



**WOMEN IN WASH ENTERPRISES:**  
LEARNING FROM FEMALE  
ENTREPRENEURSHIP IN  
CAMBODIA, INDONESIA & LAO PDR

'Enterprise in WASH' is a joint research project led by the Institute for Sustainable Futures (ISF-UTS) at the University of Technology Sydney, which investigates the role of private and social enterprises in the delivery of water, sanitation and hygiene (WASH) services for the poor. Partner organisations are shown below. For other Enterprise in WASH publications, see [www.enterpriseinwash.info](http://www.enterpriseinwash.info)

#### ABOUT THE AUTHORS

The Institute for Sustainable Futures (ISF) was established by the University of Technology, Sydney in 1996 to work with industry, government and the community to develop sustainable futures through research and consultancy. Our mission is to create change toward sustainable futures that protect and enhance the environment, human well-being and social equity. We seek to adopt an inter-disciplinary approach to our work and engage our partner organisations in a collaborative process that emphasises strategic decision-making. For further information visit: [www.isf.uts.edu](http://www.isf.uts.edu).

#### ACKNOWLEDGEMENTS

The authors thank Gabrielle Halcrow from SNV Netherlands Development Organisation and Tara Hill from East Meets West Foundation for reviewing a draft of this paper.

#### PHOTO CREDITS

Women leading and involved in WASH Enterprises in Viet Nam

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#### CITATION

Leahy, C., Lunel, J., Grant, M., and Willetts, J., (2017), 'Women in WASH Enterprises: Learning from female entrepreneurship in Cambodia, Indonesia and Lao PDR', Enterprise in WASH – Working Paper 6, Institute for Sustainable Futures, University of Technology Sydney



<b>ADB</b>	Asian Development Bank	<b>MoWA</b>	Cambodian Ministry of Women's Affairs
<b>AFP</b>	Access to Finance for the Poor	<b>MSMEs</b>	Micro, Small and Medium-sized Enterprises
<b>ASPPUK</b>	Association for Women in Small Business Assistance	<b>MWEC</b>	Mekong Women's Entrepreneurship Challenge
<b>BDS</b>	Business Development Support	<b>NGO</b>	Non Government Organisation
<b>BMOs</b>	Business Membership Organisations	<b>NSAW</b>	National Strategy for the Advancement of Women
<b>BoL</b>	Bank of Lao PDR	<b>ODI</b>	Overseas Development Institute
<b>CEDAW</b>	Committee on the Elimination of Discrimination Against Women	<b>PBES</b>	Provincial Business Environment Scorecard
<b>CSO</b>	Civil Society Organisation	<b>PNPM</b>	National Program for Community Empowerment
<b>CWEA</b>	Cambodia Women Entrepreneurs Association	<b>PNPM</b>	National Program for Community Empowerment
<b>DFAT</b>	Department for Foreign Affairs and Trade	<b>PSF</b>	PNPM Support Facility
<b>EMWF</b>	East Meets West Foundation	<b>SMEs</b>	Small and Medium-sized Enterprises
<b>ESCAP</b>	United Nations Economic and Social Committee for Asia-Pacific	<b>SNV</b>	SNV Development Organisation
<b>GEM</b>	Global Entrepreneurship Monitor	<b>SPP</b>	Women's Specific Savings and Loans
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit	<b>STEPS</b>	Supporting Talent, Entrepreneurial Potential and Success
<b>IDE</b>	International Development Enterprises (IDE)	<b>TEA</b>	Total Early-Stage Entrepreneurial Activity
<b>IFC</b>	International Finance Corporation	<b>UN</b>	United Nations
<b>ILO</b>	International Labour Organisation	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>ISF</b>	UTS Institute for Sustainable Futures at University of Technology Sydney	<b>USAID</b>	United States Agency for International Development
<b>ITC</b>	International Trade Centre	<b>WASH</b>	Water, Sanitation and Hygiene
<b>IWAPI</b>	Indonesian Business Women Association	<b>WDC</b>	Women's Development Centres
<b>Lao PDR</b>	Lao People's Democratic Republic	<b>YEAL</b>	Young Entrepreneurs Association of Laos
<b>LBWA</b>	Lao Businesswomen's Association		
<b>LDPW</b>	Law on Development and Protection of Women		
<b>LWU</b>	Lao Women's Union		
<b>MHM</b>	Menstrual Hygiene Management		

“Levels of female entrepreneurship are also affected by the competing demands on women’s time beyond formal work, their ability to travel, their limited access to technology, and unequal rights within legal frameworks.”

The purpose of this working paper is to document learning about female entrepreneurship in other sectors beyond water, sanitation and hygiene (WASH) in order to better understand recent efforts to increase women’s involvement in WASH-related enterprises.

Previous research conducted by ISF-UTS found that little had been documented about the ways in which women were involved in WASH enterprises, or about the potential for women entrepreneurs to lead successful WASH businesses. Within the WASH sector more broadly, recognition of the value of women’s involvement, and of promoting gender equality in all aspects of WASH programming, including enterprises, has led to a desire to better understand women’s roles, opportunities and challenges in the private sector provision of WASH products and services.

Female entrepreneurs across many sectors contribute significantly to their communities and economies, despite the fact that in order to do so, they have to overcome barriers to finance, societal expectations around their roles in the home, and often have lower education levels in comparison to men. Levels of female entrepreneurship are also affected by the competing demands on women’s time beyond formal work, their ability to travel, their limited access to technology, and unequal rights within legal frameworks. There are large numbers of formal female-owned small and medium-sized enterprises (SMEs) in emerging markets. However, the average growth rates of women’s enterprises are significantly lower than the growth rates of those run by men. Both female and male entrepreneurs are influenced by the business environments in which they operate, but these influencing factors are different for men and women due to the religious, cultural and economic norms of the societies in which they operate, as well as the competing demands that women experience beyond formal work.

The WASH sector in South-East Asia and elsewhere is increasingly looking to local enterprises to provide WASH products and services to boost levels of access. Private sector participation is encouraged in some contexts in order to fill gaps where government is not able or willing to provide services. For example, Vietnam has pro-private sector policies in place to attract Vietnamese and international businesses to the WASH sector, especially in regard small-scale piped water systems. Enterprises are also playing roles in rural sanitation in a number of countries, and their roles include masons and mason hands, small piped water system owners and operators, water filter salespersons, sanitation marketing representatives, soap and hygiene product salespeople, and water kiosk operators.

Despite high levels of entrepreneurial activity by women generally in South-East Asia, our research to date has found that women were not well represented amongst WASH entrepreneurs in this region, and at times they were completely absent. Research undertaken within the ‘Enterprise in WASH’ initiative also uncovered many barriers and enablers that impact on WASH entrepreneurs’ ability to run successful and sustainable businesses (Willets et al., 2016). What is not known, however, is the extent to which these barriers and enablers are gendered – that is, if and how they are impacted by gender norms in particular contexts.

This working paper is based on the premise that when considering how it may be possible to support women’s involvement in WASH enterprises, it is important to understand female entrepreneurship overall within a country context. It is necessary to understand what challenges, opportunities, programs and strategies are already documented in relation to women establishing and working within micro-enterprises and SMEs. This working paper is the first step in a broader inquiry into women in WASH enterprises, and is based on desktop review of documented material in English.

“When considering how it may be possible to support women’s involvement in WASH enterprises, it is important to understand female entrepreneurship overall within a country context.”

### ENABLERS AND CHALLENGES EXPERIENCED BY FEMALE ENTREPRENEURS

Taking three countries as case studies – Cambodia, Indonesia and the Lao People’s Democratic Republic (Lao PDR) – we explored the available grey and academic literature and synthesised evidence on the enablers and challenges that women were reported to experience in establishing businesses in these countries. Key findings included:

- **Women’s roles in small-scale enterprises are significant in all three countries.** In all three countries there were high rates of female ownership of enterprises. However, they were concentrated in particular sectors (e.g. retail, textiles, and handicrafts) and women were often associated with ‘necessity-driven’ enterprises rather than stable or growth-oriented enterprises.
- **Socio-cultural and religious norms affect women’s ability to develop and succeed in businesses in all three countries.** In many contexts, women’s time is typically divided between their home based work, reproductive and community roles, which means that they often have less time to engage in business. In Cambodia, women’s subordination to men under the Chbab Srey (traditional “Code of Women”) limits women’s economic independence and opportunities. In Indonesia, 87% of the population is Muslim and religious norms mean women’s duties to their husbands and households take precedence over their businesses. Women are prevented from taking on jobs that involve contact with men and there are restrictions on women’s rights to land, ownership of property and control over capital. In Lao PDR, there is a deeply embedded societal expectation that women will be responsible for caregiving and household work, which limits the time they can devote to their businesses and their mobility, and therefore their access to markets and opportunities for work far from the home.
- **Lower levels of education and literacy are barriers for women entrepreneurs.** In Cambodia, lower levels of education and illiteracy are key barriers to effective business management and success. These lower levels are brought about by social conventions leading to a lack of family support for young women’s and girls’ access to further education. In Lao PDR, the 2015 census showed that 90% of males were literate compared to 80% of females, and that women living in rural areas without roads have the lowest literacy rates.
- **In all three countries women have less access to finance than men.** In Cambodia this is reported to be due to their lower levels education and confidence, their lack of collateral and documented credit histories, unclear legal rights and the prejudices of financial institutions. In Indonesia the reported reasons include: women’s lack of collateral; their inability to pay high interest rates on loans for their predominantly small-scale businesses; their lack of confidence in their ability to write business proposals for loans; and risk avoidance. In Lao PDR, women do not usually access formal financial services due to: a lack of confidence; a lack of knowledge; the distance from banks (in rural areas) and high tax rates. Also in Lao PDR, financial institutions are reported to perceive women as high-risk borrowers. As a result, women often take out loans in their husbands’ names or seek credit from other sources such as informal savings schemes, money lenders and or microfinance organisations (such as those established by NGOs).

- **Business development support (BDS) services tend not to be tailored to the needs of women.** In Cambodia support services mostly offer vocational training which reflects traditional gender roles and fails to respond to the particular needs of women. Membership fees for business member organisations are also prohibitive for women, particularly those from rural areas. In Indonesia, although many women benefit from BDS training, there is little recognition of women-specific requirements in terms of services or the needs of different types of women entrepreneurs ('necessity-driven' and 'growth-oriented' entrepreneurs). Also, women may not know about the business training programs available to them despite being willing to pay for such programs.
- A range of other key enablers and barriers were documented. A small number of factors were identified in Indonesia that led to women being supported in their entrepreneurial endeavours (women's ability to advance based on learning on the job, and women's skills in networking) and in Lao PDR (favourable legislation for enterprises generally that has led to greater numbers of women entrepreneurs). The barriers identified include informal taxes and fees (such as having to pay officials to stay in business), poor infrastructure which limits access to markets, and socio-cultural norms which limit women's opportunities to build networks.

**TYPICAL CHALLENGES FOR WASH ENTERPRISES AND POTENTIAL GENDERED DIMENSIONS**

This working paper also drew on previous 'Enterprise in WASH' research which documented typical challenges faced by WASH enterprises, and considered the potential gendered dimensions of these challenges. For example:

- **Challenges related to access to markets** (which concern demand, competition, social and business networks, and the affordability of WASH services to customers) affect women and men entrepreneurs differently due to: differences in women's and men's ability to engage with the customer base; differences in literacy which affects the ability to understand information about market needs; differences in the ability or opportunity to form business partnerships; and differences in access to social and business networks.
- **Financial challenges** (limited financing options for business start-up, interest rates, meeting bank loan requirements, and the need to make output large enough to achieve economies of scale) affect female and male entrepreneurs differently due to: differences in women's and men's abilities to access finance or meet bank loan requirements; and differences in women's and men's abilities to cope with late payments by customers, high interest rates and cash-flow issues.
- **Human resource challenges** (limited technical and business skills, the need for capacity building, and the limited availability of time) also have gendered dimensions. These include: differences in women's and men's access to capacity building opportunities; and differences in the amounts of time women and men have to contribute to their enterprise roles.

