Induk Koperasi Wanita Pengusaha Indonesia (INKOWAPI)".

²² See Harriet Richards (The Jakarta Post 16 February 2003).

Center, “New Entrepreneurs”, and others such as voucher program introduced by Swisscontact in 1999.

The “technical development units” (*Unit Pengembangan Teknis/UPT*) exist throughout Indonesia. By the end of 1970 there were 105 UPT around the country. Now with the decentralization process is under way, the Ministry is no longer extending direct assistance; instead the regional government will take over. Services provided by these technical development unit ranges from design to leasing equipment. These units require continuous improvements in management and process if they are to be useful in achieving their goals. This *UPT* is usually located around the industrial area where men and women producers can go and find assistance from this technical unit. Unfortunately there is no information on the extent to which women producers use this service. It is most likely that even if women have access to these services only few women use them due to cultural attitude.²³

Training

As most micro and small entrepreneurs have low skills and low educational background, skills improvement is critical. There are several government ministries that provide skill training for small entrepreneurs both men and women. Even though the Ministry of Cooperatives and SMEs and the Ministry of Industry and Trade are the most responsible for providing such technical assistance, other Ministries such as the Ministry of Manpower and Transmigration, Ministry of Home Affairs, and Ministry of Agriculture also provide skill training for micro and small entrepreneurs through their Vocational Training Centers (VTCs) located in regional areas. Management at these institutions has been transferred to regional government due to the decentralization process. Training offered includes Achievement Motivation Training (AMT) aimed at improving entrepreneurship, management, design and marketing. These programs are open to men and women.

Access to Markets

Micro and small entrepreneurs have particular difficulties accessing markets. The Indonesian Chamber of Industry and Commerce (*KADIN*) and the Association of Small Entrepreneurs have introduced ways of improving market access to small enterprises by inviting them to participate in trade exhibitions either in the country or abroad. This opportunity however is only able to reach a few small entrepreneurs, as most cannot afford to participate, particularly in overseas trade fairs. Participation in local bazaar/trade fairs that are carried out by the government or non-government agencies/CSOs has been more successful. Women’s participation in trade fairs in the country generally is relatively strong.²⁴

In order to increase market access, the Ministry of Cooperatives and SMEs facilitates a website for Micro and Small Enterprises clusters (*Sentra UKM*) giving them access to the open market. Likewise the Ministry of Industry and Trade facilitates a website for trade transaction. Unfortunately there is no data correlating the success of

²³ An ongoing study (2003/2004) reveals that women entrepreneurs feel reluctant to go out and participate in training, etc, because they put high priority on family matters.

²⁴ My personal observation that the participation of women producers in bazaars that deal with cooked foods, garments, household utensils and goods is relatively high. Such bazaars are especially noted prior to Ramadhan as mothers/housewives usually start to buy things for the *Ramadhan* feast.

micro/small enterprises with the usage of such facilities or if the facilities are being used at all (see following sub-section “Access to ICT”).

Partnerships

The Ministry of Cooperatives and SMEs is responsible for creating and developing partnerships between large enterprises and small enterprises. Such partnerships may take the form of subcontracting from the large to small companies, vendor, franchising, nucleus-plasma model, and agency. In 1978 the Ministry of Industry and Trade introduced Foster Parents Program. It is a partnership system by which large companies assist small companies by giving them work orders. The development is partly influenced by the obligation for state owned companies to provide 1 to 5 percent of the net profit to help economically weak enterprises.²⁵ Such partnership is considered not economically sound (see Sandee, 1999). This is because obligations such as business development, marketing to technology all fall on large enterprises, giving them an unfair advantage. Cole (2001: 121) points out that partnership should not be forced; instead it should be based on mutual benefits.

The ADB TA Survey (2001) revealed that more MEs took advantage of this program than SEs; 54% of MEs that experienced growth attributed their success to the pro-active business networking. As most women entrepreneurs have not been involved in partnership scheme²⁶, information on the benefit of such scheme for women’s businesses is not known.

Access to ICT

ICT and e-commerce have been creating opportunities for both men and women.²⁷ Unfortunately there is no available sex segregated data for ICT in Indonesia. The internet was only introduced after the mid 1990s in Indonesia and its utilization is still very limited so data is unavailable (Appendix 3). The percentage of internet-users relative to the total population in the country is very small, although increasing. It was 0.003 percent and 3.6 percent respectively for 1998 and 2003 (Indonesian Association of Internet Providers, 2003). The percentages were also small if one looks at those who are subscribers to ISPs only, 0.07 and 0.38 percent subsequently during the same period.

In order to promote the use of ICT among SMEs the Indonesian government (Ministry of Industry and Trade) funded by a World Bank loan, implemented a project, the “Technical Assistance and Training Program (TATP)”. The project was conducted between 1999-2003, consisting of training (52 percent), software and integration system development (36 percent) and homepage/website development (12 percent).²⁸ The project covered 1,196 small and medium entrepreneurs (including those in cooperatives, associations and foundations), of which 18 percent were small and medium entrepreneurs. The trade sector was represented by 40 percent participant rate, manufacturing sector 26 percent and services 18 percent respectively (ISBRC, 2003). It is uncertain whether the TATP project was sustained beyond 2003.

²⁵ Such obligation was applied in 1989 (Decree of Minister of Finance No. 1232/KMK.013/1989) and followed by a number of other decrees (see Van Dierman, 2001: page 25).

²⁶ Forthcoming APINDO/IWAPI/ILO

²⁷ UNCTAD 28 August 2001

²⁸ The trainings ranged from IT based training such as word processing, spreadsheets, e-commerce, software applications like financial/accountancy, integration system, retail trade, and manufacturing.

Several government ministries such as the Ministry of Cooperatives and SME's, Industry and Trade, Agriculture and several banks and private companies have developed e-commerce in their websites to provide information on markets and financial support. However it is believed that only few women entrepreneurs would be able to use this service, due to the limited knowledge and skill not only in information technology but in education in general as well as the inadequacy of facilities and equipment. Thus even if women have the skill to use the internet, it is most likely that there are still problems of access due to infrastructure and facility insufficiencies. The World Development Indicator reveals that there were only 9 out of 1000 people with personal computers in 1999 (World Bank, 2001). Apart from that, telephone cost for most Indonesians is still expensive. The expenditure on information and communication technology was only 1.4 percent of the GDP in 1999, compared to Malaysia and India, 5.2 and 3.5 percent respectively in the same year. There is no information on how effective was the use of website for women entrepreneurs.

Conclusions

Women's labour force participation in the Indonesia's economy has been increasing over time. However, women remain concentrated in female oriented jobs. The competitiveness of small and micro enterprises in export markets is dubious: this sector only contributed a very small portion of total exports, and comparisons with other Southeast Asian economies suggest that Indonesia is lagging (ISBRC, 2003: 48). To a large extent, micro and small industries' products are basically aimed at the domestic market. Additionally, many consider that Indonesia's products lack competitiveness, resulting in a bleak performance of non-oil/gas exports. Export of goods such as textiles and garments, footwear and ply woods that are the main thrust of SMEs has also been declining. The involvement of Indonesian micro and small entrepreneurs in international trade is a huge challenge and undertaking, both internally and externally.

Women micro entrepreneurs are not only facing the usual barriers that come with expanding micro and small businesses but they are faced with the additional constraints of being a female in a male dominated business world.

Table 2.1.Labor Force Participation Rates by Sex,
Indonesia 1985-2000

Year	Males	Females
1985	81.71	43.46
1990	82.82	44.19
1995	84.54	46.89
2000	84.17	51.69
2001	85.76	51.78
2002	85.57	50.13

Source: CBS. 1985 SUPAS, 1990 Population Census, and the 2000 and 2001 Labour Force Surveys

Note: Prior to 1999 working age group included population aged 10-14. Since 1999, however, working population is defined as those aged 15+.

Table 2.2. Employed Person by Industry, Occupation and Sex, Indonesia 2002

Industry & Gender	Occupation								Total	Number
	0/1	2	3	4	5	6	7/8/9	x/00		
Males										
Agriculture	0.02	0.01	0.14	0.02	0.16	99.01	0.63	0.00	100.00	25621956
Mining	0.91	0.40	3.59	0.71	2.38	0.00	92.01	0.00	100.00	547968
Manufacturing	0.53	0.51	5.70	1.94	2.73	0.01	88.55	0.03	100.00	7117179
Electricity/Gas/W	2.48	1.03	28.00	1.38	4.56	0.00	62.26	0.29	100.00	160332
Construction	0.63	0.60	1.36	0.64	0.55	0.00	96.22	0.00	100.00	4153336
Trade/Hotel/Restaurants	0.08	0.25	1.66	85.84	3.30	0.00	8.85	0.03	100.00	9436137
Transportation	0.13	0.17	5.34	0.50	1.28	0.00	92.57	0.00	100.00	4508431
Fin/Ins/R.Estate/business	4.95	4.01	50.04	6.58	19.27	0.00	15.07	0.08	100.00	730311
Com/Soc/Pers. services	22.63	0.69	26.71	0.68	23.53	0.00	20.08	5.69	100.00	6307537
Total	2.65	0.29	5.14	14.32	3.88	43.31	29.79	0.62	100.00	58583187
Females										
Agriculture	0.02	0.00	0.11	0.01	0.01	99.64	0.22	0.00	100.00	15011671
Mining	0.36	0.21	4.27	1.33	1.88	0.00	91.96	0.00	100.00	83834
Manufacturing	0.28	0.12	5.02	0.81	0.59	0.03	93.16	0.00	100.00	4992818
Electricity/Gas/W	0.00	0.00	68.50	12.41	0.00	0.00	19.09	0.00	100.00	17947
Construction	1.22	0.94	14.93	11.02	2.30	0.00	69.59	0.00	100.00	120578
Trade/Hotel/Restaurants	0.06	0.06	2.01	95.91	1.62	0.00	0.34	0.00	100.00	8358893
Transportation	2.89	1.68	59.74	4.95	3.51	0.00	27.24	0.00	100.00	164153
Fin/Ins/R.estate/business	5.12	2.34	75.59	6.23	8.49	0.00	2.23	0.00	100.00	261434
Com/Soc/Pers. services	36.17	0.24	15.16	0.53	37.10	0.00	10.44	0.35	100.00	4052651
Total	4.56	0.09	4.17	24.56	5.15	45.24	16.18	0.04	100.00	33063979

Source: CBS. 2002. Labour Force Situation in Indonesia 2002.

Note:

- Occupation 1 = Professional, technical and related workers
- Occupation 2 = Administrative and Managerial workers
- Occupation 3 = Clerical and related workers
- Occupation 4 = Sales workers
- Occupation 5 = Services workers
- Occupation 6 = Agriculture, animal husbandry, forestry workers, fishermen and hunters
- Occupation 7/8/9 = Production and related workers, transport equipment Operators and laborers
- Occupation x/00 = Others

Table 2.3. Employment in the Informal Sector* by Industry and Sex, Indonesia 2002

Main Industry	Males		Females	
	Number	Percent**	Number	Percent**
Agriculture	20245346	79.02	12592820	83.89
Mining & Quarrying	284347	51.89	70603	84.22
Manufacturing	2059796	28.94	2304847	46.16
Electricity, Gas & Water	16065	10.02	1113	6.20
Construction	2262674	54.48	49033	40.66
Wholesale/Retail, Rest. & Hotel	6692577	70.92	7199952	86.14
Transportation, Storage & Comm.	3028758	67.18	45220	27.55
Finance, Insurance, Real Estate & Business Services.	47174	6.46	13042	4.99
Community, Social & Personal Services	1482046	23.50	902134	22.26
All Informal Workers	36118783	61.65	23178764	70.10
Total Employment	58583187		33063979	

Source: CBS, 2002. Processed data Indonesia, 2002. Jakarta.

Notes:

* Informal sector is defined as those people working as self-employed (own account workers), self employed with family members' assistance and unpaid family workers.

** The percentage of informal sector workers of total employment in the respective industry

Table 2.4. Number of Manufacturing and Trading Business Units (Based on amount of sales per year)²⁹ by Scale of Enterprises, 1998 – 2001 (thousand units)

	1998	1999	2000	2001	% Average Annual Growth
Industry	2.115,03	2.536,89	2.725,38	2.886,58	11,10
Micro & Small Industries	2.104,86	2.526,16	2.713,86	2.874,38	11,12
Medium Industries	9,45	10,06	10,81	11,44	6,24
Large Industries	0,63	0,67	0,71	0,76	6,45
Trade	8.347,85	8.710,48	9.236,51	9.698,67	5,13
Micro & Small Trades	8.325,35	8.688,21	9.212,90	9.673,87	5,13
Medium Trades	22,08	21,85	23,17	24,33	3,34
Large Trades	0,42	0,42	0,44	0,47	3,86
Total Industry and Trade	10.462,88	11.247,37	11.961,89	12.585,25	6,35

Source: Ministry of Industry and Trade, 2002. Table 2.1. (No segregated data available)

Please note that service component in this "trade" and "manufacturing" activity can be captured.

²⁹ Small Industry and Trade is defined by the amount of sales per year is less than Rp 1 billion; Medium Industry and Trade if the amount of sales per year is between Rp 1 to Rp 50 billions; and Large Industry and Trade if the amount of sales per year is more than Rp 50 billions.

Table 2.5. Number of Employed People in Manufacturing and Trade by Scale of Enterprises 1998-2001 (in thousand)

Sector and Scale	1998	1999	2000	2001	Annual Growth (%)
Manufacturing	8.550,50	10.357,83	10.943,30	11.613,01	10,97
Micro & Small Industry	4.986,16	6.771,88	7.154,65	7.592,51	15,86
Medium	3.343,37	3.363,64	3.553,77	3.771,25	4,13
Large	220,97	222,31	234,88	249,25	4,13
Trade	14.810,21	16.354,50	17.342,15	18.209,88	7,16
Micro & Small Trade	13.380,01	14.982,54	15.887,34	16.682,27	7,67
Medium Trade	1.403,47	1.346,31	1.427,62	1.499,05	2,32
Large Trade	26,73	25,65	27,19	28,56	2,33
Total Industry & Trade	23.360,71	26.712,33	28.285,45	29.822,89	8,56

Source: Ministry of Industry and Trade. 2002. Table 2.2. (Data are not segregated)
Please note that "trade" means trade in goods only.

Table 2.6. : Structure of Gross Domestic Product by Main Sector Indonesia 1990-1999

	1990	1999
GDP (US\$ billions)	114.4	142.5
Agriculture (% of GDP)	19	19
Industry (% of GDP)	39	43
Manufacturing (% of GDP)	21	25
Services (% of GDP)	41	37
Exports of Goods and Services (% of GDP)	25	35
Imports of goods and services (% of GDP)	24	27
Gross domestic savings (% of GDP)	32	32
Total debt / GDP		

Source: The World Bank, World Development Indicators 2001.
(Tables 4.1.- 4.11.).

Table 2.7. Number of Business Unit, Labor, Gross Domestic Products and its Ratios, Indonesia 2001

	Business Unit (thousand)	Employment (thousand)	GDP (trillion Rp)	Ratio of GDP over	
				Business Unit (Million Rp/Business Unit)	Employment (Million Rp/people)
Industry	2.886,58	11.613,01	328,41	134,12	33,34
Micro & Small Industry	2.874,38	7.592,51	55,69	19,37	7,34
Medium Industry	11,44	3.771,25	54,38	4.751,92	14,42
Large Industry	0,76	249,25	218,34	366.489,31	1.111,60
Trade	9.698,67	18.209,88	223,59	23,05	12,28
Micro & Small Trade	9.673,87	16.682,27	167,83	17,35	10,06
Medium Trade	24,33	1.499,05	47,21	1.940,35	31,49
Large Trade	0,47	28,56	8,55	18.425,86	299,40

Source: Ministry of Industry and Trade. 2002. Table 2.3.
Please note that "trade" means trade in goods only.

Table 2.8. Percentage Distribution of Services Workers by Sex, Payment Status and Types of Services in Non-Legal Entity Enterprises, Indonesia. 2001

Types of Services	Males			Females		
	Paid	Unpaid	All	Paid	Unpaid	All
Real estate, rents, firms service	24.94	35.09	32.02	21.52	31.92	29.27
Real estate service	0.66	24.13	17.04	3.35	15.40	12.33
Rent service	5.05	3.53	3.99	2.94	1.91	2.17
Firm service	5.04	2.16	3.03	4.24	0.60	1.53
Private education services	4.75	0.39	1.71	2.39	1.15	1.46
Private health and cleaning services	2.72	3.01	2.92	3.93	11.43	9.52
Private social activity service	0.00	0.01	0.01	0.00	0.04	0.03
Private recreation, culture & sport	2.06	0.73	1.13	3.42	0.92	1.56
Entertainment, news, library & others	4.67	1.12	2.19	1.24	0.47	0.67
Personal and domestic services	75.06	64.91	67.98	78.48	68.08	70.73
Repairs	40.87	29.34	32.83	5.07	1.35	2.30
Laundry, washing	1.74	0.36	0.78	0.56	1.92	1.58
Other HH services with paid workers	1.19	0.37	0.62	2.00	0.68	1.02
Hairdresser and beauty salon	2.70	4.48	3.94	33.52	15.66	20.21
Funeral services	0.03	0.01	0.02	0.00	0.02	0.01
Other individual services	28.53	30.35	29.80	37.33	48.45	45.62
Total	100.00	100.00	100.00	100.00	100.00	100.00
Number	630878	1456157	2087035	176918	518065	694983

Source: Central Board of Statistics. 2002. "Profile of Service Business of Non-Legal Entity Firms, Indonesia 2001". Jakarta.

CHAPTER 3

WOMEN MICRO ENTREPRENEURS: TWO CASE STUDIES OF POTENTIAL EXPORTERS

The objective of this chapter is to investigate the condition of marginalized women micro entrepreneurs through two case studies that were selected for the purpose of the paper. The information gathered includes the history of the business; support, if any, received, and barriers faced in running a micro enterprise as a woman. The case studies were selected as “best practice” based on criteria that include whether the initiative promotes a better policy climate, involves collaboration between government and non-government elements, and generates improvements and benefits to women.

3.1. Case Study 1: The “Joint Enterprise” (*Kelompok Usaha Bersama*) Initiative³⁰

A key objective of this government-initiated program was to provide employment opportunities for women as well as preventing urbanization.³¹ The main features of the program are the creation of a “joint enterprise” (*Kelompok Usaha Bersama*) and provision of training. The program is part of the “Development of Women’s Enterprise Program” (*Program Pengembangan Usaha Wanita/P2UW*), an initiative under the auspices of the Directorate of Handicraft, Directorate General of SME Industry and Trade, Ministry of Industry and Trade. The Minister of Women’s Empowerment is an advisor to this program.

Provinces participating in the program include *Tembalang (Aceh Besar)*, *Semarang (Central Java)*, *Soreang (West Java)*, *Indramayu (West Java)* and *West Kalimantan*. The first three focus on garments and the later two on weaving and *batik sasirangan*³² respectively.

The case study is in the village of *Sukarame* of *Kecamatan Soreang*, one of *kecamatan* of *Kabupaten Bandung* in the province of West Java. The majority of the village is engaged in garment-making. Every year business activity keeps increasing, likely due to the supporting environment such as the availability of raw materials, workers and marketing places. Products include clothing for children and adults: trousers, shirts, jackets, and sports outfits that are sold to other *kabupaten* in West Java, Central Java, East Java and even to Sumatra Island. At the present time, the producers do not export their products to global markets. At one time, the Office of Industry and Trade offered all micro and small entrepreneurs in *Kabupaten Bandung* export assistance in the form of a quota program aimed at enhancing non- oil exports, in particular, garments. This program did not work well, as most of the micro and

³⁰ Information for this case study was obtained through in-depth interviews with stakeholders at the national level in December 2003 and focus group discussions with women micro enterprises held in January 2004. Interviews were conducted with officials at the Ministry of Industry, the Ministry of Cooperatives and SMEs, and the Ministry of Manpower and Transmigration. Three women micro enterprises were interviewed at the field level.

³¹ The later objective is most likely due to the fact that many rural women, single and married, seek employment in the city, since employment in rural areas is usually scarce.

³² Batik design that is unique to Kalimantan

small entrepreneurs who received a quota license for exporting garments sold the license to other parties. In some cases, micro entrepreneurs who held the license suffered losses as they were unable to pass on the cost of taxes for which they were liable to the buyers.

The “Joint Enterprise” Initiative

Before the “joint enterprise” in the case study was set up (locally referred to as *Kelompok Usaha Bersama/KUB*), training was provided for trainers who were recruited from participating regional areas. The training was conducted in Jakarta. After receiving the training, trainers returned to their communities to organize women micro producers with a background in garment making into groupings of *KUB*. The Office of Industry and Trade then provided additional training for group members. Topics included establishing a co-operative, training in design, and information on market access through participating in exhibitions. One innovation was a collaboration with famous fashion designers who were invited to *KUB* to train participants in design.

Once a *KUB* is operating well, members are expected to establish a cooperative, as a self-help organization. The local government (Office of Industry and Trade) provides technical guidance on raw materials, technology, management, marketing and finally capital and equipment. The Office of Industry and Trade in *Kabupaten Bandung* has established a linkage for these micro enterprises to financial institutions like *Bank Jabar Syariah* and *Bank Rakyat Indonesia* for business development. The banks will provide credit if these entrepreneurs have obtained a recommendation from the Office of Industry and Trade. Although according to the Office of Industry and Trade official the program generally works well and is increasing, the women micro-entrepreneurs interviewed said they felt reluctant to use this service as the procedure seems complicated.

The Office of Industry and Trade also established relationships between existing entrepreneurs’ associations (which are male dominated organizations) with the micro enterprises to help them increase production. But since the professional capability of the associations is limited, the result was not very satisfactory. Establishing linkages with initiatives introduced by the ILO-DANIDA programme are particularly noteworthy.³³

One of the challenges that women micro producers face is the ambiguity that is reflected in government-sponsored projects about the role of women as both productive manpower and a good housewife. Such ambiguity in women’s role is manifested in the types of training for women that are usually focussed on feminine types. A study also reveals that some SMEs women entrepreneurs were reluctant to participate in the training offered with the excuse either they were too busy, or not wanting to leave the house for long because they put high priority on familial obligation. It seems that women entrepreneurs still have the attitude to be secondary

³³ Extension of the pilot project resulted in the establishment of the Indonesian Association for Women Home Workers which is referred as to “HomeNet Indonesia. The assistance programmes include, among others, basic training, followed by skill upgrading to improve product quality and diversity, training in organizing workers, managing micro enterprises or cooperatives, marketing and product promotion, and setting up savings and credit funds (Barme, 2000).

in the households with the reason not wishing to take over the role of husbands, or not wanting to have higher income than husbands.³⁴

*The objective of this joint enterprise is to enhance women's productivity without them having to leave their role as housewives by involving them in doing work that can be done from home.*³⁵

Reliance on traders

The women micro entrepreneurs never sold their products directly to the market themselves. The *KUB* leader may sell the products, or else the member sells directly to buyers. Buyers come from local areas as well as outsiders (from Central Java and West Java). Traders buy their products on wholesale basis and then re-sell these products either on a retail basis in domestic market or export them overseas. The micro producers that produced the product rarely know where the products are exported.

In recent years, the garment making business has been threatened by imports of second-hand clothing. These second-hand garments have better cuts, can be quite modern and, most importantly, can be sold at very cheap prices. The uncontrollable influx of these products into the domestic market caused losses for the garment businesses in the country. In response to the protests from garment businesses, the Ministry of Industry and Trade issued a decree to ban the import of second hand garments to help these micro enterprises. Although to a certain extent this import ban works, the Secretary General of the Indonesian Second-hand Clothes Traders Association (APPBI) recently reported that the smuggling of second-hand garments has reached alarming proportions after the central government slapped a ban (*The Jakarta Post*, 10 April 2004).

Access to Finance

Most members belong to a savings and loan cooperative as individuals since each member has their own enterprise at home. The members of *KUB* in the case study initiated a revolving loan system to support themselves. Their self-encouragement, good understanding and efforts can be observed by the increase in the *KUB* assets (Table 3.1).

Table 3.1. Development of Assets 1982-2004

Form of Assistance	Initial Number	Current Number	Addition
Sewing Machine	21	125	104
Hemming Machine	6	50	44
Button hole machine	2	15	13
Zigzag machine	1	1	0
Embroidery machine	0	1	1
Electric scissor	8	20	12
Fabric (valued in Rp)	Rp 865,000	Rp 35,760,000	

³⁴ A draft report on the study on SMEs women entrepreneurs' development (unpublished).

³⁵ This ambiguity is most likely a reflection of Indonesian culture that always encourages women to be a good home maker and good wife while simultaneously pursuing her career.

Obtaining credit from a bank can be very time consuming and very bureaucratic, so micro enterprises obtain raw materials on credit by going directly to the source (i.e. fabric store owners) instead of obtaining a bank loan to purchase the materials. This mechanism seems suitably well for women producers particularly when they are to get bulk orders or to assure steady supply of materials.

Cooperatives in West Java play a significant role. The many different types of cooperative in the area reflect the close link between cooperatives and the community in the sense that many people making use of their services.

The office of Cooperatives and SME development in *Kabupaten Bandung* facilitates SMEs with a website. Government ministries at the national level, such as the Ministry of Industry and Trade as well as the Ministry of Cooperative and SMEs actually also provide their websites, which are open for micro and small enterprises too to promote their products. Unfortunately there is no information available on the use of this website by micro and small entrepreneurs including women. As mentioned previously even if the website exists there is a lack of infrastructure and facilities to access it.

This *KUB* has been very successful and in 1993 was awarded the *UPAKARTI JASAPENGABDIAN* by the former Indonesian President Suharto. The success did not come immediately: it took 22 years for these women micro producers to become established. Now as an established business they have export potential, but intermediaries will continue to play an important role.

3.2. CASE STUDY 2: Graduating an Income-generating Initiative

The second case study involves very poor women producers and is under the direct guidance and supervision of *Pengembangan Kerajinan Rakyat Indonesia* (Indonesian People's Folk-Art and Handicraft Foundation) or PEKERTI Foundation. The Foundation, located in East Jakarta, is one of many non-government organizations (NGOs) operating in Indonesia. PEKERTI is a social development agency formed in Jakarta in 1975, as a self-reliant, non-political and non-sectarian organisation. Its mandate is to supplement the incomes of subsistence farmers and rural people through the development and sale of traditional crafts and folk art. The aims of the foundation are to (1) stimulate and develop crafts and folk art businesses as a social means to prosper; (2) increase the community's income by making businesses more profitable, and (c) intensify efforts to work together with micro enterprise groups for the purpose of creating solidarity and improving quality and efficiency in producing and marketing their products (based on co-op principles).³⁶ Their approach is to strengthen groups at the grassroots level. They do this by helping form self-reliant groups and motivating them to form co-operatives and work together.

³⁶ The foundation eventually established PEKERTI NUSANTARA, a subsidiary of PEKERTI Foundation, which is established for export purposes. It is a legal trading company. Since 1980 PEKERTI Nusantara PT has exported products to Asia, Australia, Europe, and North America. PEKERTI has an extensive range of products: batik, bamboo, coco tree, coconut shell, *eceng gondok* (*eichornia crassipess*), horn, leather, *lorosetu*, rattan, silver, sea-grass, stone, wood, and many others. All are made by talented and skilled artisans.

Pekerti is the coordinating national body that works with 10 NGO counterparts on seven different islands. Their approach is to foster self-reliant groups and motivate them to form cooperatives that work together in all aspects of production. Guidance is offered in: self-reliant group development, product development, marketing, and capital formation. While they train groups to market domestically, PEKERTI offers additional exporting services which enable producers to market to countries including Australia, New Zealand, England, Austria, Switzerland, the USA and Canada.

PEKERTI trains and assists micro entrepreneurs produce for the domestic market and provides services for export marketing, including pre-payment to micro-producers for their products and credit schemes for investments.³⁷ To help micro entrepreneurs expand their markets overseas, PEKERTI has established an auxiliary establishment, PT PEKERTI NUSANTARA, whose main function is to export of products through e-commerce, intended for the small producers and other SME's to gain market access. In line with its main function Pekerti Nusantara PT has built long and close business relationship with many companies both home and overseas. However, as the case study 2 is only in the preliminary stage, they have not used the service.³⁸ PEKERTI does have linkages with international fair trade organizations, and on several occasions they have participated in fair trade internationally. Regarding exporting procedure it was revealed that they find that the Ministry of Industry and Trade's decree regarding export of woods and bamboo raise problems for them.³⁹

Area's Background⁴⁰

The site of case study II is a slum area in *Kelurahan Kalianyar*,⁴¹ *Kecamatan Tambora*, West Jakarta. This is one of the areas covered by the PEKERTI's development program on "*supporting women micro enterprises*". The target group lives in the *Kelurahan Kalianyar*. The incidence of poverty in *Kampung Kalianyar* has brought many poverty alleviation programs to the area. *Kelurahan Kalianyar* assists poor residents by providing training, such as sewing and screen-printing classes, as well as handicraft businesses using scrap material from local garment industries.

The women who participate in the program originally came from a *pre-welfare* community.⁴² After the 1997 financial crisis, the community was one of the poor communities that received food assistance from a donor agency through PEKERTI. The targeted women come from various walks of life, working as washers or ironers. They are housewives, young mothers, divorcees or wives. They all have one thing in common: they live in appalling slum conditions.

³⁷ See Pekerti website <http://www.salam.dk/sw2333.asp>

³⁸ According to PEKERTI, successful women micro producers in their programs in Bali and Yogyakarta have done some exporting with the help of PEKERTI.

³⁹ To export woods or bamboo goods/products they have to get permits from the government. The procedure to get such permit varies from one region to region. For example, to get the permit in Yogyakarta it is free of charge, as the regional government is very supportive because Yogyakarta is very dependent on handicrafts and tourism. In other areas like Jakarta some fees are charged to get this permit which is quite expensive.

⁴⁰ This section is based on the report by Akhmadi (SMERU) for Poverty Mapping

⁴¹ *Kelurahan Kalianyar*, or *Kampung Kalianyar* as it is commonly referred to, is the poorest of the 11 *kelurahan* in *Kecamatan Tambora*, West Jakarta.

⁴² This is the classification by the government according to their welfare level.

The participating women, aged 27 to 30 years old, were clustered in groups of ten. Previously no development program had reached this group of women. The women received training in bookkeeping, attendance, marketing, making leaflets and brochures, and financial training, and were then assessed on skills and talents. Training is usually carried out in a *balai* (a hall that can be used for meeting or other purposes by the community). This *balai*, normally established by the local community or government, in this case was established by PEKERTI for the purpose of the program. After training has been completed, women work from home. The *balai* is also used for meetings between group members or between members within a group in the *kelurahan*, with PEKERTI's field extension as the facilitator.

The women make door/bathmats.⁴³ The group leader is responsible for stocking the materials (garment scraps, and other related materials) and collects all completed mats. She records the number of the mats made, notes the producers, and groups the products according to quality. The group leader is also in charge of calculating the return from sales, the profit and then dividing the net profit equally between members.

PEKERTI provided the group start-up capital in the amount of Rp 2,500,000 (USD 300) for the frame, garment scraps and sewing machine. PEKERTI provides training in collaboration with the *Bandung Institute of Technology/ITB* (a state-owned university in the capital city of West Java). The training covers mat design, technique of selecting good quality fabric/material (acquired from the garment scraps), and colouring technique. A field extension worker assigned by PEKERTI assists the group by visiting every three days. The assistance covers business consultancy, advice, marketing and design as well as credit. The women micro entrepreneurs say this business development service is very helpful.

The mat making activity generates income without much capital outlay. It is considered very beneficial for all members since the women are acquiring both new skills and earning income. This activity alone has increased their monthly income by Rupiah100 thousand (USD12) per month. However, like most micro entrepreneurs, the women face difficulties in marketing their products and obtaining capital and human resources. Without help from the foundation the only way for them to market their product is by selling in traditional markets or around the neighbourhood. With the assistance of PEKERTI, the women have been able to participate in trade exhibitions several times, for example bazaars in the *kelurahan* and at the Jakarta International School. The bazaar gave the women the opportunity to experience direct access to end consumers from beyond their neighbourhood. They were able to make contact with potential buyers and learn from what others are doing. It is good as a marketing strategy and an empowering process for the women entrepreneurs. PEKERTI has also facilitated the sale of products to hypermarkets⁴⁴ like Carrefour and several supermarkets in Jakarta. All these efforts clearly have helped in marketing the products for a faster turnaround.

⁴³ Women selected the product themselves and chose door and bath mats due to the availability of garment scraps around the area.

⁴⁴ Hypermarkets have such characteristics as discount stores; usually occupy large space and sell "mass" consumer products that are mostly of medium quality; emphasizing on sales of food products-around 60%; and normally have distribution centres to keep inventory efficient.

Continuing challenges

The women say it is difficult to raise capital as the product turnover is relatively low due to the lack of reserved funds to buy raw materials in bulk.⁴⁵ A higher income from mat making could be expected if more time could be devoted to the production of mats, however, the women also engage in other activities, including housework and childcare. In order to increase the production one may suggest that the provision of childcare facilities around the *balai* would most likely help women producers to devote more their time on working while ensuring their children are taken care. Another challenge is ensuring a steady supply of scrap material. The women say that at certain periods like the end of *Ramadhan* or Christmas, garment scraps and other materials are hard to get. The goal is to have enough funds on hand to be able acquire scraps in bulk for future use.