- **Operational challenges** (concerning expenses and access to resources and poor infrastructure) will affect women and men differently since there are differences in women's and men's ability to negotiate with others for their needs to be met, to pay expenses; and differences in how women and men are affected by poor infrastructure.
- **Challenges related to engaging with government** (related to policies and legislation, corruption among government officials, unequal access to subsidies and support) will affect female and male entrepreneurs in different ways. For example, there are likely to be differences in women's and men's abilities and opportunities to communicate with government representatives. Differences in levels of literacy will affect women's confidence, and their ability to understand policies and processes.



**FIGURE 3 SUMMARY OF THE BARRIERS FOUND ACROSS THE THREE COUNTRIES (CAMBODIA, LAO PDR AND INDONESIA).**

“ In all three countries we found programs and strategies designed to support and empower female entrepreneurs, although it is not known how successful they have been. ”

### **PROGRAMS AND STRATEGIES SUPPORTING FEMALE ENTREPRENEURS**

This working paper documents a range of programs and strategies in place to support female entrepreneurs in Cambodia, Indonesia and Lao PDR, potentially providing useful ideas for supporting women in WASH enterprises. The literature available on these programs and strategies is limited, and therefore this working paper is designed to be a first step in a broader inquiry into women in WASH enterprises. It highlights the need for further empirical research to obtain a richer picture of how women are involved in WASH enterprises, the challenges they face, and the opportunities available to them.

In all three countries we found programs and strategies designed to support and empower female entrepreneurs, although it is not known how successful they have been. Examples of programs and strategies were found in the following areas:

- **Women's finance needs:**
  - o linking women with start-up support and funding (for example, seed funding based on competitive application processes)
  - o supporting village banking and microcredit schemes that offer low-interest loans to women entrepreneurs
  - o targeted savings and loans schemes, in conjunction with business-related training.

- **Women's training and business development support needs:**
  - o targeted business development support for growth-oriented women entrepreneurs, including field trips; peer, individual and group mentoring; business mentoring and coaching and networking
  - o business development services that provide women with access to new techniques, market-based ideas and equipment
  - o targeted skills training to disadvantaged groups (including women) in technical skills and on-the-job enterprise training.
- **Links to existing initiatives that support women entrepreneurs:**
  - o leveraging national strategies that aim to support women's economic empowerment
  - o working through women's business associations or related organisations that are likely to be already involved in policy advocacy and specific services or training for women entrepreneurs.

### **AREAS FOR FURTHER RESEARCH**

This working paper points to several areas where there is more to be learnt. The available literature covered in this paper did not examine the relationships between multiple layers of inequality within a society, and how these relationships impact on women's ability to establish and run successful enterprises. Further research is therefore needed to examine how socio-economic status, age, ethnicity and disability influence women's abilities to establish or participate in WASH enterprises.

Another gap identified through this research was the relationship between barriers and opportunities experienced by female entrepreneurs generally, and the extent to which these are relevant to the WASH sector. This paper makes suggestions as to some of the ways in which these relationships may exist, but empirical work is needed to test these inferences.

There is also more to be explored in terms of how organisations such as NGOs, donors, associations and government departments are supporting female enterprises in the three country contexts, as only some documented examples were found, and likely many more exist in practice. In addition, the effectiveness of the programs and strategies adopted were not well documented in the available literature. This working paper therefore establishes the need for further empirical research to define strategies to support women wishing to work, or already working, in WASH enterprises

### **WHO IS THIS WORKING PAPER FOR?**

The working paper is relevant to governments, NGOs and donors that have an interest in driving gender equality in the WASH sector, particularly within private or social enterprises. It summarises the available information on the challenges and enablers that influence women in WASH enterprises in the three countries, and it highlights a number of existing strategies to support female entrepreneurship. By drawing on research conducted through the Enterprise in WASH initiative, and by identifying links to broader research on entrepreneurship, this working paper begins to identify the ways in which the WASH sector can draw on lessons learned from broader efforts to increase women's economic empowerment through entrepreneurship.

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### BACKGROUND AND RATIONALE

This working paper has been developed as part of the 'Enterprise in WASH' research initiative (2012–2018) which explores effective roles for small-scale private sector businesses in the provision of water and sanitation services. This initiative is led by the Institute for Sustainable Futures at University of Technology Sydney (ISF-UTS) which works in partnership with selected civil society organisations and research organisations, with funding from the Department for Foreign Affairs and Trade (DFAT).

The aim of this component of 'Enterprise in WASH' is **to better understand women's involvement in small-scale water, sanitation and hygiene (WASH) enterprises** and this working paper focuses on what can be learned from other sectors with respect to the barriers that female entrepreneurs face, and the key enablers, programs and strategies that support them.

The importance of a focus on women emerged in the first phase of 'Enterprise in WASH' (2013–2016). During empirical research in Indonesia, Timor-Leste and Vietnam, we found that women were not well-represented amongst WASH entrepreneurs, and at times they were completely absent. We also found that women face particular barriers such as community assumptions that they are unfit to establish WASH businesses (Murta and Willetts, 2014; Gero et al., 2014). It was found that there was little information on the ways in which women were involved in WASH businesses, or on the potential for women entrepreneurs to lead successful WASH businesses.

We need a better understanding to ensure that women are equal beneficiaries of the incentives, and policies offered to encourage people to establish and work within WASH enterprises. Women are critical players in the WASH sector, and their contribution is vital for the success of WASH services and the promotion of hygiene behaviours. For example, civil society organisations have often found that women fill vital skilled labour needs when trained and supported, and are successful sanitation marketers (G. Halcrow, pers.comm, 2017). Women's involvement in WASH-related services needs to be better understood in order to identify the potential benefits, including whether or not women can be economically empowered through their involvement in WASH enterprises, and to promote inclusivity and equity in the sector.

Some international drivers have recently given more focus to gender equality in the context of WASH enterprises. In 2015 the United Nations (UN) Addis Ababa Action Agenda was endorsed by the General Assembly. The Agenda called on the international community to draw on a range of sources including the domestic private sector, to finance development sources. It also promoted social inclusion and gender equality, especially through enabling women's full and equal participation in the economy, and their equal access to decision-making and leadership (Box 1). In 2016 the United Nations High Level Panel for Water included the promotion of gender equality as part of its action plan for improving water management and services worldwide (Grant et al., 2017).

“  
We need a better understanding to ensure that women are equal beneficiaries of the incentives, and policies offered to encourage people to establish and work within WASH enterprises.  
”

### SUPPORT FOR GENDER EQUALITY THROUGH THE ADDIS ABABA ACTION AGENDA

'We are committed to women's and girls' equal rights and opportunities in political and economic decision-making and resource allocation and to removing any barriers that prevent women from being full participants in the economy. We resolve to undertake legislation and administrative reforms to give women equal rights with men to economic resources, including access to ownership and control over land and other forms of property, credit, inheritance, natural resources and appropriate new technology. We further encourage the private sector to contribute to advancing gender equality through striving to ensure women's full and productive employment and decent work, equal pay for equal work or work of equal value, and equal opportunities, as well as protecting them against discrimination and abuse in the workplace. We support the Women's Empowerment Principles established by UN-Women and the Global Compact and encourage increased investments in female-owned companies or businesses.'

Source: UN Addis Ababa Action Agenda (2015)

It should be noted that while enterprises are important elements of the WASH sector, they exist within a broader political economy and water governance environment which is overseen by governments. In 2010 the UN General Assembly declared that all people have a right to water and sanitation services, and governments are the primary duty bearers for the fulfillment of this right. Efforts to ensure that this right is honoured must involve reducing gender discrimination in access to water, sanitation and hygiene services.

This working paper is the first step in a broader exploration of gender issues pertaining to the ownership and management of small-scale private sector delivery of WASH products and services. It does not consider the broader issue of what models of WASH service delivery, ownership and management best support increased gender equality.

Women's entrepreneurial activities have increased over the past decade to about two-thirds the level of men's world wide (Allen et al., 2007 in Cabrera and Mauricio, 2017). Regional differences in gender parity have been identified, and in Indonesia, for example, the female-to-male Total Early-Stage Entrepreneurial Activity (TEA) ratio is 1.24. This is the highest level of female entrepreneurship recorded by the Global Entrepreneurship Monitor (GEM, 2016). Despite the high number of female entrepreneurs, women still face particular barriers to accessing finance for entrepreneurial endeavours, and this affects their opportunities to create micro, small and medium-sized enterprises. The Addis Ababa Agenda recognised that difficulty in obtaining finance is a barrier to establishing and growing small and medium-sized enterprises, particularly those that are owned by women (UN, 2015).

Barriers to finance are indeed one of the more common obstacles to enterprises – for both men and women – in the WASH sector. This is due to a lack of accessible financing options, as a result of high interest rates and/or the need for enterprises to meet formal legal requirements, including providing evidence of cash flows (Murta and Willetts, 2014).

However, the barriers to accessing finance are even greater for women, given a range of socio-cultural factors underpinning gender inequality. For example, more than one billion women globally do not use, or do not have access to, the financial system (Demirguc-Kunt et al., 2014). The International Finance Corporation (IFC) of the World Bank has estimated that worldwide \$300 billion is needed in financing for formal, female-owned small businesses to assist their viability, and more than 70% of

female-owned SMEs have no access, or inadequate access, to financial services (Demirguc-Kunt et al., 2014). Research also found that only 20 percent of landholders are women and inequality in access to land prevails across countries with different social, cultural, and economic backgrounds (Namubiru-Mwaura, 2014). Discriminatory laws and customs such as these can also be linked to women's difficulties in accessing finance and engaging in small-scale entrepreneurial activity, given that land titles are often needed for financing.

**ABOUT THIS WORKING PAPER**

Against this backdrop, this working paper draws on literature examining small-scale entrepreneurs in the South-East Asian context, and it looks at the situation of women in enterprises in Cambodia, Indonesia and Lao PDR. The scope is not confined to the WASH sector, and it draws on experiences in other sectors (such as retail, textiles, handicrafts and services) in order to inform thinking about how to promote gender equality within the WASH sector. We draw out key programs and strategies that are currently being employed in these countries to support female entrepreneurs, and to identify further areas of inquiry.

In this paper, we make a distinction between necessity-driven, stable and growth-oriented entrepreneurs (see Box 2). This distinction is useful, since women may sometimes be participating in the economy out of sheer necessity, rather than with an orientation or opportunity to develop a successful business that will help improve their livelihoods.

This paper identifies areas in which further empirical research is needed to identify the key barriers and enablers for women in WASH enterprises, and to identify the strategies that have been most effective in promoting or enabling female entrepreneurs in the WASH sector. This research will be useful to actors working with enterprises (governments, donors, CSOs, communities).

**DEFINITIONS: TYPES OF ENTREPRENEURS**

**Necessity-driven entrepreneurs:** started their business to supplement household income. They report unchanging or declining trends in customer base and income, and they have taken few actions to expand their businesses.

**Stable entrepreneurs:** mostly began their businesses out of necessity to supplement household income, but have shown some signs of a desire to grow their businesses.

**Growth-oriented entrepreneurs:** entered business after identifying an opportunity, or to take advantage of a unique skill or background. They show consistent signs of business growth.

**Source:** Arsana and Alibhai. 2016

It will help them to ensure that their efforts do not exclude women, and it may help them to contribute to the economic empowerment of women.

The paper is structured as follows. Firstly, we present an overview of typical areas of entrepreneurial activity in WASH, and we outline the common enablers and barriers for both female and male entrepreneurs. We then explore each country context across a range of sectors, identifying key enablers, barriers, programs and strategies to support women entrepreneurs. Finally, we consider what this means for supporting women in WASH enterprises, in terms of the gendered dimensions of typical barriers, and the applicability of strategies being employed in other sectors.

# 2. BARRIERS AND ENABLERS

This chapter considers the roles played by small-scale enterprises in WASH and the typical barriers and enablers they face. These barriers and enablers are likely to affect female and male entrepreneurs differently, due to differences in women's and men's status, roles, networks, norms and dynamics.

**OVERVIEW OF THE ROLE OF ENTERPRISES IN WASH**

Across the value chains, products and services that are needed to ensure access to water, sanitation and hygiene, there are many opportunities for micro, small and medium-sized private or social enterprises to contribute. Along with government owned and managed systems and services, micro, small and medium-sized enterprises (MSMEs) are playing a part in efforts to increase WASH coverage, in line with the Sustainable Development Goals which call for all people to have safe and affordable drinking water, and access to adequate and equitable sanitation and hygiene by 2030 (UN, 2015).

Small-scale WASH enterprises have a range of forms and purposes. Typical examples are shown in Table 1 (right).

WASH ENTERPRISES		
WATER	SANITATION	HYGIENE
<ul style="list-style-type: none"> <li>• piped water service providers</li> <li>• water pump suppliers</li> <li>• water truck owners</li> <li>• hand pump manufacturers, installers, and maintenance services</li> <li>• bore drilling companies</li> <li>• water purification technology production and distribution</li> <li>• suppliers of spare parts.</li> </ul>	<ul style="list-style-type: none"> <li>• masons</li> <li>• construction enterprises</li> <li>• hardware stores</li> <li>• sales agents (sanitation marketing)</li> <li>• faecal sludge emptying operators</li> <li>• plumbing services</li> <li>• pre-fabricated cement manufacturers.</li> </ul>	<ul style="list-style-type: none"> <li>• local retail stores</li> <li>• soap manufacturers</li> <li>• menstrual hygiene product manufacturers</li> <li>• menstrual hygiene product distributors</li> <li>• social enterprise franchises.</li> </ul>

**TABLE 1** EXAMPLES OF WASH ENTERPRISES, ADAPTED FROM GERO ET AL. (2013) AND MASON ET AL. (2015).



**ENABLERS AND CHALLENGES EXPERIENCED BY WASH ENTERPRISES**

While the benefits of utilising and supporting enterprises in some WASH contexts are recognised and promoted by many governments, experience to date demonstrates that there are some challenges that micro, small and medium (MSM) enterprises face working in the WASH sector. This paper does not assess the benefits and challenges for recipients/users of WASH services or their communities; it focuses on the experiences of the enterprises themselves.

A range of challenges faced by both male and female WASH entrepreneurs in Vietnam, Timor-Leste and Indonesia were identified through empirical research as part of the ‘Enterprise in WASH’ initiative (Willets et al., 2016). These were classified into five broad categories: (i) market; (ii) financial; (iii) human resources; (iv) operational; and (v) challenges. Taking a gendered lens to these challenges and to those documented in the literature (see Gero et al., 2013) demonstrates how female and male entrepreneurs might be affected differently by these different challenges (see Table 2). It should be noted that these challenges are only exacerbated for enterprises targeting ‘bottom of the pyramid’ (poorest and most marginalised) populations.

A systematic review of the global literature also noted enablers of water and sanitation enterprises (Gero et al., 2013). Several of these provide appropriate responses or remedies for the challenges described above, with each likely to also have gendered dimensions, as described for the challenges in Table 2. Key examples of enablers are:

- **For water enterprises:** decentralisation of responsibility for service delivery to the local level, the ‘natural legitimacy’ of local entrepreneurs offering services in their own communities, the availability and accessibility of water sources (groundwater and/or surface water), higher population densities and strong business skills and financial planning

- **For sanitation enterprises:** political or policy support for private sector engagement in sanitation, coordinated activity linking demand creation and supply-side support interventions, support for accessing finance, and the development of ‘one stop shops’ to overcome fragmentation of the supply chain.

**ENABLERS AND CHALLENGES EXPERIENCED BY HYGIENE ENTERPRISES**

In general, the hygiene product and service sector has fewer different business types than the water and sanitation sector. These types range from manufacturers of menstrual hygiene management (MHM) products such as pads, to soap manufacturers, to the marketers and sellers of these products. The products can be sold by businesses such as local stores, or by individual sales people. In many cases, women play strong roles in hygiene-related enterprises, particularly in relation to MHM products. Hygiene products and services provided by small-scale enterprises include:

- Handwashing
  - o soap production
  - o supplying raw materials for soap production
  - o handwashing behaviour change agents.
- Menstrual hygiene
  - o manufacturers of pads and menstrual hygiene products and providers of these products to retail stores
  - o local retail stores selling menstrual hygiene products
  - o providers of raw materials for menstrual hygiene products
  - o education and behaviour change agents.

There is currently limited data regarding the enablers and barriers faced by hygiene-related enterprises. One enabler of hygiene business development is integration of the supply chain. Analysis conducted by the ODI (2015) suggests that overall, the hygiene value chain is ‘better integrated [than water and sanitation value chains], with linkages

CATEGORY	TYPICAL CHALLENGES FACED BY WATER AND SANITATION ENTERPRISES (Sources: Willets et al (2016, p.22); Gero et al. 2013)	POSSIBLE GENDERED DIMENSIONS TO CONSIDER FOR FEMALE AND MALE ENTREPRENEURS (Source: Authors, 2017)
Access to market challenges	<ul style="list-style-type: none"> <li>• low or irregular (e.g. seasonal) demand</li> <li>• market saturation</li> <li>• high business competition</li> <li>• lack of information about the market (e.g. customers’ needs and preferences, sources and costs of materials)</li> <li>• unfavourable business location</li> <li>• lack of business partnerships</li> <li>• lack of social and business networks</li> <li>• fragmentation of supply chains (particularly for sanitation)</li> <li>• high prices exclude certain market segments, particularly the poor (e.g. cost of water connections, cost of sanitation facilities in remote areas)</li> </ul>	<ul style="list-style-type: none"> <li>• differences in women’s and men’s ability to engage with the customer base</li> <li>• differences in literacy affect understanding of information about market needs</li> <li>• differences in ability or opportunities to form business partnerships</li> <li>• differences in access to social and business networks</li> <li>• differences in ability to travel beyond the immediate locality and access markets that are far away or that require overnight travel.</li> </ul>
Financial challenges	<ul style="list-style-type: none"> <li>• lack of financing options for enterprises</li> <li>• lack of financing options for customers</li> <li>• high interest rates</li> <li>• late payments by customers</li> <li>• inability to meet bank loan requirements</li> <li>• difficulties in achieving economies of scale, particularly in remote areas</li> <li>• low margins associated with some WASH enterprise products and services=</li> <li>• licence fees and taxes</li> </ul>	<ul style="list-style-type: none"> <li>• differences in women’s and men’s ability to access finance or meet bank loan requirements</li> <li>• differences in literacy as well as administrative barriers from financial and other institutions. For example, only one name is permitted on forms which often excludes women.</li> <li>• differences in women and men’s ability to cope with late payments, high interest rates or cash-flow issues</li> </ul>
Human resource challenges	<ul style="list-style-type: none"> <li>• limited technical and business skills</li> <li>• difficulties in finding staff with the right skills</li> <li>• staff turnover - particularly as regards field staff or sales agents</li> <li>• limited capacity building opportunities</li> <li>• time constraints of the enterprise leader</li> </ul>	<ul style="list-style-type: none"> <li>• differences in women’s and men’s opportunities to access capacity building opportunities</li> <li>• differences in women’s and men’s ability to attract and remunerate qualified staff</li> <li>• differences in women’s and men’s available time</li> <li>• influence of stereotypical gender roles and perceptions.</li> </ul>
Operational challenges	<ul style="list-style-type: none"> <li>• high fixed expenses (e.g. electricity, salary, office space rental)</li> <li>• high cost of materials and equipment</li> <li>• limited access to relevant resources (e.g. water resources for water enterprises, building materials such as sand, gravel etc. for sanitation enterprises)</li> <li>• poor infrastructure such as unreliable power supply or poor road conditions</li> </ul>	<ul style="list-style-type: none"> <li>• differences in women’s and men’s ability to negotiate needs and expenses</li> </ul>
Government and regulation challenges	<ul style="list-style-type: none"> <li>• lack of policies or unfavourable policies and regulations (e.g. ‘unofficial’ and official taxes)</li> <li>• lack of clarity of relevant government legislation</li> <li>• lack government support</li> <li>• presence of corruption</li> <li>• inconsistent or inappropriate approaches to subsidies or support</li> <li>• inconsistent communication of available subsidies or support to enterprises or to customers.</li> </ul>	<ul style="list-style-type: none"> <li>• differences in women’s and men’s engagement and ability or opportunities to communicate with government representatives</li> <li>• differences in literacy affecting confidence, understanding and engagement with current policies and processes</li> <li>• differences in women’s and men’s capacity to negotiate factors affecting their enterprises.</li> </ul>

**TABLE 2 CHALLENGES FACED BY WATER AND SANITATION ENTERPRISES AND POSSIBLE GENDERED DIMENSIONS OF THESE CHALLENGES**

being established between fast-moving consumer goods companies and national manufacturers developing accessible products on the one hand, and local distributors and retail shops selling the products, on the other' (Mason et al., 2015). This may be due to the smaller-scale nature of hygiene products and the ability to incorporate them into existing retail outlets/services.

Another enabler is the large potential market for hygiene goods, particularly MHM products. For example, in India, sanitary napkin use is very low at 10–11% of the total market, while in Europe and the US it is 73–92% (Garg et al., 2011). Similarly, research conducted in 2015 in Ethiopia, Uganda, South Sudan, Tanzania, and Zimbabwe found that approximately 17% of girls used disposable sanitary pads, while the remaining 83% used re-usable pads, which in most cases were pieces of old cloth, sponge or cotton (Tamiru, 2015).

Further research is needed to better understand the opportunities and constraints for small-scale enterprises to be part of efforts to support women and girls to access safe, convenient and affordable (and culturally acceptable) menstrual hygiene products. There may also be opportunities for enterprises to produce and sell other hygiene products as elements of coordinated efforts to improve hygiene overall.

“  
There is currently limited data regarding the enablers and barriers faced by hygiene-related enterprises.  
”

#### DEFINITIONS: BARRIERS, ENABLERS, PROGRAMS AND STRATEGIES

**Barrier:** a circumstance or obstacle that makes it difficult for an enterprise to exist, be successful (provide quality service), and/or be financially sustainable. A barrier/ challenge may be related to the enterprise itself (skills, abilities, education) or to the enabling environment (government policy, market conditions, geographical distances etc.).

**Enabler:** something that intrinsically supports enterprises to exist, be successful (provide quality service), and/or financially sustainable. Enablers may be related to the enterprises themselves (skills, abilities, education) or the enabling environment (government policy, market conditions, geographical distances etc.).

**Program:** an activity, action and/ or intervention put in place by an organisation or individual to increase the involvement of women in enterprises and/ or improve a business's viability or success.