These women have low educational background. ICT training at this time would not be useful since most of them also lack access to electricity, telephones and the Internet.

The present government plays a role as facilitator not as regulator as it has done under previous centralized administrations. This change of role seems to be an improvement, since initiatives are based on the real needs of the community. After the government helps to select the area to be covered by the program including the community and targeted women, its role becomes insignificant.

⁴⁵ The income the women earn from mat making is only sufficient for supporting family expenditures.

CHAPTER 4 CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusions

The case studies presented in the previous chapter describe two initiatives that target marginalized women. The interventions were made under different policy environments: the first case study began at a time when Indonesia was economically sound. The program in Case Study II, however, developed during the time of economic crisis before the decentralization took place. Consequently, the change of government structure would influence the role of stakeholders. For example, with decentralization some responsibilities were transferred from central government to regional governments including development programmes concerning women.

The producers are at different stages of export-readiness and require different supports and interventions. The women in Case Study I have established businesses and can make enough product of good quality to consider exporting to international markets. They need assistance in marketing to international markets.

The women in Case Study II started their businesses from nothing and have succeeded in generating income by making and marketing mats. There is potential for the clusters of producers to increase production to a level beyond the financial and technical capabilities of each individual. There is demand for their products (according to PEKERTI, some current buyers have expressed interest in buying the products on a regular basis), but the women are unable to produce enough: the products are hand made and there are only few women micro producers. There might be potential to expand production through the formation of clusters of similar enterprise groups.

The following sections describe the conditions and interventions which could support both groups' transition to international markets. A key factor, as Case Study 1 demonstrates, is that interventions must be long-term.

4.2. Policy Environment

The policy environment for women micro entrepreneurs in Indonesia is supported by the policy on gender mainstreaming in national development and the policy on micro and SMEs development. As the preceding chapters have indicated, there remain some ambiguities about the role of women that are reflected in legislative and policy arrangements. These ambiguities have implications for the effectiveness of policy objectives aimed at promoting women entrepreneurs. For example, while the 1974 Marriage Law provides equal rights and responsibilities between husband and wife, it explicitly identifies men as heads of households and "breadwinners" and women as wives and mothers (para 31). In the Indonesian society, traditional norms and values give men greater rights for land ownership that greatly affects women's economic opportunities, particularly in accessing credit. Divorce law provides a greater share of assets to the husband while taxation law imposes men as the subject of taxation. In that way married women should use the household head's tax registration number

(*NPWP*) who are husbands/males unless they have a specific pre-nuptial contract that allows a couple to separate their assets and income.

Meanwhile in the last decade, Indonesia has introduced considerable legislation and policy provisions to build a framework that, if implemented effectively, would provide equal access to employment, equity in remuneration and provisions for women's childbearing responsibilities.⁴⁶ Both men and women in Indonesia have the legislated freedom to engage in economic and social activities outside the home. Indonesia was the first country in Asia and the Pacific to ratify the eight core conventions on Fundamental Principles and Rights.⁴⁷

Indonesia has a long standing policy approach of women-specific programmes, which have been implemented mainly through the national *P2W-KSS* programme (*Peningkatan Peranan Wanita-Keluarga Sehat dan Sejahtera*, Improvement of Women's Role in Fostering a Healthy and Prosperous Family) with women's primary role seen predominately as a domestic one. Such programmes focused mainly on family welfare and supplementary family income generation so that other development programmes were not required to be gender responsive. As a result, to a certain extent there has been an overall lack of institutional awareness of the links between women's empowerment and sustainable development. The government's policy focus has since broadened to consider issues of women's empowerment and women's participation in the productive sectors. The Indonesian law on small enterprises was promulgated in December 1995, but there is no specific statement made about women entrepreneurs. It is understood that this law treats small entrepreneurs regardless of sex. As the problems faced by women entrepreneurs are to an extent different from those encountered by men entrepreneurs,⁴⁸ there should be some specific measures targeting women.

The policy environment for both case studies was relatively supportive in the sense that the facility and environment to support the initiatives existed. In case study I, the central government initiated the program and the local government implemented it.

⁴⁶ These provisions include (1) Circular No. 4 of 1988 prohibiting gender discrimination (2) Regulation No. 3 of 1989 prohibiting gender discrimination due to marriage, pregnancy, childbearing or breastfeeding (3) Article 3 of Government Regulation No. 8 of 1981 prohibiting discrimination in determining rates of remuneration for work of equal value (4) Regulation No. 4 of 1989 concerning protection of employed women workers at night (5) Instruction No. 2 of 1991 supporting improved opportunities for nursing workers to breast feed their children during work time (6) Circular No. 4 of 1996 prohibiting gender discrimination in enterprise regulations (7) Joint Decree of Ministry of Manpower and Transmigration and the Ministry of Health No. 22 of 1996 and No. 202 of 1996 addressing nutrition deficiency among women workers and (8) the Circular of the Secretary General of the Ministry of Manpower No. 5 of 1998 stipulating requirements for gender mainstreaming within Ministry of Manpower's programmes and projects for 1998/1999. In addition, the Manpower Act No. 13/2003, which covers industrial relations and workers' protection, has recently been enacted. The law aims to provide more streamlined and comprehensive protection for workers. The gender implications as a result of the implementation of the law need to be assessed.

⁴⁷ This includes Conventions for Freedom of Association, Freedom from Forced Labour, Freedom from Child Labour and Freedom from Discrimination.

⁴⁸ See the Draft Report on the Study on SMEs Women Entrepreneurs Development by APINDO/IWAPI/ILO, 2004 (unpublished).

The local government acknowledged the importance of these women micro enterprises, was encouraging and supported various aid packages. The *KUB* has been in business for more than 20 years as a result of the efforts of both government and the entrepreneurs themselves.

4.3. Recommendations for government

There are some initiatives that the central government may take up. Apart from that, in line with the decentralization process which is taking place in Indonesia, local governments should take a proactive approach to help the development of marginalized women micro producers in a more sustainable manner.

Improving linkages with global markets

Even though these women micro producers have been fairly successful in domestic markets, reaching the global market will require enhancing macro/micro level intervention. Some steps may be considered.

- The national government should provide a favourable climate for export-oriented enterprises particularly for micro/small enterprises by streamlining procedures and regulations.
- A partnership mechanism between large companies and micro/SMEs should be enhanced. The government may encourage the partnership by providing incentives such as tax deduction to large companies that help micro producers; the partnership should be demand driven.
- *Badan Peningkatan Export Nasional* (National Export Promotion, a body under the Ministry of Industry and Trade) should enhance their efforts to encouraging micro producers to be more involved in export oriented activities and help them to establish business relation with foreign partners.⁴⁹ The good practices performed by NGOs should continuously be encouraged.⁵⁰ Recent years have witnessed many trade fairs were held in Jakarta and in other big cities to promote the domestic products, which range from handicrafts, home wares to furniture.

Capacity Building

The low education attainments of women micro producers, resulting in poor capability and inadequate marketing of these groups of women should be taken into consideration. According to PEKERTI, in the past, similar group of women in other areas required long periods of time to become self-sufficient. On average micro and small producers will need 4-6 years to market and export products on their own.

- Training needs for micro producers are varied, from marketing including subcontracting procedures to technical training

⁴⁹ For example, in order to promote the export of products from micro enterprises PEKERTI establishes links with foreign institutions of similar types to PEKERTI foundation overseas.

⁵⁰ Supports from NGOs to micro producers to participate in fair trades or training are also useful. NGO such as PEKERTI for example has facilitated micro and small producers to take part in trade exhibitions.

- Training should not only be conducted in conventional forms (class training), for example, exchanges between a cluster of micro women producers experiencing difficulties and a successful cluster making the same product.
- Providing trade-related or export-related training to micro and SMEs entrepreneurs. Such training programs should ensure that the number of women participants is equal or at least significant. Training should be scheduled according to women's time availability.
- Some reviews on good practices to link these women micro producers to global trade might be very helpful. Seminars at the national level exploring all these good practices can be done, which at later stage can be shared at the regional level for example, in ASEAN or APEC meetings. The targeted participants at national level should be government officials for example from the Ministry of Industry and Trade, Ministry of Cooperatives and SMEs, and agencies related to export-oriented micro producers, both government and non-government .

Information and Communication Technology

Several government and non government agencies such as the Ministry of Cooperative and SMEs, Ministry of Trade and Industry and several banks and private companies have developed e-commerce within their web-sites to provide information on markets and financial support. However, few women entrepreneurs can optimally use this service due to limited in knowledge and skill in information technology and also inadequate facilities and equipment. Again, the low education most micro entrepreneurs' posses most likely has discouraged them from using such facilities and technologies. In addition, critical factors such as cost and availability in both rural and urban areas should be taken into consideration. At this stage, the role of extension services to constantly support and encourage them is very imperative. "Women friendly" telecentres might be introduced. In the long run the use of e-commerce should be encouraged too.

Clustering

The women micro enterprises program in Case Study 2 was initiated as a poverty reduction strategy. To date the program has been quite successful: the activities have generated income for the women and their products have reached wider markets (supermarkets and a hypermarket) in the country. Intervention is needed at the macro/micro level to maintain this momentum and possibly enter into the global markets.

Clustering micro enterprises of similar products is important, for production and marketing purposes. The groups of women micro producers of similar products could be linked and eventually form a cluster of *KUB* to enhance economic scale and maintain demand. The case of a wooden furniture cluster in *Jepara* demonstrates one of the best practices in clustering (see Berry, Rodriguez and Sandee, 2001; ADB, 2001).⁵¹ Another example is wood processing and rattan furniture in Sukohardjo and metal casting cluster in nearby Klaten, both located in Central Java.⁵²

⁵¹ Jepara is a small town in Central Java, known as wood based furniture industry. With several thousand enterprises employing some 60,000 staff, Jepara is among the largest Indonesian clusters. A comprehensive development package during the late 1980's and early 1990's, combining, among others, technical upgrading through provision of a Common Service Facility for wood drying, export

Access to micro credit

Mechanisms to link micro entrepreneurs to micro credit are key.

- The revolving fund system which was developed in Case Study 1 is one model. Micro credit without collateral should also be promoted. This is because most women micro producers are economically poor and don't have assets for collateral. One alternative is to use the local government (such as Case Study 1 using the recommendation from the Office of Industry and Trade but bureaucratic requirements should be streamlined) or the practices by some NGOs that guarantee micro women entrepreneurs to get micro credit.

Other matters should also be considered such as:

- Tax information must be easily available for example, through mass media, TV, radio etc.
- Counters and SMEs information points for women should be developed in commercial banks, post offices, *balai*, and other strategic places

Access to Business Development Services

Business development services should be maintained either through field extension workers or facilitators, or establishing small centers that could provide ongoing support to the women's groups until they are able to manage themselves. It is important to link the existing women micro enterprises project with the available BDS such as *UPT* nearby or other training centers run either by the government or non-government.

Women's business associations

The role of women's business association is not shown in the Case Study 2, as they are still working on a very micro basis. IWAPI has provided some assistance to its members. IWAPI covers the already-established enterprises (including small ones), so it is most likely they would not cover those home-based women producers. In this case, organizations such as *Home Net* Indonesia may play a role. These organizations need capacity-building on trade rules and procedures.

Networks

The establishment of networking or enhancing the existing networks of the NGO/foundations dealing with micro entrepreneurs is very beneficial. The good

training and support to trade fair participation, and investment into improvement of the regional infrastructure (container facilities, roads, telephone) helped the cluster to gradually develop export markets, which now account for some 70% of total sales.

⁵² Similar effects were brought forward by creating a small industrial estate combined with a Common Service Facility for wood processing, a joint showroom, and trade fair participation support in Sukoharjo near Surakarta in Central Java. The area is now a leading exporter of wooden, rattan and metal furniture and interior decoration articles, thereby also benefiting from the proximity to the large metal casting cluster in nearby Klaten, which received similar government support (see ADB).

practices of some development organizations that help poor micro producers might be replicated (for example PEKERTI, Home Net).⁵³

4.4. Recommendations for APEC

Include the organizations that work with micro enterprises in trade related consultations

APEC should encourage national governments to include NGOs or associations that help micro enterprises in trade-related consultations that held at meetings of regional cooperation organizations such as ASEAN, APEC, and others. In this way, cooperation and technical assistance initiatives developed by those organizations may reflect the real needs of micro producers.

Capacity-building for e-commerce

The case study demonstrates that the marginalized women are not ready to make use of information on websites. Perhaps at this stage the establishment of tele-centres suitable for women might be introduced. In the long run, women micro entrepreneurs should be encouraged to make use the internet that has been provided by either government or non-government organization. For this purpose, capacity building for such women is necessary.

APEC should continuously encourage the use of e-commerce to member economies. Even though the use of e-commerce in Indonesia has started but it is most likely that the level of usage might be still very low.

APEC Trade Promotion: Effective Trade Fairs for Small Producers

While trade fairs and exhibitions are held frequently in Jakarta, they could be extended more frequently to other regions. APEC Trade Promotion Working Group could promote an information exchange for government officials on good practice in organizing effective trade fairs for very small producers.

⁵³ For example, *MitraBali*, an Indonesian craft development organization, located in Denpasar, Bali, is dedicated to working with the poorest of craftspeople to enable them to benefit more by working together. They also provide valuable development services including product design, quality control, and export marketing. *Global Exchange* purchases a wide variety of Balinese crafts, including high quality silver jewellery, coconut house wares, painted wood decor, kites, and *celadon* pottery from the village of Pejaten. Another example is APIKRI, the Indonesian craft organization established in 1990 to improve the socio-economic conditions of poor families in the rural and urban areas of central Java through the development of handicraft skills and associations. They provide valuable development services, including product design, local and export marketing, advance payment on orders, and encouraging cooperation among various crafts groups. Their foundation, *Hasta Kirti*, enables craftspeople to save money collectively and receive micro-credit loans to assist in production, skills development or emergency need situations.

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Annex 1: Share of Non Agricultural Labour Force by Sex in Informal Sector and Women's Share of Informal Sector in Selected Asian Countries

	Percentage of non-agricultural labour force that is in the informal sector, 1991/1997		Women's share of the informal sector in the non-agricultural labor force, 1991/1997
	Males	Females	
India	91	70	23
Indonesia	88	69	43
Philippines	64	66	46
Thailand	54	49	47

Source: The United Nations, 2000. *The World's Women 2000: Trends and Statistics*. Chart 5.13, p. 122

Annex 2: Employed Person by Industry, Work Status and Sex, Indonesia 2002

Industry & Gender	Work Status							Total	Number
	1	2	3	4	5	6	7		
Males									
Agriculture	14.25	52.45	3.20	6.82	10.97	0.00	12.32	100.00	25621956
Mining & Quarrying	21.28	12.23	3.74	44.37	0.00	14.91	3.48	100.00	547968
Manufacturing	7.74	11.39	5.60	65.45	0.00	5.54	4.27	100.00	7117179
Electricity/Gas/Water	4.03	1.18	2.82	87.16	0.00	4.81	0.00	100.00	160332
Construction	9.62	2.47	6.10	39.42	0.00	41.39	1.00	100.00	4153336
Trade/Rest/Hotel	41.99	22.20	6.11	22.97	0.00	1.52	5.21	100.00	9436137
Trans/Storag & Comm.	56.76	3.43	4.61	28.21	0.00	6.40	0.58	100.00	4508431
Fin/Ins/REst&Buss.	4.45	1.15	1.70	91.84	0.00	0.74	0.11	100.00	730311
Comm/Social/Pers.Serv.	14.45	2.30	2.17	74.33	0.00	5.62	1.13	100.00	6307537
All Industries	20.81	28.72	4.15	29.40	4.80	5.11	7.02	100.00	58583187
Females									
Agriculture	5.76	19.75	0.89	3.88	11.34	0.00	58.37	100.00	15011671
Mining & Quarrying	29.25	10.80	2.20	13.58	0.00	5.11	39.07	100.00	83834
Manufacturing	13.80	7.77	0.85	52.98	0.00	4.87	19.72	100.00	4992818
Electricity/Gas/Water	0.00	0.00	0.00	93.80	0.00	6.20	0.00	100.00	17947
Construction	4.97	7.56	0.39	58.94	0.00	19.48	8.66	100.00	120578
Trade/Rest/Hotel	39.18	21.00	1.52	12.35	0.00	1.00	24.95	100.00	8358893
Trans/Storag&Comm.	12.16	3.67	1.74	70.72	0.00	4.02	7.69	100.00	164153
Fin/Ins/RealEst&Buss.	2.72	1.19	1.30	93.71	0.00	0.19	0.89	100.00	261434
Comm/Social/Pers.Serv.	13.75	1.47	1.10	76.64	0.00	5.00	2.04	100.00	4052651
All Industries	16.47	15.71	1.08	23.67	5.15	1.71	36.21	100.00	33063979

Source: CBS. "Labour Force Situation in Indonesia 2002"

Note:

- | | |
|--------------------------------------|------------------------------------|
| 1. Self Employed | 4. Employees |
| 2. Self-employed with family workers | 5. Freelance agricultural workers |
| 3. Employers | 6. Casual non-agricultural workers |
| 7. Unpaid workers | |

Annex 3: Internet Customers and Users in Indonesia, 1998-2003

Year	Customers	Users
1998	134.000	512.000
1999	256.000	1.000.000
2000	400.000	1.900.000
2001	581.000	4.200.000
2002	667.002	4.500.000
2003	865.706	8.080.000

Source: Indonesian Association of Internet Providers, 2003 (APJII)

Annex 4: Foreign Trade, Indonesia, 1992-2001 (Million US\$)

Year	Including Oil & Gas*		Excluding Oil & Gas*		Commercial Services (**)	
	Export	Import	Export	Import	Export	Import
1992	33,967.0	27,279.6	23,296.1	25,164.5	3,391	7,884
1993	36,823.0	28,327.8	27,077.2	26,157.3	3,878	9,595
1994	40,053.4	31,983.5	30,359.8	29,616.1	4,680	11,136
1995	45,418.0	40,628.7	34,953.6	37,717.9	5,342	13,230
1996	49,814.8	42,928.5	38,092.9	39,333.0	6,462	14,777
1997	53,443.6	41,679.8	41,821.0	37,755.7	6,792	16,214
1998	48,847.6	27,336.9	40,975.4	24,683.2	4,340	11,744
1999	48,665.5	24,003.3	38,873.2	20,322.2	4,453	11,336
2000	62,124.0	33,514.8	47,757.4	27,495.3	5,069	14,755
2001	56,320.9	30,962.1	43,684.6	25,490.3	5,361	15,595

Sources:

* Central Board of Statistics website.

**WTO International Trade Statistics 2001

**Women Exporters Optimizing ICT:
Four Case Studies from Korea**

**Paper prepared for the project
“Supporting Potential Women Exporters”
CTI 34/2003 T
APEC Committee on Trade and Investment
September 2004**

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Table of Contents

Acknowledgements	3
Executive Summary	3
Glossary	3
Introduction	4
Chapter 1. Women’s Enterprises: Current Status and Obstacles to Exporting	6
Chapter 2. Case Studies	15
Chapter 3. Conclusions and Recommendations	24
Bibliography	27
Appendix: Tables	28

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Executive Summary

This report provides various statistical data related to the informatization of Korean women-owned businesses. It examines central and local support policies for small women-owned enterprises and identifies their problems. It also attempts to shed light on the difficulties that Korean women's enterprises face in their business activities by analyzing the results of various surveys. The report focuses on obstacles that women exporters face and the kind of government support policies required to overcome them. To supplement the analysis of the above-mentioned statistical data exemplary case studies of small women-owned enterprises are included and women entrepreneurs are interviewed. The current government support policies are described and evaluated. Finally the report makes policy recommendations to support small-scale women-owned enterprises so that they can use ICT to strengthen their economic and management activities and improve their competitiveness.

Glossary

D/B	Database
GWDC	Gyeonggi Women's Development Center
KIBWA	Korea Women IT Enterprise Association
KITA	Korea International Trade Association
KNSO	Korea National Statistical Office
KOVWA	Korea Venture Business Women's Association
KOTRA	Korean Trade Association
KWEA	Korean Women Entrepreneurs Association
PDA	Personal Digital Assistant
SBDC	Small Business Development Center
SMBA	Small and Medium Business Administration
SME	Small and Medium Enterprise
SMG	Seoul Metropolitan Government
S/W	Software
TIMP	Total Information Management Provider

Introduction

The development of information and communications technologies (ICT)¹ has transformed social and economic structures, and the business environment is no exception. ICT greatly influences all areas of business, including production, technology and management, regardless of the size of the enterprise.

Recent OECD data show that women now contribute around 30% of world GDP, and that their contribution is rising by approximately 30% on a year on year basis.² In the Republic of Korea, women's businesses now represent 35.7% of the total, numbering 1,118,000. In the increasingly digital economy in Korea, women's resources and contributions are significant. What is more encouraging is that women's enterprises are opening at a faster rate than are men's in Korea.³

Activities of many APEC fora are now focusing on empowerment of small and micro enterprises. This is because small and micro enterprises play a significant role as productive units and as instruments for poverty alleviation by creating employment and expanding new markets and exports. Presently women's enterprises⁴ represent a large percentage of the small and micro enterprises in the APEC region. APEC Leaders meeting in Mexico 2002 called for action on connectivity for micro enterprises, women, and youth. The Second APEC Ministerial Meeting on Women in 2002 also focused on the need for policies to empower women's micro enterprises, through improved access to information and human capacity building. We believe that ICT is one of the most essential and effective tools to enhance the competitiveness of small and micro enterprises in a knowledge-based economy.

We believe that governments need to develop a self-reliant supporting infrastructure that includes capacity building for intermediaries to deliver government programs to end-users efficiently and to achieve a sustainable competitiveness of small and micro enterprises through their empowerment. This is particularly important for women-owned enterprises, since current government programs are not reaching them. Women-owned enterprises in Korea are usually micro-enterprises with fewer than five employees and are concentrated in the service sector. These characteristics make them fall through the net of most government programs that usually focus on small and medium sized enterprises or on IT startups.

¹ ICT is a technology of converged information (i.e., computers) and communications broadly including mass media and telecommunications. Eunju Kim, "Empowerment of Women in ICT", *APWI*, (2002, vol. 4), p.32.

² The Second OECD Conference on Women Entrepreneurs in SMEs, 2000.

³ "2002 Provisional Report on the Census on Basic Characteristics of Establishments", Korea National Statistical Office (KNSO).

⁴ The phrase "women's enterprises" in this paper means enterprises that are owned by women.

The purpose of this paper is to describe how ICTs can enhance participation by Korean women's enterprises⁵ in international trade. The paper will first analyze the current status of women's enterprises in Korea and the barriers women encounter to participating in international trade. The paper describes existing government support policies for women-owned businesses, along with the findings from a "Survey of Women-Owned Businesses and Discriminatory Practices" conducted by KWEA & SMBA. That survey revealed a very low level of awareness of the government's support policies and programs by women-owned enterprises. The paper then suggests ways to address these obstacles by optimizing ICT, and illustrates key success factors in four case studies. The paper concludes with recommendations for national governments and APEC.

⁵ The phrase "Exporting women enterprises" is defined in this paper as exporting enterprises that are owned by women.

Chapter 1. Women's Enterprises: Current Status and Obstacles to Exporting

Present status of women's enterprises

According to the 2002 Provisional Report on the Census on Basic Characteristics of Establishments published by the Korea National Statistical Office (KNSO), there were a total of 3, 132,016 enterprises in Korea, of which women's enterprises made up 35.7% of the total.⁶ Also, women's enterprises are overwhelmingly small or micro-enterprises: 95.4% of women enterprises have fewer than 5 employees.⁷ However, women's enterprises in Korea employ an average of 71.3% women employees. This is around twice the national average of 39.3%. Women's enterprises clearly promote women's participation in the national economy. Additionally, the average debt of women's enterprises is around 64.3% of annual turnover compared to a national average for enterprises of around 173.7%⁸. This shows that women's enterprises are on average better managed and contribute to the emergence of a better business culture in Korea.

When we look at industries in Korea taking gender into account, women's enterprises are concentrated in service areas such as lodging and restaurants, and there is an extreme gap between industries: women's enterprises are disproportionately grouped in a few sectors [Table 1].⁹ The Small Business Development Center that groups together 13,914 businesses with fewer than five employees counts as many as 5,638 women enterprises. Very few of these businesses export because of their small size and their concentration in traditional service industries. However, if we restrict ourselves to ICT businesses, the percentage of exporting women enterprises is significantly higher than in other sectors. A full 20% of the 85 companies registered with the Korea IT Business Women's Association (KIBWA) are exporting companies.

According to the survey¹⁰ on current status of women-owned businesses by the Korean Small and Medium Business Administration (SMBA) and the Korean Women Entrepreneurs Association (KWEA), about 46.4% of Korean women entrepreneurs were either housewives or unemployed before they started business, 16.7% had experience as saleswomen, 13.53% in wholesale and retail sale, 10.55% as salaried workers, and 7.6% as professionals. However, only 3.33% of women entrepreneurs had experience in the production/technical service field, and only 1.75% were promoted to the position after working as an employee. Overall, most women entrepreneurs had little or no experience in business management, and it is difficult for women to be promoted to a high position as an employee

⁶ Korea National Statistical Office, [2002 Provisional Report on the Census on Basic Characteristics of Establishments], (Korea National Statistical Office, 2003), p.1.

⁷ Korea National Statistical Office, same as above, p.5.

⁸ Korean Women Entrepreneurs Association Magazine, 2004, Spring, p. 5.

⁹ Korea National Statistical Office.

¹⁰ The survey was conducted on Dec. 2002 and the result was released on Aug. 2003.

According to the survey¹¹ of the Small Business Development Center (SBDC, when asked why they decided to establish a start-up business, a plurality of women replied: “need to make a living” (794 respondents, 37.7%). Other reasons include: “stagnation of business activity” and “rising unemployment” (Table 2). These answers help to explain the very small size of most women’s businesses in Korea. The nature of these businesses, mostly catering and lodging operations, also help us understand why women’s businesses on average do not employ a large workforce.

Present status and informatized environment for women’s enterprises that export

According to the statistics of KNSO, there were 1,118,000 women entrepreneurs in Korea as of 2002. With the advent of a digital economy, this number is steadily rising. However, there are no reliable statistics on the number of women’s enterprises that export. There are quite a few women’s business associations in Korea, the major associations being the Korea Women Entrepreneurs Association (KWEA)¹², Korea Venture Business Women’s Association (KOVWA)¹³, and Korea Women IT Enterprise Association (KIBWA).¹⁴ Of the 13,000 women’s enterprises that belong to the KWEA, only 15 (1.15%) register as import/export businesses. There are 234 women enterprises registered to KOVWA, and 85 women enterprises registered to KIBWA. Exporting women enterprises are about 12-20% of the ones that are registered with KOVWA and KIBWA. However, a majority of the member enterprises display a keen interest in starting to export their products and services. In particular, these enterprises hope that ICT will help them to start exporting in the near future.

Currently there are three traditional principal ways and one emerging way in which women enterprises manage to export their products and services:

- Business matching that takes place at trade fairs, APEC Women Leader’s Network (WLN) meetings, and women business seminars. For example, the Small and Medium Business Administration (SMBA), the Korean Trade Association (KOTRA), Korea International Trade association (KITA), KWEA and other business associations have been supporting participation in foreign business fairs and conventions. Those organizations actively support women’s SMEs in various ways. For instance, they convey the core news about national/international fairs and encourage women’s exporting entrepreneurs to participate in the various seminars and fairs. They also provide background information to women’s SMEs when they attend international seminars or fairs. From time to time they help cover traveling costs.

¹¹ Analysis of motivation of 2,104 women visitors to S.B.D.C.(Small Business Development Centers) for consultation of start-up businesses from August 1 to 8, 2003.30-40 years old 37.7%, and high school graduates 50.3%, and housewives were 33.2%.

¹² <http://www.womanbiz.or.kr>

¹³ <http://kovwa.or.kr>

¹⁴ <http://www.kibwa.org>

- Local partnerships. Businesses such as travel agencies and tour organizers establish bilateral and multilateral links with peers based abroad such as JB-AIR co. (<http://www.petshopkorea.com>), mostly in the neighboring countries. These local partnerships however do not actively target women and they are quite common among all small and medium sized enterprises in Korea that aim at export markets.
- In terms of more sophisticated structures, there were only 200 businesses among exporting women enterprises that had overseas offices for exporting, which is only 0.31% of the total, and each exported to only one geographical region (Table 3). As shown in Table 4, when asked whether they had any plans to build overseas offices in the future, 93.67% of women entrepreneurs replied yes, which shows the will to become future exporters. These are usually the larger women enterprises. The idea of having an overseas office among service providers that intend to start exporting is deeply rooted in spite of not being a very practical strategy. This is because the opportunities offered by IT are still not fully grasped. However, a great importance is attributed to local knowledge and the need to have an agent to negotiate national bureaucratic impediments.
- One emerging and effective import and export strategy is to utilize e-marketplace or e-business websites which provide one-stop information service on trade. There are many useful websites that deal with trading and related commercial activities such as Silkroad21 (<http://www.silkroad21.com/>), Korean Marketplace (<http://eng.bestsmc.com/>), Korean B-B e-Marketplace (<http://www.ec21.com/>), and the Export Assistance Center (<http://www.exportcenter.go.kr/new/index.htm>).

However, for the case of micro and small scale women enterprises, these extremely helpful sources of information have not been used due to low level of awareness and informatization. When we look at informatization¹⁵, the level is low for Korean women's enterprises. The average number of computers possessed by 1,035,840 women's enterprises in December 2002 was 1.64 computers, and those in charge of the computers were on average 0.55 person per company. Among women's enterprises, 23.5% of the companies did not own a computer, and 65.8% of women entrepreneurs did not use a computer either at home or at the office (Table 5, Table 6).

According to Table 6, only 4.25% of women enterprises had internet websites, and only 0.88% could offer online transactions. This shows that women entrepreneurs have little understanding of informatization and scanty knowledge of business opportunities in a digital economy. In order to take full advantage of online categorized trade tips and information they need basic training and education and pre practice experience.

¹⁵ In June 2003, 77.9% of Korean homes had computers, and 59.4% used the internet. Comparing internet users by gender, 53.6% of females were users, while 65.2% of males were users, Korea Network Information Center, (2003).

Obstacles

The following are obstacles faced not only by exporting women enterprises but also by Korean women in business generally.

Access to finance

First, most women's enterprises have difficulty accessing capital. All businesses undoubtedly have the same problem, but the problem is more acute for women entrepreneurs. According to the Survey on the Current Status of Women Enterprises, women frequently experience disadvantage when requesting a loan, excessive demands for security, and unreasonable denial of loan requests (Table 7).

At a time when venture capital is gradually expanding, access is restricted for most women-owned businesses because they are not categorized as venture companies. This envisages a situation in which it will be hard to increase government support benefits for women enterprises. As Table 1 shows, most women's businesses belong to the services and accommodations sectors such as restaurants, lodging, and educational services. Since generally most venture companies in Korea are linked to the IT industry, most women's enterprises do not benefit from the support of venture capital or from governmental policies targeting small companies.

Social barriers

Secondly, stereotypes and cultural discrimination against women make it more difficult for women to manage a business in Korea. Also, balancing housework and childrearing, and an androcentric entertainment culture, social bias and discrimination are serious obstacles to women who participate in a male-centered network (Table 8).

Access to Information

Finally, a great difficulty lies in accessing information. As mentioned above, women entrepreneurs possess a low level of informatization. In addition, as the Survey results reveal, they are also not aware of policies supporting export, informatization, and other government policies aimed at increasing business activities, and the rate of computer usage is extremely low (Table 9). Also, as shown in Table 9 and Table 10, the rate of information-gathering on the region for exporting directly by gaining information on the region's systems, statutes and demography is extremely low. Information is gathered indirectly through informal personal relationships, that is, through friends and family members (Table 11). Since women entrepreneurs seldom access information systems such as official websites and digital media, and have little information on government policies and supporting programs, they usually gain significant information through unofficial routes like acquaintances. Furthermore, they feel that, in the absence of a local

agent, the best way to gather information about a foreign market is to talk to people who have lived there or who travel there frequently for business.

Overcoming Obstacles through ICT

The importance of ICT is now widely recognized as a result of the globalization of production processes. Increasingly, businesses reach outside national boundaries through the utilization of the latest ICT skills. Globalization and informatization, when taken together, are powerful forces that shape the expectations of customers across boundaries. Increasingly, even small businesses have to cater to customers who live abroad. Informatization programs that are aimed at the general public should also be targeted to women entrepreneurs. Usually the small size of women's enterprises and their clustering in the service sector make them fall through the net of government programs aimed generally at small and medium sized industries.

In business practice and from a strategic point of view, ICT can positively influence the business environment of women's enterprises that export. Access to capital, gender discrimination, and difficulty in accessing information are the three main obstacles that women's enterprises, especially exporting women's enterprises, confront.