**Strategy:** a category or type of intervention designed to improve women's involvement in enterprises and/ or the viability of their businesses. Some of the strategies identified in the literature include (i) financing (for e.g. microcredit and savings programs); (ii) training (e.g. for skills training; enterprise development; leadership training); and (iii) networking (e.g. networking opportunities; mentoring; and provision of shared facilities).

“  
Overall, the hygiene value chain is better integrated [than water and sanitation value chains]  
”

“  
Women own 65% of all private enterprises, both formal and informal, in Cambodia.  
”

This chapter documents the experiences of female entrepreneurs in Cambodia. It identifies the key barriers they face and strategies that may help them to overcome these barriers. The barriers include regulatory and financial barriers, and limited access to business support services. Cultural values, women's access to networking opportunities, education and training also influence the ways in which women can participate in enterprises. A range of programs and strategies are reported to support women's participation. These include aspects of the national action plans for women's economic empowerment, women's business associations, business development programs at different scales, and skills training through voucher systems.

#### OVERVIEW OF FEMALE ENTREPRENEURS IN THE CAMBODIAN ECONOMY

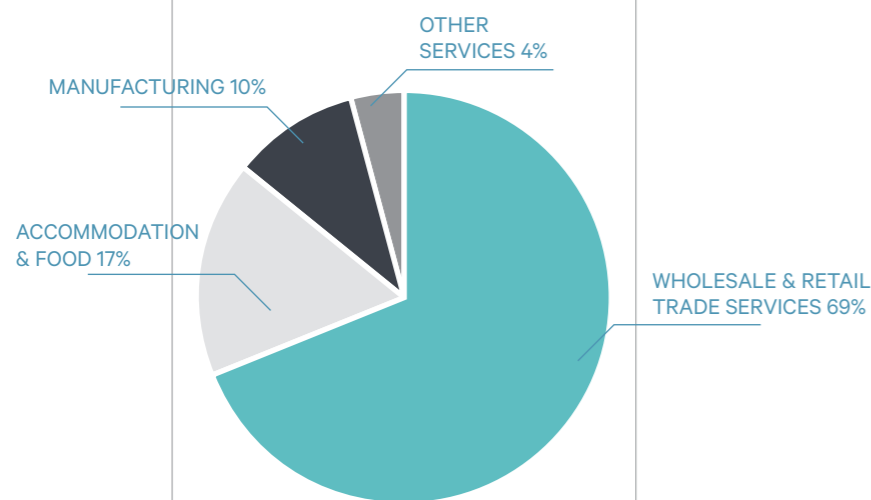
According to the International Labour Organisation (ILO), comprehensive and accurate data on women's economic participation in Cambodia is not readily available (ILO, 2015). However, there are a number of key messages that can be taken from data that is available on women's involvement in micro, small and medium sized enterprises in Cambodia. This section discusses these messages, and identifies knowledge gaps and opportunities for further research.

The Asian Development Bank (ADB) recently estimated that women own 65% of all private enterprises, both formal and informal, in Cambodia (ADB, 2015). The Provincial Business Environment Scorecard (PBES) data from 2008 reveals that women accounted for 55% of all private business owners but that women tended to own micro and small businesses, whereas Cambodia's medium-sized and large enterprises were mainly owned by men (IFC, 2008). In contrast, the World Bank reported in 2016 that 46.2% of businesses (small, medium and large) in Cambodia in the manufacturing and services sectors have female participation in ownership and 57.3% have a female as the top manager (World Bank, 2016a).

However, most of the female-owned businesses are highly informal – they tend to be situated close to the homes of their owners and are small both in terms of the physical space utilised and the number of people employed (USAID, 2016). The ADB estimated that in 2015, 84.2% of female-run businesses operated with one or two individuals and 68.9% of male-run businesses operated at this size (ADB, 2015). The 2011 economic census for Cambodia reported that 75.5% of women's enterprises earned less than US\$2000 in annual profits and 36% earned less than US\$750 (ADB, 2015). To put this in context, in the garment, textile and food industries the monthly minimum wage was \$US61 in 2011 (Cambodia Institute of Development Study, 2011).

According to the ADB, in 2015 66.4% of women's businesses were in the wholesale and retail trade and services sector (see Figure 1) (ADB, 2015). They included non-specialised and food retail outlets, small food stalls, beverage and tobacco outlets, and textiles and clothing businesses. In 2015, 16.7% of women's businesses were in the accommodation and food sector (most were restaurants, mobile food services, beverage services, rather than accommodation providers); 9.8% were in manufacturing (weaving of textiles and manufacture of clothing) and 4.2% were in other services (ADB, 2015). All other sectors accounted for less than 1% each (ADB, 2015).

“  
84.2% of female-run businesses operated with one or two individuals and 68.9% of male-run businesses operated at this size.  
”



**FIGURE 1** CONCENTRATION OF WOMEN'S BUSINESSES IN CAMBODIA, BY SECTOR (ADB 2015).

### COMMON BARRIERS FACED BY FEMALE ENTREPRENEURS

#### Regulatory barriers

Data collected by the World Bank (2016b) shows that starting a local or international business in Cambodia requires seven procedures, takes 87 days, costs 78.7% of the average income per capita and requires the entrepreneur to deposit 24.1% of the average income per capita into a bank. Cambodia is ranked 127 out of 189 countries in the "ease of doing business ranking" (World Bank, 2016b).

In 2016, the government simplified company name checks but requirements for registration are still very complicated and costly. For example, in 2014 the cost for getting registration documents approved by the Phnom Penh Tax Department, and for completing incorporation with the commercial registrar, increased (World Bank, 2016b).

While these barriers apply to all Cambodians, regardless of their sex, there are some prominent additional barriers for female entrepreneurs. According to the ILO, Cambodian women are paying for expensive professional services to navigate the administrative procedures necessary to register their businesses

and comply with tax requirements (ITC/ILO, 2015). They also pay more than men in 'official and unofficial fees' because they don't know how to go about registering and they don't know which agency to approach (ITC/ILO, 2015). For these reasons, as reported by ADB, "women are less likely than men to have a registered business. Among women's businesses, only 1.7% are registered while 6.6% of men's businesses are registered" (ADB, 2015).

#### Cultural values

Chbab Srey is Cambodia's traditional "Code of Women" and it is an especially strong influence in rural areas where 76% of the population lives (UNESCO, 2013). According to UNESCO, Chbab Srey "encourages women to be submissive and obedient to the wishes of their husbands" (UNESCO, 2013). According to the Cambodian Centre for Human Rights, this code reinforces negative stereotypes about women and women's subordination to men (Cambodian Centre for Human Rights, 2013). This has implications for women's success as entrepreneurs in a number of ways. The 2011 report provided to the CEDAW Committee states that Chbab Srey limits women's economic independence and opportunities, and it

results in women having limited control over resources (NGO-CEDAW and CAMBOW, 2011). The need for women to be close to their home has an impact on the mobility of female entrepreneurs and this restricts their ability to access markets and promote their businesses (Ty, Sov, Walsh & Anurit, 2009).

The government claims that stereotyping and the perception of women as an inferior sex is an issue that is gradually changing, but prejudices remain strong, especially in the rural areas (Government of Cambodia, 2010).

#### Networking

Partly due to cultural norms and stereotypes, the ability of women to engage in the networking required to gain support for their business activities is restricted in Cambodia. Networking activities mainly take place after business hours and women are constrained by housework and child care responsibilities (International Training Centre of the ILO, 2015). It is also considered inappropriate for women to interact with male business owners and government officials (ILO & ADB, 2013).

From a human resources point of view, business women tend to have difficulties hiring and managing male staff who can be resentful of a female superior (IFC, 2008).

#### Lack of education and training

The literacy rate for women in Cambodia was 73.2% in 2012 (ADB, 2013) compared to around 85% for men (USAID, 2016a). Women in rural areas are more affected by illiteracy: "the gender gap in literacy was 15 percentage points in rural areas, compared with 8.6 percentage points in Phnom Penh" (ADB, 2015).

Low education and literacy standards are key barriers to effective business management and success. They result in financial illiteracy and a lack of understanding of business management. This is compounded by the expectations the culture imposes on girls and women which serve as a disincentive to education for some women. According to one report, it is socially unacceptable for a

Cambodian woman to marry a man with a lower level of education, which means that young women and girls, as well as their families, fear that the pursuit of further education may reduce their ability to marry (Ty, Sov, Walsh & Anurit, 2009).

In addition, women have fewer opportunities than men to develop skills for the cultural reasons cited above, and domestic responsibilities prevent women from benefiting from advancement opportunities (Bucciarelli, 2010).

#### Limited access to finance

Women face a number of barriers in accessing finance. They are related to education, confidence, collateral (property or other asset that a borrower offers as a way to secure a loan), legal rights, credit history and perceptions held by financial institutions. As a result, women's businesses often become unsustainable, and women are left vulnerable to debt. (See Box 3 for a summary.)

Women's limited ability to understand financial systems and comply with requirements (due to low levels of education and literacy) mean they lack the confidence needed to negotiate with commercial banks to obtain credit (ILO & ADB, 2013). According to USAID, women generally lack collateral and publicly recorded assets and are therefore unable to meet the requirements of Cambodian banks for fixed collateral and documented credit histories (USAID, 2016a).

In contexts where women are not able to prove their ownership of land, they may not have the collateral needed to secure a loan. The absence of legal documentation to prove the ownership of property has persisted from the Khmer Rouge era (USAID, 2016). Women have had equal rights to land ownership in Cambodia since 2001 (Peng, 2012), however, particularly in rural areas, women's lack of awareness of their rights results in men claiming titles to land that women have legal rights to (ADB, 2015).

When women can show collateral, its value may be underestimated by banks (compared to market value). Banks offer loans which are between 30% and 50% of the value of the collateral (IFC, 2008).

The IFC (2008) states that taking out a bank loan to start a business is rare among Cambodian women. Moreover, there is a perception that women are not 'safe borrowers' and women are therefore more likely to be offered smaller loans for shorter periods (ITC/ILO 2015).

Due to difficulties in securing credit through banks, Cambodian women wanting to start a business tend to raise their own capital from personal or family funds (IFC, 2008). Failing that, women turn to other informal sources of finance, for example, money lenders who charge high interest rates but don't require collateral. The high cost of such borrowing affects the profitability and sustainability of their businesses (IFC, 2008). The World Bank reports that interest rates can be as high as 50%. These rates are justified on the basis of the high risk involved and a lack of legal recourse in the event of non-repayment (Ellis, Kirkwood & Malhotra, 2010). This often leaves women and their families overwhelmed by debt, particularly in rural areas (USAID, 2016a).

#### Limited access to business development services

Business development service (BDS) providers and business membership organisations (BMOs) have the potential to provide female entrepreneurs with business and entrepreneurial skills (IFC, 2008). However, there are several barriers to women accessing services that might be beneficial to their businesses.

BDSs in Cambodia mostly offer vocational training which reflects traditional gender roles (motorbike repair and electronics for males and sewing, weaving and hairdressing for women) (Bucciarelli, 2010). An ILO report states that BDSs "are not adequately responsive, if at all, to women's needs. Without identifying the issues confronting women in business, BDS service providers won't be effective enough to help eliminate hurdles for women entrepreneurs" (International Training Centre of the ILO, 2015). BMOs can be women-specific and conduct needs-based training. However, women can access the services of BMOs only if they are members.

#### SUMMARY OF BARRIERS WOMEN FACE IN ACCESSING FINANCE

##### Education

Women's ability to understand financial systems and comply with requirements tends to be limited.

##### Confidence

Women tend to lack the confidence needed to negotiate to obtain credit from commercial banks.

##### Collateral

Women tend to lack collateral (property or other asset that a borrower offers as a way to secure a loan) and are therefore unable to meet the requirements of Cambodian banks to obtain loans.

##### Credit history

Women lack publicly recorded assets and are therefore unable to meet the requirements of Cambodian banks to obtain loans.

##### Legal rights and awareness

Women may be unaware of their legal right to hold land titles and are therefore unable to demonstrate ownership of collateral.

##### Perceptions held by financial institutions

There is a perception that women are not 'safe borrowers' and they are therefore likely to secure smaller loans for shorter periods.

BMOs tend to be located in Phnom Penh and membership fees can be high. For example, Cambodia Women Entrepreneurs Association members pay USD \$150 per year. These two factors exclude the majority of female entrepreneurs (International Training Centre of the ILO, 2015).

#### Corruption

An IFC survey reported in 2008 that, of 101 businesswomen from four provinces – Kampong Cham, Kampot, Phnom Penh (municipality) and Siem Reap – the majority reported paying considerable

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Due to difficulties in securing credit through banks, Cambodian women wanting to start a business tend to raise their own capital from personal or family funds.

Source: IFC, 2008.

amounts in informal taxes and fees to numerous government inspectors (IFC, 2008). This may be an additional reason that female-led business tend to remain small and informal.

#### PROGRAMS AND STRATEGIES FOR PROMOTING AND ENABLING FEMALE ENTREPRENEURS

This section outlines a number of documented interventions and programs that aim to support female entrepreneurs in Cambodia. They are accompanied by varying levels of evidence as to their effectiveness and the outcomes achieved. Based on the documented evidence available in English, this section seeks to outline rather than assess a number of these programs and the key strategies that they have employed. The types of strategies described range from financing (e.g. microcredit and savings); training (e.g. skills training; enterprise development; marketing and promotion) and linking (e.g. networking opportunities; mentoring and the provision of shared facilities).

#### EXAMPLES OF PROGRAMS FOUND IN THE LITERATURE

##### 1. Millennium Development Goal (MDG) Acceleration Framework Cambodia Action Plan

In 2013, the Cambodian Ministry of Women's Affairs (MoWA) launched a 'Millennium Development Goal (MDG) Acceleration Framework Cambodia Action Plan' focused on women's economic empowerment to contribute to the achievement of MDGs in poverty reduction, health, and education. The Action Plan prioritised three areas of intervention: (i) providing training for jobs consistent with market demands; (ii) ensuring that women have the capacity to lead and grow their micro, small, and medium-sized enterprises and are able to move into the formal sector; and (iii) improving livelihoods in rural communities, especially for poor women (ADB, 2015).

The Action Plan also included an assessment of the effectiveness of particular initiatives aiming to promote Cambodian female entrepreneurs, such as

the Women's Development Centre Project (see below).

##### 2. Cambodia Women Entrepreneurs Association (CWEA)

Started in 2011, the Association addresses public policy weaknesses impacting women in the informal sector, and advocates in favour of expanded services for female entrepreneurs. Providing business services and networking opportunities, CWEA aims to help its members level the playing field in the private sector. CWEA conducts needs-based training courses for women business owners in areas such as business plan development, sales and marketing, human resources management, financial management, cost analysis and cash flow management, and taxation (International Training Centre of the ILO, 2015).

The CWEA also partners with other organisations to promote local products. For example, it worked with the International Trade Centre (ITC) and the Cambodian Ministry of Commerce to present the 'Cambodian Women on the Silk Road to Trade Success' event in Phnom Penh on 18 March 2016 which exhibited products and showcased handmade silk clothing and accessories designed by Cambodian companies (International Training Centre of the ILO, 2015).

As noted above, the cost of being a member of the Cambodia Women Entrepreneurs Associations (the annual membership fee is USD 150.00 per year) may prevent women from joining (International Training Centre of the ILO, 2015).

##### 3. SHE Invests Incubator Program

From March to September 2016, SHE Invests conducted a six-month Business Development Program with 10 female Cambodian micro-entrepreneurs. Funding was provided by The Vasudhara Foundation and World Relief Australia. The training and mentoring program was designed to increase the knowledge and business skills of Cambodian women. One key objective was to support women

to increase the scale of their businesses from micro to small/medium-sized enterprises, “to stimulate social and economic change” (SHE Invests, 2016).

The program began with a pre-program workshop for women and their personal and professional partners, with one objective being to include men early in the process so that they were more likely to support their wives and partners to develop and expand their businesses. Two-day workshops were then held each month with content tailored to Khmer culture (and run by Khmer facilitators). They focused on topics such as business management, problem solving, peer mentoring, financial literacy and leadership. Field trips to small, medium-sized or large enterprises run by women were conducted to enable participants to learn from successful female entrepreneurs. Peer, individual and group mentoring were woven into these activities, in recognition of the importance of women learning from each other and supporting each other to overcome common challenges (SHE Invests, 2016, pp.11-12).

The results of an evaluation conducted by SHE Invests (SHE Invests, 2016), revealed that:

- There was a 90% retention rate in the 6-month program. Early engagement of men and the supportive network created by the program helps explain the high retention rate.
- All women graduates separated their family/household/personal expenses from their business expenses, which is considered the first step towards improving financial management practice.
- Women increased their savings by at least 30%.
- Eight women reported greater involvement in household and business decision-making.
- Women created new employment opportunities in their business and 60 people were indirectly impacted with increased income and employment opportunities.
- Seven women increased their monthly revenue by 10% or more.

- Eighty per cent of the women who participated in the program reported an increase in self-confidence demonstrated by: their increased leadership roles in their communities; negotiating with government officials; public speaking and communicating more confidently in the home.

#### 4. Women’s Development Centre Project (WDC)

The Women’s Development Centres (WDCs) were a key initiative of the MoWA strategic plan 2009–2013 (called ‘Neary Rattanak’) to provide business development services for micro, small and medium-sized enterprises and for the social, legal and cultural empowerment of women (Kingdom of Cambodia, 2014). The WDCs were funded by the Japan Fund for Poverty Reduction (JFPR) and administered by ADB.

Women’s Development Centres had previously been in operation as Women in Development Centres (WID) which were found to be underperforming (FCM, 2013). In 2013 there were 138 administrative and training staff, and approximately 1,900 trainees complete WDC courses each year (FCM, 2013).

FCM reported that female trainees learned new skills including: the use of new techniques to improve traditional products, new market-based ideas to develop products, how to use new equipment to lower production costs, and how to sell products at a higher price. FCM also reported that the intervention led to men sharing household responsibilities, thereby supporting women’s participation in economic activities. One successful strategy was to ensure that the producers and facilities were in the same location which meant it was easier for women to learn, share knowledge, innovate and increase their earning capacity.

Other reports suggest that there were key shortcomings with the WDC project, as outlined in the Millennium Development Goal (MDG) Acceleration Framework Cambodia Action Plan including:

- Skills training was limited to traditional vocational skills such as hair dressing, sewing and weaving (Kingdom of Cambodia, 2014) which were not appropriate to the job market (ADB, 2015).
- There were key training gaps in entrepreneurial skills, business development services, market information, and access to credit (ADB, 2015).
- There was no proper assessment of the impact of the project (ADB, 2015).
- There was no coordination with similar / relevant vocational training centres (ADB, 2015).
- WDCs failed to become community spaces which were accessible to women and girls, and they did not genuinely reflect their needs and interests (ADB, 2015).

The MoWA recommended introducing public–private partnerships for WDCs in light of the need for a new management framework and strategy, and to increase the market and entrepreneurial strengths of WDCs (ADB, 2015).

#### 5. Voucher Skills Training program

The Voucher Skills Training program was implemented by the Directorate General for Technical and Vocational Education and Training and financed by the ADB from 2005 to 2015 (Schelzig and Nikulin, n.d.). It was expanded to all provinces in 2010–2015.

The program offered vouchers to disadvantaged rural, minority, uneducated and unemployed groups to access three modalities of training: technical skills training; community-based training in rural villages; and enterprise-based training (internships or on-the-job training) (Ministry of Labor and Vocational Training, 2013). GIZ reports that 65–76% of trainees were using their

skills six months after training (Schelzig and Nikulin, n.d.).

A gender action plan was put in place, and GIZ reported that gender equality targets were exceeded (Schelzig and Nikulin, n.d.). During the pilot phase, 58% of VSTP participants were women, which may have been due to the training being short and linked to daily productive activities. It was anticipated that 30% of the training would be enterprise-based, however only 2% of the training output by 2010 was in this category (Schelzig and Nikulin, n.d.). This was due to the higher cost of this type of training and a lack of experience of Provincial Training Centres (PTCs) in engaging small, rural enterprises (Schelzig and Nikulin, n.d.). Therefore, most of the training offered did not support female entrepreneurs.

#### 6. INGO Pact Cambodia’s WORTH initiative

WORTH is a savings-led village bank program for women. It does not provide seed money to women. Instead, women invest their savings in village banks which then administer micro-enterprise loans. In that sense, the women’s own savings are used as loan capital. Interest is then directed back to the savers.

WORTH also trains women in basic maths and accounting skills to enable them to manage a village bank. A report on the program states that: ‘If the money that is lent out comes from the members themselves, they will use it more carefully since their own savings are at stake’ (PACT, 2004).

#### SUMMARY

This chapter has outlined a range of barriers that female entrepreneurs in Cambodia face in their efforts to establish and maintain businesses. It has also identified a number of documented strategies which aim to support female entrepreneurs and promote women’s economic empowerment. These barriers and strategies are summarised in Table 3 and Table 4.

## SUMMARY OF BARRIERS

BARRIER IDENTIFIED IN LITERATURE REVIEWED	SUMMARY OF BARRIER (EXAMPLES IDENTIFIED IN THE LITERATURE REVIEWED)
Regulatory barriers	Cambodia is ranked 127 out of 189 countries in the World Bank Group's "ease of doing business ranking" but particular barriers apply to women such as paying for expensive professional services or paying unofficial fees due to a lack of knowledge about the requirements for setting up a business.
Limited access to finance	Women have less access to finance than men due to their lower levels education and confidence, their lack of collateral and documented credit histories, unclear legal rights and negative perceptions of women on the part of financial institutions. The result is that women's businesses often become unsustainable and women are left vulnerable to debt.
Limited access to business development services (BDS)	BDS in Cambodia mostly offer vocational training which reflects traditional gender roles and fails to respond to the particular needs of women. Membership fees for business member organisations are also prohibitive for women, particularly those from rural areas.
Cultural values	Women's subordination to men under the Chbab Srey (traditional "Code of Women") limits women's economic independence and opportunities, leaves them with less control over resources, and restricts their ability to access markets and promote their businesses. It therefore has implications for women's ability and success as entrepreneurs.
Networks and networking	Networking activities, although essential for successful business development, are less accessible to women because networking occurs after business hours and requires women to interact with male business owners and government officials, which is against social norms.
Lack of education and training	Lower levels of education and literacy are key barriers to effective business management and success. They are brought about by social conventions leading to lack of family support for young women, and by girls' lack of access to education. Women's domestic responsibilities also prevent them from benefiting from opportunities designed to assist entrepreneurs to operate successful businesses.
Corruption	Business women report paying considerable amounts in informal taxes and fees to government inspectors. This prevents them from developing strong and profitable businesses.