Operations and business management through ICT provide a more flexible business environment, and would therefore be helpful in addressing some gender-based problems affecting women's business enterprises. For example, ICT can help overcome space and time constraints, and therefore can be a tool to manage more effectively the double responsibilities of housework and business management. Moreover, online transactions, which are now dramatically increasing, make fair competition possible because products and service are measured by quality and trustworthiness, not by gender of entrepreneurs. In addition, difficulties in accessing information that confront exporting women's enterprises can easily be overcome through ICT optimization. Methods to obtain information are shifting from classical methods such as newspapers and magazines to the internet, and 40% of internet users use the internet to search for data and information (Table 12). Information accessibility through optimizing ICT can be helpful in obtaining accurate data on prospective export countries, determining appropriate strategic approaches, and establishing the most suitable management programs.

Government initiatives

The Korean government has a variety of programs to promote SME informatization. Businesses first have to show how ICT optimization would bolster their productivity and submit a blueprint of planned IT enhancements. For example, by posting a bid for ICT optimization, an enterprise can receive significant financial support. For example, the government appropriated a budget of about USD 5,583,000 in 2003 in order to

actualize E-manufacturing, the development of S/W and D/B.¹⁶ needed to build a production information system. Various consortia, consulting companies and related organizations have been organized to realize the informatization of SMEs and support consultations and inquiries as well as investments on ultrahigh speed communication networks. Informatization infrastructure was built targeting regions crowded with SMEs. There are a variety of additional practical policies supporting ICT optimization, including projects guiding the construction of an informatized administration system, projects supporting human power in professional informatization skills, and informatization training projects.

Informatization programs that are aimed at the general public should also targeted specifically to women entrepreneurs. Usually the small size of women's enterprises and their clustering in the service sector make them fall through the net of government programs aimed generally at small and medium sized enterprises. Most women enterprises have fewer than five employees and this disqualifies them from applying to a host of government programs. Their experience, when they actually managed to be the beneficiaries of government programs, however, is usually positive.

Support policies for women-owned businesses

The Korean Government implements a variety of measures for small businesses. Since the majority of women's enterprises are small, the government's SME support policies and measures are partly directed to them. The SMBA is carrying out various support programs in order to foster knowledge-based enterprises specifically for women's enterprises. The Ministry of Gender Equality (MOGE) and the Ministry of Labor (MOL) are also preparing support programs for women who work or establish businesses. Local governments such as the Seoul Metropolitan Government (SMG) are also running support programs.

Formation of a favorable environment for women to start businesses

The SMBA has established and currently runs women's start-up and fostering centers in 14 regions around the country. Enterprises in the IT and service industries that women are preparing to start or have started in the past 6 months are eligible to apply for a place in the centers. The centers hold lectures throughout the year and organize an annual competitive exhibition for women's start-ups in order to discover and nurture women who are preparing to start their own businesses.

Aimed at expanding the workforce of SMEs through improvement of working conditions, the MOL has allocated approximately KRW 2.68 billion (about USD 2.2 million, based on USD 1:KRW 1,200) to establish childcare facilities at the workplace.

¹⁶ Software and Database

Moreover, the SMG runs a Start-Up Incubators and Total Support Center to nurture new industries for the city and assists the placement of 56 promising start-ups, including women's businesses and small enterprises, in the center.

Identifying and nurturing promising industries for women's enterprises

The SMBA offers training to foster e-business professionals called "e-lancers". With the aim of nurturing the fashion and jewelry industries that are accessible to women and have high added value, it also assists the participation of women's fashion or jewelry designers in renowned overseas exhibitions. It also supports women in the services sector through programs such as training for women's business establishment and managing consulting.

Expansion of domestic and overseas markets for women's businesses

The Korean Government is implementing a policy of giving priority to goods produced by women's enterprises when purchasing products for government use. This policy is designed to support women's businesses in one area where they have indicated the greatest difficulty, namely the acquisition and expansion of market share. The amount purchased increased from KRW 1.4 trillion (about USD 1.2 billion) in 2002 to KRW 1.6 trillion (about USD 1.3 billion) in 2003. The SMG allocated KRW 100.9 billion (about USD 84 million as of 2003) to purchase products made by women's enterprises. This governmental supporting policy for women's enterprises enables them to extend their products and services.

The SMBA annually holds an exposition of distinguished products made by women's enterprises and supports about 200 businesses to participate in domestic exhibitions for promising companies. It also carries out marketing programs for women's businesses and sends overseas market pioneers and trainees to areas that are promising targets for exports. Moreover, the SMBA has opened an exhibition hall for goods produced by women's enterprises and provides continuous marketing and sales assistance. It has also allotted KRW 2.45 billion (about USD 2 million) to supporting market expansion and export through the KWEA.

Preferential treatment with regard to assistance policies

The government also gives preferential treatment to women's businesses with regard to assistance policies. It gives additional points to women's businesses when selecting enterprises that will receive various kinds of government subsidies, and places foreign

industrial trainees and skilled workers in women's businesses first. The government also gives additional points when allocating portions of contracts for which the suppliers are already designated.

Access to finance and training

The SMBA offers education on funds procurement strategies and holds an investment mart so that women's enterprises can attract high-quality investment. The SMBA has already formed an investment fund for women's enterprises and is currently preparing measures for its effective management and expansion.

It also offers support to improve women's management of their businesses through training on management and informatization for CEOs. The Professional Course on ICT for Women CEOs, which takes place from January to June of 2004 is one example. The Korea Network Information Center (KRNIC) and the Asian Pacific Women's Information Network (APWINC) manage this program. It offers the opportunity to learn about topics such as mobile commerce, mobile technology, media campaign, meta-capitalism and e-leadership from experts in each field. The MOGE has also allotted KRW 15 billion (about USD 12 million) (based on 2004) from its budget to the Skilled Women Workers' Start-up Fund.

Evaluation of awareness of women's and small business support policy

This section examines the awareness of women's enterprises of government support policies in the areas of finance, tax, market acquisition, exporting, and informatization. It is based on the evaluation of awareness of the government's support policies by women's enterprises appearing in the 2003 "Survey of Women-owned Businesses and Discriminatory Practices", conducted by KWEA.

Financial support

About 72% of women-owned businesses responded that they were not aware of the government's policies supporting business activity, including financial support policies (Table 13). 97% indicated they have never made use of these policies, and the most significant reason for this low rate of usage was the lack of awareness. About 40% of businesses that have used these policies responded that they were useful, while 42.06% responded that they were not useful. Support policies for women-owned businesses seem unable to satisfy the enterprises because they have been formulated without sufficient research into the actual needs of women-owned businesses.

Tax support policies

86.36% of women-owned businesses do not appear to know about tax support policies such as SME loans and tax benefits, tax deductions for a variety of central nurturing projects, or reduction and exemption of corporation tax and acquisition tax (Table 14). Almost all women-owned businesses are unable to benefit from the tax support policies, since 99.82% of women-owned businesses are not making use of them. Of those that did make use of the tax support policies, just 23.43% found them useful.

Policies that support market expansion

About 87% of women-owned businesses are not aware of a variety of policies designed to help them expand their markets, including support by the Korea Trade-Investment Promotion Agency (KOTRA) for exports, overseas market research, establishment of overseas offices, and construction of informatization infrastructure. 99.94% are not utilizing these policies (Table 15).

Export assistance policies

About 89% of businesses owned by women are not aware of policies designed to support exporting, such as the SMBA's project to help companies become exporters, the loan support project, and interpretation/translation support. Exporting businesses that have not used the policies accounted for 99.93% of the total (Table 16).

Respondents showed a higher level of satisfaction compared to other areas of support, with 27.01% finding the policies to be useful. However, because the level of satisfaction is still low, more effective policies are needed.

Informatization support policies

Lastly, 85.26% of women-owned businesses are not aware of informatization support policies of the MIC, MOGE, SMBA and local governments, and 99.44% have not used them. Given that only 5.62% feel the policies are useful, their effectiveness can be doubted (Table 17).

Obstacles to women accessing government programs

While there are a variety of support mechanisms for women's and small businesses in place, women do not access these programs equally with men. The government doesn't seem to keep sex-disaggregated statistics on actual use of programs. Among reasons explaining this gender difference are the social structure, and gender differences in resource mobilization and organization due to cultural considerations shared by countries in the Asia-Pacific. Women-owned enterprises experience significant hardship while facing deeply-rooted discriminatory practices by public and financial institutions. For example, as the survey revealed, government and public offices and financial institutions demand husbands' guarantee, excessive security or additional documents when women business-owners request funding. They also give unfavorable consideration when assessing the amount to be loaned. At a time when venture capital assistance is gradually expanding, access is restricted for most women-owned businesses because women's SMEs are not included as venture companies. Research is needed to identify the actual financing needs of women's enterprises.

The lack of awareness by women entrepreneurs of support policies is a major barrier to their take-up by this group. Government agencies need to identify what steps they could take to better reach women's enterprises. The low level of approval by women entrepreneurs for government programs also suggests a need to study how their programs could be made more relevant to women's actual needs. The next section will present four case studies to further explain the possibility of overcoming a hostile business environment.

Chapter 2. Case Studies

Korea has placed great emphasis on the development of a pervasive high-speed internet infrastructure. In 2002, 45% of women¹⁷ were regular internet users. However, among business women, only 5% are internet users. The reason is that a great majority (95%) of women's enterprises are small scale or livelihood type tiny business entities. Therefore for these small and micro enterprises, intermediaries are needed to extend informatization to these small and micro enterprises as a group. With extensive government support, the internet has become a strategic tool for new businesses like internet shopping malls and SoHo micro-businesses. The "SoHo" model is an exploit simplified business model whereby a single entrepreneur can relate directly to customers and suppliers by using a single computer. In the absence of a bricks and mortar office, the startup costs and the overheads for such businesses are very low, ranging between USD 1,000 and 5,000. This business model is especially propitious for youth and housewives because of the flexibility in work hours and the possibility of marketing ideas directly. Furthermore, this sort of operation is ideal for expanding existing businesses online. This can lead to an average increase of about 20% within a short time of the opening of an online operation. Already big department stores in Korea do more business online than in traditional stores.

What concerns us here is that ICT is also ideal to nurture small women-owned businesses. To illustrate the point we selected a few case studies. We think that these offer a clear picture not only of how ICT can enhance the activities of women-owned businesses but, even more significantly, of how it gives the possibility of inventing new business activities that rely on ICT for their existence. Intermediary organizations such as the Gyeonggi Women's Development Center (GWDC) are crucial in the development of IT strategies for women-run businesses. The one-stop-shop approach is certainly the most fruitful as it indicates to women entrepreneurs what an IT strategy can do to enhance the productivity and profitability of their businesses.

AirMobile - Education and information service using ICT

As an online education industry, AirMobile (<http://www.edu-tp.com>) is a small women-owned enterprise consisting of CEO Kim, Myeong In and four employees. It is receiving support from the Gyeonggi Women's Development Center's (GWDC) One-stop Start-up Incubator Service. Earning about USD 800,000 per year (in 2003) two years after its establishment, AirMobile can be regarded as an exemplary successful woman enterprise.

¹⁷ As of December 2003, around 10,000,000 of 48,199,227 people had broadband internet access. 52.9% of women (compared with 71.7% of men) were internet users (Korea Internet Information Center KRNIC)).

AirMobile is an official Adobe training site that provides the Adobe Certified Training Program certificate. At present, it has a pool of about 47 professional instructors. The enterprise has strict management standards and is internationally competitive, having received offers to export its educational content to Australia, China, and other countries. By its structure and the way it was founded, AirMobile is representative of many small women's enterprises. It is a leader among women's enterprises in that it provides and exports information-based content with IT as its basis. The AirMobile case study demonstrates how women can acquire ICT skills and participate in economic activities using those skills.

Personal history before establishing AirMobile

The CEO of AirMobile is a mother of three sons and the eldest daughter-in-law of a large patriarchal family. Although she presently is a professional lecturer with an official Adobe certificate, she did not have any experience in this field before she founded AirMobile.

“Before I started this business, I managed a traditional Korean clothes shop for three years. However, when business became good the owner decided to run it on her own, which is why I left.”

“I learned how to use the computer because I felt that it would be good to show my sons that positive image. And after I started, I deemed it necessary to have an aim, which is why I tried to earn a certificate. After ... I felt that an official Adobe certificate would have good marketability. I obtained the certificate by self-studying, and started business while working freelance as an instructor.”

Knowledge of government support programs

Kim, Myeon-In was unaware of the existence of support programs by the government and private organizations concerning enterprises and business management, consistent with the findings of the Survey of Women-owned Businesses and Discriminatory Practice. Even if she had known of them, it would have been almost impossible for her to find assistance due to her meager qualifications.

“I learned computer skills through self-study, and did not receive any help... Searching on the Internet, I discovered the One-stop Start-up Incubator Service in the GWDC, and found out that they could give me support, such as providing a place for my business. I came to the center and told them of my wish for finding a business location. There was no space, however, and while waiting for good news, I volunteered as an instructor at the IT Training Center in the GWDC..”

“There was a time when I did apply for financial support, yet they asked for my husband to write a letter of guarantee, which wounded my pride.”

Practical uses and plans for IT skills

Presently, AirMobile is using a high level of IT skill in providing online courses through the internet and mobile courses using mobile phones. Nevertheless, there is also an interest in new IT devices such as PDAs (Personal Digital Assistants). And in order to grow online course content planning and production abilities, instructors are teaching Hardware and Software programs. This takes the form of self-training in a company environment where official incentives are absent but the need to hone IT skills is felt as being essential and it is part of every day work.

“Although our instructors teach courses on acquiring Adobe certificates, they are required to have an understanding of and obtain certificates of other programs.”

“At the present moment, we offer online courses based on the simple structured internet browser. However, we are planning on finding a way to transfer to mobile courses using the PDA. It is because there are limitations in having lessons on graphic on small mobile phone screens and PDAs could solve that problem.”

Prospects for expanding export markets

As consumer demand is high for Adobe products, demand for online training on Adobe is strong. Economies such as China have a strong interest in AirMobile’s educational contents, and so in order to export, course material is being translated into English and information on potential new export markets is being gathered.

“ We presented preliminary courses though our web site, and as a result, China, Australia and Canada have been showing a lot of interest. At the earliest, it seems possible that we will start exporting from the end of this year. ”

Preliminary courses and international marketing were all done on-line and by exploiting previously established informal business contacts.

The CEO ignored support programs for exporting and market development provided by related organizations and incubation centers, and for exporting, information on the export markets was collected through personal relationships. The main obstacle was the inaccurate information which resulted from this. As shown in the Survey of Women-owned Businesses and Discriminatory Practices, this is a common impediment.

Recommendations to the government

AirMobile CEO Kim, Myeong-In suggested the following three types of assistance that small women-owned enterprises need to develop.

“First of all, it is necessary to aid women CEOs in rearing children. I have three sons, the youngest only three years old, and as a women CEO, childrearing troubles me the most. The biggest merit of GWDC is that they built a daycare center right next to the building in order to keep mothers and their children near each other.

Secondly, assisting in building a network for small women enterprises is quite needed. Presently, there is no network where women CEOs with similar backgrounds can share their experiences. Networks such as the KWEA¹⁸ for businesses are for at least medium-sized not small-sized entrepreneurs. Thus, there should be built up a network focusing on small-sized business. Lastly, there should be a specialized program to support small women enterprises that want to develop into exporting business. The present procedure in entering the exporting business is too complex and abstruse for women founders who are already having trouble with business management. Either the procedure should be simpler or there should be a support program that women CEOs can use conveniently. Since the present import/export procedure is not only so difficult but it also is replete with complicated paperwork and takes too much time, it should be simplified for small business entrepreneurs. ”

BNP Enterprise - Sales of manufactured goods using ICT

A small woman-owned enterprise established by CEO Lala Hwang and two employees, BNP Enterprise (<http://www.bnpworld.com>) is an export business that sells imitation accessories on the internet, and receives support from the One-stop Start-up Incubator Service in the GWDC. Earning about USD 300,000 a year (in 2003) in two years and continuously growing, this business is an exemplary case of a successful woman-owned enterprise.

BNP Enterprise is responsible only for accessory design, receiving orders and delivery. Products are made in cooperation with small manufacturers. This takes the form of sub-contracting as it is common in many industrial and craftsmanship networks throughout the world. New manufacturers are also found through newly acquired business contacts which have had a long term partnership with BNP Enterprise since it started its business.

When accessory designs are made and orders are received, the orders are sent to small manufactories that manufacture the products. The products are then sent back to BNP Enterprise, which then delivers the products to the customers. BNP Enterprise makes long term contracts with specific manufacturers, and so both BNP Enterprise and the manufactories make healthy profits. This enterprise currently exports to New Zealand, Australia, Canada, Alaska and the Middle East, and is hoping to export also to Africa. Orders and negotiations are done online, and due to recognition of their creative designs, orders are continuously increasing. In order to prevent the outflow of original designs, which is common in this field, there is an effort to achieve security by not posting designs on the business website.

¹⁸ KWEA(<http://www.womanbiz.or.kr>) became legally recognized under the Women Business Ownership Supporting Law in 1999 and incorporated upon the approval of the Small and Medium Business Administration (<http://www.smba.go.kr>).

BNP Enterprise is typical of small woman-owned enterprises in its size, the way it was established, and its product: design. Also, this enterprise is unique in that it was established with the explicit intention to export. By having a close partnership with a small manufacturer that produces their products, they do not need to run a factory, and therefore need only several employees.

Personal history before BNP Enterprise

BNP Enterprise's CEO was a salaried employee before she started her own business. Always interested in running her own business, she had an idea for a business item and decided to enter the accessory industry.

“I had no connection with the field of design...however, I have always wanted to run my own business. While thinking of a good item, I saw an actress wearing a belly chain on TV and straight away made up my mind to go into the accessory business. I went to the market without any plans and sold items. Through that experience, I obtained good information on manufactory industries, which helped me get this far.

Awareness of government support programs

BNP Enterprise CEO Lala Hwang had always wanted to export, and consequently had collected a lot of information regarding exporting. She is able to advertise her products to foreign buyers through the Korea International Trade Association (KITA). However, she has never heard about the possibility of participating in exhibitions and designer support training programs provided by the SMBA. Although she knew about assistance programs, she says they are of no use to small women's enterprises, because the threshold to be eligible for benefits is too high.

“I only registered at the KITA, and foreign buyers contacted me after checking the list of registered businesses. Although I also signed up at internet search engines such as Yahoo!, the KITA was much more effective. I looked into the operational financial assistance program, but because I am single, I could not receive any benefits because most married women CEOs receive letters of guarantee from their husbands. Thus, I mostly counted on monetary facilities such as banks to gain financial support.”

IT usage

Lala Hwang began exporting and importing through the internet with only one item and basic knowledge about the internet. At first, she employed the services of a specialist to build a homepage. However, she later learned the skills for building internet homepages in order to maintain and update the page. She also enrolled in a professional photography course to learn how to take photographs of her products. In order to prevent indiscriminate disclosure of product designs, Hwang does not display them on the web but sends samples to those who order them. She shows an interest in the

coding of images and e-catalogs. She is also interested using e-certification, such as electronic signatures, when receiving and responding to orders through e-mail. Contacts in other countries were gained on-line.

Recommendations for government

Lala Hwang said the following with regard to policies that are needed to support exporting companies:

“ We need help in collecting information about the country where we want to export. So far, we’ve personally collected information about the country’s economy, culture, politics, etc. We visited the country, used travel guidebooks, or even learned from the buyers. We sometimes used information services but they’re hard to use because they’re too expensive. In all of these cases, the biggest obstacle is that we don’t know if the information we get is accurate.”

“I wish they would simplify the patent and registration process for original designs. It’s really common for things to become unmarketable while waiting because the registration process takes a long time. Especially for things like accessory design that don’t last a long time. So most people just give up registering.”

BizTalk – Women’s business community in GWDC

Established by the Gyeonggi Provincial Government in 1997, the Gyeonggi Women’s Development Center (GWDC) is a province-based public institution that offers IT education, services supporting women entrepreneurship, and an electronic network that incorporates gender-based analyses and perspectives. The GWDC assists women, especially underprivileged housewives, through systematic development programs designed for them, so that they may become true leaders and professional human resources in the emerging information-and-knowledge-based economy.

To achieve this goal, the GWDC has been offering business support services that we call a “Business Incubating Center (BIC)” since 1999 for start-ups to overcome the initial difficulties and be competitive in the IT field. From its establishment to 2003, about 106 companies applied for residence in the BIC. Because of capacity constraints, just under half, 47, were facilitated at the Center, and 11 became independent and are currently successful. Biztalk is a good example of a pioneering, gender sensitive service that addresses the needs of marginalized women entrepreneurs. AirMobile and BNPEnterprise are success stories that benefited from support from the GWDC Business Incubating Center when they started-up.

In addition to educational services for women start-ups, the One-Stop Start-Up Incubator Service of the GWDC runs a BizTalk program to facilitate networking among the businesses that enter the center by encouraging community activity. It also supports connections with women’s CEO

clubs such as KWEA, KOVWA, and KIBWA by holding a social gathering every year, and runs BizCafe, an on/off-line community, as a place for information exchange and cooperation.

"There are all kinds of companies here, like travel agencies, traditional handicrafts, trading companies... So we help each other. If the handicrafts company is exporting for the first time the travel agency helps out with the foreign exchange and the trading company helps out with import/export papers such as invoices" Lala Hwang, CEO, BNP Enterprise

"I sometimes find out from the Center's business newsletter that some agency is offering financial support. I get advice from other companies in the Center." Kim, Myeong-In, AirMobile

"After having carried out for five years concentrated support programs for businesses that are up to two years old, there are a considerable number of businesses that have become successful and graduated. We're running BizTalk to form a kind of business network to help graduates expand their area of business and give starters a place where they can get advice from their seniors. We'll first form partnerships with related agencies and organizations within the country then expand abroad." Youn, Young-Sook, Director, GWDC

E3NET-Research and development of mobile phone and game portal sites

E3NET (<http://www.e3net.co.kr>) is an interesting company because ICT lies at the core of its business; it does not rely on ICT to expand a traditional business model. The company was founded in 2000 and is headed by CEO Young-sook Seong who now employs a staff of 35 people. It has annual sales of USD 2,000,000 and a fairly sophisticated organizational chart that includes a marketing department and a dedicated export team. The games developed by E3NET have been exported first to regional markets such as China, Chinese Taipei, Japan and Australia and are now marketed in the United States. The company now attends major ICT international fairs and exhibitions and it is seeking to expand aggressively on the world market. It started by taking advantage of exhibitions and trade fairs organized by the Korea Venture Business Women's Association.

The case of E3NET is interesting because it shows how a woman entrepreneur can build a flourishing business with very little startup capital by utilizing ICT. Furthermore, E3NET also develops and markets ICT products so this makes it a very innovative company. Finally E3NET was able to harness the help offered by organizations such as the Korea Venture Business Women's Association.

Personal history before E3 NET

Young-sook Seong, the founder of the company, had always possessed an entrepreneurial streak. The eldest of five, she started her first business as a first-year university student borrowing USD 500 from her uncle. The business was a private

academy where school children could get private lessons in various subjects from university students. She used to sleep only three or four hours per night as she completed her studies and expanded her academy.

After twenty years of successfully running her business she decided after the 1998 financial crisis that the future lay with the internet and ICT sector. She started attending many seminars and courses in order to acquire the necessary skills. At first she started developing business software but it was after switching to mobile games that she became really successful. As a CEO in the mobile game business she displayed an uncanny ability to anticipate market trends. This made her mobile phone game content the most downloaded on the popular KTF network.

“I had to wait until 2001 to marry because I was too busy running my business. This meant I married very late. Furthermore, when I gave birth it was three weeks ahead of my scheduled delivery date. I had been for three hours in an intense meeting with my suppliers and the board of directors and suddenly I felt my head was spinning and we had to call an ambulance. I had to go back to work five weeks after giving birth even if I was supposed to rest for longer. There was a remote conferencing program whose development needed to be wrapped up and I was the only one who could do it. That was when I finally understood how difficult it is for a woman to run a business.” Young-sook Seong, CEO E3NET

Awareness of government support programs

E3NET receives support from the Korea Game Development and Promotion Institute, KOTRA and the Korea Venture Business Women's Association in the form of obtaining business intelligence, particularly on export markets, and invitations to trade fairs and seminars. However, they seldom received financial support. Like BNP Enterprise, E3NET mostly obtains financial support from private banks or personal loans in order to run their business.

IT innovation and cyber-security problems

E3 NET made a demo version of one of its games available for download from its website. However, this successful experiment had to be terminated because of security concerns. The fear was that a customer could have been in a position to decompile and reverse-engineer parts of the program once he or she downloaded the demo version. The security problem could not be entirely solved and for the moment the company does not intend to make demo versions available on the web.

Prospects of advancing as an exporting enterprise

As a result of their success in selling the mobile game "Bartender-Kim" to SKUSA (Superkats USA) for distribution in the USA, the company is trying to start exporting

to South East Asia and Europe. E3NET is attending various trade fairs and business conventions such as example the E3 game fair in the United States and the Tokyo game fair in Japan to meet directly foreign buyers. In addition, the company participates in the South East Asia export conference that caters to the Thai, Malaysian and Indonesian markets.

Recommendations to the government

The language barrier is the biggest problem that E3NET is facing in trying to increase its presence in foreign markets. What the company would like to see are a number of practical steps aimed at helping them with the translation of marketing material. They would also like to see closer supervision on the part of the government of their exporting efforts. Mostly they would like more assistance in dealing with bureaucratic obstacles and customs red tape. They perceive the current support policies not to be incisive enough. The government would ideally start implementing support policies aimed at micro-enterprises with less than five employees. These need not to be aimed specifically at women-owned enterprises. By catering to micro-enterprises in the service sector newly-developed government programs will target women entrepreneurs by default.

Chapter 3. Conclusions and Recommendations

Most women-owned enterprises in Korea, including those involved in international trade, continue to operate in a difficult business environment. One emerging powerful and efficient tactic is to utilize ICT, e-marketplace, and e-business in the export and import business. This paper has identified gender-based differences in women entrepreneurs' awareness of and access to government support programs. These programs in the field of finance, e-trade, and information are critical to successful participation in international trade. Gender-aware programs that involve non-government organizations, particularly women's organizations, governments and the academic sector could help to address these barriers by improving awareness of the existing support programs among women entrepreneurs, as well as improving the content of those programs so that they better meet the needs of the target group.

Recommendations for Governments

- *Promote and advance national policies for gender equality*

In Korea, the Ministry of Gender Equality plays a significant role in spreading the notion of gender equality. Although an authoritarian male-centered culture still dominates government and financial institutions, change is slowly taking place. For example, as part of a general gender mainstreaming policy, there are increasing efforts to take women into consideration during policy-making in each government department. Hard quotas are eschewed but the Ministry of Gender Equality tries to make sure that gender dimensions are taken into consideration by all government departments when formulating policy. In addition, more women are becoming high-level government employees. A policy that breaks up the male-centered hegemony in the economic and management fields and encourages women's participation in economic activities is needed to spread understanding of gender equality.

- *Supporting small and micro women enterprises*

Small and micro scale women enterprises should be organized and grouped to more effectively exploit the electronic training knowledge and experience. Toward this goal, some of the already established programs should be modified to provide maximum benefit to women enterprises. So far the dominant user of the e-market place has been the manufacturing sector, which is mostly male oriented. The majority of women's enterprises, however, tend to be very small and are concentrated in the service sector.

Other areas identified in the case studies include:

- the importance of capacity-building in the English language to participate in international trade

- simplifying trade documentation and paperwork is important for very small producers
- Small service suppliers rely heavily on the internet. Governments need to ensure low cost access to high-speed telecommunications infrastructure and capacity-building building on e-commerce. ICT education programs intended for the general population should include women entrepreneurs and women who are preparing to start businesses. Women entrepreneurs should be encouraged to participate actively in the new digital economy by raising their awareness of ICT and e-Biz. They should move beyond acquisition of simple knowledge of ICT to actively using ICT in business activities to help them increase productivity and profits. New business areas such as knowledge and cultural contents business should be promoted and nurtured so that women recognize that ICT is helpful in their economic activities

- *Customize ICT education and training program for women enterprises:*

Beyond introductory computer education, women's enterprises need a customized ICT education and training program that includes the ICT skills that they need in order to continue, expand and develop their businesses. In order to prevent losing competitiveness in 2 to 3 years due to reliance on outdated ICT skills, women enterprises need continuous ICT education and training programs from which they can always acquire the latest skills.

- Since women's enterprises are strongly represented in services, governments should ensure that their negotiations under the GATS protect and advance the interests of small service providers. In addition, governments should ensure that domestic measures that support women entrepreneurs, such as purchasing preferences and set asides for women-owned businesses, are protected in GATS negotiations and other plurilateral agreements on performance requirements.
- Service providers need to be able to travel to make contacts, promote their businesses and collect market information. Open access to key markets is important.
- Governments need to simplify and expedite patent and registrations for original designs. Small businesses need protection for original designs, but cannot always resort to patents and copyright provisions which take too long to process and are too costly. Small businesses must look to electronic solutions to protect their designs.

Recommendations for APEC

Trade Facilitation

The case studies drew attention to the importance of simplifying trade documentation and paperwork. Attention could be directed to documentation requirements for sectors where women's enterprises are strongly represented.

APEC Trade-related Capacity Building

APEC technical cooperation initiatives could be more gender-sensitive if they ensure that they include women service providers as consultants, and that local women service providers are engaged to provide training and other services. In addition, women's organizations and centers should be included in training on trade rules and in consultations on trade policy.

Transparency

The case studies identified the importance of market information and networking for women service providers. To facilitate networking, APEC could encourage member governments to identify and support contact points for women's business and professional associations in their respective economies.

Training

Small firms cannot protect their market position through patents and copyright protection alone, instead, they must constantly innovate. This puts a heavy burden on small service providers. Education and training programs need to include the types of skills (communications, problem solving, customer service, learning to learn, computer and on-line skills)

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APPENDIX: Tables

Table 1 Gender ratio of entrepreneurs according to classification of Industries

Classification of Industry		2001		2002		Component Ratio of Women Entrepreneurs (%)	
		Male	Female	Male	Female	2001	2002
Total		1,980,585	1,066,139	2,014,335	1,117,681	35.0	35.7
Agriculture	Agriculture	1,947	42	1,924	45	2.1	2.3
	Fishery	464	26	452	32	5.3	6.6
	Mining	1,898	96	1,804	105	4.8	5.5
Industry	Manufacturing	284,481	47,290	283,179	52,678	14.3	15.7
	Utilities	1,468	15	1,472	14	1.0	0.9
	Construction	68,235	4,696	73,331	5,984	6.4	7.5
Service	Wholesale, Retail Sale	566,295	325,611	562,036	334,994	36.5	37.3
	Lodging, Restaurants	202,099	414,773	203,826	430,898	67.2	67.9
	Transportation	280,223	7,920	298,708	9,657	2.7	3.1
	Communication	6,831	1,008	6,882	1,199	12.9	14.8
	Finance, Insurance	33,261	2,906	32,952	3,260	8.0	9.0
	Real Estate	71,717	23,302	76,755	25,533	24.5	25.0
	Business Service	64,485	7,027	71,536	8,443	9.8	10.6
	Public Social Security	12,009	103	11,978	180	0.9	1.5
	Educational Service	46,643	60,755	48,481	65,085	56.6	57.3
	Health, Social Welfare	43,836	18,878	46,175	19,864	30.1	30.1
	Entertainment, Culture, Sports	80,088	35,238	78,390	38,094	30.6	32.7
	Private Service	214,605	116,453	214,454	121,616	35.2	36.2

Table 2 Motivation to start-up businesses

Answers	Difficulty in finding employment	Need to make a living	Dissatisfaction with current employment	Secondary employment or hobby	To increase current earnings	Will to own their own business	Will to implement specific business idea	Total
Total	441	1,527	600	312	807	664	326	4,677
MES(percentage)	(9.4)	(32.6)	(12.8)	(6.7)	(17.3)	(14.2)	(7.0)	(100)
Women	215	794	138	246	397	224	90	2,104
MES(percentage)	(10.2)	(37.7)	(6.6)	(11.7)	(18.9)	(10.6)	(4.3)	(100)

Table 3 Enterprises with Overseas Offices by Country¹⁹ (Multiple answers, %)

Category	USA	China	Japan	Indonesia	Vietnam	Sweden	Italy	Mexico	Turkey	Malaysia	Other
	40.19	38.73	18.93	14.56	9.22	3.51	2.09	1.94	1.57	1.44	.46

Table 4 Future Plans for Exporting²⁰

Answer	No	Yes
Ratio (%)	6.33%	93.67%

Table 5 Status of Computer Possession²¹

Number Possessed	None	One	Two	Three	More than four	Average number owned	Average number of people in charge of computer
Ratio (%)	23.50	25.23	7.35	1.84	42.08	1.64	0.55

¹⁹. Survey on current status of women enterprises by SMBA and KWEA,, p.53.

²⁰ Survey on current status of women enterprises by SMBA and KWEA , p. 55.

²¹ Survey on current status of women enterprises by SMBA and KWEA p. 59.

Table 6 Area for Computer Use²²

Area	No use	Business use only	Intranet	Website	E-commerce (Online transaction)	Other (No answer)
Ratio (%)	65.80	23.49	3.32	4.25	0.88	2.26

Table 7 Unfair treatment of Women CEOs (multiple answers)²³

Answer	Ratio of Enterprises (%)
Prejudice because of sex regardless of ability	30.07
Fixed ideas of society (against women)	26.41
Misunderstanding of coffee shops as hostess bars	19.83
Not known	9.30
Discrimination by those in government offices	5.49
Regarded as trivial by those in government offices	4.91
Biased against type of industry	3.70
Connection not possible when taxed	2.71
Business is promoted only when husband is present	2.51
Demand for husband as certifier when requesting loans	2.45
Reluctance to give single women loans	1.78
Disregard of women by those in financial institutions	1.64
Entertainment culture/ drinking culture	1.42
Complicated documents at financial institutions	1.41
Avoidance regardless of ability	0.58
Disadvantage as a woman when requesting loans	0.26
Distrust in quality of products	0.22
Complicated documents and procedures when requesting loans from the trust guarantee	0.18
Sexual harassment	0.04
Distrust of women enterprises at financial institutions	0.03
Rejection of loans by the trust guarantee without inspection of business	0.02
Distrust by security institutions	0.01
School fraternity relationship	0.01
Unfair demands when issuing written guarantees	0.01
Discrimination against ability	0.01
Always	Other

²² Survey on current status of women enterprises by SMBA and KWEA p. 60.

²³ Survey on current status of women enterprises by SMBA and KWEA p. 140.

Table 8 Barriers Compared to Men in Business Management (multiple answers)²⁴

Answer	Housework, Child rearing	Androcentric entertainment culture	Disregard for women in public/financial institution	None	Control of staff	Misc.	Absence of network in male dominated industry	Disadvantage in physical strength
Ratio	49.25	14.72	11.56	4.94	4.15	3.90	3.02	0.04

Table 9 Awareness of Policies for Supporting Exporting and Informatization²⁵

Category	Policies Supporting Exporting					Policies Supporting Informatization				
	Awareness			Use		Awareness			Use	
	Well aware	Have heard	Unaware	Yes	No	Well aware	Have heard	Unaware	Yes	No
Ratio (%)	0.09	10.32	89.59	0.07	99.93	0.91	13.82	85.26	0.56	99.44

Table 10 Possibility of Gathering Information on Region to Export (%)²⁶

Category	Yes	No	Other
Laws and Regulations	35.64	63.75	0.61
Economic Circumstances	90.13	9.25	0.61
Cultural Circumstances	83.50	15.88	0.61
Demographical Circumstances	31.93	67.18	0.89
Market Scale	86.93	12.45	0.61

²⁴ Survey on current status of women enterprises by SMBA and KWEA p. 137.

²⁵ Survey on current status of women enterprises by SMBA and KWEA p. 162/159.

²⁶ Survey on current status of women enterprises by SMBA and KWEA p. 79-93.

Table 11 Means of Gathering Information on Region to Export (%)²⁷

Category	Set up overseas branch	Through organizations	Internal data, External reports	Personal relationships	Websites	Other
Laws and Regulations	18.87	25.54	8.28	33.78	2.41	11.12
Economic Circumstances	1.50	10.97	4.56	77.90	0.56	4.51
Cultural Circumstances	3.55	6.82	3.53	78.06	3.17	4.87
Demographical Circumstances	6.10	24.34	10.92	44.96	4.12	9.56
Market Scale	0.80	8.64	2.47	81.17	1.61	3.66

Table 12 Purpose for Internet Use (%)

Category	Data and information search	E-mail	Shopping, Reservation	Chatting	Game	Internet phone	Internet banking	Study	Entertainment	Society	News, Magazine	Other
Total	39.7	22.3	2.2	3	23.4	0	2.2	0.9	1.8	1.9	2.3	0.3
Male	40.5	18.7	0.7	2.1	28.8	0	2.4	0.8	1.4	1.5	2.7	0.2
Female	38.6	26.6	4	4	16.9	0	2	1	2.3	2.3	1.7	0.3

²⁷ Survey on current status of women enterprises by SMBA and KWEA p.79-93.

Table 13 Awareness of policies to support business activity

Awareness				Use			Effect (Base: Businesses that used policies)		
Well aware	Have heard	Unaware	Other (No response)	Have used	Have not used	Other (No response)	Useful	Not useful	Other (No response)
3.43	23.93	72.58	0.06	2.54	97.32	0.14	40.68	42.06	17.26

Table 14 Awareness of tax support policies

Awareness			Use		Effect (Base: Businesses that used policies)			
Well aware	Have heard	Unaware	Have used	Have not used	Useful	Not useful	Unsure	Other (No response)
0.91	12.73	86.36	0.18	99.82	28.34	5.81	42.43	23.43

Table 15 Awareness of policies that support market expansion

Awareness				Use			Effect (Base: Businesses that used policies)		
Well aware	Have heard	Unaware	Other (No response)	Have used	Have not used	Other (No response)	Useful	Not useful	Other (No response)
0.08	12.30	87.54	0.07	0.03	99.94	0.03	8.85	34.61	56.55

Table 16 Awareness of export assistance policies

Awareness			Use		Effect (Base: Businesses that used policies)			
Well aware	Have heard	Unaware	Have used	Have not used	Useful	Not useful	Unsure	Other (No response)
0.91	13.82	85.26	0.56	99.44	5.62	2.34	13.46	78.58

Table 17 Awareness of informatization support policies

Awareness			Use		Effect (Base: Businesses that used policies)			
Well aware	Have heard	Unaware	Have used	Have not used	Useful	Not useful	Unsure	Other (No response)
0.09	10.32	89.59	0.07	99.93	27.01	2.84	14.22	55.93

**Mainstreaming Potential Women Exporters
in International Markets through ICT: Malaysia**

**A paper prepared for the project
“Supporting Potential Women Exporters”
CTI 34/2003 T
APEC Committee on Trade and Investment
September 2004**

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Table of Contents

Executive Summary	3
Glossary	4
Introduction	5
Chapter 1: Women in the Malaysian Economy	7
Chapter 2: Malaysian Women and ICT	11
Chapter 3: Case Studies: Women in Business and Exporting Using ICT	13
Chapter 4: Conclusions and Recommendations	20
Bibliography	24

Executive Summary

Linking trade policy and trade promotion initiatives with domestic business development and gender equality objectives can produce outcomes that benefit marginalized groups. To show its commitment to promoting women's development, Malaysia is signatory to several international agreements on women including the Beijing Platform for Action. To ensure equitable participation in trade and economy, and ensure that women benefit from trade liberalization, the government has taken several measures to engage women in various sectors of the economy, including export sectors.

This paper provides an overview of women's role in the Malaysian economy, including the information and communications technology sector (ICT) and the use of ICTs in the export sector. Despite the progress made by women in all key economic sectors in Malaysia, the majority of women remain concentrated in low-skilled and low-waged jobs and very few in top managerial and decision-making posts. There is limited sex-disaggregated data on the activities of women in business and international trade.

The paper presents two case studies of pilot projects that promote traditional and non-traditional products and services of marginalized women through developing ICT and related capacities. Access to finance is a key issue for women in business, including getting women out of poverty and encouraging women to promote their businesses. The paper describes a pilot scheme, the "mentor-mentee scheme", which promotes and helps women in small industries gain access to finance to start, improve and enhance their businesses.

The paper concludes with recommendations for governments and APEC. The following suggestions are directed to APEC:

- CTI could address questions regarding intellectual property rights, including patents and trademarks, as well as quality control for traditional handicrafts;
- The GFPN could discuss strategies to address the lack of sex-disaggregated data on the involvement of women in export;
- Women's affairs ministries and women's organizations should be included among stakeholders that are engaged in consultations on trade policy and capacity-building on trade rules and opportunities.

Glossary

FELDA	Federal Land and Development Agency
FEM	Federation of Women Entrepreneurs http://www.fem.org.my
KPWKM	Ministry of Women, Family and Community Development http://www.kpwk.gov.my
MATRADE	Malaysia External Trade Development
MDGs	Market Development Grants
MITI	Ministry of International Trade and Industry
MTDC	Malaysia Technology Development Corporation
NAWEM	National Association for Women Entrepreneurs of Malaysia http://www.nawem.org/
NCWO	National Council of Women's Organizations http://www.ncwo.org.my
NITC	National Information Technology Council
SMIDEC	Small and Medium Industries Development Corporation
TAF-W	Special Technology Acquisition Fund for Women

Introduction

Malaysian women are important contributors to the country's economic and social development. The trend in female labor force participation rate has been rising since 1957, and in the year 2000, 46.7 % of Malaysian women contributed to the labor force. Women's access to health and education has also increased rapidly over the years. In 1995, the Beijing Declaration and the Platform for Action were unanimously endorsed by all participating members of the United Nations with the goal of improving women's participation in the economic sector. In line with this, Malaysia specifically committed itself to strengthen the implementation of the National Policy on Women in order to: (i) involve more women in decision-making; (ii) safeguard women's rights to health, education, and social well-being; (iii) remove legal obstacles and discriminatory practices¹; and (iv) ensure access to and benefits of development particularly in science and technology in the enhancement of economic growth.²

To preserve the gains made by women in health, education, and employment, Malaysia is addressing the needs of women arising out of the current of economic depression by mainstreaming gender concerns to strengthen programmes for women in development, through technical and vocational education, training, and labor markets.³

Linking trade policy with these initiatives can also produce benefits for women. The rapid pace of globalization has brought down barriers to trade, and economic borders no longer signify geographical or territorial demarcations. This has led to the formulation of rules, such as in the World Trade Organization (WTO), to ensure equitable and fair competition, transparency in trade dealings, and predictable trade regimes. Such rules-based governance of trade is necessary to ensure that no single economy or group of economies can dictate their will on others, and that the rules prescribed are agreed to by consensus. Increasingly, the market place, and the way business is conducted, are being determined and influenced by both internal or domestic factors, and external elements. Domestically, policy measures and public sector initiatives can directly impact upon trade and industry, through creating the necessary enabling environment for businesses to compete efficiently and successfully.

Addressing barriers to women's participation in the economy

Poor information flows, combined with low levels of literacy and limited skills development and training act as barriers to women's economic advancement and continuing participation in this area. At the global level, only 19% of women are employed in IT.⁴ Without more investment in female education, women could become locked into low-skilled, low paid, and insecure work. Many women's enterprises are small and located in traditional, vulnerable

¹ Article 8(2) of the federal constitution was unanimously approved by Parliament in August 2001. . That Article was amended to include the word "gender", so that there would no longer be laws or policies that discriminate against women.

² "Gender Equality and Trade". Notes from the Gender Equality, Trade and Development panel discussion, 5th WTO Ministerial Conference. Cancun, Mexico, September 2003.

³ Malaysia National Economic Policy.

⁴ Cisco gender initiative report "Women in Networking", 2001; <http://www.apdip.net/>

sectors such as traditional handicrafts, garments and food. Women may also experience gender-based constraints in access to ICT, training and marketing, advice on production design and development and export network and finance. But with more investment, and with access to credit and other assets, including training in ICT, women can gain real advantages from the opening up of world trade.

Malaysia has both fiscal and non-fiscal incentives for business, and strong and comprehensive government support to enhance entrepreneurial capacity and capability, upgrade human resource skills and productivity, and assist in securing markets for the products and services produced by enterprises in the domestic economy. Within this context, the government has put into place schemes that target women entrepreneurs, such as:

- special windows in all public financial institutions for financing enterprises owned and managed by women (this does not apply to private financial institutions);
- special Public Sector Funding for women entrepreneurs ;
- capacity building programmes to assist women entrepreneurs to enhance their skills and to enable them to make the transition towards knowledge-based business management and enterprise operations and enhance their role in export markets;
- training in ICT as a means to increase their socio- economic status.

Objectives of the paper

The paper reviews efforts by Malaysia to mainstream women, including marginalized women (rural and ethnic women) in business, production and export and also to determine whether there is enough data in these areas that will facilitate these initiatives. The paper looks at overall incentives and presents three case studies in order to determine any best practices and provide recommendations to enhance the initiatives.

Methodology

The paper provides an overview of women in the economy in Malaysia, and includes three case studies to illustrate constraints and opportunities for potential women exporters: one completed ICT-related project; a second, ongoing ICT project, and one micro-credit initiative that targets women. The paper draws on interviews with relevant agencies, as well as a literature review, including information derived from our previous projects.⁵

Organization of the Report

The report consists of five chapters. Chapter 1 provides an overview of women's role in the Malaysian economy, and describes initiatives to help women in business offered by various sectors, including government and NGOs. Financial support mechanisms, including grants, incentives, micro-credit schemes and training programmes for women are discussed. Chapter 2 focuses on Malaysian women and the new ICT era. Chapter 3 presents the case studies. Conclusions and recommendations are summarized in Chapter 4.

⁵ The "Networking Women" project was a pilot project funded by the Government of Malaysia and NCWO in 2001 to engage women in organizations to use ICT and electronic networking to improve their communication and information sharing.

Chapter 1: Women in the Malaysian Economy

The National Context

Economic development and growth during the last four decades have created employment opportunities benefiting both men and women. Although it has been accepted that Malaysian women are active agents of social and economic changes, women, especially marginalized women, are generally financially disadvantaged: they have lower incomes and few assets which in turn affects their borrowing capacity. As a result women are caught in debts and in a situation that prevents them from improving their businesses or export capabilities.

In this paper we define “marginalized women” as women in rural areas, ethnic women and women living below the poverty line.

In Malaysia, although there are some statistics available on the involvement of women in their contribution towards the economic activity of the country, statistics are not easily available on women operating their own businesses in different sectors, self employment or in the export sector. Although women made up 48% of the working age (15-64 yrs) population in 2000, they represented only 34.7% of the total labour force. The LFPR is expected to increase to 66.6% by 2005 with the rate for females rising to 46.2 per cent.⁶

Employment of women in all sectors increased in the period 1957-2000 in tandem with the country's economic growth. Females accounted for 34.7% of the labour force in 2000 compared to 24.5% in 1957. Of the total number of women employed, 34 % are in clerical work and sales in the retail sector. In the year 2002, only 5.6 % of employed women were employed as craft and related trade workers.⁷ There is no data that reveals this sector actually employs more ethnic women.

The manufacturing and service sectors are important drivers for employment, and there has been a shift from agriculture to these sectors. In the manufacturing sector, women (25% of total female employed) were mostly employed in the electronics, electrical, garments and food processing industries while men were in heavy industries. In the government service sector, women account for 42 % of employment, with most women in the support staff or lower category workers.

The proportion of women in management rose to 15.9 % by 2000. Women constitute just 10% of corporate presidents and CEOs. In universities, women make up about 50 % of academic staff, but the figure drops to 10% at the professorial level and 30% at associate professorial levels.

The number of women who are working as employers or proprietors and business partners is relatively low when compared with men. In the year 2000, only 10.4% of the 3.23 million females were employers. Malaysia has invested substantially in women's education: in the

⁶ Department of Statistics 2000

⁷ KPWK (Ministry of Women, Family and Society Development), 2003.

year 2002, 59 % of university graduates were women. An increasing number of highly educated professional women are entering businesses and modern professional services, working as proprietors, active business partners or practicing professionals in legal, accountancy firms, business services. While statistics are available on the percentage of women employed in these fields, data are not easily available on the number of women owning their own firms. The gender gap has narrowed tremendously between women's and men's participation in selected services, although there are still fewer women in the male-dominated engineering (11%), survey and (30%) architectural firms.⁸

Women Entrepreneurs: from micro-enterprise to small and medium enterprises

Women in Malaysia have been involved in small businesses as petty traders, family businesses or as operators both in rural and urban areas. Currently women entrepreneurs are involved in businesses such as pre-school and child care, beauty and skin care, and some in management, construction and production of rattan furniture. The challenge now is to improve the level of entrepreneurship in growth areas such as educational and training services, food sector, and health care, financial and newer services like ICT.⁹

Taking into account the importance of diffusion of ICT for growth, productivity and employment, the need for investment in training in industry and particularly in SMEs for women is urgently required

The government has provided strong support for women entrepreneurs during the last two decades. In rural areas, the Ministry of Rural Development and the Ministry of Agriculture offer programmes to scale up women's micro-enterprise into small scale-enterprise. Credit facilities are available for women professionals. However, studies suggest that when the micro enterprises grew into bigger enterprise, the businesses were subsequently taken over by husbands or male member of the family. In Malaysia, many women's non-governmental organizations (NGOs) are involved in activities aimed at getting women into business. The Federation of Women Entrepreneurs (FEM) was set up in 1996 with this objective, and since then has served as the umbrella for all other women's business organizations to provide the networking structure and coordinate various training programmes. These include seminars and workshops on business skills, packaging, marketing and labeling, overseas missions, motivational programmes, and developing marketing strategy including a micro-credit scheme for women. The main aim of government programs is to add professionalism to cottage industries and for women to take advantage of the support and credit facilities available from the Ministry of Entrepreneurial Development through these women's organizations. There are about 40 schemes, including capital loans, services and consultation for business and entrepreneurial development including for women.

⁸ KWPKM.

⁹ "The Progress of Malaysian Women since Independence 1967-200", p 65. Ministry of Women and Family Development. September 2003.

Constraints facing women in employment and economic activities

Various studies have summarized factors that constrain women in Malaysia from progressing to top-level jobs or decision-making levels as well as owning their businesses.¹⁰ Some of key factors include attitudes of society towards women and work, sex-role stereotyping and gender division of labour, the multiple roles of women as workers and employers and wives and mothers, gender segmentation and stratification, lack of training and re-training for returnees to work and gender discrimination at workplace. Just as important are the lack of access to information and skills which are needed for these women to succeed in all areas.

Financial Grants and Incentives Given By Government to Support Women in the Export Sector

Initiatives to help women in business, production and services which include the export sector are offered by governments, NGOs, and through partnerships between NGOs and government that are funded by government. These initiatives and programmes are offered by the National Information Technology Council (NITC), agencies of the Ministry of International Trade and Industry (MITI) such MATRADE (Malaysia External Trade Development), SMIDEC (Small Medium Industries Development Corporation), and various other ministries such as the Ministry of Rural Development and the Ministry of Entrepreneurial Development. For all three ministries, there are special sections or units that help women in business. The Ministry of Women and Family Development liaises with them and women's organizations are in touch with them. Very often individual women approach these sections for enquires and advice. However, there are no sex-disaggregated data on the actual use of these programs.

Other incentives include improving access to lending through the micro credit system, improving skills in business, accounting skills, improving quality of products, training programmes in financial management, and the use of ICT for everyday and business use.

Recognizing the importance of women getting access to finance, there are grant schemes for women entrepreneurs amounting to RM 26.7 million (about US\$ 7million) in 1999-2003), out of which only RM 8 million (USD\$ 2 million) was disbursed in the year 2003. The low disbursement rate was due to low applications and it was revealed that women are daunted by the procedures to procure these grants. Women are also eligible for all regular government grants and loans. Examples are the Special Technology Acquisition Fund for Women (TAF-W) which is under the management of Malaysia Technology Development Corporation (MTDC). This grant is to encourage women to take advantage of new technologies especially ICT to improve their businesses. However, only 30% of the funds were disbursed in the year 2003.¹¹

The Ministry of Entrepreneurship and the Ministry of Rural Development provide loans and grants for acquiring technology or skills for business or for specific projects, as well as for purchasing machinery and equipment. The grants come under Export Development Market

¹⁰ Ministry of Women and Family Development, 2003. Statistics on Women and the Family; The Progress of Malaysian Women Since Independence 1967-2000, p 65.

¹¹ Report from SMIDEC: <http://www.smidec.gov.my/index.jsp>.

Development Grants (MDGs). The Malaysia External Trade Development Corporation (MATRADE) also plays a role in assisting women in entrepreneurial development. MATRADE's role is to assist SMEs in developing export markets. It organizes seminars and workshops to nurture new exporters and update existing exporters on trade developments and business opportunities in the international markets. It guides and provides advice to SMEs that have the potential to market their products and services abroad. Announcements of activities are made in collaboration with women's business organizations. There is no information on the percentage of women who knew about this or those who participated in the activities.

Other grants include the E-Commerce Grant Scheme, provided by the Ministry of Multimedia, which is for ICT applications. The scheme provides assistance to participate in e-commerce and e-manufacturing activities. The scope of this scheme includes assistance to SMEs for the cost of setting up of websites for e-commerce activities through on-line transactions (B2B, B2C) and payment gateway. Funding is available for up to 70% of the financial requirements, with the remainder to be borne by the applicant. The maximum grant per company is RM100,000. Again, when enquiry was made, there was no information available as to the percentage of uptake by women.

There is also a grant scheme to upgrade production/engineering and design capabilities available from the Small & Medium Industries Development Corporation (SMIDEC). It provides a 50% matching grant, with the remainder of the cost being borne by the applicant. The maximum grant per company is RM300,000. There is no data available or collated on participation by women in the program or uptake of grants by women.

Non-fiscal incentives

These include many training programmes that encourage and help women and men in every stage of entrepreneurial development. There are no readily available data showing participation rates by women in these programmes.

Export Training Programme

This is a non-fiscal programme involving training programmes. MATRADE organizes seminars and workshops to nurture and update exporters on trade developments and business opportunities in international markets. The programmes are open to women and men, however, there are no statistics to show the extent to which women participate in them.

The seminars and workshops are conducted throughout the year and are announced through all business women's organizations. However, the announcements are not emailed but sent by mail to head of organizations and very often members hear of the events after they have taken place. Women in rural areas do not find out about the seminars.

Topics covered are pertinent to marginalized producers and include:

- export opportunities in new and emerging markets
- understanding the overseas distribution systems
- importance of E-commerce in international business

- enhancing product business image through branding, packaging and labeling as well as visual merchandising
- technical requirements such as CE Mark and FDA Food Import Regulations
- effective participation in international trade fairs.

They also conduct export training programmes and seminars on and doing business with target countries, for example:

- seminar on "Doing Business With China"
- video conferencing and seminar on exporting to Japan
- seminar on "Cost Effective Branding for Global Markets: An Action Plan for Success".¹²

Chapter 2. Malaysian Women and ICT

Use of ICT

A vibrant ICT society is critical for success in business and international trade in the global economy. The Malaysian Government has emphasized developing infrastructure and human resources capability for ICT, including a focus on women. The national priorities toward building Malaysia into a knowledge-based information technology society and economy were initially articulated in the *Seventh Malaysia Plan, 1996-2000* (1996:460) and reinforced in the *Eighth Malaysia Plan, 2001-2005*. The strategic thrusts of the *Eighth Plan* (pp. 379-380) include strategies to enhance business and export. These are:

- upgrading and expanding the communications infrastructure to increase accessibility throughout the country as a means of bridging the digital divide
- enhancing human resource development in ICT to increase the supply of highly skilled and knowledge manpower
- promoting e-commerce and enhancing its use to enable Malaysians to compete more effectively in the global market
- fostering local capabilities among women in creative content development and the use of computer and the internet.

Internet usage in Malaysia is increasing at a very fast rate. While there were only 13,000 internet subscribers in 1995, today the subscriber base is over 1.2 million, with another 500,000 internet users on leased lines.¹³ The International Data Corporation (IDC) Malaysia estimates that the number of Malaysian internet users will increase to 4 million by the year 2004.¹⁴ The majority of the users are mainly in urban locations, with 26% and 24 % of internet subscribers from Selangor and Kuala Lumpur respectively, and less than 1 percent in less

¹² <http://www.matrade.gov.my>

¹³ *The Star*, April 18, 2000.

¹⁴ *The Star*, April 18, 2000.

developed states of Perlis and Kelantan.¹⁵ Nevertheless, penetration rates are still low, with just 9 percent of the total population owning personal computers and 7 percent having internet access.¹⁶ There is no data on the rate of usage by women.

ICT and women's empowerment

ICT can be an important tool to advance women's empowerment and improve women's socio-economic status. There is a "digital gap" between urban and rural women, and between women of different economic status that can be addressed by policy, particularly policy aimed at providing entrepreneurial skills to women. ICTs have improved the economic status of women by increasing women's ability to work from home in societies where women's mobility may be circumscribed, and assisting women engaged in informal sector to shift to formal sector work. ICTs have improved global market access for craftswomen through e-commerce. In addition, women's organizations can use ICT to share experiences and information. Realizing the significance of ICT, in 2003, the Ministry of Women, Family and Community Development set up an urban centre, the "e-Women Centre" targeting single mothers and homemakers, where they can receive training and have access to the computer and the internet.

Another initiative, the "Networking Women" project,¹⁷ focused on connecting women's organizations through ICT. A research component in the project examined accessibility and usage of computers and internet by urban and rural women in East Malaysia, and by women on the East Coast of Malaysia which has a more rural population. The women in East Malaysia were quite diverse, including women of different ethnic composition. Survey data on access to computers and the internet and the use of these technologies from 3,000 respondents confirmed the presence of a digital divide between groups of women. Eighty percent of urban women from in and around Klang Valley had computers at home, compared with 60% of women in East Malaysia and 37% of rural women in the East Coast.¹⁸

Similar differences existed with regard to computer ownership and the use of computers in daily work. The study showed that individual ownership of computers, the number of computers at home, and use of computers at home are directly related to income, educational status and profession. Working women in Peninsula Malaysia have more skills and use many other programmes apart from Microsoft, compared with women in East Malaysia or the rural community of East Malaysia. Interestingly, when posed with questions such as whether ICT has positive or negative effects, overall cost-benefits, and improvement of services, more women in the rural areas could not answer these questions than urban women. The research showed there is a need to create more awareness among women on the advantages of using ICT in all aspects of their daily lives as well as a need for ICT skills.

¹⁵ INFOSOC Malaysia 2000: NITC estimates.

¹⁶ Eighth Malaysia Plan: 366.

¹⁷ Gibb, H, 2001. *Gender Mainstreaming: Good Practices from the Asia Pacific Region*. The North-South Institute, Canada, and APEC.

¹⁸ Mariah, H and Shah, FH, 2001. *Laporan Penyelidikan, Wanita Malaysia dan Teknologi Maklumat, Majlis Kebangsaan Pertubuhan Wanita Malaysia (NCWO), Jilid 1, 2001* (Mariah and Shah, 2001, Research Report, Malaysian Women and Information Technology, National Council of Women's Organisations Malaysia).

The Networking women project which was a pioneer project to get women organization to network with each other and was successful in training women to set up and manage their own websites. It also, developed a portal ¹⁹ belonging to NCWO meant for all women especially its affiliates. This was followed by training programmes financed by the Ministry of Women's Affairs and by many other ministries and agencies. As a follow-up to the "Networking Women" project, NCWO wanted to address and help different groups of women build their businesses and selling their products online, and using computers in all aspects of their business, including training as many women as possible in using the computer and internet. This would open their businesses to the international global market. NCWO under the project worked with women's organizations to provide training as well as with the Ministry of Women who provide more fund the following year for training. NCWO worked with the women coordinated by one lead women's organizations, young internet café owners as well as unemployed IT graduates who acted as facilitators. The government through the Ministry of Women's Affairs and other ministries provided funding.

Nurturing a critical mass of ICT-based small and medium enterprises (SMEs) particularly among women is the main objective for many women's organizations and Government. However, there is no special scheme for marginalized women, except for "single mothers", who fall in this category. Government and NGOs provided training in ICT as well as a holistic approach that will enhance their skills in business, production and export.

Chapter 3: Case Studies: Women in Business and Exporting Using ICT

Background

In addressing the gender dimensions of the digital divide, the Global Knowledge II Conference held in Kuala Lumpur, 2000²⁰ noted that the "divide" is not just polarization between the information-rich of developed countries and the information-poor of developing countries, it is also a disparity in terms of access, usage and benefits of ICT between men and women. A second international conference in KL that year, "Women in the New ICT era; Challenges and Opportunities" drew attention to the potential that ICTs have to facilitate learning, educational and economic activities.²¹ Since then, the National Council of Women's Organisations, Malaysia (NCWO) has undertaken a number of programmes to help women towards IT-literacy and e-commerce. NCWO's 2003-2004 Action Plan, includes strategies to integrate women as agents and beneficiaries of the K-economy and K-society). The specific objectives of this strategy are to:

- strengthen NCWO as a partner with relevant government agencies and ministries in initiatives to bridge the digital divide and develop e-economy and e-society projects for women
- intensify traditional ways and explore new ways of generating revenue for NCWO

¹⁹ <http://www.newwomen.net>

²⁰ Global Knowledge II Conference, Kuala Lumpur, Malaysia, 2000.

²¹ International Conference on "Women in the new ICT Era: Challenges and Opportunities", Kuala Lumpur, 2000.

- involve and help women access micro credit to enhance their involvement in export.
- engage women in business and get access to global markets by using ICT. NCWO has been involved in several projects to set up e-commerce websites to market women's products and services by women, particularly small producers.

Case Studies

Case Study 1: Developing an e-commerce website (www.Ncwo/ e-pasar) for marginalized women producers

Case Study 2: Developing a website for ethnic women producers (www. creativewomen.net) (this project is ongoing)

Case Study 3: Women and micro-credit

The following section describes two projects aimed at engaging marginalized women in entrepreneurship and in export markets. The projects involve several NGOs which took a leading role in promoting activities. The projects involve the use of ICT in marketing products and services by marginalized women as a way to expand exports and improve their economic status. In the case studies, “marginalized women” are defined as rural women and ethnic women in peninsular Malaysia and East Malaysia such as Sarawak.

The first project is called *e-pasar* (e-market), a project for plantation women living in oil palm plantations in Peninsula Malaysia.²² The second project is an ongoing initiative that was developed at the same time called the “CreativeWomen” project. The two projects have similar objectives and approaches, however, the “Creative Women” project targets ethnic minority women from Sarawak

The third case study discusses a project that tries to help women access finance through micro-credit. The loans can be used by women who are involved in marketing online. An important component is the provision of business skills through the “mentor-mentee” system.

The groups of marginalized women are women from the plantations of Peninsula Malaysia, and ethnic groups in Sarawak. The basis of community selection are that they are rural based, women who are not in full-time employment. They have very little or no exposure to ICT, reasonable literacy rates (ability to read and write); their communities have reasonable infrastructure (availability of electricity and telephone lines); the women are involved in small cottage industries or have skills to make traditional or heritage²³ products, and are affiliated with the NCWO. The women have low income or no income, or the household income falls below the national poverty line. The objective is for participants to improve the quality of their

²² <http://www.ncwo-epasar.com/>

²³ Traditional or heritage crafts are those that have been developed and handed down through generations.

products and services. This facility will be open to all women at the national level when the project has been fully utilized to its optimum level.

For both projects, the approach was multi-sectoral, involving government agencies, an NGO, the private sector and the communities. NCWO, together with government's lead agency (the Ministry of Science and Technology and the Ministry of Women and Family Development), and a technical partner (small IT companies or groups of people with IT skills) and content partners (people who will do the research or survey to provide the content for the portal) were involved. The objective was to develop e-commerce portals (e-marketplace) to enable the pilot community to do on-line business, and provide the training for both the *e-pasar* and CreativeWomen projects. The e-marketplace will promote and market the pilot community's cottage industry products to the global market. The approach is to develop the ICT capacity of the pilot community through the set-up of e-community centres that enable them to access and give or get input on the content for the e-marketplace. E-community centres are centres set up in rural areas in community halls or clinics, etc., where women can get access to the computers and the internet and also where they have the opportunity to display their products. The strategies use for both projects were the same.

The objectives of the *e-pasar* and CreativeWomen projects are to:

- provide training in the use of computers and the internet
- train and impart skills to marginalized women who are already involved in small businesses as a way of empowering and enhancing competitiveness in business at the national and international levels
- train women in computer skills relating to e-commerce
- train women in business skills
- train women in the use of ICT as a marketing tool
- set up centers for these women where they can display and sell their products as well receive training on computer and other related business skills
- provide an opportunity for ethnic women to document their cultural heritage and tacit knowledge on traditional handicrafts. Many traditional crafts and products are slowly being abandoned and not produced by the younger generations. These crafts run the risk of dying out. Therefore the project aims to get women to document their indigenous crafts and traditional production skills. The portal will also have value-added for the tourism sector
- additional in-depth research and surveys to identify target groups

All difference stages of the project, the e-specific objectives are to:

- provide skills and exposure to women on how to be involved in business at the international level
- instill confidence in the target groups to expand their sales outside their country with the use of the ICT and internet

- provide relevant skills and gather knowledge on increasing productivity, international standards for acceptance of products such as quality control, trademarks, etc.
- enhance the knowledge of target groups on the legal framework and existing laws (if present) on the use of internet in e-commerce
- help ethnic women to document their traditional knowledge on production of traditional products and document their indigenous and tacit knowledge of their cultural heritage.

Case Study 1: The e-pasar Project

The project involves SURI FELDA (Federal Land Development Agency, Women Section), and women from three communities in three states, two on the East coast, Pahang and Trengganu, and one in Negeri Sembilan. The participants are wives of plantation workers in oil palm and rubber estates working under the Federal Land and Development Agency (FELDA) programme. The wives supplement household income by getting involved in agriculture, rearing chicken and producing crafts, embroidery and producing snacks on a small scale. All the plantation women have community centres where they meet to work on their crafts and then display them. A coordinator from SURIFELDA coordinates the project for each centre. The products are also collected, displayed and sold in the head office in Kuala Lumpur. The project selected three centres as each focuses on different products, producing craft from rattan, weaved products from *Pandanus* and embroidery and sewn products.

In the first stage of the project, the women received training in computer skills. By the year 2003, 600 women had attended training in the use computer and Internet. The women are trained conducted by FELDA in basic production techniques, designs and marketing their products via the Internet, including training in ICT and business skills. Survey data has shown that the women in the project from the centre were able to increase their income. For example, a group of 13 women had sales figure of RM 14,000, and profits of RM 3,000 to RM 4000. From this income, they have to contribute towards the maintenance of the centre. Overall, the women had an income of RM 300-700 per month each.