TABLE 3 SUMMARY OF BARRIERS FACING FEMALE ENTREPRENEURS IN CAMBODIA

## SUMMARY OF PROGRAMS AND STRATEGIES

STRATEGY IDENTIFIED IN LITERATURE REVIEWED	PROGRAM (EXAMPLES IDENTIFIED THROUGH LITERATURE REVIEWED)
National action plans for women's economic empowerment	The 'Millennium Development Goal (MDG) Acceleration Framework Cambodia Action Plan' (2013) initiated by the Cambodian Ministry of Women's Affairs (MoWA) focused on achieving MDGs through empowering women. It called for training for jobs in response to market demand; initiatives to build women's capacity to lead and grow their enterprises and move into the formal sector; and improvements to livelihoods in rural communities, especially for poor women.
Women's business associations	The Cambodian Women Entrepreneur's Association (CWEA) addresses public policy weaknesses that impact women in the informal sector. It advocates in favour of expanded services for female entrepreneurs and it partners with other organisations to promote local products. It provides business services and networking opportunities as well as needs-based training courses.
Business development programs for women (small-scale)	The SHE Invests Incubator Program (2016) aimed to support women to increase and scale their businesses from micro to small/medium-sized enterprises. Some features of the strategy included involving men early in the process so that they were more likely to support their wives and partners; tailoring content to Khmer culture; organising field trips to successful businesses run by women; and utilising peer, individual and group mentoring.
Business development services (large scale)	The Women's Development Centres (WDC) (2009–2013) under the MoWA aimed at social, legal and cultural empowerment of women by providing business development services for micro, small and medium-sized enterprises. The centres introduced new techniques, new market-based ideas and equipment to lower production costs. Facilities were located near producers so they were accessible to women.
Skills training through voucher program	The Directorate General for Technical and Vocational Education and Training implemented a Voucher Skills Training Program (2005–2015) whereby disadvantaged groups (rural, minority, uneducated and unemployed) could access three types of training: technical skills training; on-the-job enterprise training; and community-based training in rural areas. Women made up 58% of the participants by 2010. However the lack of enterprise-specific training meant it did not always support female entrepreneurs.
Microcredit	There are 54 microcredit organisations in Cambodia which are members of the Cambodia Microfinance Association (Cambodia Microfinance Association, 2017). Many microfinance programs target women, or the majority of their clients taking out loans are women. One example is The Lutheran World Federation's microfinance program which aims to assist communities to organise and manage their own village banks as revolving funds in order to provide access to microcredit. The program ensures that at least 50 per cent of village bank members and two out of three village bank committee members are women in order to promote gender balance (Chhay, 2011).

TABLE 4 SUMMARY OF DOCUMENTED PROGRAMS AND STRATEGIES AIMING TO SUPPORT FEMALE ENTREPRENEURS IN CAMBODIA

# 4. FEMALE ENTREPRENEURS IN INDONESIA

In Indonesia, women face barriers to establishing and growing businesses which are both similar and different to those faced by women in Cambodia. This chapter outlines barriers which confront Indonesia's female entrepreneurs, as well as the enablers, programs and strategies employed to assist them. In addition to legal, socio-cultural and religious barriers, female entrepreneurs have limited access to finance and there is a lack of tailored services to support their enterprises. There are two important enablers of female entrepreneurs in Indonesia as documented in the literature: women's aptitude and access to networking opportunities, and the effectiveness of experiential learning. Several documented programs and strategies to support female entrepreneurs have also been included in this chapter. Some of them involve approaches which combine economic and political empowerment. They include savings and loans schemes specific to women, business associations for women and schemes which provide access to microcredit.

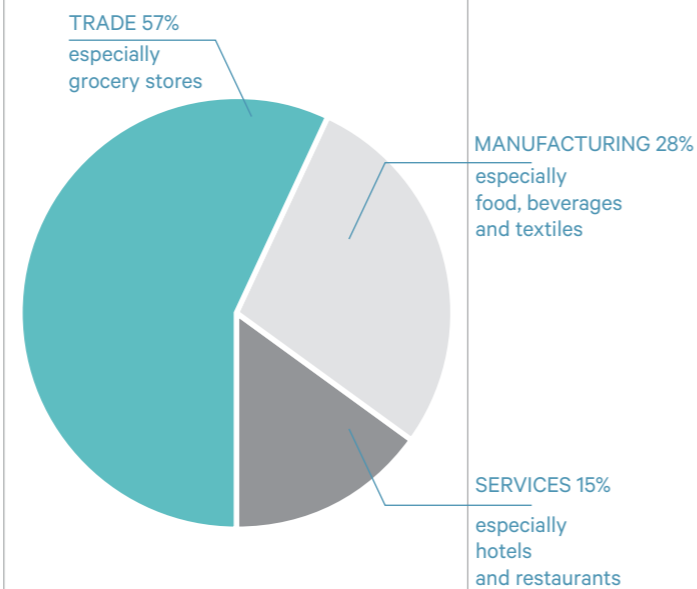
## OVERVIEW OF FEMALE ENTREPRENEURS IN THE INDONESIAN ECONOMY

There is a lack of reliable research on female entrepreneurs in Indonesia and on how gender may affect business ownership (Loh et al., 2013). Complex networks of personal, social and cultural relationships impact on Indonesian women's ability to become entrepreneurs (Brush, 1992 cited in Loh et al., 2013).

As reported by The Asia Foundation, the Indonesian Ministry of Women Empowerment and Child Protection estimated in 2011 that women owned 60% of the 55,206,444 micro, small and medium-sized enterprises in the country (most of these being women-owned micro-enterprises) (The Asia Foundation, 2013). Tambunan (2011) reports that the proportion of women declines as business size increases, suggesting that entrepreneurship is still predominantly a male occupation in Indonesia, particularly in larger, modern and more complex businesses.

Evidence suggests that women in Indonesia tend to become entrepreneurs out of necessity due to limited work opportunities, low salaries and the need to supplement family income whilst also carrying out domestic roles (World Bank, 2013a; Arsana and Alibhai, 2016). Arsana and Alibhai surveyed 1,633 women who ran micro and small businesses and found that 47.4% were necessity-driven entrepreneurs, 37.2% were stable entrepreneurs and 15.4% were growth-oriented entrepreneurs (Arsana and Alibhai, 2016).

Arsana and Alibhai also reported that 50% of the women-owned businesses surveyed were grocery stores in the trade sector; 24% were in manufacturing and almost all of these are small-scale and home-based, and produced food, beverages and textiles and finally, 13% of women's firms were in the services sector (hotels, restaurants) (Arsana and Alibhai, 2016). See Figure 2.



**FIGURE 2 DISTRIBUTION OF WOMEN'S BUSINESSES IN INDONESIA BY SECTOR (ARSANA AND ALIBHAI, 2016).**

The large majority of these ventures are informal and unregistered micro-enterprises (Arsana and Alibhai, 2016). Many women-owned enterprises are owner-operated and do not have any employees. Those that are employers have 2.4 employees on average (Arsana and Alibhai, 2016).

## COMMON ENABLERS OF FEMALE ENTREPRENEURS

### Networking

A study by The Asia Foundation showed that women seem to be more connected than men, through both formal and informal networking (The Asia Foundation 2013). The study reports that 55% of female entrepreneurs were members of business associations compared to 30% of men. The difference between the amount of networking undertaken by men and women is greater than it is in other countries in the region (Philippines, Malaysia and Thailand). The rate of male business association membership is also much lower in Indonesia than it is in neighbouring countries. Arsana and Alibhai report that women share information and experiences and seek support in resolving operational challenges through these networks (Arsana and Alibhai, 2016). The Asia Foundation reports that these networks also help women to succeed in industries that are often male-dominated (The Asia Foundation, 2013).

### Experience and experiential learning

Several studies that focus on Indonesia have challenged the common idea that a lack of education is a key barrier to starting and managing a business (Arsana and Alibhai, 2016; Loh et al., 2013; ESCAP, 2013). Arsana and Alibhai point out that female entrepreneurs in Indonesia demonstrate high levels of financial know-how and financial literacy, and that these levels are not an indication of their levels of education and (Arsana and Alibhai, 2016). Loh et al. (2013) point out that talent and creativity may be more important than a formal education in Indonesia. A study conducted by

the United Nations Economic and Social Committee for the Asia-Pacific (ESCAP) shows that one-third of female entrepreneurs in Indonesia acquire their knowledge and skills through experiential learning rather than through access to established education and training programmes (ESCAP 2013).

## COMMON BARRIERS FACED BY FEMALE ENTREPRENEURS

### Legal and socio-cultural barriers

Sociocultural expectations of women, including responsibility for housework and childcare, are prominent among the challenges reported by female entrepreneurs (Arsana and Alibhai, 2016). These barriers are entrenched by the Indonesian legal framework in a number of ways (DFAT, 2015). The Marriage Act of 1974 affirms that "the husband is the head of the family while the wife is the homemaker" (Marriage Act of 1974, Article 31.3). The Act outlines the responsibilities of the wife and the husband as follows: "the husband has the responsibility of protecting his wife and of providing her with all the necessities of life in a household in accordance with his capabilities" (Marriage Act of 1974, Article 34.1), while the wife "has the responsibility of taking care of the household to the best of her ability" (Marriage Act of 1974, Article 34.2).

Moreover, the IFC reports that such laws, including Article 7(1) of the Marriage Law which sets the minimum age of marriage for girls at 16 years (19 years for men), prevent women (particularly in traditional families) from making personal and economic decisions, for example about starting a business, selling personal assets, or borrowing capital, without a man's permission (IFC, 2016).

Loh et al. (2013) report that household responsibilities leave women with fewer hours to dedicate to running and developing their businesses and enterprises. This is particularly the case in rural areas where traditional roles

are more entrenched (Tambunan, 2011). Loh et al. also point out that no female entrepreneurs in their study were in the transportation, building or construction industries, and that Indonesian women's choices about their businesses reflected the social and cultural constraints of Muslim women (Loh et al. 2013).

The World Bank has reported on the impact of unequal inheritance rights of surviving female and male spouses or children (World Bank, 2015). Women have limited collateral because they are legally unable to own land or property, or control capital (International Finance Corporation, 2008).

#### Religion

Because the large majority of Indonesian people are Muslim (87.18% according to the 2010 census), it is important to examine Islamic-based norms. According to Tambunan (2011) Islamic-based norms require that a woman's primary duties as her husband's partner and housewife take precedence over any business initiatives. Women are also prevented from performing jobs that involve contact with men. They are not allowed to leave the home alone and this prevents engagement in businesses and enterprises (Tambunan, 2011). On the other hand, De Vita et al. (2013) point out that Islamic rules state that "all humans should endeavour to become successful", which may be encouraging for women wanting to engage in entrepreneurial activity.

#### Limited access to finance

The IFC points out that discriminatory social norms and family constraints indirectly impact the ways in which women access and use financial services (IFC, 2016). Evidence shows that Indonesian entrepreneurs, in general, do not have significant access to finance and data from Bank Indonesia supports this. MSME loans in 2011 represented only 21.5% of total bank credit (Arsana and Alibhai, 2016).

Female entrepreneurs tend to receive significantly less credit than men do in Indonesia (Arsana and Alibhai, 2016).

While research has found that female entrepreneurs can access loans and usually at the amount they request in Indonesia, many women do not apply for loans as a result of the high interest rates and their lack of collateral (Arsana and Alibhai, 2016). The Asia Foundation reports that high interest rates have a greater impact on smaller businesses, and hence on women's enterprises because it's harder for women to absorb the cost of business start-up and finance (The Asia Foundation, 2013).

Lack of collateral is sometimes related to ownership rights, as outlined above. While 88% of female-headed households possess buildings or land that could be used as collateral, only 21% of women actually have these assets registered in their names (Arsana and Alibhai, 2016). Particularly in rural areas, the lack of collateral is sometimes related to ownership rights "which deprives women of property ownership. In Indonesia, men are still perceived as the head of the family, and thus, in general, men are still perceived as the owners or inheritors of family assets such as land, business assets and houses" (Tambunan, 2011).