Case Study 2: The CreativeWomen Project

This project involves women from around the small town of Sri Aman in Sarawak. It is championed by the women's group of the police association of Sri Aman, in collaboration with NCWO. As a result of the first project (Networking Women) the women's group contributed a small building for the ICT centre. The community centre to be set up will be an extension of the ICT centre. This group is an interesting one, as it includes many different ethnic minority groups, each having its traditional craft. Some groups have gone through the process of urbanization, having moved from their traditional communities and now live in town areas.

Low profits and poor marketability is slowly eroding production of the traditional crafts. The women were eager to learn and very proactive to develop this project. In the initial training program, to ensure women would be able to attend, we developed a two-day preliminary module where women would get a one day exposure to Microsoft and one day for internet.

This was found to be more suitable for the women, as most of them were not able to take two full consecutive days off from their family or village commitments. It is easier for the women to organize their time when the programme is split up, rather than continuous one. They are then able to go on to further training.

The project addresses the following barriers encountered by women engaged in cottage industries, including:

- The cottage industries have limited market reach, and the traditional market is not reliable. Thus prices are low compared to the effort exerted to produce the products.
- The communities have a large workforce available, but they are not tapped to the fullest potential and many of them do not participate in the cottage industry due to low returns.
- The communities' younger generation is not interested in participating in the industry and continuing the heritage skills.
- The communities are in rural areas and have low IT literacy; PC and internet penetration is low.
- The communities lack knowledge in producing value-added packaging, product positioning and quality control in their industry due to limited knowledge and feedback from the market.
- Communication and collaboration is limited among the communities and there are no efforts to organise them to be able to exploit the sales of their products in the best possible way. The result is fragmented efforts within communities.

Key Partners and Stakeholders in Case Study 1 and 2

To achieve the objectives of the two projects, we engaged the e-smart partnerships, involving a technology group for content and ICT (TMNet), ICT companies and relevant writers (DRH-Hicom), an NGO (NCWO), government through FELDA and the communities themselves. The content and ICT partners were involved in content development, ICT and technology development and also provided training in business and other related skills. For the *e-pasar* project, the website was set up with the assistance of a telecommunication company and a private corporation (Telekom Malaysia and DRB- HICOM). The first part of the CreativeWomen project was financed by NCWO. Financial support is being sought from the Ministry of Science and Technology and the Ministry for Women and Family Developments to continue the second project at least to the setting of the e-commerce website.

Impacts

Anticipated outcomes 12 months after the implementation period include:

- increased sales and exports of products by women;
- extensive resources on income generating ideas for homemakers who would like to work from home via the portal;

- direct monthly income for homemakers who are hired as consultants for the project so that they can share their knowledge with other women (the project provides for training the trainers);
- at some stage the portal will be managed by home-based workers for home-based workers (grassroots to grassroots);
- a virtual office with full-time and part-time workers will be established to develop a computerized system to keep all records and sales and all forms of management on line.

In addition, the projects hope to play an important role in community building and development, by:

- increasing the IT literacy level of the women in the community in operating the PC, office applications, Internet and e-mail usage
- attracting the younger generation to get involved in heritage skills
- improving community communication through on-line business and intra-community collaboration with access to Internet
- generating additional income to the community through access to on-line business
- enabling the community to maintain and organize activities of the e-community centres on their own

From the point of view of content creation and development of local content on a topic, the project will:

- develop resources on indigenous and heritage products and production processes like rattan-based and "mengkuang" (*pandanus*)-based manufacturing
- develop and promote Malaysian based handicrafts, decorative items and cottage industry to the world
- create business process and operation documentation which could be replicated in other communities
- create operational documentation for e-community centres that could be replicated
- produce a report on challenges, issues, process and effectiveness of the pilot project.

Lessons Learned

- although the first e-commerce website for plantation women was set up, and online purchases were carried out, it was not easy to sustain due to lack of funding
- the project needed dedicated volunteers, commitment and expertise by the women involved in the projects

- there were insufficient funds to carry the projects to meet all of its requirements.
- The target groups require strong support over the longer term: although they received basic training, the communities such as the plantation women (SURIFELDA) had no experience in the field of e-commerce and required detailed and continuous training and demonstration throughout each component of the project, step by step.
- For the ethnic women Sarawak, although the initial phases of identifying target groups and training was provided for almost 800 women and small initial centres have been set up, the actual programme and training of putting their products awaits full funding.

Case Study 3: Micro credit scheme for women in Malaysia

Realizing the significance of access to women, The National Treasury of Malaysia has allocated a total of RM 300 million to the National Savings Bank (BSN) to assist men and women entrepreneurs finance their business through micro credit, which is not gender biased. Many activities were conducted to help women gain access, know-how and assist them in all aspect of getting the loans. The activities include:

- training of mentors by NAWEM
- training of mentees by mentors
- fortnightly meeting to ensure smoothness in the application of credit from the bank.
- helping women understand the know-how of setting up a small business

The mentor-mentee system was set up after discussion by NCWO, FEM and NAWEM to help women borrowers access finance until their business is successful. The mentor has to be a successful businesswoman and have owned a business for at least 5 years. The women borrowers are able to borrow from RM5000- RM20,000 without collateral. For new businesses, all that is required is a positive cash flow. For existing businesses, prospective borrowers have to show and justify the amount of loan required. Borrowing exceeding RM10,000 needs to be confirmed with a certificate of registration of company.

Currently, the system has 3,162 borrowers utilizing RM26.108mil and engages 1,125 women who act as mentors. To date, there have been only 7 defaulters (0.3 % default rate). Interest is charged at a rate of 4%. The list of women who succeeded in getting finance shows that the more rural states of the East Coast of Malaysia had proportionately more borrowers (8-19%). A preliminary survey shows that the role of women's associations and association leaders in the dissemination of the loan facilities to women was a major factor affecting the number of applicants in each state. To help ensure the success of the program, all borrowers were required to become members of NCWO, FEM or NAWEM. The women's organizations monitor and assist the borrowers. To get more applications, information about the micro credit scheme is announced in every programme conducted by the women's organizations.

The initial response from the applicants showed that women were ambivalent about roles of mentor and some felt that the process took longer, because of the training component, than when they applied directly. The mentor gets a nominal fee of RM200 on approval of application. Mentors provide advice on a continuing basis and help borrowers with the planning and utilization of the loan.

Chapter 4: Conclusions and Recommendations

There is clear need to engage marginalized women in activities that will directly help them market their products at the local as well as the global marketplace. For them to succeed, marginalized women need training in product design, as well as in patents and trademarks to protect traditional, heritage designs and production processes. There is also an urgent need for better access to finance, as well as to finance for ICT training, e-portal development and content development. The *e-pasar* and CreativeWomen pilot projects demonstrate the synergies that are possible between gender equality, income generation and community development objectives and initiatives aimed at promoting exports through ICT capacity-building. The case studies also demonstrate the importance of integrating a gender-sensitive approach to capacity-building. Successful programmes emphasize equal partnerships between husbands and wives, monitor and protect women in rural and informal sectors, especially in home-based work, expand and target gender sensitive entrepreneurial development initiatives and business opportunities for women, especially for female head of households. ICT capacity-building programmes need to target women from various socio-economic classes and geographical locations.

The pilot projects are unique in that they include ethnic women as a target group, and capacity-building in using ICTs to promote and preserve production of traditional crafts and to facilitate export sales.

Recommendations to APEC

Standards/intellectual property

- There is a need for further information on questions regarding intellectual property rights including patents and trademarks, as well as quality control for traditional handicrafts. Survey data and the case studies suggested that these could become concerns, however, there is no emphasis on trade rules or protection for artisanal designs in training programs. APEC could include capacity-building on intellectual property rights for producers of traditional handicrafts and artisanal products in its trade-related capacity building activities.

Sex-disaggregated data

- A major difficulty in evaluating the demand for and impact of policies and programmes that support business development, trade promotion and employment is the lack of sex-disaggregated data. There are continuing limitations in the availability of data on women's employment patterns, participation rates in businesses, production, services and export. This study in particular found the need for:
 - sex-disaggregated data on women's economic activities

- sex-disaggregated data on the involvement of women in export including the use of ICT
- statistics on involvement of ethnic women in business and export

APEC's Gender Focal Point Network, which includes officials from women's affairs ministries and trade, industry, SME and other ministries in APEC member economies could undertake a dialogue on ways to improve collection and analysis of sex-disaggregated data in member economies. This dialogue could build on the work of the AGGI project, "Economic Contributions of Women and Men in APEC Economies".

Linking gender equality and trade-related capacity building

The case studies described the important role played by national women's organizations in initiating projects and collaborating with government agencies to deliver programmes. Women's affairs ministries and women's organizations are key actors in initiatives that link trade capacity-building and policy with domestic business development and gender equality objectives. Both need to be included among stakeholders that are engaged in consultations on trade policy and capacity-building on trade rules and opportunities.

Recommendations for national governments

Promoting women-owned and led-SMEs

The following recommendations to increase the participation of women in export through ICT capacity-building incorporate feedback from the participants themselves offered at a forum, “Women and ICT”, and research documenting the use of ICT by different groups of women in rural and urban areas, women in Peninsula Malaysia and women of Sabah and Sarawak. These initiatives were carried out in conjunction with the *e-pasar* and CreativeWomen projects.

- Government should undertake a benchmarking process, using sex-disaggregated data, to ensure policy is actually implemented and making progress.
- In partnership with women’s organizations and the private sector, governments should promote pilot projects for e-business for micro and small businesses
- Governments should promote strong partnerships between regions, government and enterprises to collaborate in initiatives that provide technical, specialized training for marginalized women.
- Projects that target women are constrained by the lack of secure, long-term funding. Projects can be partly financed by annual maintenance fees paid by participants until the projects are self-sustaining. The time frame will depend on the individual context of each project.

Call centres for SMEs

Access to information is a major barrier to very small enterprises. One-stop call centres linked to an extensive database on the micro and small enterprises themselves can provide information on funding and training programmes available to micro and small enterprises, potential market opportunities; other companies with which micro and small enterprises might network.

Facilitating e-commerce

The case studies described training programmes that target women producers from various socio-economic classes and geographic locations. Improved access to ICT for women in the informal sector, and in rural communities is key. Pilot projects such as *e-pasar* and CreativeWomen that link government support programs with women’s organizations, technical and content advisors from the private sector, and the local communities, can serve as models. The pilot projects identified the importance of continuous training in computer skills and the internet, in business skills, awareness-raising and training in the use of an e-commerce portal, and the use of ICT to provide information on products, pricing and markets for Business-to-Consumer sales.

The pilot projects identified a need for:

- better information and communication infrastructure for rural, remote areas. One example is a mobile library, which is a bus that travels every week or two to remote areas to provide these facilities. In addition, computers and Internet access needs to be put in areas that are accessible to women, like prayer houses, community halls and clinics for women.
- alternative, lower-cost channels for foreign exchange trade. At present, banks and existing methods for on-line payments are too expensive for new, small exporters. In Malaysia, for example, set-up fees range from RM 2,000 to RM 5,000, and an annual maintenance fee amount can amount to RM 3,500 to RM 6,000.²⁴

Targeting training to potential women exporters

The experience working with these potential women exporters demonstrated the need for training courses that target marginalized and ethnic women on competitiveness concerns such as quality assurance, standardization, patents issues, trademarks, and branding.

Enhancing access to micro credit

Business development services should accompany provision of micro-credit. Women's associations can play an important role here. The National Treasury of Malaysia program to increase access to collateral-free micro capital by small women and men entrepreneurs included training and ongoing mentoring provided by women's organizations. The roles of the women's associations and association leaders in the dissemination of information on the loan facilities to women were major factors in boosting the number of applications for loans.

²⁴ Homebased Business workshop, Kuala Lumpur, Malaysia, September 4, 2003.

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**Supporting Potential Women Exporters:
A Case Study of the Northern Homebased
Workers Network, Thailand**

**A paper prepared for the project
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Table of Contents

Executive Summary	3
Glossary	6
Introduction	7
Chapter 1. The Macro Level Context	7
The financial crisis and its impact	8
The informal economy in Thailand	9
Government programs to promote the informal economy	10
Chapter 2. The Northern Home-based Workers Network (NHWN)	11
Promoting social protection, health and safety at work	17
Impacts	18
Innovative practices for decent work for informal workers	20
Lessons learned, problems and constraints	20
Chapter 3. Conclusions and Recommendations	25
Bibliography	27
Annex 1. List of NHWN members	28
Annex 2. Tables	28

Executive Summary

This case study was commissioned by The North-South Institute, Ottawa, Canada, to profile initiatives that support export activities by potential women producers of goods and to make recommendations for follow-up activities with a particular focus on APEC's Committee on Trade and Investment (CTI). The case study was drawn from reviewing of various studies and reports, interviewing the supporting NGO and key leaders of the producer groups, field visits and focus group discussion. These groups are supported by local NGOs, the Sustainable Alternative Development Association (SADA), and Homenet Thailand.

The Asian financial crisis that struck Asia 1997 to 1999 severely affected the economy of Thailand, plunging its gross domestic product and constricting the employment opportunities for its labour force. It was believed that a huge number of retrenched workers turned to the informal sector as small scale traders in urban areas or as farm workers in rural areas. The government then tried to reinvigorate the economy by promoting small and medium scale enterprises through existing support channels such as the One Million Baht Loan Fund for Village and Urban People and the One Tambon One Product (OTOP) Project aimed at building capacity of small producer groups. This was also responsive to the King's Philosophy on a self sufficient economy at the family and community level. By the year 2000 until 2003, the Thai economy started to recover, with a steady rise in its GDP rate from 4.4% in 2000, 5.4% in 2002 and to 5.6% in 2003.

The case study of the NHWN presents the experiences of the largest network of self-help grassroots women's groups across the northern provinces of the country. These groups were organized to address economic and social problems of their members. The groups engage in cotton woven fabrics, woven cloth making, basketry and antique, woodcarving, mulberry paper production, food preservers and herbal products.

The group organization is viewed as a crucial tool to empower marginalized women producers for social and economic development. They have obtained resources and information and learned to move through collective action. They have gained self-confidence and recognition from their family and the public.

The women's groups adopted different strategies to overcome various problems confronted by their enterprises. A significant collaborative strategy that they set up was the Learning Center (LC). The Learning Center is a marketing unit that facilitates access to foreign markets as an overall strategy for economic sustainability. The LC also addresses social protection.

The LC was set up as a non-registered cooperative formed through mutual investment among its members. The Learning Center markets various products but specializes in naturally dyed woven fabrics. A website was launched to be a market channel. Presently, the Japanese market is likely to be its most extensive market. In the past, the LC experienced unsuccessful joint investment ventures with two exporting companies due to its weakness in business relations. With regards to its social protection agenda, it has been promoting gender sensitivity, health, and safety

awareness and strategies at work among the various women's groups, with support from the Sustainable Alternative Development Association (SADA).

The NHWN has successfully generated public recognition as a model of an outstanding membership-based organization. As an organization, it has improved the business management skills of its members. Their access to e-commerce has expanded their market and led to an increase in their sales during the last 2 years. They are now recognized by local authorities and concerned organizations as pioneers in the promotion of decent work for informal workers through establishing health and safety awareness and practices among grassroots entrepreneurs.

The NHWN faces a number of challenges. The approach of the LC as a formal marketing enterprise demands technical expertise to ensure its sustainability. The two pronged social and economic goals of the LC require dual programming and corresponding human resource capacities.

The business capacity of the LC is still limited particularly in its ability to learn and analyze new information. The inadequacy of their capital fund is a major constraint in expanding their marketing business. They have good opportunities to access foreign buyers but their skills on business negotiations and e-commerce still have to be improved. There is an enabling policy to promote small and micro-enterprises but the services tend to focus on educated entrepreneurs rather than marginalized and community based women producers.

The study forwards the following recommendations to APEC CTI:

1. **Support training of grassroots producers that will ensure their capacity to sustain and develop their business over the long-term.** Training needs analysis must be done to identify particular needs of and training strategies appropriate for non-literate/semi-literate and economically vulnerable grassroots producers. The needs analysis and the resulting training strategies should take into consideration the links between the marginalized producers and the rapidly advancing technologies.
2. **Address the gaps in access to financial resources among marginalized women who have the potential to become successful entrepreneurs.** Adequate start up funds for businesses is very important. The amount required to start the LC was above the accessible micro-finance loans to these women. They could not turn to financial institutions, however, due to a lack of collateral. With a limited number of women with capacity to contribute to its capital fund, the LC could not invest and expand further its marketing business.
3. **APEC could foster the organization of discussion forums aimed at creating partnerships between small producers and international markets including the larger trade organizations, fair trade organizations, and alternative trade organizations.** The forums could bring together various stakeholders including business, civil society, and grassroots organizations. These discussions must cover relevant concerns among marginalized producers. One could be a value chain analysis that will review stakeholders

and responsibilities along the chain. Another could be the promotion of corporate social responsibility. Promotion of niche markets for grassroots women's producers groups could be initiated by these forums.

4. **Improve the capacity of the LC on e-trade aimed at facilitating women's producers groups' access to foreign markets.** APEC-CTI can invest in training supporting NGOs who could eventually conduct training at local levels. Special training designed for small producers will enhance their appreciation of e-trade and their skill in utilizing e-trade technologies in the long term.

5. **Conduct research and studies to draw attention to the issue of intellectual property rights for handicraft products produced by marginalized exporting producers.** Most of the hand woven cotton fabrics of the network members show indigenous patterns and designs. Each region of Thailand has its own traditional style. Different names are assigned to these fabrics according to their patterns and designs as well as on the production process. The small women producers must be prepared and protected to tackle issues on intellectual property rights as they expand their marketing business.

Glossary

CHN	Chiangmai Homeworkers Network
CSP	Cotton and Silk Project
EOW	Expansion of Employment Opportunities for Women in Thailand
GDP	Gross Domestic Product
GNP	Gross National Product
HNT	Homenet Thailand
ILO	International Labour Organization
LFS	Labour Force Survey
MOLSW	Ministry of Labour and Social Welfare
NESDB	National Economic and Social Development Board
NHWN	Northern Home-based Workers Network
OSH	Occupational Safety and Health
SADA	Sustainable Alternative Development Association
SIF	Social Investment Fund
STEP	Strategies and Tools against Social Exclusion and Poverty
TAO	Tambon Administration Office
WISE	Work Improvement in Small Enterprises

Introduction

Methodology and Organization of the Paper

The case study adopted various approaches to obtain information. The literature review was made through various studies relating to macro context analysis and informal economy of Thailand. Several interviews were made with key informants, including representatives of SADA, the NGO that was instrumental in providing support to the marginalized women producers. These interviews were conducted in parallel with reviews of available reports. The group discussion among the key leaders of the producer groups was held during a visit to Chiangmai to get their insight. Informal observation was employed throughout the information gathering and interviewing.

The paper is divided into 4 parts. The methodology and organization of the paper are set out in the Introduction. Chapter 1 presents an overview of the macro level economy in Thailand, with emphasis on the financial crisis and its impact. A review of the criteria and statistics of informal economy is made. Various governmental programs to promote the informal economy under small and micro enterprises are described. Chapter 2 presents the case study, the Northern Home-based Workers Network (NHWN). The network promotes productivity and marketing development through the Learning Center (LC) to act as a marketing unit and provide other social services including skill training and e-trade. The joint investment of two exporting companies illustrates an unsuccessful effort and the lessons learned by the group members in trying to expand to wider markets. A key component of capacity-building for exporting included introducing mechanisms for social protection and health and safety at work, as well as gender awareness. Conclusions and recommendations are provided in Chapter 3.

Chapter 1. The Macro Level Context

In 2002, the population of Thailand was 63.46 million. Out of that number, 47.68 million persons over age 15 constituted 34.26 million of the working population and 13.42 million of the non-working population. Thailand has a steady upward movement in the sex ratio, at 100.5 females to 100 males (see Table 1).

Table 1 Age-specific female sex ratios in Thailand

(unit: per 100 males)

Years	All ages	0-4	5-14	15-24	25-34	35-49	50-64	65+
1985		99.5	95.9	96.2	96.5	100.0	101.3	106.9
128.5								
1990	99.7	96.4	96.4	96.3	98.6	100.9	108.4	127.6
1995	100.0	96.3	96.4	96.7	97.2	101.4	108.0	127.9
2000	100.5	96.4	96.6	96.7	97.1	101.4	107.4	130.7

Source: ESCAP, Statistics on Women in Asia and the Pacific 1999 (ST/ESCAP/1995)

The financial crisis and its impact

Thailand had several high-growth-rate years in the late 1980s and early 1990s. Between 1988 and 1990, it had double-digit growth; between 1991 and 1995, the average annual growth rate of GDP was 8.7 percent; the GNP grew by 7.2%. After the crisis outbreak in mid 1997, the real GDP growth rate of Thailand was -1.4% in 1997 and -10.8% in 1998. It expanded by 4.2% in 1999. From 2000 to 2003, the Thai economy continued growing at growth rates of 4.4%, 5.4% and 6.7% respectively.

The crisis resulted in heavy economic and employment contraction. Thailand suffered the greatest percentage of losses in jobs, and the increasing price of consumer goods (Suwannarat, 2002). There was a significant rise in unemployment from 2.2% to 4.6% between 1997-1998. The proportion of the female workers out of the total number of laid-off workers was 48.3 percent in the pre-crisis period. The ratio increased to 57.6 percent in the course of the crisis (ESCAP, 2003). The incidence of poverty increased from 11.5% in 1996 to 13.0% in 1998, to 15.9% in 1999, and to 15.0% in 2000 (FES, 2002). According to NESDB, the crisis contributed to a greater reduction in employment among males than females (FES, 2002). Some critics suggest that this fluctuation came about through the greater numbers of women who took on multiple jobs.

The total workforce (Table 2) increased from 33.81 million in 2001 to 34.26 million in 2002. The aftermath of the 1997 crisis resulted from the higher rates of higher open unemployment. During the crisis, it was believed that many of those retrenched sought work in the informal sector as small traders in urban areas, or as farm workers in rural areas.

Table 2 Employment and Unemployment in Whole Kingdom, 2001-2001

(Unit : 1,000,000 Persons)

Employment status	2001	2002
Total population	62.93	63.46
Total labour force	33.81	34.26
Employed persons	32.10	33.06
<i>Agriculture</i>	13.61	13.05
<i>Non-agriculture</i>	18.49	19.02
Unemployed	1.12	0.83
Seasonally inactive labour force	0.59	0.36
Not in labour force	13.24	13.42
Person under 15 years of age	15.88	15.79
Unemployment rate (%)	3.31	2.42

Source: NSO, Report of the Labour Force Survey Whole Kingdom, 2001-2002

Between 1997 and 1999, the number of private employees declined by 12.3%, while the number of government employees increased by 9.1% (see Table 3). The table also shows a shift from paid employment to self-employment with considerable increases for employers (22.1%) and own-account workers (8.5%). The rise in the number of employers means that the number of enterprises is rapidly growing.

Table 3 Employment by Status, February 1996-2001 (million)

Employment status	1996	1997	1998	1999	2000	2001
Employers	0.84	0.77	0.78	0.94	0.96	0.97
Government employers	2.31	2.42	2.67	2.64	2.79	2.88
Private employees	11.61	11.58	10.63	10.16	11.00	11.56
Own-account workers	9.36	9.30	9.48	10.09	9.74	9.55
Unpaid family workers	5.80	6.03	5.71	6.04	5.81	5.45
Member of producers' cooperatives	-	-	-	-	-	0.04
Total	29.92	30.10	29.27	29.86	30.30	30.44

Source: NSO, Labour Force Survey, various years

Generally, the formal sector employees of private formal sector and public sector are covered by the social security system and government benefits. The informal sector employees are offered various social assistances and services. Based on the MOLSW's estimation (2002), approximately 23 million people do not have access to the social security system. The Ministry is extending social protection to this group. This population includes; home-workers and subcontracting workers, credit union cooperatives and groups, farmers and fishermen, public drivers, self-employments, seasonal workers, and other informal services.

The informal economy in Thailand

There are no clear and standardized definitions of the informal sector in Thailand. The NSO uses criteria based on qualitative characteristics of the sector, and the number of employees (less than ten) to categorize workers and establishments as part of the 'informal sector' (FES, 2002). Based on NSO definitions, the majority of employers (with less than ten employees) in Thailand engage in the informal economy.

One estimate in Thailand based on LFS found that the informal economy declined from 60 to 57 percent of total employment in Bangkok between 1980 and 1994 when there was an economic boom, but by 1999 it had climbed back to 60 percent as an after-effect of the economic recession in 1997, and reached 73 percent in 2001.

According to the third round of LFS in 2003, 69.8 percent of the total labour force engaged in informal economy, which is comprised of 56.4 percent in the farming sector and 73.3 percent of informal workers. The NESDB estimated that the informal economy in 2003 accounted for 45.6 percent of GDP worth 2.34 trillion baht. Of the total, 16.3 percent are engaged in agricultural activities and 83.7 percent in non-agricultural activities. The informal economy provided jobs for 23 million people, or around 70 percent of the labour force.

The workers in small-scale enterprises (with less than 50 workers) played an important role in the Thai economy. The effects of the crisis also hurt the self-employed and workers in small and informal enterprises, who found themselves perhaps more vulnerable than employees of large firms (Suwannarat, 2000). One critical problem of those engaged in informal economy was the lack of social protection. They failed to contribute to the social insurance or pay taxes due mainly to meager income. The self-employed workers in the informal sector were often unable to pay due to the irregularity of informal employment.

Women have been one of the most affected social groups, whose situation worsened with the onset of the crisis. The female layoffs exceeded male layoffs. The proportion of the female workers out of the total number of laid-off workers was 48.3 percent in the pre-crisis period. The ratio increased to 57.6 percent during the course of the crisis (ESCAP, 2003).

The women in the informal economy who were working long hours for very little pay faced difficulties in keeping their family's real income from falling sharply in the face of rising costs and declining earnings. They faced other significant problems related to their lack of legal rights and access to resources. Occupational safety and health, and other risks were of utmost concern due to unregulated and unprotected work. Apart from health hazards, the informal workers were often exposed to environmental hazards. The rising costs and declining demand had a serious effect on informal workers in addition to deteriorating conditions in local and regional markets. Those who were able to maintain customers were often forced to work under even more hazardous conditions and for much longer hours to compensate for the significant decline in their real incomes (FES, 2002).

Government programs to promote small and micro enterprises

At the onset of the crisis, the government of Thailand tried to reinvigorate the economy by promoting small and medium enterprises. Many of the support mechanisms were provided through existing support channels. In 2001, the public expenditures for community and social services were 42% of total expenditure. The government spent 58% of the fiscal budget to community and social services.

The government is currently promoting small and micro enterprises through various channels in accordance with the King's philosophy on 'sufficient economy' at family and community levels through certain community-based support programs. The role of civil society and community-based organizations has been recognized. Interventions are made through various economic activities.

Most of the programs involve micro-finance and small and micro enterprise promotion. Of those, the outstanding programs included: the Loan Fund for village and urban people, which has provided one million Bath (USD 25,000) to each village for use as a revolving loan fund to poor people. Many problems due to inefficient management of micro-finance management have occurred. The needy marginalized people have least benefited. The One Tambon One Product (OTOP) Project was aimed at building the capacity of grass roots producer groups in product development, business management, packaging and design, marketing channels, technical assistance and networking. The export promotion training has been provided to small and newly-started business entrepreneurs by the Department of Export Promotion. Based on their assessment, the project has successfully helped to increase total sales of the beneficiaries who are mostly the new-start business entrepreneurs, while many critics assert that the more vulnerable producer groups have benefited less.

The following case study illustrates an initiative of a large group of marginalized women producers from the northern region of Thailand. It is the largest network of mutual self-help women's groups across the northern provinces organized to address

economic and social problems. The group has adopted different strategies to overcome such problems, including the formation of the Learning Center (LC) as a marketing unit, and accessing foreign markets as an overall strategy for economic sustainability. The strategy of building social security through social protection, health and safety at work, and gender equality has also been adopted as an important component.

Chapter 2. The Northern Home-based Workers Network (NHWN)

The north of Thailand is a mountainous region made up of 17 provinces, having one third of the total area of the nation. Agriculture has long been the lifeblood of this region. Vegetables and fruit crops have increased in importance to the northern economy, with significant growth in revenues. The major industrial activities are focused on electronics, sugar processing, and cement, with large earning also made from the production of ceramics and handicrafts. In 1998, agriculture output increased by 2 percent, while industrial output jumped by 16.3 percent, led by the export production of electronic parts and sugar production. The service sector grew by 7 percent resulting from the increase in the number of tourists visiting the region.

The northern economy grew at an annual average rate of approximately 6 percent in 1992, and slowed to only 3-4 percent as the financial crisis froze new lending from the banks. Future growth in the northern economy is dependent on further stimulus for economic growth outside of Bangkok, and the improvements in the liquidity of small-medium enterprises in the region. Based on the survey of service and trade businesses of NSO (2002), 99.9 percent of the total establishments are micro and small enterprises with 1-50 employees. The revenue from small enterprises accounted for 79.6 percent of total revenue. As of 2003, access to information technology (computer) was quite low, as 92.4 percent of the total establishments in the north do not have a computer.

Northern Thailand is divided into two major parts: upper north, also called the 'Lanna Kingdom,' comprised of 9 provinces (Chiangrai, Chiangmai, Maehongson, Phayao, Nan, Lampang, Lamphun, Prae, Utraradit), and lower north, comprised of 8 provinces (Sukhothai, Tak, Phitsanulok, Kamphaengphet, Phichit, Petchabun, Nakhonsawan, Uthaitхани). The North of Thailand is an important and prolific tourist destination, serving as a center of cultural traditions and religion for Thailand, and containing many ancient historical sites and monuments. Chiangmai is the hub of regional tourist activity, offering tourists numerous historical attractions along with shopping facilities for local and hill tribe handicrafts. Northern crafts and textiles are praised worldwide, both for their craftsmanship and for their originality of design. Woodcarving is another local craft that has lately enjoyed great popularity.

The Northern Home-based Worker Network (NHWN)

The Northern Home-based Worker Network (NHWN) is a network of 64 villager groups with over 2,400 marginalized home-based producers in 9 provinces from northern Thailand. The network's members engage in a wide array of production industries including; cotton weaving, woven cloth making, basketry and antique, woodcarving, mulberry paper production, food preservers, and herbal products. These

villagers agreed to formally organize as a network in 2000 with the purpose of facilitating productivity and marketing skills, expanding marketing channels, becoming a unit for negotiations and a forum to exchange experiences and information, and to promote social protection and safety and health among the members.

In 1992, under the support of ILO (DANIDA), a number of homebased producers in Chiangmai, NGO workers and governmental officers organized as a network called Chiangmai Homeworkers Network (CHN). The CHN's activities mainly focused on income-generating activities of craft and preserved food products and exchanged experiences and shared information. The awareness of the need for social protection was also raised among the members. After completion of the project in 1996, the CHN became inactive due to a lack of essential resources and the effect of the financial crisis. During that time, the CHN's group leaders participated in various occupational development activities under other projects of governmental organizations, academic institute, and NGOs in Chiangmai. At those forums, they met with home-based producer groups from other northern provinces to exchange experiences and information. The effort to form as a regional network among the home-based worker groups was initiated and tested several times. Until 2000, these villager groups successfully formed as a regional network, called the Northern Home-based Workers Network (NHWN). 52 villager groups from the other 6 provinces from the North joined the network. The NHWN thus became a forum for grass roots women to raise their concerns and problems, and mutually find solutions.

As a result of a self-evaluation in 1999, the members identified the priority needs to strengthen skills on group management and business management, with emphasis on product and marketing development so as to enhance a strong and efficient network. Co-funding from AusAID under the Australian Embassy and the ILO (STEP Project) was provided to the network through the Homenet North Project under the umbrella organization, the Sustainable Alternative Development Association (SADA). The project focused on strengthening group formation including leadership, group participation and negotiation. These activities helped to pave the way for the villager groups to become a strong and efficient network. During the project, the groups agreed to create a learning network of the specific product groups. As the cotton weaving group and cloth making group composed a large number of members, they formed into one learning network, and the rest, including basketry and antique, wood carving, mulberry paper production, food preservers, and herbal products production formed as another.

Objectives of the network

The overall objective of the network is to improve technical capacity of business management relating to productivity and marketing, as well as collective bargaining. Specifically, the network sought to strengthen the capacity of its members in relation to productivity and marketing skills, business management, and group organizing and leadership, in order to create a forum for exchanging experiences and disseminating information to the members, to expand the market channels particularly exporting market, to promote group saving fund; to prepare the establishment of the Learning Center (LC); to campaign on social protection and safety and health, and to serve as a coordination center for the members.

Profile of network members

In 2003, the number of network members increased to cover 64 villager groups with total members of 2,448 from 9 provinces in northern Thailand including Chiangmai, Chiangrai, Pha Yao, Nan, Lampang, Lamphun, Mae Hong Son, and Prae, and Uttradit. Most of the network members are women (90 percent female and 10 percent male) with ages ranging from 30-60 years. Farming remains the primary source of income, though handicrafts significantly contributed to household income. Based on the latest database of Homenet North, the household income of the members ranges from 3,000 baht (USD78.95) to 5,000 baht (USD131.58) a month. They have engaged in handicraft and cotton textile productions to earn supplementary income for 3 to 20 years. The network members have involved own-account workers and wage workers who have occasionally moved from one status to the other. The villagers have accumulated their local craft skills from generation to generation, particularly cotton textiles and woodcarving.

The central office of NHWN is located in the city of Chiangmai, sharing space with the office of SADA. The producers in each province are organized in groups known as sub-networks. The selected leaders then act as representatives of the sub-network at provincial levels. Most of the producer groups used to be an occupational group organized under the support of local governmental organizations and non-governmental organizations, but later became inactive once support projects ended. The group enterprises faced many problems, particularly a lack of access to markets and product improvement, and were not sustainable.

Most of the members' products are naturally dyed hand-woven cotton. The cotton fabrics are made into various types such as Sarongs (wrap around skirts), scarves, vests, garments and soft home furnishings. Many of them produce high quality cotton fabrics that appeal to both local and foreign buyers, particularly Japanese and European buyers. The features of each product would present native style and patterns from their local wisdom (traditional knowledge). The problems facing these small producers included a lack of a permanent market to sell their products, and little access to market information. Their products could not meet with market demand. The products are sold to subcontractors or middlemen who came to the village.

Management of the network

The network adopted a jointly-owned and democratic management. The 18 committee members were comprised of 2 representatives from each province. The working committee comprised of 12 members has also been selected to be responsible for 3 main tasks including: 1) general management of the network, 2) production and marketing, and 3) social protection and safety and health. The meeting of committee members would be held every three months to monitor planned activities, share experiences, and exchange information. The meeting venue would be rotated to each province.

The criteria for applying to the network were made. Apart from having a status as an occupational group, an application fee of 1,000 Baht (USD26.32) would be collected from each group as a contribution to the group's mutual fund. To ensure sustainability

of the network, a mutual group fund was set up to use for operation expenses of the network. In addition, the monthly membership fee of 200 Baht would be collected from the group members.

The profit earned from the total sales would be partly contributed to the fund. The home-based group in Chiangmai has played a crucial role in providing support to the network in general management. The network adopts specific strategies to empower their members including; 1) strengthening capacity of the members in relation to group organization, 2) enhancing productivity and marketing development, and 3) promoting social protection and health and safety at work. To strengthen group organization, the network provides leadership training, including how to plan and develop a proposal, financial management, and monitoring and evaluation for group leaders.

Promoting productivity and marketing development

In 2000, NHWN, under the auspices of the Sustainable Alternative Development Association (SADA), launched an 18 month project (2001 to 2003), named the “Strengthening the Coordination Center for Skill Development of the Northern Informal Women Workers’ Network” (SCCSD) with funding from the ILO (EOW Project). The total amount of funding was 1,564,500 Baht (USD 39,112.50). The specific objectives of the project include: (1) setting up the Learning Center (LC) as a marketing unit of the NHWN’s members, (2) improving business capacity of the group leaders through the provision of productivity and marketing skills training, (3) conducting the pilot action of social protection and occupational safety and health (OSH) among the members.

Under the project, various activities were conducted as a way to strengthen business capacity of the members as follows: (1) setting up the Learning Center (LC) to become a business unit of the network, (2) developing a database system of the members, (3) setting up a capital fund, (4) organizing product and marketing development training (5) expanding market channels, and, (6) conducting a pilot action on social protection.

The Learning Center (LC)

The Learning Center (LC) was set up with two main purposes: to be a learning center of the women producers, and to be a market channel for the member’s products. The LC was set up in the form of a cooperative by selling shares to the group members. The working committee of LC was comprised of the representatives of the sub-network who were appointed to provide overall management and marketing of the LC under close technical advice of SADA.

Products

The diversity of products of LC included local hand-woven cloth and naturally dyed woven fabrics to produce diversity of household accessories, wood carving, basketry, lacquer ware, mulberry paper from 64 producer groups (with 2,325 members).

Start-up funding

Start-up funding for the LC was obtained from 2 sources: (1) the investment of group members through the initial shares at 1,000 Baht (USD25) per share in total amount of 55,000 Baht (USD1,250), and (2) the initial capital fund of 78,711 Baht (USD 1,968) contributed under the SCCSD project. In 2003, the total capital fund of LC was 350,305.20 Baht (USD 7,633). The fund was divided for 3 parts: cash flow (40 percent), revolving loan fund (35 percent) for the members (shareholders), and operational expenses (25 percent). Due to a limited amount of cash flow, the LC could pay for the products from each group member at 3,000 Baht (USD75). The rest of the payment would be paid after selling the products. As of February 2003, the loan fund was offered for 2 rounds. A total of only 8 producer groups (3.84 percent out of the total 64 groups) benefited from the loan fund.

The management of LC

The working committee of LC, comprised of representatives of the sub-network from each province, was assigned to provide overall management and marketing of the LC under close technical advice of SADA. One manager was recruited to be responsible for accounting and administrative works under supervision of the working committee. Upon receiving of the orders, the manager would contact the group leaders who then place the order to their group members. The group leader would be responsible for quality control before sending the orders back to LC. The price would be marked up based on the quality. The stock of products could not be kept due to limited warehouse space and capital funding.

Skills and product development training

The skills and product development training were provided for network members under the SCCSD project, including; garment and cloth design, product diversity, colouring, and improving the sewing standard. The study trip to visit other small enterprise groups was organized. Due to limited funds, the 6 groups that produced quality products but lacked a market channel were selected as the pilot groups to benefit from the training. The marketing consultant was also contracted to provide marketing and product development skills to the pilot groups.

Market channels

Under funding from SCCSD, the e-commerce system was introduced to LC's members as a way to expand market channels to national and foreign buyers. A website www.homenetnorth.org was created for 2 years (June 2003 – June 2005) by a consultant company. The order form was designed for buyers in the website. The training for the members regarding the e-commerce system and its benefits was held. The producer members participated in selecting the quality products to demonstrate on the website. The brochures and product catalogue for advertising and distribution were made with funding from the project. Currently, the market channels of LC include direct sales and market linkage for the groups to sell their products at various trade fairs and bazaars. The LC has organized an exhibition and trade fair. The meetings between the producers and some exporting companies were held to discuss

design and productivity. The network members learned market analysis. The government provided market opportunities to small producers such as the OTOP promotion project through trade fairs and bazaars.

Currently, a number of Japanese customers have become the LC's major buyers. Most of these customers met with the producers at various trade fairs and began to contact the LC. Some of those buyers were the owners of local craft shops in Thailand and ordered the products for their shops. The major buyer of LC from Japan would periodically come to the LC to check on new products prior to placing the orders. Normally, the LC would be responsible for shipping the products to Japan. The LC would regularly contact the buyers upon releasing the new products. The shipping of products for export would be made through a cargo company.

Finance: the joint investment with two exporting companies

In 2001, the LC decided to enter a joint investment with 2 exporting companies, the Jomkham Co., Ltd., and the DD Nature Craft Co., Ltd., to be able to access a wider foreign market. The Jomkham Co., Ltd. is owned by a foreigner engaged in the marketing of handicraft products to local and foreign markets. He used to be a big buyer of the network members in past years. The business agreement was that the LC would get a 20 percent share of the profit earned every month. The prices of the products were marked up by the company anywhere from 200 percent to 300 percent, resulting in higher market product pricing. The producers were made to agree that they would only produce for that company and could not sell their products to other markets. The company expected to control production of producers in a manner of factory-line management, i.e. producing materials in parts and finally assembling the parts in one place. The unclear communication between the manager and the producers due to the lack of a written contract often led to management conflicts. The LC decided to call off the business agreement after 6 months of operation.

In mid 2002, SADA, as the umbrella organization of the NHWN, decided to invest with the DD Nature Craft Co., Ltd. in marketing handicraft products of the network members. They agreed to set up a joint investment company, named the Common Co. Ltd., supported by the registered fund of 500,000 Baht (approximately USD 12,000). The agreement was made that permanent market and product development would be granted to the network members. The DD Company had experience in exporting business of handicraft products for many years. The company agreed to pay 10 percent of the monthly profit to SADA as a consultant. Under the agreement, the orders of the products would be placed to SADA, who would manage the production. After 4 months operation, the company did not succeed in providing a clear business plan to SADA. The company also broke the contract agreement by trying to make a direct contact to the producers, which led to several conflicts with the network members due mainly to the lack of a written contract. SADA decided to withdraw its shares from the company after four months of operation.

At present, the LC is operated by a Chiangmai sub-network team, under close assistance of SADA. The working group has revised its marketing strategy aimed at increasing total sales of the products by providing commission to the sales person. To expand the business, the group has reinvested the capital by increasing shares in a

total amount of 80,000 Baht (approximately USD 2,0000) expecting to increase payment to the producers.

Promoting social protection, health and safety at work

Over the past years, the promotion of social protection, including occupational safety and health, was introduced to the members through a project of SADA. Under the Homenet North Project of SADA, these marginalized women realized the need for social protection, particularly the serious occupational safety and health hazards. The immediate priority was for health care. They were more inspired through exposure trips to visit various community-based funds. The group set up a mutual self-help fund in 2001, called Health Care Fund for the Northern Home-based Workers, to provide benefits to the members in case of accident and sickness, and also as an emergency loan fund for health care of the family members. The fund was financed from 3 sources: members' contributions of 100 Baht (USD 2.63) a month; donation from group members of 20,000 Baht (USD 526.32); and profit sharing of the LC.

The network initiated a pilot project to promote health and safety at work. It was implemented in the form of a cluster project through participation of various stakeholders at the community level including community leaders, local authorities, health officials, and OSH experts. 6 women groups were selected as the target group of the project. The promoting of health and safety at work was made by the OSH experts with the aim to improve the working conditions in the informal economy. Four types of occupational groups joined the activities. The training on WISE Technique and JSA were provided to the group leaders, local authorities, and community leaders who were expected to then become trainers themselves. The forums were created among the stakeholders to follow up with the experiment activities and to exchange information.

The introduction, which focused on the important connection between clean production technology and quality sustainable jobs was made to the members. The activities include the adaptation of appropriate technology in the production process, which would result in the improvement of working conditions, material management and waste reduction, and basic safety measures.

Gender sensitivity training

Gender analysis training was launched for the network members to promote gender sensitivity and gender planning. The project encouraged a strong collaboration of various stakeholders in local community through a forum to discuss gender involvement in the occupational promotion of the community. Several meetings with local authorities to discuss the role of TAO in promoting women's occupations were organized.

Impacts

Greater public recognition

NHWN is currently the largest regional network of grass root producers of handicraft products in northern Thailand. The network received greater recognition from public and private organizations. Over the past years, many invitations to join various exhibitions and bazaars, as well as seminars were issued to the network. It became a well-known exposure place, and an outstanding case of a grass-roots women's network among different organizations including governmental and non-governmental organizations, other community-based organizations, and foreign organizations. In 2003, over 30 groups came to visit the network.

A model of membership-based organization

The network created an effective membership-based organizational structure. It was jointly owned and democratically managed to carry out the economic activities of its members. It was quite successful in expanding its coverage to many groups in other provinces, making it the largest network of marginalized women in northern Thailand. In their view, the network became a valuable forum to exchange experiences and to learn new technology and information in addition to helping access a wider market. The strategy of training the group leaders who would further train their group members was a success. The mutual fund of each sub-network was setting up to ensure the sustainability of the activities. The group leaders gained better confidence and improved their leadership skills. They were able to convene at various meetings and express the interest of their members. The other community-based organizations came to visit the network and learned on the model of group organizing.

Learning to become an efficient marketing unit

The initiative of setting up the LC as a business unit benefited the members in various ways. Apart from access to wider local and foreign market channels, it served as a coordinating center to provide technical and information support to the members. The LC became a locomotive to strengthen the network as well as improving various entrepreneurial skills of the members.

Business management skills improved

The group leaders learned the necessary skills of business management. They were trained on costs and pricing. They gained knowledge of how to mark up the price of their products. A model of business units in the form of jointly owned input supply, credit, and marketing services was experimented with. The LC became a business unit owned by a group of marginalized women producers who promoted better working conditions, environmental consciousness, waste production and higher quality of goods.

Product development skills improved

The products of the members were improved in terms of colour, pattern, and size to meet the foreign market demand. They can create identities of their products. The group leaders harnessed the ability to create new designs resulting in diversity of the patterns. The products of the members were graded based on the quality. Recently, the products of 6 groups, including 3 groups from Chiangmai, 1 group from Nan, and 2 groups from Lamphoon were selected as the OTOP Project. The private enterprise assisted the LC on skill development to meet market demand.

Access to e-trade

The e-trade skills were introduced to the producer members, and a website developed to advertise and become a marketing channel. The database was made containing basic information about the producers as well as enterprise information. The basic information included: the name of the group, the number of the group members, contact person and address, the amount of capital fund of the group, and production capacity. The enterprise information contained: the order form, stock form, sale records, producer profiles, customers profile, and accounting and financial records. The database would help to keep the profile of the producer groups, their production capacity and limitation.

Market expansion

The market channels of LC have expanded. The members are aware of the need to use various media to present and advertise their products, including catalogues and brochures, as well as attending various exhibitions, trade fairs, and bazaars. They have gained some experience in market analysis from direct contact with the buyers. The group has been able access wider markets, particularly those of foreign buyers. Japanese buyers have become the main customers who buy the products for their local shops and the shops in Japan. The marketing experiences have been transferred to other group members during the regular learning forums of the network. The LC is able to obtain permanent buyers, both local and foreign, who would provide market information. Some members could access wider national markets and receive regular orders. The LC has been recognized among governmental organizations and invited to various trade fairs. The members now have more confidence and an organized trade fair to sell their products.

Total sales increased

The LC helped to increase total sales of the product at a certain level. In 2002, the total sales of 470,000 Baht (about USD 11,500) to foreign buyers were increased to 740,000 Baht (USD 18,000) in 2003. The target home-based women producers confirmed the increasing of their income of around 1,000 - 1,500 Baht (USD 25.00 – USD 36.00) a month. The average monthly income of these small producers is around 3,000 Baht (USD 73.00) to 5,000 Baht (USD 121.00).

Innovative practices of decent work for informal workers

The NHWN has not only created more jobs, but also improved job quality. The innovative approach to promote social protection and safety and health at work among the marginalized women has become a successful instrument to empower the marginalized female producers.

Mutual welfare fund set up

The mutual welfare fund was created to provide health care benefits to the members. It includes a yearly medical check up, the insurance for group leaders, medical benefit of 600 Baht a year, and 2,000 Baht of cremation assistance. In their view, the benefit of a welfare fund should be considered as an incentive factor for membership of the network.

Safety and health for informal enterprises promoted

The pilot activities to promote safety and health at work for the marginalized woman producers were launched. Through different implementation stages, the network could sensitize local authorities, academicians, and other community leaders about the basic idea and need of promoting safety and health for the informal sector. Group members have been informed about the risks from work and hazardous working conditions so as to improve their working equipment and operation. The local authorities and health officers have agreed to provide special services in relation to safety and health for these small producers.

Appreciation for gender sensitivity

An increasing number of male participants as group leaders and in the network activities is evident. The male involvement in the production process has increased, from the boiling of cotton thread and collecting of raw materials from trees, to being responsible for the preparation of sale venues in various trade fairs. Some of them attend the network activities in place of their wives. The local authorities have promoted the role of female participation in decision making processes, particularly in the planning and sharing of local resources. The network members have been able to access the financial resources of TAO to organize certain skill training.

Lessons learned, problems and constraints

Group organization is a crucial tool

The organization of homebased worker networks is a crucial tool to empower marginalized woman producers to move toward social and economic development. They now have a better understanding of their social and economic conditions. They obtain resources and information and learn to move through collective action, express their collective interests, and gain solidarity through different political forums. They have gained self-confidence and recognition from their family and public. As an efficient community-based women's network, they have been able to gain access to different government resources including skill training, and assistance in marketing their products.

The group members are at different stages of development. Some of them have created mutual interest of the market linkage and form as a sub-network. The other groups are a well-established sub-network with efficient management and have the ability to protect the interests of its members. Such sub-network would create its own fund as financial resources for the members. The strengthening of group organization should focus on what differentiates these different stages so as to provide the appropriate tools for them. As for this case study, for example, the sub-network of Nan province has been identified as one of the most efficient groups. They have been able to create the group fund and market linkages for their members.

Given the large size of the NHWN's members as compared to its limited amount of funding, the strengthening activities would not create much impact on many of the members. The NHWN's members have different quality levels of their products, which creates specific needs and requires special support. The continuous funding could become a constraint.

Learning Center vs. marketing unit

The operation of the LC could be viewed as an approach to becoming a formal marketing business, though the path to complete such formalization is still unclear. In Thailand, the appropriate body of an informal group enterprise does not exist. The potential structures of cooperative and business companies still have many limitations and are inappropriate with the business unit of such marginalized groups. To become a viable enterprise, the LC should require certain technical inputs, in particular the possibility of making a feasible business plan in addition to securing other essential resources.

The multiple approaches of the LC to reach both economic and social goals should require different paths. The idea was brought up in the recent self-assessment meeting of the network whether both objectives should be try to be achieved at the same time. The marketing unit should be independently operated to reach a business goal of profit making and become sustainable. The network members in cooperation with SADA have discussed the possibility of establishing a formal business unit. The operation of LC is still facing the challenge of surviving within the highly competitive markets at local and foreign levels. It certainly requires specific services and close experienced technical consultation on marginalized producers to make it sustainable in a competitive market.

The capacity of marginalized producers is still limited. As for this case, it includes their capacity in marketing, designing, and accessing information and communication technology which may aid in entry to broader foreign markets. It also relates to developing equity in trading relationships such as the LC's experience with the two exporting companies. The producers must also strengthen their ability to continually develop their skills to adapt to new situations, this including the ability to find and analyze information pertinent to the evolving situation. Most of the existing training, seminars held by private and public organizations, are not fitted to the needs and capabilities of the members. The training for community-based organizations may require different designs and delivery techniques tailored to meet the real needs of the

grass roots women. The training needs should be understood prior to conducting the training.

The ability to find, learn, and analyze new information pertinent to evolving situations and surroundings is essential. Adaptability is also crucial for these home-based working women. The training for these marginalized women should not focus only on specific occupational skills. Most of the available training tends to cater little to the vulnerable women. These women require specific types of training in both the curriculum and delivery technique. Those packages and human resources are lacking. Prior to skill training, need assessment should carefully determine the women's existing skills and their training potential.

Formal training systems primarily address the skill requirements of formal wage job markets. The design of a training curriculum should be made with full participation of women groups, and their social partners and trainers. The specific training of a trainer (TOT) is a crucial tool for further dissemination to other group members. The training should focus on this specific package of training.

Inadequate capital fund is a major constraint. So far, the size of the capital fund is still very small when compared to the need among the group members to lend money to buy the raw materials. Due to the limited amount of funding, only 8 groups were granted access to loan applications. The LC also needs to raise more funds for stock keeping and general cash flow.

The ability of LC to expand to wider exporting markets is limited. Although the network's members have realized the potential of their products to meet foreign market demand. They have expressed strong confidence about the quality of products with their slogan, "Environmental Friendly, Continuously Folk Wisdom Preserving," which has become a strength for social marketing. The certain business skills pertinent to the export market, particularly trade negotiation and legal compliance, are required.

Under the SCCSD project, The LC had access to e-trading, but experienced limitations. The website was designed as a public relations and marketing channel, but mostly failed to obtain new buyers. New training packages should include a portion dedicated to informing the producers on e-commerce.

The ability to negotiate equity within trade relations is still weak. The experience of joint-investing with the 2 exporting companies showcased the inability of the LC in negotiating for equitable trade relations. However, in their optimistic view, the producers learned valuable lessons, particularly the necessity of a written contract, and the need to improve product design and packaging to compete in the export market.

The business negotiations with foreign buyers and the issue of unfair wages was raised by the small producers. For new orders, the buyers would not allow the producers to show or produce for the others. For every new design of hand woven materials, the producers needed to adjust hand woven equipment and prepare new volume of cotton yarn which required more time to prepare and weave. More often, the new designs of hand-made products would not come out as expected resulted in

the breaking of verbal agreements with buyers. The women sometimes did not receive any payment since there was no written contract, and wages would not be increased received for making a new design. In addition, when the traditional design of these local producers was combined with new designs at the request of the buyer, sometimes the buyer claimed ownership of the intellectual property.

The approach to decent work

The promotion of income generating activity is likely to be the best intervention for empowerment of women, gender sensitivity, and better job promotion. Awareness of better working conditions, higher productivity, environmental consciousness and higher quality of goods and services has been raised. The members have recognized that job quality means better business.

The initiatives on social protection and occupational health and safety remain at an early stage of implementation. The innovative system of mutual welfare funding could provide health care benefits to the members to a certain degree, but still have a long way to go before becoming sustainable. The fund has not yet covered all the contingency needs of the members. It could provide for the members in case of illness, accident, or death. The members have agreed that the benefits of the welfare fund are an incentive for them to join the network.

The initiative on occupational health and safety only benefited certain groups of woman workers due to a lack of funding. Awareness of the risks associated with poor working environments, low safety and health standards and environmental hazards is still weak among the majority of members, in particular for the women members, who combine their work at home with child rearing and chores. The program has been successful in terms of drawing in participation by involved local public organizations. Technical knowledge is still inadequate among the local authorities. Financial and technical resources are limited resulting in a slower distribution of knowledge among the members. More study and surveys are needed. Advice on low-cost improvements at the micro-enterprise level to prevent injuries and diseases is required. The appropriate design of the program to help micro-enterprises to simultaneously improve their incomes, productivity, and working environment should be developed. The skill of group leaders is still limited.

Limited access to support mechanisms

As a result of various policies on community-based enterprise promotion, the NHWN was able access a number of existing mechanisms. The local government organizations, i.e. the Industrial Promotion Department, the Exporting Promotion Department, and the Board of Investment included the village's producers as one of their target groups. Many invitations to various skill training sessions, seminars, and exposure trips abroad were provided to the network. Feedback from participants suggests that these programs should, however, focus instead on the individual entrepreneurs who own the businesses. Most of the services provided were likely focused on educated entrepreneurs, not marginalized producers from the community. Some of the women members who used to attend various government sponsored skill training confirmed that they could not get much benefit due to their literacy level, and the inappropriate curriculum for small producers.

Support organizations play a crucial role

A number of support organizations played a crucial role in encouraging and strengthening the NHWN. In particular, the organizations including SADA, Homenet Thailand, and CSP have provided continuous support to the network. They have increased necessary resources, and facilitated forums that pass on necessary skills to ensure long term sustainability of these women groups. They are:

- ***Homenet Thailand (HNT)***

Established in June 1998, HNT is the coordinating center of the network of homebased producers and homeworkers as well as concerned NGOs in the country. HNT created a forum of regional network of NGOs and homebased workers in the Northeast, the North and in Bangkok. It is currently reaching to the South. HNT provides coordination at the national and international levels on policies and issues related to homeworkers. The national committee is comprised of a representative from each region and external consultants. The overall mission is to consolidate, support, protect, and strengthen the identity and role of the homebased workforce in Thailand. HNT has involved workers or piece-rated workers who have long been exploited through production chains under trade liberalization. After the financial crisis, HNT has helped to organize the retrenched workers. Apart from making voice for the members, HNT adopts 2 main strategic approaches: promoting economic security (capacity building) and social security (labour protection, social protection, occupational safety and health). Apart from campaigning on the issues of home workers, HNT has leveraged technical and financial resources to NHWN.

- ***The Sustainable Alternative Development Association (SADA)***

SADA was registered in 2000 as a Thai association with the objectives of: promoting occupational development with the concern on energy and environmental conservation; encouraging self-reliance of grassroots groups; supporting gender equality; promoting participation of people in improving their quality of life, and, cooperating with public and private organizations working on energy and sustainable environment. SADA adopts the following strategies to achieve these objectives: participation, gender equity, cooperation, networking and partnership through various approaches including: community-based enterprises, social protection, organizational development, facilitating forums to share experiences and information, and GO-NGO collaboration.

SADA develops its multiple approaches through different activities including: energy saving and environmental conservation, community-based enterprise development and social protection promotion, and encouraging collaboration among local partners. As the umbrella organization, SADA provides constant support to the NHWN in relation to technical and financial resources.

- ***The Cotton and Silk Project (CSP)***

CSP is a program initiated in 2000 under the Ministry of University Affairs to assist textile producer groups improve their local textiles to earn more income while addressing environmental conservation concerns; to promote the utilization of appropriate technology in production so as to meet market standards, and, to expand woven textile markets to local and international markets. The program covers 17 northern provinces. The activities under the project include provision of various training on raw materials, pattern design, production processes of naturally dyed cotton, including spinning, dyeing yarn, design, waste

water treatment, product development, as well as the introduction of appropriate technology and marketing of the fabrics.

A number of NHWN's members engaged in woven textiles production are also the direct beneficiaries of the project. They have regularly gained technical knowledge to improve their products through various training and seminars.

Chapter 3. Conclusions and Recommendations

The recommendations of the paper are directed mainly to the APEC Committee on Trade and Investment. Most of the recommendations are identified from problems and concerns of the small exporting producers and supporting organizations interviewed in the case study. The case is presenting an attempt of grassroots women producer groups to set up a business unit to market their products under the strong support of NGO, who have limited knowledge of business management. Much remains to be done in terms of developing the sustainable plan for their business.

1. Training to promote long-term sustainability of grassroots producers' businesses should be the goal of any enterprise promotion. **The training of grassroots producers that will ensure their capacity to sustain and develop their business for a long-term should be supported.** The training needs analysis must be done to identify particular needs of and training strategies appropriate for non-literate/semi-literate and economically vulnerable grassroots producers. The needs analysis and the resulting training strategies should take into consideration the links between the marginalized producers and rapidly advancing technologies. Various skill training has been offered to the NHWN members, but focused too much on increased productivity and not enough on the details of running a viable business. A more sensible training package on group enterprise should be developed. The design of a training package should be tailored to address the problems and needs of small producers. The full package on business training, including a business and marketing plan, should be created to ensure the sustainability of the business. It should promote skills in business negotiation with local and foreign buyers.

2. **The gaps in access to financial resources among marginalized women who have the potential to become successful entrepreneurs should be addressed.** The ability of the marginalized women workers to access financial resources needed to become potential entrepreneurs, particularly start-up capital, is the most important factor. The access to a formal financial institute seems unavailable due to an absence of collateral. The LC lacks adequate capital fund to expand the marketing business. The amount required to start the LC is above the accessible micro-finance loans these women. They could not turn to financial institutions however due to lack of collateral. With a limited number of women with capacity to contribute to its capital fund, the LC could not invest and expand further its marketing business.

3. A discussion forum aimed at creating partnerships between small producers, international markets including other alternative trade organizations and fair trade organizations, as well as larger trade organizations would help to analyze the relationships of stakeholders along value chains. **APEC could foster organization of discussion forums aimed at creating partnerships between small producers and**

the international markets including the larger trade organizations, fair trade organizations, and alternative trade organizations.

The promotion of corporate social responsibility through the Alternative Trade Organizations (ATO), and the International Federation for Alternative Trade (IFAT), or other similar organizations should be recognized. The forum could bring together various stakeholders including businesses, civil society organizations and grassroots organizations. One could be a value chain analysis that will review stakeholders and responsibilities along the chain. Another could be the promotion of corporate social responsibility. Promotion of niche markets for grassroots women's producers groups could be initiated by these forums.

4. **E-trade capacity-building aimed at facilitating the groups' access to foreign markets should be improved.** APEC-CTI can invest in training for supporting NGOs who could eventually conduct training at local levels. Special training designed for small producers will enhance their appreciation of e-trade and their skill in utilizing e-trade technologies in the long term.

5. **Research and studies to draw attention to the issue of intellectual property rights over handicraft products produced by marginalized exporting producers should be conducted.** Most of the hand woven cotton fabrics of the network members show indigenous pattern and design. Each region of Thailand has its own traditional style. Different names are assigned to these fabrics according to their patterns and designs as well as on the production process. The small women producers must be prepared and protected to tackle issues on intellectual property rights as they expand their marketing business. This study should be conducted in order to assign proper value to the exported goods, and to help retain Thailand's unique regional identities.

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Annex 1. List of NHWN members

Provinces	Groups	Members	Female/male	Types of products
Chiangmai	14	483		Basketry and antique, cotton woven materials and cloths, woodcarving, Mulberry paper products
Chiangrai	9	225		Naturally dyed hand-woven textiles, artificial flower
Nan	10	572		Naturally dyed textiles, woodcarving
Lamphang	11			
Mae Hong Son	8			Naturally dyed hand-woven textiles and materials
Prae				
Lamphun				
Pha Yao				

Annex 2. Tables

Table 1 Illiterate Population (age 15 years and over) by sex (percent)

Year	Female	Male	Total
1985	15.5	6.7	11.1
1990	8.8	4.4	6.7
1994	9.4	3.9	6.7
2000	9.0	4.6	6.9

Sources: NSO, 2001b; NSO, 1994; NSO, 1990; and NSO 1985.

Table 2 Labour Force Status, February 1996-2001 (thousand)

Labour force status	1996	1997	1998	1999	2000	2001
Total population	59,750.4	60,350.6	60,949.0	61,551.2	62,192.1	62,741.1
Total labour force	31,702.6	31,809.9	31,978.2	32,623.0	32,856.7	33,211.9
Labour force participation rate (%)	73.1	72.2	71.4	71.7	71.0	70.9
Employed	29,919.9	30,101.8	29,271.0	29,864.9	30,299.8	30,444.7
Unemployed	634.7	684.0	1,470.2	1,700.6	1,411.1	1,582.4
<i>Looking for work</i>	119.4	176.8	401.9	473.8	354.7	443.5
<i>Not looking available for work</i>	515.3	507.3	1,068.4	1,226.7	1,056.4	1,139.0
Seasonally inactive	1,148.0	1,024.0	1,237.0	1,057.4	1,145.9	1,184.8
Unemployment rate (%)	2.0	2.2	4.6	5.2	4.3	4.8

Source: NSO, Labour Force Survey, various years

Table 3 Employment by Status, February 1996-2001 (million)

Employment status	1996	1997	1998	1999	2000	2001
Employers	0.84	0.77	0.78	0.94	0.96	0.97
Government employers	2.31	2.42	2.67	2.64	2.79	2.88
Private employees	11.61	11.58	10.63	10.16	11.00	11.56
Own-account workers	9.36	9.30	9.48	10.09	9.74	9.55
Unpaid family workers	5.80	6.03	5.71	6.04	5.81	5.45
Member of producers' cooperatives	-	-	-	-	-	0.04
Total	29.92	30.10	29.27	29.86	30.30	30.44

Source: NSO, Labour Force Survey, various years

Table 4 Thailand's illiterate population by sex, 15 years and older, 1985-1995

Year	Females	Males	Total
1985	16.0	7.7	11.9
1990	8.8	4.4	6.6
1995	8.4	4.0	6.2

Source: ESCAP, Statistics on Women in Asia and the Pacific 1999 (ST/ESCAP/1995)

Table 5 Labour force and participation rates by sex in Thailand

(unit: percent)

Labour Force		Participation Rate		Proportion of Female
Female	Male	Female	Male	Labour Force
16,802	19,462	55.7	64.6	46

Source: ESCAP, Statistics on Women in Asia and the Pacific 1999 (ST/ESCAP/1995)

Table 6 Female sex ratios in the Asian region

(unit: per 100 males)

Subregion/country	1985	1990	1995	1998	2000
East and North-East Asia	95.2	95.0	95.2	95.3	95.4
South-East Asia	101.2	100.8	100.5	100.4	100.4
Republic of Korea	98.3	98.8	98.5	98.3	98.3
Indonesia	100.9	100.6	100.5	100.4	100.4
Thailand	99.5	99.7	100.0	100.2	100.5

Source: ESCAP, Statistics on Women in Asia and the Pacific 1999 (ST/ESCAP/1995)

Table 7 Age-specific female sex ratios in Thailand

(unit: per 100 males)

Years	All ages	0-4	5-14	15-24	25-34	35-49	50-64	65+
1986		99.5	95.9	96.2	96.5	100.0	101.3	106.9
128.5								
1990	99.7	96.4	96.4	96.3	98.6	100.9	108.4	127.6
1995	100.0	96.3	96.4	96.7	97.2	101.4	108.0	127.9
2000	100.5	96.4	96.6	96.7	97.1	101.4	107.4	130.7

Source: ESCAP, Statistics on Women in Asia and the Pacific 1999 (ST/ESCAP/1995)

**Business Development Services for Women in Trade
Linking Marginal to Mainstream to Harness Women's Export Potential
Case Study in Vietnam on SWED II and Women in Tourism**

**A paper prepared for the project
“Supporting Potential Women Exporters”
CTI 34/2003 T
APEC Committee on Trade and Investment
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Table of Contents

Executive Summary	3
Glossary	4
Introduction	5
Chapter 1. National Situation of Women in Vietnam’s Economy	5
Chapter 2. Support to Women’s Economic Development, Phase II	7
Chapter 3. Case Study 1: Fair Trade Networks Minimizing Risk for Poor Women in Handicraft Production	15
Chapter 4. Case Study 2: Women in Tourism Services in Ha Long Bay	23
Chapter 5. Conclusions and Recommendations	33
Annex 1. SME Projects in Vietnam	35
Bibliography	37

Executive Summary

In Vietnam, women are extensively involved at various stages in production, marketing or trading of products with export potential and they are very active in tourism services, which are Mode 2 service exports. The paper describes the SWED II (Support to Women's Economic Development, Phase II) project funded by the Canadian International Development Agency and implemented by Oxfam Quebec with two main project partners: the provincial offices of the Vietnam Women's Union (VWU) and the Cooperative and Non-State Enterprise Association of Quang Ninh province. This project demonstrated how a small investment of resources in women's enterprises can have a great impact on communities. Though the project adopted multiple approaches reaching over 2000 women entrepreneurs in 3 provinces, this paper highlights two case studies in Quang Ninh province.