In addition, a lack of confidence in writing business proposals for loans, and risk avoidance (reluctance to borrow a large amount of money from a bank) may also be reasons why women tend not to apply for credit (Loh et al., 2013). In the face of these barriers, most women turn to personal or family savings as a source of capital (Arsana and Alibhai, 2016).

Related to the socio-cultural influences described above, 'kin tax' can also act as a barrier for female entrepreneurs. This is particularly relevant to businesses developed out of necessity (Buvinic et al., 2014). Due to the kin tax, capital is diverted to family members and community networks rather than used in the business, in response to pressure from family members or as a result of a woman's own initiative (Buvinic et al., 2014). Finally, any small amounts

of capital gained from enterprises are likely to go to supporting household expenditure rather than to growing enterprises or providing long-term benefits (Arsana and Alibhai, 2016).

#### LACK OF TAILORED SERVICES TO SUPPORT FEMALE ENTREPRENEURS

According to 86% of business development services (BDS) providers, the challenges in running a business faced by women micro-entrepreneurs are the same as the challenges faced by MSMEs generally (Arsana and Alibhai, 2016). Consequently, although 70% of all beneficiaries of BDS are female, these services tend not to consider the specific needs of women. Women's specific needs include a focus on gender discrimination, dealing with harassment, managing male employees and negotiating with male suppliers. Also, the provision of free childcare services and flexible schedules by BDS providers might help female entrepreneurs who are already juggling business and household responsibilities (Arsana and Alibhai, 2016).

One survey found that only 12% of 1,633 female entrepreneurs had ever utilised BDS. Within this group of female entrepreneurs who used BDS services, 79% felt that they helped them to run their businesses better, showing that on the whole, such support mechanisms are seen to be useful. The reason that women did not participate in training for almost half respondents, was that they didn't know of the existence of the programs. The study showed that many women are willing to pay for the BDS but have not yet accessed them (Arsana and Alibhai, 2016).

As well as being 'gender blind', programs tend not to distinguish between different categories of female entrepreneurs. 'Necessity-driven' and 'growth-oriented' entrepreneurs require distinct types of support, interventions and activities (Tambunan, 2010). Growth-oriented entrepreneurs often fall into a "missing middle" trap where they don't benefit from financial services provided to poorer women through microfinance institutions,

cooperatives, and rural lenders, and larger commercial banks do not have tailored or customised products which benefit them (Arsana and Alibhai, 2016).

Necessity-driven entrepreneurs tend to operate in sectors with high levels of competition. Arsana and Alibhai suggest that they could benefit from operating in more male-dominated sectors but they are not aware of the potentially lucrative opportunities which they could access by transitioning into male-dominated sectors (Arsana and Alibhai, 2016).

Whilst financial literacy may not be correlated with levels of education and knowledge, and while skills may be obtained through experiential learning, targeted capacity building was identified as a need by 80% of women in a study conducted by Loh et al. These women felt they had learned through trial and error, and that their businesses may have benefited from support from skilled mentors; information on entrepreneurial activities; management skills; and training in day-to-day business operations (Loh et al., 2013).

#### PROGRAMS AND STRATEGIES FOR PROMOTING AND ENABLING FEMALE ENTREPRENEURS

This section outlines a number of documented interventions and actors' programs that aim to support female entrepreneurs in Indonesia. These are accompanied by varying levels of evidence as to their effectiveness. This section outlines these programs, but it does not make a detailed assessment of each one. The types of strategies outlined here range from financing (e.g. tailored finance and women's savings and loans schemes); training (e.g. training in political awareness and advocacy and business skills training); and networking (e.g. supporting access to women's networks, and access to technology and income generation programs).



## EXAMPLES OF PROGRAMS FOUND IN THE LITERATURE

### 1. Association for Women in Small Business Assistance (ASPPUK)

ASPPUK is a network of 54 female-focused NGOs spread over 21 provinces (in Java, Nusa Tenggara, Sulawesi, Sumatra, and Kalimantan) (Oxfam, 2011). ASPPUK has two primary aims: economic empowerment (enable women to develop micro-enterprises/businesses) and political empowerment (build skills in advocacy, lobbying, negotiation, policy analysis, and pro-poor and gender budgeting). In this sense, it combines economic, political and gender strategies (Akatiga Center for Social Analysis, 2009).

ASPPUK has established networks of female entrepreneurs at the district level (JARPUK) and also groups of female entrepreneurs at the village level (KPUK) which are linked to financial institutions to enable them to access capital.

Finance is tailored to women in the sense that women make deposits and loan repayments in cash at monthly meetings, or to managers who visit members in their homes. Home collection is useful for women who have domestic duties, or who operate their businesses from home. ASPPUK has established two credit schemes, one to enable women to establish or expand their businesses, and one to meet their specific personal or family needs, such as the educational needs of their children (Oxfam, 2011).

Targeted capacity building support is provided, including technical assistance to help women develop their businesses and products, and support with access to markets. ASPPUK also organises discussions and seminars to develop critical awareness (one aim being to advocate for policy change). ASPPUK assists members with: the procurement of raw materials; the arrangement of marketing activities; and with training to enable women to manage the financial aspects of their businesses (Oxfam, 2011).

Recognising the need to work with men to change attitudes towards sharing responsibility for domestic tasks, ASPPUK takes a careful approach to starting

dialogue with men. It uses discussions with community leaders as an entry point and ensures these are positive and focus on traditional values that support gender justice. For example, the matrilineal tradition - "Minangkabau" - in West Sumatra where women exercise real power and hold central roles in community ceremonies and have ownership of resources including land, water and rice paddies (Oxfam, 2011; Bhanbhro, 2017).

An early assessment of the program found that its focus on political empowerment detracted from its ability to provide adequate business development services (Akatiga Center for Social Analysis, 2009). Another challenge is that ASPPUK struggles to facilitate loans of more than 10 million IDR. Women with expanding businesses often need larger loans than those offered by this program (Oxfam, 2011). ASPPUK reports that in future, it hopes to be able to increase the value of the capital within its network through the establishment of a multi-level cooperative structure, involving loans and savings groups at the village level as the primary units, with these primary cooperatives depositing their capital with financial institutions established at the district level. The district-level institutions will serve as secondary cooperatives (Oxfam, 2011).

### 2. National Program for Community Empowerment (PNPM)

Led by the Indonesian Government and supported by a multi-donor trust fund called the PNPM Support Facility (PSF), the PNPM program gives block grants to communities for high priority local projects. Through a bottom-up process, and with technical support, communities determine how funds are used, carry out projects, and take responsibility for outcomes (Azarbaijani-Moghaddam, 2014).

One objective of PNPM is to improve the effectiveness of its gender action plan. There are strict targets regarding women's attendance at meetings and their involvement in community project teams. There is also a Women's Specific Savings and Loans component.

There are reported to be criticisms of the PNPM program with regard to women's economic empowerment. The Women's Specific Savings and Loans program is not supported with capacity building and training for women in organising capacity, negotiation skills, networking, access to information, business extension and links to financial institutions (Azarbaijani-Moghaddam, 2014). It has been claimed that the activities involved are too small-scale and only allow small-scale investment with low returns (Arsana and Alibhai, 2016). Giving women access to finance assumes they have business skills, but many struggle to repay their loans and must cope with the pressure of balancing new workloads with domestic workloads. Women may also take loans to cover expenses other than business expenses, which leaves them in debt (Arsana and Alibhai, 2016).

### 3. Indonesian Business Women Association (IWAPI)

The Indonesian Business Women Association (IWAPI) is a not-for-profit organisation with 260 branches in 32 provinces. It aims to empower and strengthen Indonesian women in SMEs and currently it has 30,000 members (IWAPI, 2017). The cost for one year of membership is IDR 250,000 (US\$18.80 in July 2017). IWAPI develops business management capabilities and provides opportunities to access technology, markets and financial networks. Activities include advocacy, technical management and human resources training and networking (IWAPI, 2017).

IWAPI has a parent cooperative - Induk Koperasi Wanita Pengusaha Indonesia (INKOWAPI) - which has 50 branches and 30 million members (with headquarters in Jakarta). It organises cooperatives, offers training in marketing and access to credit and technology. It targets new female entrepreneurs who aim to improve community welfare (IWAPI, 2017).

### 4. Bank Sumut Financing Programs

Bank Sumut uses the Grameen Bank microcredit methodology to provide financial support for some female customers. Small loans are provided to groups of 15-20 women who operate or intend to operate small businesses (85% small and micro businesses, 13% medium-sized enterprises and 2% large enterprises) (Bank Sumut, 2017). Larger loans are offered to women who demonstrate an ability to pay off smaller loans (weekly repayments). Low interest rates are possible due to the number of borrowers. The maximum loan is IDR 50 million. Women need to be at least 21 years of age or married, have a bank account and be a permanent resident in an area where a branch is located. (Bank Sumut, 2017).

## SUMMARY

This chapter has outlined a number of enablers as well as a range of barriers that female entrepreneurs in Indonesia face in their efforts to establish and maintain businesses. It has also examined a number of documented programs and strategies which aim to support female entrepreneurs and promote women's economic empowerment. These enablers, barriers, programs and strategies are summarised below in Table 5, Table 6 and Table 7 respectively.

As previously stated, the programs and strategies outlined in this paper have not been evaluated by the authors, and are presented in order to provide examples of the kinds of approaches that have been, and are being, employed by a range of actors in Indonesia to support women in business.

**SUMMARY OF ENABLERS**

ENABLER IDENTIFIED IN LITERATURE REVIEWED	SUMMARY OF ENABLER (EXAMPLES IDENTIFIED THROUGH LITERATURE REVIEWED)
Networking	One study reported that 55% of female entrepreneurs were members of business associations compared to 30% of men. Women make use of networks to share information and experiences, and they seek support in resolving operational challenges. Networks also help women to successfully work in industries that are often male-dominated.
Experience and experiential learning	Female entrepreneurs in Indonesia demonstrate high levels of financial know-how and financial literacy, and this expertise is not correlated with their levels of education, suggesting that talent and creativity may be more important than a formal education. One-third of female entrepreneurs in Indonesia acquire their knowledge and skills through experiential learning.

**TABLE 5 SUMMARY OF ENABLERS OF FEMALE ENTREPRENEURS IN INDONESIA****SUMMARY OF BARRIERS**

BARRIER IDENTIFIED IN LITERATURE REVIEWED	SUMMARY OF BARRIER (EXAMPLES IDENTIFIED THROUGH LITERATURE REVIEWED)
Legal and socio-cultural barriers	Sociocultural expectations of women, some of which are entrenched by the Indonesian legal framework, leave women responsible for housework and childcare with fewer hours to dedicate to enterprises. This prevents women from making their own personal and economic decisions, and restricts women's rights to land, ownership of property and control over capital. This limits their ability to provide collateral.
Religion	87% of Indonesians are Muslim, and Islamic-based norms mean a woman's duty to her husband and household takes precedence over her business. Women may be prevented from taking on jobs that involve contact with men and they are not allowed to leave the home alone, which also makes it difficult to start and run an enterprise.
Limited access to finance	Although Indonesian business owners in general don't have significant access to finance, women's access is more limited due to a lack of collateral and an inability to absorb high interest rates in their predominantly small-scale businesses. A lack of the confidence needed to write business proposals for loans, and risk avoidance are also barriers. 'Kin taxes' also affect women in that capital is diverted to family members and community networks instead of being used in the firm.
Lack of tailored services to support female entrepreneurs	Although many women benefit from BDS, there is little recognition of women-specific needs in terms of services or needs of different types of female entrepreneurs ('necessity-driven' and 'growth-oriented' entrepreneurs). Women may not know about the business training programs available to them despite being willing to pay for such services.