The first case study looks at a village-based producer group exporting indirectly through a "Fair Trade" network. The second presents a women's tourism club in Ha Long Bay. These cases illustrate how building the capability of marginal producer groups and service providers for export markets requires bringing together the skills, expertise and institutional capacities from a wide range of organizations and institutions¹ and solid relationships among 3 major levels², and how synergies at different levels can improve the effectiveness of interventions to facilitate trade and mainstream women and gender into policies and programmes. APEC economies can enable women entrepreneurs in export sectors to be more competitive by facilitating networking among women within specific sectors, promoting linkages between women and mainstream organizations, and encouraging business development service providers and trade promotion offices to target women and be more gender-responsive.

Recommendations for APEC include:

- promote collection and analysis by governments of sex-disaggregated data that clearly identifies women and men engaged in exporting by sector and size of enterprise, including exports of services
- promote dialogues with other APEC working groups, such as the Tourism Working Group, APEC Business Networks, APEC Incubator Forum, and APEC SMEWG, to be inclusive of women exporters in their activities and to give greater consideration to the gender differentiated needs of women in business and trade
- Trade-related capacity building initiatives should be inclusive of trade and service information networks between women entrepreneurs at the regional and national level. In some cases, partnerships can be developed with larger mainstream organizations.

¹ ITC 'ITC's Export-led Poverty Reduction Programme' Geneva 2001, page 22.

² ITC 'ITC's Export-led Poverty Reduction Programme' Geneva 2001, page 22.

- Improvements in trade facilitation measures should examine issues facing buyer-exporters, such as fair trade organizations, that work with marginalized women

Glossary

BDS	Business Development Services
CPRGS	Comprehensive Poverty Reduction & Growth Strategy
GSO	General Statistics Office of Vietnam
ILO	International Labour Organization
MOT	Ministry of Trade
NCFAW	National Commission for the Advancement of Women
PRA	Participatory Rapid Appraisal
SME-PC	Small and Medium Enterprise Promotion Centre
SWED II	Support to Women's Economic Development, Phase II
UNIFEM	United Nations Development Fund for Women
VCCI	Vietnam Chamber of Commerce and Industry
VWU	Vietnam Women's Union

Introduction

This paper incorporates a range of data from research that was carried out by the Oxfam-Quebec project entitled “Support to Women’s Economic Development” Phase II, from January 2000 to December 2003, including baseline data, impact surveys, notably an impact survey conducted jointly with the ILO; gender and market mappings conducted by outside consultants and the results of various workshop discussions with women entrepreneurs. It also includes follow-up interviews and surveys conducted in May 2004 for the purposes of the APEC project among the beneficiary groups discussed in the paper. This primary research is complemented by information provided by the Vietnam Women’s Union, the Vietnam Chamber of Commerce and Industry, the Ministry of Trade (Vietrade), the Customs Bureau and the General Statistics Office of Vietnam.

The first section describes the national situation of women in the economy of Vietnam. Chapter 2 describes the Support to Women’s Economic Development, Phase II project. Two case studies are presented in Chapters 3 and 4. They describe, respectively, the contribution of a fair trade organization that worked with handicrafts producers and women in tourism services in Ha Long Bay. Conclusions and recommendations are contained in Chapter 5.

1. National Situation of Women in Vietnam’s Economy

In the transition to a market economy, privatization and job losses have resulted in more women starting enterprises. The Small and Medium Enterprise Promotion Centre of the Vietnam Chamber of Commerce and Industry estimates that women constitute at least 25-30 percent³ of entrepreneurs in Vietnam. According to the Ministry of Labour, Invalids and Social Affairs, at least 21.3 percent of urban based SMEs are run by women. The household sector, where women are heads of households and co-managers of family businesses, accounts for more than 98 percent of the total number of firms and about 90 percent of employment. Yet its contribution to GDP is only 33 percent, suggesting there may be considerable scope for improved productivity.

In household enterprises and small family businesses, women play a significant role in enterprise management. Though there are estimates of the proportion of women in business generally, there is need for more reliable statistics on the ownership and management of enterprises. Without such statistics, support programmes and policy makers tend to make assumptions which ignore the fundamental differences between male owned and managed enterprises and female owned and managed enterprises. The characteristics of women’s enterprises are vastly different from those operated by men, as are their motivations for starting business, their access to resources and their strategies for development. Women tend to be very active in the service sector, and other

³ Speech given by Dr. Pham Thi Thu Hang, Director, Vietnam Chamber of Commerce and Industry SME-Promotion Centre (March, 2003).

sub-sectors which receive less attention at the policy level than sectors in manufacturing. These differences must be visible statistically in order to develop sound policies.⁴

Sex Disaggregated Data on Women and Exports

At the present time, there is a lack of sex-disaggregated data that could clearly identify the size and type of export activity of women’s and men’s enterprises. This data is essential to identify and evaluate policies and programs to support women exporters. In 2002, the General Statistics Office (GSO) carried out its first sex disaggregated survey of enterprises, however, the survey does not indicate whether the enterprises are exporting. The Ministry of Planning and Investment is responsible for business registration, but it does not yet keep sex-disaggregated data. The Ministry of Trade, Customs Bureau and VCCI keep databases related to enterprises applying for quota, certificates of origin, or for other export procedures, however, these are not sex-disaggregated.

A survey conducted by Swisscontact and VCCI indicated 11.1 percent of male headed enterprises are exporting while 9.5 percent of women entrepreneurs are exporting. It is interesting to note that there is a far greater gap between women and men’s activities at the national level than at the international level.

Table 1. Men and Women in Exports in Vietnam

Activity	% male entrepreneurs	% female entrepreneurs
Sell to local market	90,8	90,5
Sell nation-wide	58,5	41,1
Export	11,1	9,5

Vietnam Chamber of Commerce and Industry and Swisscontact, January, 2003

Women entrepreneurs and internet connectivity

In terms of access to the internet and online services,⁵ there is a large discrepancy between rural and urban areas, not only in usage but in awareness of the potential of the internet as a tool to enhance competitiveness. The Ministry of Trade (MOT) carried out a survey of 100 enterprises across Vietnam in 2003 to look at internet usage.⁶ Those surveyed included micro-, small and medium enterprises. All respondents recognized a need to participate in electronic trading, while 89 percent thought it would help them to communicate with current clients and 59 percent said they would apply it to sell their product. 98 percent said they had internet connectivity. Of these, 93 percent were using e-mail to conduct their business communications and 46 percent were actually applying e-

⁴ Women in Micro Enterprise in Vietnam: Contributions and Challenges, Dr. Jean D’Cunha, UNIFEM East and Southeast Asia Regional Office, Bangkok November, 2001

⁵ As of 2004, much paperwork and other procedures related to exporting can now be accessed and completed by exporters online, a service provided by the Ministry of Trade and the Customs Bureau.

⁶ This survey was not disaggregated by sex.

commerce in their business. 46 percent identified their location in a rural area one of the obstacles hindering them from applying Internet technology.⁷

By contrast, the SWED project carried out a survey of women entrepreneurs in Quang Ninh province. Of the 223 women entrepreneurs surveyed, only two subscribed to an internet service, using it only for business communications. One of the two respondents is an exporter. Those who do not use the internet use phone and fax, postal service, guidebooks and business cards to communicate with customers. The main reason given by respondents for not being connected was that it was not required by their customers.

The low level of internet use reflects a lack of awareness and a general approach to business management which tends to be more reactive than proactive for various reasons. Of those surveyed, 157/223 said that they would attempt to get connected, if their customers demanded it of them. Eleven project beneficiaries are using the website of the SWED project business support centre, to advertise their firms and the products and services they offer. The teams of volunteers and trainers trained by the project in Quang Ninh were also surveyed (28 people). They suggested that the main reason women are not connected is they are lacking the necessary computer and English language skills. That enterprises are not proactive in adopting new technologies to some degree reflects a general passivity in the enterprise culture (producers and traders will also wait for orders instead of going out to find them) that is taking time in the economic transition to change. In-depth answers from the MOT survey indicated usage has been held back for reasons beyond the English and computer skills. In the MOT survey, companies referred to the lack of a legal framework as well as high connection and leasing fees as major obstacles, in addition to the lack of training in how to use the technology.

In Hai Duong province, out of 136 survey respondents only 4 women entrepreneurs are connected to the internet. Only one is selling over the internet and all 4 use the internet for communications. In Ha Noi, out of 16 respondents from the Ha Noi Business Women's Club only 25 percent said they are connected to the internet and are using it for business communications. These businesses are also exporters and have websites. Women entrepreneurs in the capital city of Ha Noi were slightly more aware of the use of the internet for marketing and distribution purposes than their counterparts in rural areas, however, 75 percent said they were not using internet in their business. The reasons given include high costs, they do not know how to use it and they do not feel it is necessary.

Chapter 2. Support to Women's Economic Development, Phase II (SWED II): Project Background and Objectives

In Vietnam, women are extensively involved at various stages in production, marketing or trading of products with export potential. Typically women are also very active in the service sector, including business services and tourism, such as small hotels and restaurants. SWED supported women in these and other sectors that were identified as

⁷ Results of the survey conducted by the Information Centre and E-Commerce Department of the Ministry of Trade, a survey of 100 entrepreneurs across the country, 2003.

offering growth potential, leading to job creation, and greater control of economic resources and decisions for women in the economy.

The project assisted women entrepreneurs to build their enterprise capabilities, while facilitating their access to information and networks which would enable them to seize growth and export opportunities. In the experience of the SWED project, if women can access resources, business development services (BDS), and overcome gender stereotypes, they have enormous potential to target export markets successfully.

A “Holistic” Approach

The overall approach of this project was holistic: it looked at women entrepreneurs not in isolation, but as part of a community and part of a value chain. Many women find themselves at the “lower” end of market chains, with low profit margins and fierce competition based largely on price. Their success in “moving up” depends to a large degree on their integration and bargaining power vis-à-vis others in their community and value chain in addition to building individual capabilities. It is important not only to look at the management capabilities of the woman entrepreneur and her enterprise, but to look at rules that apply along the value chain in which she is operating, at the different tasks done by men and women, at the resources women and men each put into and receive from their production (or service) processes, the institutional patterns at each stage of the value chain and, how much power women and men have at various points in the value chain.⁸ It is also important to consider women entrepreneurs as actors in a family enterprise: her success as an entrepreneur is closely linked to the dynamic of her relationships with other family members.

Project Partners

The project was funded by the Canadian International Development Agency and implemented by Oxfam Quebec with two main project partners: the provincial offices of the Vietnam Women’s Union (VWU) and the Cooperative and Non-State Enterprise Association. This team was complemented by a host of volunteers and unofficial partners from district and commune offices, teachers at local and national training institutes, private businessmen and businesswomen who volunteered their time, the Vietnam Chamber of Commerce and Industry (VCCI), The United Nations Development Fund for Women (UNIFEM) and the International Labour Organization (ILO). The project discovered a strong willingness among all players to contribute their services and time, for little compensation, thus assuming support of women entrepreneurs to be a legitimate and valuable part of their regular mandates. The motivation behind such enthusiasm and collaboration can be attributed to many factors which should be explored further by donors, due to its potential for making investments more in tune with local needs, more efficient and more targeted at opportunities according to the local economic and social circumstances. It appears that the ideological predisposition of the main partner, the

⁸ Manual for Value Chain Research on Homeworkers in the Garment Industry, page 144. <http://www.wiego.org/main/publi4.shtml>, accessed January, 2004.

Vietnam Women's Union, which embraces the concept of interdependence at the core of its mandate, was an important factor. Members of the Women's Union (most of the women entrepreneurs are also members of the Women's Union) are strongly encouraged to assist each other in the household enterprise sector, especially during the first phase of Vietnam's privatization. There is also a strong cultural basis in Vietnam for collaboration, visible in the village tradition of collective ownership and in the traditional philosophy of community interdependence. This requires mention and further exploration as it appeared to be a prominent factor in pulling together community and national resources so smoothly and quickly for the purposes of the project, and which contributed to the effectiveness of the overall investment.

This community mobilization around shared interests was also instrumental in facilitating the mainstreaming of women and gender concerns into male dominated associations, government offices and the myriad available training programmes, by building consensus, a sense of local ownership and momentum around the issues and activities. It merits attention especially in the hope that it is not something that will be lost as "foreign" approaches are adopted.

Target Group

The project's target group was poor, marginalized women entrepreneurs. Almost all, 94.9 percent, of SWED beneficiaries were household enterprises with fewer than 10 employees (the majority of enterprises in Vietnam, 98.4 percent⁹, are household enterprises, with fewer than 10 employees). Though the primary focus was marginalized producers and service providers, for various reasons, the project included SMEs¹⁰ and larger enterprises among its target beneficiaries. One reason was in recognition of the position of the micro-enterprise in a value chain. By engaging a micro-enterprise together with medium and larger enterprises in the same sector, support can be more effective. For example, the success of a micro-producer of handicrafts will be greater when a beneficial relationship is established with a larger buyer-exporter, and the larger buyer-exporter is also successful at establishing a presence in the international marketplace. Similarly, the success of small cooperatives and associations for women depends to some extent on how successful the larger, more powerful women's business associations have been in establishing their voice at the policy level. Exchanges between women entrepreneurs of various sizes, with diverse needs, can make them aware of each others' challenges, and to some degree prevent the "elite" women entrepreneurs from driving the policy processes. Linking marginalized women to larger women-led enterprises can also assist women in accessing resources and networks, investment opportunities, credibility and sources of supply which they would otherwise not be able to access. Finally, if project support is successful, micro-enterprises will create jobs, and, as in the case of the SWED project,

⁹ Government Statistics Office, Statistical Yearbook, 2000.

¹⁰ Definition of SME: During the time of the SWED II Project, The Vietnam Women's Union, and the project used the definition criteria defined by the International Labour Organization (ILO), which defines micro-enterprise as enterprises with less than 10 employees and small as those between 10 and 50 employees.

several “graduate” to become SMEs. The proportion of women-owned or managed enterprises in the project that qualified as an SME was 5.1 percent (123).

Table 2. SWED II Services provided to marginalized women entrepreneurs from 1999-2002

Province	Total Client Service Transactions	Total number of beneficiaries	# Micro-enterprises less than 10 employees	# Small enterprises 10-50 employees	# Medium enterprises More than 50 employees
Ha Noi	2,462	772	704 (91.2%)	53 (6.9%)	15 (1.9%)
Hai Duong	2,424	839	821 (97.8%)	14 (1.7%)	4 (0.5%)
Quang Ninh	3,168	791	754 (95.3%)	35 (4.4%)	2 (0.3%)
Total	8,051	2,402	2279 (94.9%)	102 (4.2%)	21 (0.9%)

Source: SWED Project Reports, Project beneficiary profiles

In the province of Hai Duong, of the four medium sized enterprises, three had graduated from micro- to small with the assistance of the project. They began by selling to export markets indirectly, through buyer-exporters. After building their capabilities and linking to export markets directly, they now serve markets in Asia and Europe. Five of the 14 small enterprises in Hai Duong are serving export markets indirectly. Among the micro- and household sector in Hai Duong, a small producer group of 30 beneficiaries is producing rattan and bamboo baskets to sell locally and to sell to buyer-exporters.

Of the 123 SMEs supported by the SWED project, 27 percent are exporting directly. The number of women exporters as a proportion of the overall number of beneficiaries is low, in part due to the criteria to target poor women, who at the start of the project may not have been export-ready. It also reflects the limited number of women actually engaged directly in international trade. Though they are active in the value chain in export sectors, women lack the resources, mobility, decision-making power and networks to advance to the stage of exporting directly.

Objectives

The SWED II project aimed to create an enabling environment for marginalized women in enterprises in three provinces in North Vietnam by increasing their access to training, credit, markets and collective structures and by winning recognition and support in their communities for the contribution of women to local economic development. The objectives of the project addressed three major levels: meso, micro and macro.

At the meso level, the project focused on building the capacity of BDS providers, among the formal partners and various offices and institutes in the communities, to deliver services to MSEs, especially women, taking gender into consideration. This included setting up business support centres in three provincial capitals. It evolved to include satellite “centres” and support teams in 9 districts and 18 towns and villages.

At the micro-level, the project aimed to deliver training and non-financial services to at least 700 marginalized women via the business support centres, broker their access to existing mainstream credit sources and to enable women entrepreneurs to build and participate in collective structures or business networks. Though it was not explicitly stated in the project document, it became quickly apparent that fostering women’s capabilities in enterprise required also looking at gender relations within the household enterprise and encouraging other family members to be more supportive of the woman entrepreneur in her enterprise activities and in her family responsibilities.

At the macro level the project aimed to inform and mobilize mainstream government, business and academic institutions regarding the potential and success of women entrepreneurs in business at national, provincial and local levels, to encourage them to adopt women as beneficiaries and to develop programmes and policies which would be more gender aware.

General and Sub-sector Approaches

Initially the project took a general approach to building capacity of the partner organizations to provide BDS, starting with the training of master trainers and delivery of business management training, to a large number of micro-enterprises across diverse sectors. Business management training was identified by women entrepreneurs as the most pressing need (after credit, which was not a major project component), and during the Participatory Rapid Appraisal (PRA) which consulted many provincial offices and organizations, the need for human resource development for business and economic planning and management was emphasized as the most pressing priority.

As the BDS providers’ capability and understanding of principles of business management and the market economy grew, the project adopted a subsector approach, whereby sectors of opportunity were identified, and the position of women entrepreneurs in the value chain of these sectors was mapped out. Interventions were designed according to the specific needs identified. Both approaches proved successful in meeting different objectives. The general approach was useful in building the basic capabilities of partner volunteers and trainers to provide business development services, and to stimulate demand for these among women entrepreneurs. The “general” approach enables service providers to reach a larger number of beneficiaries across sectoral lines.

The subsector approach enabled partner volunteers and trainers to better identify economic development needs specific to communities and industry sectors. The subsector approach deepened the trainers’ and service providers’ understanding of investment and building enterprise capabilities. Services became more tailored and technical and could

only be delivered to smaller numbers of beneficiaries. It was the experience of the project that business clubs organized along sectoral lines required far less capacity building and had greater chances for sustainability after support ended, than those organized across sectors.

Given the diversity of the 9 districts and 18 town-village project sites, the project and partners worked together to develop approaches which would be tailored to the specific needs of each target group. In the province of Quang Ninh, the business support centre was located in the urban port centre of Ha Long Bay. The needs of women entrepreneurs in this relatively prosperous area, with a budding tourism industry, were far different from the needs of women entrepreneurs in villages outside of Tien Yen district, which are landlocked, very poor and whose livelihoods rely solely on farming.

Other Projects that Support Women and MSEs in Vietnam

SME support in Vietnam

The Government of Vietnam issued the SME Decree in 2001, clarifying its definition of SME and micro-business in Vietnam. In 2002, it presented a “road map” to support economic development and poverty reduction objectives. In May 2002, Vietnam’s “Comprehensive Poverty Reduction & Growth Strategy” (CPRGS) acknowledged the importance of creating an enabling environment for SMEs, setting out objectives to “establish technical support centres in various regions to provide basic services and support for training and transferring skills”, develop a market “for different services including accounting, auditing, marketing and advertising,” and a “sustainable network of BDS providers put in place.”¹¹ This marked an important recognition by the Government of Vietnam of the multiple functions and benefits of SME support programmes, both in alleviating poverty and in developing the newly emerging private sector.

The SWED II project was undertaken in Vietnam at least two years prior to the establishment of a legal framework, in three provinces where both private and public business development services (BDS)¹² were undeveloped. SWED II began setting up business support centres to service a newly emerging private sector, for which the concept of BDS was also new, thus demand was low and there was little willingness to pay for services. More importantly, there were few resources persons who either understood the purpose of BDS or had the training and experience to deliver.

¹¹ Government of Vietnam (2002) Comprehensive Poverty Reduction Growth Strategy.

¹² What is a Business Development Service? BDS is a term used by the Committee of Donor Agencies for Small Enterprise Development for anything that a business could possibly need to improve its performance/competitiveness, though it usually refers to non-financial services. It can include training, consultancy and advisory services, marketing assistance, information, technology development and technology transfer, business linkage and promotion. <http://www.ilo.org/public/english/employment/ent/papers/guide.htm>. This paper adopts the DAC definition.

In Vietnam, there are few initiatives as yet which support BDS targeted at women entrepreneurs. There are even fewer which address the specific constraints faced by women. Most efforts related to BDS until recently have been concentrated primarily in Vietnam's two largest cities, Ha Noi and Ho Chi Minh City.

Annex 1 provides an overview of national and donor-supported projects in Vietnam that support women entrepreneurs.

Characteristics of Women Entrepreneurs in the SWED II Project

According to a survey of 240 beneficiaries conducted jointly by Oxfam Quebec and the ILO after the first year of the SWED II project, participating women entrepreneurs had the following characteristics:

- women are focused in sectors related to their traditional skills, requiring lower technology and capitalization such as trading and services
- usually they start the business with their own capital
- most are producing or providing the service out of their home, and little distinction is made between household accounting and business accounting
- due to family responsibilities they are constrained in the time and energy they can put into their businesses.¹³

Age, Education and Marital Status

83.2 percent of the entrepreneurs were between the ages of 25-44 and the overall range included women from age 20 to age 61. 48 percent of participants had attended school up to grade 6-9, and less than 6 percent had received any kind of skills training. Only 1 percent had attended university. Almost 96 percent were married and 90 percent had children.¹⁴

Sectors of activity

Women entrepreneurs in the 3 provinces are concentrated primarily in trading activities, followed by agricultural production, manufacturing and services.

¹³ International Labour Organization (ILO). (2003). Impact of Start Your Business Training on Women Entrepreneurs in Vietnam.

¹⁴ *ibid*

Table 3. Women entrepreneurs by sector, based on survey of 240

Sector	Number of enterprises	percent of total enterprises
Trade	107	31
Agriculture	90	26
Manufacturing	86	25
Services	64	18
Total	347	100

Source: International Labour Organization (ILO). (2003). Impact of Start Your Business Training on Women Entrepreneurs in Vietnam.

Women are typically involved in more than one type of enterprise activity simultaneously. It is not clear whether women's lower representation in the service sector at the time of the survey (one year into the SWED II project) was because the project partners were more inclined to identify women in trading and manufacturing and overlook women in the services sector, or, because there actually were few women in the service sector overall. During the process of identifying beneficiaries, partners relied on data available locally through the district statistics office. The absence of sex-disaggregated data and data on service enterprises may have made it difficult to identify potential beneficiaries in the service sector.

Motivation

When asked what motivated the women entrepreneurs to start the enterprise activities, their responses varied. The main reason was to supplement the family income (40 percent of respondents). This underlines the importance of women's enterprise activities to provide security for family members, especially children. Only 16 percent replied that they started the business because they could not access other income sources and 6 percent responded that they started a business because their "previous job ended". 28 percent said they started the business because they had a good business idea and wanted to pursue it.

Business registration

At the outset of the project, 31 percent of enterprises were formally registered.

Monthly income and profits

The average monthly income of participants ranged from less than 2 million Vietnam Dong (vnd) to more than 10 million vnd. Monthly profits varied from less than 1 million vnd to more than 50 million vnd. Approximately 77 percent indicated that these enterprise activities constituted the family's main source of income.

With just a small investment, in only the first year of the project, the impact survey indicated:

- 56 business owners created 185 new jobs
- 97 percent indicated increases in at least one of these three: profits, customers, and sales
- 80 percent were more confident in managing their finances
- 74 percent had improved their business networking with other women entrepreneurs.¹⁵

Though the SWED II project adopted multiple approaches reaching over 2,000 women entrepreneurs in 18 towns and villages in 3 provinces, this paper will highlight two case studies in Quang Ninh province. The first case study looks at a village-based producer group exporting indirectly through the “Fair Trade” network. This case study examines the potential for the Fair Trade model and network to minimize risk for poor women engaging in handicraft production for export markets. The second case study describes a women’s tourism club in Ha Long Bay. The case study highlights women’s potential in Mode 2 service exports, the value of targeting women in tourism and tailoring BDS support programmes to be gender-responsive.

Chapter 3. Case Study 1: Fair Trade Networks: Minimizing Risk for Poor Women in Handicraft Production

The Fair Trade movement, through its network of members along the market chain, offers a short-term strategy to assist marginalized women entrepreneurs engage in international trade markets. The Fair Trade network provides access to a growing consumer market¹⁶ through its network of distribution channels and growing consumer base in developed economies¹⁷. Member organizations in the developing economy perform the role of buyer-exporters, on terms which offer marginalized producers more flexible delivery and financing than mainstream buyers, and a commitment to longer-term relationships. This reduces the risks for marginalized producers to export and allows them to enter the competition in spite of the lack of basic infrastructure and economic opportunity in their communities. In Vietnam there are two main Fair Trade Organizations trading in handicrafts, CraftLink in the North and Mai Vietnamese Handicrafts in the South. CraftLink and Mai Handicrafts act as buyer-exporters, linking marginalized producers throughout Vietnam to a network of distributors and educated consumers in North America, Europe Hong Kong, Australia and Japan.

¹⁵ Impact of Start your Business Training on Women Entrepreneurs in Vietnam, S.D. Barwa, International Labour Organization Office in Vietnam, 2003, pages 31-33.

¹⁶ Handicrafts expected to grow by 26 percent, coffee by 26 percent and cocoa by 4000 percent Source: 2003-2004 forecast, Fair Trade Report.

¹⁷ Over 70,000 sales points in North America, Europe and the Pacific Rim, Source: Fair Trade Report

Building the capability of remote producer groups for export requires bringing together the skills, expertise and institutional capacities from a wide range of organizations and institutions¹⁸ and solid relationships among 3 major levels.¹⁹ It requires capacity-building of producers, service providers and buyer-exporters and a healthy synergy between these 3 levels. In the Phong Du village project, one of several small sub-projects undertaken by the SWED II project, producers were marginalized women in subsistence farming, who engaged in traditional weaving and embroidery during the off-season months. The project built the capacity of district and provincial offices to provide services to this and other groups, and enhanced the export capabilities of the Phong Du group's first potential buyer-exporter.

Rural satellite business support “centres”

The SWED II Project worked with thousands of women entrepreneurs throughout 3 provinces. In Quang Ninh province, the project established a provincial support unit which was easily accessible to women in tourism and other sectors in the urban setting of Ha Long. Major rural towns in this province are a two hour drive (in good weather conditions) from the business support centre, posing major challenges to project implementation, such as transportation costs and time constraints on the centre's small number of staff. To ensure activities were more accessible to women entrepreneurs in the rural towns and villages the main business support centre decided to establish “satellite” support centres. This strategy enabled the provincial team to also work with entrepreneurs in the city of Mong Cai on the border with China, and three landlocked districts of Cam Pha, Dong Trieu and Tien Yen.

Establishing the satellite teams proved to be a more sustainable approach to capacity building, allowing for skills and knowledge to reside in the remote area where they would be required, while creating synergy between the remote satellites, and the main support centre in the urban area. This was an approach which differed from the prevailing donor practices at the time of sending urban-based teachers or trainers to remote areas, to train beneficiaries directly and then return to the urban areas, thus prolonging dependence on outside and hard to reach technical skills.

The satellite “centres” in the project sites comprised a team of experts and resource people based in various district offices, coordinated by the local Women's Union and in Quang Ninh province, coordinated by both the Women's Union and the Cooperative and Non-State Enterprise Association. The teams included school teachers, trainers from the local job training centres, the district economic and industry departments, members of the local people's committees, the local banks and departments for agriculture and rural development, district offices of labour, invalids and social affairs and district planning departments.

Each attended training according to the kind of support his or her office could provide to small-scale enterprise development. Some were trained as trainers in business

¹⁸ ITC. 'ITC's Export-led Poverty Reduction Programme' Geneva 2001, page 22.

¹⁹ ITC. 'ITC's Export-led Poverty Reduction Programme' Geneva 2001, page 22.

management, some in micro-finance. All received gender training to raise their awareness regarding the contribution of women to the local economy and to understand the gender differentiated needs of women and men in business. The local satellite team members were linked to various technical institutes in the major urban centres and attended trade shows and study tours to international markets. They also attended seminars on international trade, e-commerce, exporting to the Canadian and other markets, quality control and standards for exporting and seminars to raise their awareness of the risks and benefits of exporting.

Synergies and information exchanges were fostered between these local teams and provincial and national trade facilitation authorities. In a recent survey of 30 district team trainers and business service volunteers, respondents remarked at how the SWED project improved their relationship with government departments who provide information on exporting and export procedures. These include the local customs bureau, the tax bureau, the bureau for standards, the provincial and national trade department, the national Chamber of Commerce (VCCI) the Central Research Institute (competition policy), Export-Import companies and many others.

Box 1. District and Provincial Teams revealed what type of services they felt adequately trained to provide to beneficiaries with information or referrals	
Support service	Number of trainers
Reviewing export plans	26/30 (provided information directly)
Market information and research 26/30	26/30
Introduction to new buyer-exporters	20/30 (direct)
Advice and guidance on export financing needs for enterprises	25/30 (direct)
Port logistics	13/30 (direct)
Customs procedures	26/30 (referral to agency)
Tariffs, non-tariff barriers, quotas	16/30 (introduced to appropriate agency)
Information on rules and procedures	27/30 (direct and referral)
Transportation	10/30 (referral)
Intellectual property rights	19/30 (direct)
Trade dispute mediation	20/30 (direct)

Source: Survey of partners and volunteers in 3 provinces, May 2004

The Phong Du Embroidery group

The district of Tien Yen is a town about two hours away from the provincial capital of Ha Long, on the way to the Chinese border. In the mountainous lands surrounding Tien Yen small populations of indigenous peoples are dispersed throughout the countryside, living off subsistence agriculture. They are considered food poor and are highly vulnerable. Cases of trafficking of women had been reported. During visits to these diverse communities, grandmothers displayed old swatches of hand woven silk with traditional patterns and exquisite embroidery; skills which had been lost as such products were not considered by the younger villagers as “worthy” for commercial or domestic purposes.

In Phong Du village, the site of the embroidery group, women were engaged in subsistence farming with their husbands and considered food poor. Most women had not studied past grade 6 level; many were illiterate and could not carry out basic calculations. They had no access to financial resources, networks or market information. However, they were highly skilled in exquisite traditional embroidery and interested in starting an enterprise activity. The potential beneficiaries were given the opportunity to visit similar projects in other communities and openly discuss the risks and benefits. Wives discussed the possibility with their husbands and 30 women decided they were interested in making it happen.

Swatches and samples were sent to potential buyers and various organizations who praised their uniqueness, quality and market potential. A number of buyer exporters expressed an interest in the samples of weaving and embroidery if the producers could adapt them to commercial tastes. After a group study tour to other producer groups to discuss the impact of similar projects, women from the village of Phong Du expressed an interest in adapting their traditional embroidery into products which could be marketed to consumers outside their village.

The strategy of linking this group to the Fair Trade network was adopted because the skills of the group are well suited to the Fair Trade buyers and consumers and the philosophy and method of doing business of Fair Trade buyers was conducive to supporting this group during a precarious development phase. Unique, indigenous designs in gift and houseware are in high demand in Northern economies, as well as in local tourism and expatriate markets in Vietnam. In addition, consumers who shop Fair Trade are willing to pay a higher price for a product of higher “social” and “environmental” value, which can compensate for the invisible taxes and barriers faced by producers in disadvantaged communities.

The district and provincial teams as well as the Fair Trade Organization (CraftLink) were involved in building the capabilities of the producer group. In the first year, 30 households received several trainings in design, sewing, and business management. The district and provincial teams along with specialized technical advisors provided training to group members in bookkeeping, costing pricing, accounting and other business management skills, negotiating skills, contract law, sales and marketing, and how to prepare and exhibit at a trade fair. The local district women’s union, volunteers in the

project, mobilized equipment such as sewing machines to be donated and helped the group build a small credit and savings fund. Within one year of the first visit to the community, the group presented their new collection at the CraftLink Bazaar, an annual Fair Trade craft fair which attracts tourists and expatriates in the capital city of Ha Noi. The response from clients was overwhelming and many buyers were prepared to place orders. With the profits generated from this the Phong Du group opened their first bank account.

After two years of training and group development, handicraft production had grown into a significant source of income for the member families. Average monthly household income had doubled, and the group was exporting indirectly to Japan and other Asian countries and Italy. With increased demand and enthusiasm, the group grew in its membership by 30 percent. The Handicraft project has diversified income-generation opportunities in an area where there are few other opportunities available locally. Handicraft production takes place during the off-season, thus it does not detract from farming activities.

The group reported it has increased food security, as member families are no longer food poor and income has been re-invested in rice, fertilizer, medicine, clothes, materials for the business, educational materials, and used to upgrade their homes. Benefits have spread throughout the community as the group used profits to establish a development fund to invest in farm implements and buffaloes. A percentage of profits is also used to build a credit and savings fund. Funds have been set aside for health issues. Project participants have transferred some of their skills and knowledge to other members of family and neighbours.

The group says they have benefited from their increased exposure to the outside world through interaction with customers, retail shops in large urban centres, participation in trade shows, and they are more knowledgeable in sourcing raw materials.

The Buyer-Exporter

The project assisted the main FTO, CraftLink to connect with the International Federation for Alternative Trade (IFAT), a network of international Fair Trade organizations, including importers. Project funds allowed CraftLink to attend the IFAT regional Asia Pacific meeting in Manila in 2000, to determine how joining this network might benefit CraftLink's export activities. Within a few months of attending the meeting CraftLink decided to become a member of IFAT.

Prior to connecting with IFAT, CraftLink's exports as a percentage of annual sales were 50 percent. Within two years of joining IFAT CraftLink's exports jumped to 70 percent of total sales, of which 60 percent are from IFAT members. CraftLink is now a very active member in the regional Asian network and in 2004 will host the regional IFAT meeting which takes place every two years.

The SWED project also identified a funding source for CraftLink to join other IFAT members in a shared booth at the Bangkok International Gift (BIG) Fair in 2002. It was the first time the IFAT members exhibited at a mainstream regional industry trade show. CraftLink received the greatest number of orders among IFAT members at the show. This benefited the Phong Du group, as well as the many other groups supported by CraftLink in the North of Vietnam.

Challenges for Producers

The Phong Du group has been able to develop certain types of products independently; however, for a number of others they require ongoing assistance, limiting their ability to market their products without intermediaries. FTO's cannot always provide all of the training as required. Because the group is so remote, they have very little exposure to the market and remain dependant on outside input and the one visit they make in the year to attend the CraftLink Bazaar.

Their capabilities are still developing and occasionally they do not meet delivery dates. With only postal service available for communication, they must continue to rely on the district centre to facilitate communications. The group also uses the postal service to deliver their goods. Occasionally they experience delays in the postal service which delays the delivery of their goods.

The group can only produce in small quantities, and buyer-exporters have said this limits them in terms of markets they can target. The buyer-exporters also underline that they have to spend more time and devote more staff to work with the group on quality control of this group compared to producers in wealthier and less remote villages. Because of transportation constraints, products are not packaged in advance by producers but must be handled by the buyer-exporter.

The benefits for such groups in selling to FTOs are in the FTOs' longer term approach to the buyer-seller relationship. FTO buyer-exporters are more flexible in delivery requirements and product quality. When the producer group faces challenges, instead of cancelling the contract, demanding a percentage of the contract or ending the relationship, FTOs will work with the group to meet the terms the next time around.

Challenges for BDS Providers

FTO buyer-exporters understand that groups need input on product development, and other types of training. Mainstream buyer-exporters do not understand this as well, and are less willing to make the investment of time and money to visit the groups regularly. The BDS provided by the "satellite" project team in the district was mainly oriented towards building capability. Given their own limited exposure to international markets, which was enhanced considerably by the project, the optimal support was provided in combination with the buyer-exporters.

The mainstream (non-FTO) buyer-exporters of the Phong Du handicraft group, the Museum of Ethnology and Indigo, consider social responsibility as one of their management principles and are willing to forego some profit margin in order to provide more intensive support services. However, they are limited as to how much time and resources they can spend developing the groups.

Extensive BDS provision can work in the short term. However, it can become too costly in the long run, if capabilities are improving in the group but these are not complemented by greater infrastructure development and economic integration in the community. For mainstream buyer-exporters, the costs of production, service provision and transportation hurdles can be too high, compared to products of other producer groups. Thus for buyer-exporters to remain competitive, they may be forced to abandon groups such as the Phong Du group before they reach a stage of self-reliance. BDS provided by Fair Trade and socially minded buyer-exporters, projects and community groups should be recognized for its contribution to local economic development and integrated into local development and export strategies.

Challenges for Buyer-Exporters

Tariffs were not reported to be an issue for the group in markets in Asia and North America, as their products are 100 percent locally made, produced in very small quantities and have forms traditionally by indigenous peoples, making them exempt from tariffs and quotas. The buyer-exporters expressed their appreciation for the elimination of tariffs and quotas for handicrafts in most overseas markets. Facing fewer hurdles in international markets has made it easier for them to justify the investment in working with more marginalized groups. Though this has been a very positive development, Fair Trade goods, with all the extra costs of community development, production and marketing compete on the same terms as other handicrafts in export markets. While the formal tariffs have been reduced, Fair Trade traders have a long list of costs incurred by informal barriers.

One of the main constraints highlighted by the producers and their buyer-exporters at the time of the project was regarding procedures and paperwork. Long delays and complicated procedures are costly and some enterprises have reported paying extra to speed up the process. The Government of Vietnam recently made great strides to harmonize and reduce documentation and administrative procedures. Fees are now fixed; forms have been reduced and can be filed online. Time spent on procedures has decreased considerably. For example, the time to have a certificate of origin issued has decreased from 3 days to one day.²⁰ One of the group's buyer-exporters, CraftLink reports no direct discriminatory practices against her as a woman. Since the streamlining has taken place, she finds she can now delegate most of the work to the freight forwarder.

However, some constraints persist, which further discourage the buyer-exporter from dealing with remote and marginalized groups. According to one of the group's buyer-

²⁰ Source: Vietrade.

exporters, the village producers in remote areas are not in a position to produce papers necessary to have the Certificate of Origin issued. In some cases commune local authorities issue the paper on behalf of the village group. However, in some remote communities this is not possible, thus the buyer-exporter in a distant city must find a way to have the proper papers issued.

One buyer-exporter mentioned a significant gender barrier regarding transportation. Given the heavy traffic during the day time, the law requires that deliveries be made during the night. This is difficult for women managers as their gender roles require them to be at home taking care of family responsibilities in the evening. Furthermore, their safety could be more compromised than that of men, when working at night. Employing male staff to deal with this is one strategy. However, not all women managers can afford to hire extra staff to deal with deliveries. Moreover, husbands of women exporters can discourage their wives from hiring men.

Wider Empowerment

For a group like the Phong Du embroidery group to succeed, as well as their 3 buyer-exporters, owned and managed by women, interventions must address gender issues within the family as well as those issues that arise in developing capability and facilitating the export transaction. In the household, women cannot partake effectively in enterprise development if their family obligations prevent them from taking part in training or traveling to larger cities to attend trade shows. A greater sharing of work in the household must take place and a change in social attitudes towards women in the economy must take place.

One of the ways the project addressed this was to hold workshops and activities during which local authorities, provincial authorities, businesswomen and their husbands had the opportunity to weigh the costs and benefits of gender stereotypes and to look at ways in which work can be more evenly distributed within the family (without pulling daughters out of school, which is often the way of dealing with the extra work.)

Participants in the project reported that their husbands became more involved in family work, and that there was a decrease in violence against women in the village. Women received more recognition for their role in earning family income which has increased their voice in family financial decision-making and improved their self-confidence. Through project activities, women interact more with each other, and have strengthened their social networks. The project increased their social visibility and the level of respect given them by others in the community. An indication of this is that they are invited to participate more often in public meetings.

In conclusion, Vietnam and its trading partners have removed many of the obstacles the buyer-exporters face in selling Phong Du's products in international markets. The main constraints lie in the group's limited capabilities and the limited support and resources available to them. Given that women are heavily concentrated in these sectors, in poverty

and in SME's, the question of resources and support services for women in this sector *is* a gender and trade issue.

Many direct obstacles faced by women in exporting handicrafts lie in the gender relations within the household and society. These range from obstacles to hiring male staff to pack containers and load trucks to allowing women to joint-venture with male partners to access finance. There may be indirect obstacles which are gender-related; however, these require further investigation.

“In May 2004, a delegation from the provincial Industrial department was sent to Phong Du to learn from the success. They were so impressed with the results, they pledged to invest further in the local service provider to continue their work with this village and extend similar services to other villages.” Ms. Phan Thi Huyen, Chairwoman of Tien Yen District Women's Union, Quang Ninh province

Recommendations:

- Export for Poverty Reduction should be given special consideration by Ministries of Trade. FTOs should be recognized as important players in this strategy
- Approaches by donors should be longer-term. Donors should evaluate this by looking at the progress of the groups they are supporting within the context of larger local economic development
- Improvements in trade facilitation measures must examine the issues facing buyer-exporters who work with marginalized women
- Governments should look into how gender relationships within families and cultures impact economic efficiency, especially areas that may restrict capable women entrepreneurs from exporting.

Chapter 4. Case Study 2: Women in Tourism Services in Ha Long Bay

Ha Long Bay (in Quang Ninh province) is a spectacular tourist destination, recognized by UNESCO as a World Heritage Site. Given its proximity to the capital city of Ha Noi, the area offers enormous growth potential for local and international tourism. The Quang Ninh Tourism Department reported annual growth in revenue from 45-58 percent per year from 2000 to 2002²¹, with at least 1/3 of the market consisting of international visitors.

In Vietnam, an estimated 64 percent of the labour force in hotels and restaurants is comprised of women.²² In Ha Long Bay, the larger-scale formal sector is dominated by state-run enterprises, while a number of private guest houses, small to mid-sized hotels, restaurants and tourism services such as boat rentals are owned or managed by women.

²¹ Source: Quang Ninh Tourism Department.

²² Vietnam Trade Promotion Agency (Vietrade) in MOT website: <http://www.vietrade.gov.vn>

These smaller, private service providers cater to foreign tourists which means they are mode 2 service exporters.

The provincial tourist authority for some time focused on the larger state-run service providers, while the myriad smaller, private ventures were unregistered, lacked coordination and had not established credibility in their services. As in other sectors, women in tourism services are marginalized due to their small scale, and lack of access to resources due to gender bias and obstacles arising from gender differentiated needs of women in business. Yet they fill an important market niche and working with these women entrepreneurs provided an opportunity to boost the overall performance, diversity and image of tourism services in Ha Long.

The provincial business support centre set up by the project adopted a strategy proposed by the women entrepreneurs themselves, namely to facilitate the creation of a women in tourism network or business “club”²³. The club became a support network through which the members were able to establish their credibility and create strategic alliances with both women’s and mainstream organizations. The club was also a convenient vehicle for delivery of BDS by the provincial business support centre, and an effective mechanism for communication and awareness-raising between the entrepreneurs and government agencies.

Vehicle to deliver BDS and key information

Establishing a group with common needs within a particular sector made it easier for the provincial Business Support Centre to deliver targeted training and support programmes. Responsibilities as wives and mothers restrict women’s ability to network socially and professionally, and hinder their ability to travel or take time for activities outside the home. With less time and mobility, the women entrepreneurs in Ha Long Bay were less able to develop their skills in business and tourism, access market information and build relationships with local authorities. This made it more difficult to respond competitively to the vast opportunities presented by the international tourism market.

Skills Development and Support Service

The provincial business support centre designed a package of training and support services to respond to the needs identified together with women in the tourism group, which included training in business and tourism management, assistance in accessing market information and building closer relationships with local authorities. Some of the training and services were provided by the centre staff. For more specialized training, the centre introduced the group to mainstream training programmes and service providers which had previously excluded women. It was easier to do this on behalf of the entrepreneurs as a group than as individuals.

²³ As an economy in transition, legislation did not provide for independent private enterprise associations, hence the term “club” is used. In this case, the group had its legal legitimacy through the project partners, namely the provincial women’s union and the cooperative and non-state enterprise association.

Business and Tourism Management

Many women entrepreneurs may have a service or product with export potential but they are missing key building blocks of business management to take the leap. The tourism group needed to improve their accounting skills, market more pro-actively, and adjust the quality of their services to meet international standards. The business support centre provided training in basic business management skills, linked members to mainstream tourism management training programmes, and organized study tours to expose members to the standards of service providers in more successful locations.

The business support centre encouraged them to seek out niches which suited their individual potential and to improve their services. It also introduced them to the international standards system observed in the larger more formal hotels and cruise ships and encouraged them to work toward meeting these service standards as well as diversify services offered. After 2 years, at least 35 percent of member hotels offer more diversified services.

Market Information

The business support centre introduced members to online and government sources of market information, and enabled them to participate in trainings related to international tourism markets. The centre also arranged for meetings with hotels and service providers in other cities to gain insight into their marketing strategies. This enabled them to understand their competitors and extend their referral and networking system. The centre facilitated the group's participation in tourism trade fairs and study tours abroad. The members agreed these activities made them more aware of the needs of clients in terms of service standards and cultural differences. In a May 2004 survey, the members said their greater awareness of these differences and how to respond to them have resulted in higher numbers of repeat clients.

Promotion

The business support center worked with the group to design and publish a guidebook of women-owned or managed tourism service firms translated into 3 languages and distributed the book to tour operators. Furthermore, the support center staff managed a provincial website on which the local handicraft producers, ceramics producers, hotels and service providers advertise their services. Members now feel confident in their capacity to promote their services in major cities outside of remote Ha Long Bay.

Credibility and service standards

Service providers are selling intangibles, and as such their ability to market themselves relies on their ability to establish credibility in their services and win the trust of those who are in a position to promote their services. Part of the strategy to build credibility included arrangements made for tour operators from Ha Noi and Mong Cai to visit the facilities of club members in Ha Long Bay. Another important part of the strategy was to enhance the profile of the small private service providers in the eyes of the community and local authorities.

Establishing the group helped to create an atmosphere of “healthy” competition to improve service standards. International clients of member service providers included Chinese, European, North American and other Asian travelers. With so many cultures to adapt to, members of the club encouraged each other to learn English, Chinese and other foreign languages, as well as share experiences on how to deal with cross-cultural issues in service provision and staff training.

The provincial support centre organized study tours to visit other hotels and to board cruise ships to observe international service standards. The group began a system of rating members based on criteria decided on as a group in cooperation with the local tourism authority. A monthly evaluation schedule was adopted.

The networks and interactions of the members with clients and mainstream organizations improved as the reputation of the club grew. Inclusion of the women service firms in events and trainings became more common if outsiders knew they were members of the tourism club. Local authorities became more aware of the strong service orientation of the small private enterprises run by women, and their contribution to the success of the local industry.

Networking/Strategic Alliances

The tourism club created an immediate network for members. Working with the provincial business support centre opened up this network to include the other women entrepreneurs’ clubs established in major cities across 3 provinces and the national level Vietnam Women Entrepreneurs’ Council. Furthermore, the support centre made great efforts to link the club with mainstream associations and organizations.

Networking with other women entrepreneurs

Some of the greatest benefits for members of the tourism group came from networking with each other. The group started with 45 members and grew to 61 in the first year. Seeing the immediate benefits, other women entrepreneurs have been seeking membership in the tourism group though they were not initially part of the project. The group remains selective due to the high priority placed on service standards and credibility.

Prior to the formation of the tourism group, the atmosphere among the smaller private service providers was highly competitive, with occasional price wars. Once the group was formed, members began to cooperate on pricing strategies, developed a system of referrals and undertook group marketing initiatives. This new cooperation reduced the challenges during the low season and even bolstered off-season sales. The facilitating role played by the business support centre in establishing the tourism club was key, as members say they could not have considered such collaboration without an intermediary.

The provincial support centres were well linked to SWED project initiatives in other provinces. Through these linkages, and the many business clubs set up in other provinces, the centre connected the tourism group with women entrepreneurs in the capital city of Ha Noi, and the city of Mong Cai, whose members also included tourism service providers. This resulted in contracts and steady referrals of international travelers coming in to the Ha Long group from the bigger cities. The linkages between the tourism group and other businesswomen's clubs also resulted in the purchase of supplies and promotional services from other members at competitive rates.

Business Matching with Mainstream Organizations

The business support centres organized business matching meetings with mainstream tour operators, resulting in contracts with travel agencies in Ha Noi, boosting the number of tour groups arriving from Korea and Singapore. One of the most important international markets for the smaller service providers are Chinese travellers. The support centre enabled the group to build strategic partnerships with tour operators in the border city of Mon Cai, a port of entry for Chinese visitors. Moreover, a women's trade mission to a major Chinese town just across the province's northern border was organized, resulting in more alliances. These missions also promoted greater awareness on the part of tour operators regarding the standards, and niche services provided by the smaller women service firms in Ha Long Bay.

Local authorities

The business support centres brokered new relationships between the tourism club and local authorities. This was beneficial for the dissemination of information on regulations and standards to the smaller enterprises. These new relationships also enhanced women's confidence and ability to tackle business registration and taxation procedures, which led to the formalization of the enterprises and greater competitiveness.

Tourism Authority

The local tourism authority welcomed the establishment of the tourism club and recognized it as a channel through which important information on regulations, standards and international markets could be distributed, more conveniently and effectively. It could now identify more clearly the needs and opportunities among the local service providers and could work through the club president as opposed to the myriad members individually. With this improved access to information, the small hotels and service

providers were more aware of standards to work towards in order to receive more international guests.

This new cooperation also applied to government training programmes. Where previously the tourism authority had provided training in tourism management and services to larger state-run hotels, they now had a vehicle through which they could do the same for the smaller private hotels, and the members of the group benefited by attending several of their trainings on international markets and cultures.

The club's chairwoman reported that the local tourism authority now contacts her regularly to request the club's input on event planning and policies.

Tax Bureau and Provincial People's Committee

Women entrepreneurs face greater difficulty in bureaucratic procedures such as taxation or business registration than men. The husbands of the women beneficiaries agreed that it was easier for them to tackle bureaucratic and legal procedures than their wives. In their working lives and social activities men have more opportunity to develop connections with local authorities, who are usually also men. These problems were addressed by establishing a direct relationship between the women's tourism club and the mainstream local authorities, which gave the women entrepreneurs the knowledge and confidence to tackle procedures themselves. The Business support centres organized workshops between the club and the tax department which gave the women a better understanding of the taxation system and the confidence to request clarification.

Through their new skills and stronger voice as a group, the women were able to articulate ways in which taxation and charges for electricity and water could be streamlined to make their enterprises more competitive. Provincial authorities responded favourably and encouraged the monopoly utility services to improve their services to small tourism enterprises. In some cases members of the group received significant tax refunds.

Academia

The business support centre focused on providing general training and support, while it called on more specialized institutions to provide training in tourism management and other technical areas. The linkages established with mainstream institutions such as the Ha Noi Tourism College and the National Economic University during those trainings, continue to be mutually beneficial and both sides call on each other to discuss technical matters.

Results

Individual members of the group stated that without the BDS provided and facilitating role played by the business support centre, they would not have been able to exploit the international tourism opportunities. At the beginning of the project only a handful of hotels were receiving international guests. Two years later over half of the members of the tourism group received international guests. Members report that one of the benefits of collaboration has been a significant decrease in the seasonality of their business.

In terms of business growth, 25 percent of members report a significant increase in their net income and at least 10 percent of enterprises have expanded their premises to increase the number of hotel rooms in order to meet the standard requirement to receive foreign guests. Some hotels were able to double the number of hotel rooms, such as Ngoc Mai hotel, who expanded from 20 rooms to 40 rooms.

At least 100 full time jobs were created in 31 micro-enterprises. For 50 percent of the members, international guests increased as a percentage of overall clients. Some hotels have shifted their focus from local to international guests almost entirely. Two years ago, the international clientele of the Hoang Ha Hotel comprised 65 percent. In 2004 about 90 percent of her clientele are international. In addition, 40 percent of members now receive repeat international visitors, whereas two years ago, they were not aware of the possibility of generating repeat international guests.

Box 2. Revenue increases for 3 beneficiaries between 2002-2004

The Hoang Ha hotel increased its revenue from 1.5 billion vnd to 2.5 billion vnd Thai Ha Hotel's revenues have grown from 1.8 billion vnd to 2.1 billion vnd Ngoc Mai Hotel's revenues have grown from 500 million vnd to 2 billion vnd

Empowerment

The women's tourism business club became a vehicle to enable marginalized women service firms to participate more confidently in the mainstream business world. With the support of the provincial business centre, the club has become a successful advocate for concerns of women entrepreneurs and their contribution to the success of tourism in Ha Long Bay is now recognized by local and provincial authorities.

As women's businesses grow, so does their work burden. As mentioned in the introduction to this section, women have greater time constraints and less mobility due to their commitments as wives, mothers and caregivers in the community. The business support centres addressed some of the practical consequences of this multiple burden, which include a lack of access to training, information and important networks. However, these interventions did not address some of the underlying causes. Women still have to juggle multiple roles and responsibilities, and time and mobility constraints only increase as the woman's business grows.

The husbands of the women entrepreneurs though generally encouraging showed little willingness to take on more of the burden of daily social reproduction work. To deal with challenges in gender relations within the family structure and gender stereotypes among government authorities and service providers, additional activities had to be planned. At the enterprise level, this consisted initially of workshops on gender and women in business, which included the wives and husbands. At the level of the business centres, training programmes, and local authorities, a regional gender workshop took place, involving several levels of decision-making authorities, entrepreneurs from 3 provinces, national research institutes and the National Commission for the Affairs of Women (NCFAW).

In these workshops, several topics were raised. For example, the contrast between gender stereotypes vs. the real situation of women and men was discussed. Men and women both assumed women were not active in business. They were surprised when the real statistics presented a different picture, namely that women are very active in business and quite successful. Husbands were not aware of all the tasks undertaken by their wives. However, time-use surveys indicate that women spend much more time on housework than men. Discussing these issues in workshops with both men and women present resulted in a change in awareness of women, their husbands and local authorities, regarding the multiple burden women entrepreneurs were taking on.

The practical impact of this was that husbands began to be more supportive of women to develop their businesses. In follow-up surveys in the households, even the most conservative husbands had appeared to change their position on supporting the woman in her enterprise activities and some had changed their views on the issue of sharing domestic labour. As for local authorities, these trainings sensitized them to the differentiated needs of men and women. It made them more supportive of women, who, as the project demonstrated were creating jobs, increasing profits and raising the standards for the small private service providers in Ha Long Bay.

Sustainability

The Women in Tourism Club was established relatively late into the SWED II project, approximately 1 year prior to expected project closure. In a very short time, and with the support of project partners, the group attracted the attention of authorities, including the tourism department, the provincial people's committee who are now responsive to their needs. In just a short time, the group was able to manage their club without requiring external financial or organizational support. The project partners and provincial support centre will continue to provide services to them in their development but after only one year of support, the group was able to continue its activities and development autonomously.

Gender and MSMEs

Intra-firm intra-household decision-making is important to the discussion of the potential of women as exporters. The moral support of the entire family is instrumental in the success of the enterprise. Many women entrepreneurs are discouraged and told, according to stereotypes that they cannot do business. Husbands may be against women upgrading from informal home-based business to formal commercial premises. Women are often told not to register, because husbands fear the women will not be able to pay for the fees, therefore many women's businesses remain informal.²⁴

Stereotypes regarding "women in business"

In Vietnam, in surveys conducted by the SWED II project and by VCCI/Swisscontact, women perceive themselves to be timid in business decision-making and to have a short term view of business planning. Both of these questions are complex and are influenced by many factors. However, as the ILO reports and according to the SWED experience, women are much more willing to take risks than their husbands are prepared to allow them.²⁵

In a gender mapping carried out in 3 districts, covering women in ceramics and tourism, a number of stereotypes prevailed which could have a discouraging effect on the woman manager. Firstly, the stereotype prevails, that women should not be engaging in business due to their primary gender roles as wife and mother. During interviews, both men and women also expressed the opinion that women were not smart enough to do business.

There was a large discrepancy between what was considered men's work and women's work, within the enterprise. It was assumed that men's work was the "heavy" work, and women's work was the "light" work. However, in reality, women are carrying out "heavy" work. In another project beneficiary group, a ceramics producer group, women are engaged in feeding heavy loads of wood into large hot kilns, or carrying heavy loads of ceramics from production sites to the main road. When stereotypes do not reflect reality, they can result in inefficiencies and misallocation of resources.

Corporate management and division of labour

In the rural areas, stereotypes are more conservative. The rural economies are also dominated by perspiration sectors, such as village-based ceramics production. The project found that as one moved "up" along the value chain, women's decision-making in enterprises increased, as did investment and profitability.

As seen in the SWED project, the division of labour and decision-making in the family enterprise varies depending on the position of the enterprise in the value chain. It would be valuable to conduct further research to determine to what extent women in family

²⁴ ILO, *Tanzanian Women Entrepreneurs: Going for Growth*, April 2003

²⁵ *Ibid.*

enterprises are more empowered in their decision making *because* they are in a more advantaged position in the value chain, and vice-versa, to what extent they are in a more advantaged position in the value chain *because* they have more freedom in decision-making.

Ownership and control among family enterprises is an important and complex question. In the rural areas, in the ceramics sector, husbands were usually reported as owners of the assets. Husbands in ceramics *production* enterprises were also more involved in the management of the family enterprise, making decisions regarding large purchases for the household and investment in enterprise production. As one moved along the value chain, family enterprises in ceramics *trading* were more clearly operated by women, and their businesses were more profitable than those businesses in ceramics *production*. Further along, women were most involved in decision-making in the service firms in tourism in Ha Long Bay. These businesses were also the most profitable, and there was far greater reinvestment into the family business.

Table 4. Investment activity according to position in the value chain

Activity	Women in ceramics production	Women in ceramics trading
Average planned investment	20 million vnd	105 million vnd
Retained earnings used to reinvest	13 percent of investment costs	80 percent of investment costs
Concept of investment	Means to cover operating costs	Means to expand business

Source: Melanie Beresford, 2002, Gender analysis of ceramics in Dong Trieu and Tourism in Bay Chai, report for UNIFEM and Oxfam Quebec.

There was less gender bias in the distribution of asset ownership among family enterprises in tourism in Ha Long Bay. Names were more likely to appear on the land-use certificates and women's role in managing the enterprise was much more openly acknowledged. Most husbands were engaged in waged employment and regarded themselves as having more of an advisory role in the wife's enterprise. This factor enabled women to approach management from a competitive perspective, with more freedom to reinvest in the business, to make timely decisions, and to be more proactive. The scale of investments for women in tourism averaged 300 million vnd.

As one moved along the value chain, women's interaction with mainstream business increased. Women in the service sector in Ha Long were less burdened by housework, as they could delegate much of the housework to employees. This freed their time to attend training, networking events, and be more proactive in marketing. In contrast, women entrepreneurs in ceramics production were heavily burdened by housework and less able to get away from the home to find out about product trends, attend training and meet new clients.

With improved mobility, women in tourism in Ha Long Bay mentioned they tapped into diverse resources such as mass media, the business support centre, trade fairs, local authorities and other sources to find supplies or look for new clients. By contrast, ceramics producers in Dong Trieu relied heavily on their own customers, friends and neighbours for information on suppliers and buyers.

Many women are operating below their potential and both men and women must be sensitized to encourage women. If husbands spend more time with the children, for example, then the women will have more time and mobility to progress. Similarly, if husbands can be encouraging of the wife's decision-making in her enterprise, then she will function in a more entrepreneurial fashion, addressing her resource needs, capabilities and opportunities more competitively.

The above case studies reflect just two approaches targeting a small number of marginalized women in exports. The SWED II project operated beyond these two small groups to target over 2000 women entrepreneurs, many in export sectors, using a number of different approaches, adapted to the local communities, industries and economic conditions which prevailed. The project demonstrated that by allocating minimal resources to training and services to support women entrepreneurs, women can overcome barriers and maximize their business potential. Local, provincial and national authorities in Vietnam confirmed that this resulted in benefits for the entire community, generating jobs and growth and increasing export potential.

Chapter 5. Conclusions and recommendations

Recognizing the vast and untapped potential of women entrepreneurs to manage successful enterprises, improve productivity and competitiveness in export sectors, APEC and member economies can facilitate their entry into international trade in several ways. These involve primarily gathering reliable data looking at the position of women in export sectors and how their competitiveness and export capacity can be better harnessed through improved allocation of resources. To enable the untapped export potential to come to fruition, the following activities are recommended:

For APEC:

- Promote initiatives to collect and analyze sex-disaggregated data that clearly identifies women and men engaged in exporting by sector and size of enterprise, including exports of services.
- Promote dialogues with other APEC working groups, such as the Tourism Working Group, APEC Business Networks, APEC Incubator Forum, APEC SMEWG, to be inclusive of women exporters in their activities and to give

greater consideration to the gender differentiated needs of women in business and trade.

- Trade-related capacity building initiatives should be inclusive of trade and service information networks between women entrepreneurs at the regional and national level. In some cases, partnerships can be developed with larger mainstream organizations. For example, the Vietnam Women Entrepreneur's Council, with the assistance of facilities and staff provided by the Vietnam Chamber of Commerce and Industry, provides information on policies, training opportunities and provides a forum for networking and linkages across the country. Activities targeting women include seminars on regional trade agreements, international technology transfer, cross-cultural negotiations and market opportunities in key markets, as well as discussion forums on risks and opportunities of globalization.

For governments:

- Link business development with trade policy planning:
 - Develop culturally sensitive ways to educate family enterprises about the potential of women in business, and about gender roles and division of labour.
 - Identify and support capacity-development of women in the domestic services sector, especially tourism. Link promotion of potential service sectors with national trade policy.
 - Encourage subsector networking for women along the market chain, micro-small, medium, larger, to enhance their credibility, networks and facilitate cross-linkages between women's networks and mainstream organizations. Link this to trade policy planning.
 - Promote business support centres to facilitate the formation of clusters, or "clubs" that offer support, networks and a critical mass to interact with mainstream organizations and become competitive.
- Support for Fair Trade Organizations (FTOs)
 - Improvements in trade facilitation measures must examine issues facing buyer-exporters (fair trade organizations) who work with marginalized women. FTOs often provide specialized technical assistance and resources for marginalized producers, including business development services, literacy training, assistance with product quality and design, accessing finance. Trade barriers include long delays and complicated procedures and paperwork.

Annex 1. SME Projects in Vietnam

VCCI The Vietnam Chamber of Commerce is the office responsible for issuing certificates of origin and collaborates regularly with the Customs bureau to provide training in customs procedures, international trade rules, improving export effectiveness. VCCI also provides counseling on export procedures for its members as well as research on international business partners and promotes new trade activities with the U.S. AMCHAM.²⁶ VCCI's training department as of May 2004 did not keep sex disaggregated database on training participants, but estimated their female participants to be between 20 and 70 percent (taxation and accounting) for various types of training.²⁷

To name a few projects which have targeted women and endeavored to integrate gender into their interventions, the SME-Promotion Centre of VCCI stands out the most. Together with the SWED project, VCCI's SME Promotion Centre convened a gathering of prominent women members from across the country in November 2001. In addition, several non-members including women micro-entrepreneurs were invited to join and provide their input. Over the course of one year following this meeting, the participants established VWEC, the Vietnam Women Entrepreneur's Council, which has representation across the country, with facilities and staff provided by VCCI.

Through this council, VCCI ensures that women receive more information regarding policies, training opportunities and provides a forum for networking and linkages across the country. Among the many seminars organized specifically for women, include seminars on regional trade agreements, international technology transfer, cross-cultural negotiations and market opportunities in US, EU, Italy, Canada, as well as discussion forums around risks and opportunities of globalization. Several exchanges have taken place between Vietnamese and international businesswomen under the auspices of VWEC. VWEC also makes policy recommendations regarding, women, gender and trade. VWEC started in November 2001 with under 100 members and in 2004 has over 550 members.

ILO The International Labour Organization has undertaken positive initiatives, capturing lessons learned from working with women entrepreneurs and integrating gender into training and delivery as well as initiating a new programme to support women entrepreneurs, to be delivered in partnership with VCCI. At the time of this paper, the programme was in the planning stages only.

SwissContact provided valuable input into research on women entrepreneurs in Vietnam, within the context of a project to promote SMEs in the plastics sector in Vietnam from 2001-2003. They addressed gender issues in the design and implementation of the project, including women as beneficiaries. The project established a women's business

²⁶ VCCI Annual Report, 2003

²⁷ Ms. Tran Thi Huong, Manager, Membership and Training department. VCCI does not yet have a database, this is just an estimation.

club in the plastics sector in HCMC, under the auspices of the VCCI. Swisscontact conducted a survey of women and men in exports, quoted in this paper.

Other projects include **GTZ** projects to support SME training and export promotion, however, there was no focus on gender or women. **CECI**, implemented a micro-enterprise project in Thai Nguyen, which encouraged women to participate, but did not look at the specific needs of women, and the products developed are not being exported yet.

UNIDO's Entrepreneurship Development Programme for Women in Food Processing, which targets women micro-entrepreneurs and SMEs, however, beneficiaries do not yet have exporting capacity. **SNV** ran projects targeting SMEs and within their project in Ninh Binh, facilitated business clubs for women entrepreneurs. Some of their beneficiaries are entrepreneur women in embroidery for export. **JICA** (Japan International Cooperation Agency) ran a project to support SMEs from 1997-2001 but did not have gender as a concern. A new programme targeting vocational training is planned, however it is not clear whether gender will be a consideration.

There are several new SME development initiatives planned and underway in Vietnam, including initiatives by Japan, USAID, and UNIDO. However, they appear to have little focus on services, and few mention the importance of women and gender.²⁸

²⁸ See the website for the SME Partnership Group at www.un.org.vn/donor/sme.htm

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