**TABLE 6 SUMMARY OF BARRIERS FACED BY FEMALE ENTREPRENEURS IN INDONESIA****SUMMARY OF PROGRAMS AND STRATEGIES**

STRATEGY IDENTIFIED IN LITERATURE REVIEWED	PROGRAM (EXAMPLES IDENTIFIED THROUGH LITERATURE REVIEWED)
Combining economic with political empowerment	Association for Women in Small Business Assistance (ASPPUK) aims to empower women economically (by providing tailored finance, home-based collection of repayments, credit for businesses as well as family or personal needs) as well as politically (through capacity building in advocacy, lobbying, negotiation, policy analysis, pro-poor and gender budgeting).
Women's Specific Savings and Loans (SPP)	National Program for Community Empowerment (PNPM) includes a component which aims to provide women with access to finance through targeted savings and loans schemes. This initiative has not been supported by training or by improving access to markets, business networks or financial institutions.
Business associations for women	The Indonesian Business Women Association (IWAPI) has 260 branches in 32 provinces and targets women in SMEs. It provides services which aim to build business management capabilities and it provides opportunities to access technology, markets and financial networks.
Microcredit	Bank Sumut uses the Grameen methodology, offering small loans to groups of 15–20 women who operate or intend to operate small businesses. Larger loans may be offered to women who have met repayment requirements. Low interest rates are possible due to the large number of borrowers.

**TABLE 7 SUMMARY OF DOCUMENTED PROGRAMS AND STRATEGIES AIMING TO SUPPORT FEMALE ENTREPRENEURS IN INDONESIA**

# 5. FEMALE ENTREPRENEURS IN LAO PDR

This chapter outlines the barriers, enablers, programs and strategies that were found in the literature pertaining to female entrepreneurs in Lao PDR. Women face a range of barriers to establishing and growing businesses, including socio-cultural barriers; a lack of education; limited access to finance and limited access to markets and infrastructure. In the case of Lao PDR, a favourable legislative framework for entrepreneurs was found to support women in a number of ways. Several documented strategies to promote and encourage female entrepreneurs have also been included in this section, including start-up support and funding; targeted support for growth-oriented entrepreneurs; village banking and microcredit; women's business associations and the national women's union's support for women's economic empowerment.

## OVERVIEW OF FEMALE ENTREPRENEURS IN THE LAO PDR ECONOMY

The rate of women's participation in the economy of the Lao People's Democratic Republic (Lao PDR) is one of the highest in the region: 52% of household businesses are owned by women (USAID, 2016b). Women also own or partly own 31% of formal registered businesses (ADB, 2011) and they own the majority of newly registered businesses (USAID, 2016b). Women tend to operate micro and small enterprises. Their businesses tend to be informal and located in the home or in a marketplace, and they are concentrated in less lucrative trades such as retailing and textile manufacturing (World Bank, 2012, 2013).

Prime Minister Decree No. 42 issued in 2004 provided definitions of small and medium-sized enterprises; both were considered to be independent establishments legally registered and operating in accordance with the law.

## DEFINITIONS OF SMALL AND MEDIUM-SIZED ENTERPRISES IN LAO PDR

**Small enterprises:** have annual average numbers of employees not exceeding 19 persons, or total assets not exceeding 250 million kip (AUD\$ 2993; US\$ 2412 at 8 Sept 2017) or an annual turnover not exceeding 4 hundred million kip.

**Medium-sized enterprises:** have annual average numbers of employees not exceeding 99 persons or total assets not exceeding 1.2 billion kip or an annual turnover not exceeding 1 billion kip.

Source: Article 2, Decree 42/PM on the Promotion and Development of Small and Medium Sized Enterprises, dated 20/4/2004

Lao PDR is ranked 134 out of 189 countries in the World Bank's 'ease of doing business ranking' based on its requirements for starting a business which includes six procedures, takes 73 days and costs 4.9% of the nation's average per capita income (World Bank, 2016b). Officially, there is no discrimination between women and men in the procedures, required to open a bank account or access credit (World Bank, 2015).

Despite a legal and regulatory framework that treats women and men equally, there are considerable differences between women's and men's businesses. For example women's businesses tend to be smaller than men's and their total turnover is 2.5 times less than men's. Additionally, women's businesses tend to use less information technology than men's (World Bank & ADB, 2012).

At the same time, women's businesses were growing at a faster rate than men's and the number of people employed by women's businesses doubled between 2006 and 2009 (employees in female-run businesses also tend to be female) (World Bank & ADB, 2012).

In terms of the policy and legal framework, and gender related ministries and government bodies in Lao PDR, there are some interesting programs in place that can potentially support female entrepreneurs. The Law on Development and Protection of Women (LDPW) states in article 15 that "the State promotes the right of women to engage in production, business, and services in accordance with the laws". Lao PDR has a National Commission for the Advancement of Women (NCAW) (World Bank & ADB, 2012).

The National Strategy for the Advancement of Women (NSAW) (2011–2015) included an ambitious agenda of gender equality promotion and support for the political and economic empowerment of women. In relation to female entrepreneurs, the NSAW aimed to provide opportunities in training and income generation, and to promote the involvement of women from all ethnic minority groups in economic activities (World Bank & ADB, 2012). However, as a gender advocate in government, the NSAW lacked capacity and institutional support which limited opportunities for gender mainstreaming. Isolation from services and the presence of customary law makes it particularly hard for women in ethnic minority groups to be protected by national legislation and policies (World Bank & ADB, 2012).

## COMMON ENABLERS OF FEMALE ENTREPRENEURS

### Legislation supporting enterprises

The Government of Lao PDR introduced a new enterprise registration system in 2011 which resulted in 44% of a total of 65,000 new registrations being for women's businesses (ADB, 2011). In urban areas in particular, the majority of new

businesses registered were owned by women (World Bank & ADB, 2012). The new system reduced licensing costs by 35% which meant that many business owners were able to formalise their businesses and this enabled them to access services, institutions (banks and courts) and new markets (World Bank, 2016b).

A Prime Ministerial Decree on Microfinance Institutions came into force in November 2012 (Lao People's Democratic Republic, 2012) and its accompanying 'Implementation Guidelines' came into force in May 2016 (Lao People's Democratic Republic, 2016).

## COMMON BARRIERS FACED BY FEMALE ENTREPRENEURS

### Sociocultural barriers

A number of studies describe a deeply embedded societal view that the primary role of women is caregiving and household work. This view is more prominent among some ethnic groups but it impacts on the ability of all women to operate successful businesses (see for example Inmyxai & Takahashi, 2010; CARE, 2013; United Nations, 2009). Caregiving and household duties limit women's time and mobility, making it difficult for them to access markets or carry out work far from their homes (World Bank, 2013).

Women who belong to ethnic minority groups may face additional barriers associated with customary land rights. In some groups, when women inherit land their rights and entitlements exist verbally rather than in writing. This makes it hard for them to be protected by formal laws, and may prevent them from using land as collateral (ILO & GRID, 2006).

### Lack of education

Disadvantage in education based on gender, ethnicity and geographical location is apparent in Lao PDR. The most recent population and housing census conducted in 2015 shows a

gender gap in adult literacy. Among those aged 15 years and above, 90% of males were considered to be literate compared to 79% of females. Ten years earlier (in 2005) the female literacy rate was 63.2%, and the male literacy rate was 82.5% (Lao People's Democratic Republic, 2015). Women living in rural areas without roads had the lowest literacy rates in the country. Women aged 17–25 are also less likely to be studying than men. In some ethnic groups (Lahou, Akha and Tri), more than 50% of women have never attended school (Lao People's Democratic Republic, 2015).

A lower level of education also makes it difficult for women to navigate the formal procedures needed to access credit or to register a business. Low levels of literacy, particularly in the Lao language, make it harder for women to access market information (World Bank & ADB, 2012). Senior managers in female-led or female-owned businesses tend to be less educated than men and only 20% of top managers in female-owned firms have a graduate degree from a foreign university compared to 43% of top managers in male-owned firms (World Bank & ADB, 2012).

#### Limited access to finance

Access to credit has been identified as the most significant challenge for women in Lao PDR in their efforts to establish, maintain and grow businesses (World Bank, 2011). USAID suggests that the services of the commercial banking system are largely out of reach for female entrepreneurs (USAID, 2016b). Common reasons for their lack of access to formal financial services include a lack of the confidence and knowledge needed to navigate financial systems and distance from banks for those living in rural areas (World Bank & ADB, 2012).

Moreover, there may be a perception on the part of financial institutions that women are high-risk borrowers. Where they don't have a line of credit, female-owned firms must demonstrate to formal banks a greater level of collateral than male-owned firms in the same situation

(World Bank & ADB, 2012) and banks tend not to lend to women who operate small businesses (World Bank, 2010).

Women also face high tax rates, due to the size of their businesses and the need to pay tax in lump sums based on sales rather than actual profits (World Bank, 2011). Many women don't understand tax regulations and some report having to negotiate about the amounts of tax they are being asked to pay as the same policy is not applied to everyone in a uniform manner (ILO & GRID, 2006).

Due to these barriers, women often take out loans in their husbands' names and these are then managed by their husbands who have more confidence and knowledge. Another reason women depend on their husbands is that they may not be aware that they can use their land as collateral (World Bank & ADB, 2012).

Women seek credit from sources other than banks such as informal savings schemes or moneylenders and this leaves them vulnerable to high interest rates. Women tend to rely on microfinance, and 61% of microfinance borrowers in Lao PDR are women (World Bank & ADB, 2012).

#### Access to markets and infrastructure

Because many of their businesses are home-based, and because they tend to have businesses in retailing and textile manufacturing, women face particular barriers relating to markets and infrastructure. There is poor public infrastructure generally for handicraft production, and this infrastructure is worse in rural areas (World Bank & ADB, 2012). Access to market information is difficult for all entrepreneurs in Lao PDR, however, given women's lower levels of education and literacy, access to information is even harder for them. According to the NGO CARE, most ethnic women do not speak Lao, which limits their ability to make important links with markets and to access economic opportunities (CARE, 2013).

Access to markets is often poor due to distance and a lack of roads in remote areas (which is where many ethnic groups are concentrated). Middlemen tend to control market prices, limiting the bargaining power of local producers (World Bank & ADB, 2012).

#### PROGRAMS AND STRATEGIES FOR PROMOTING AND ENABLING FEMALE ENTREPRENEURS

This section outlines several documented programs that aim to promote and enable female entrepreneurs in Lao PDR. As is the case with the programs identified in Cambodia and Indonesia, the following programs have not been evaluated by the authors, and are presented in order to provide examples of the kinds of approaches that have been, and are being, employed by a range of actors in Lao PDR to support women in businesses. The types of strategies outlined here range from financial support (e.g. start-up support and funding; village banking and microcredit); training (targeting growth-oriented entrepreneurs) and networking (e.g. business associations for women and government support for women's economic empowerment).

#### EXAMPLES OF PROGRAMS FOUND IN THE LITERATURE

##### 1. Supporting Talent, Entrepreneurial Potential and Success (STEPS) and Young Entrepreneurs Association of Laos (YEAL)

STEPS (Supporting Talent, Entrepreneurial Potential and Success) was a pilot project implemented by the World Bank between 2011 and 2012 as part of its Adolescent Girls Initiative (World Bank, 2013). It featured two interventions, one for young entrepreneurs and the other for job seekers. It aimed to identify and support entrepreneurs seeking to start or expand businesses. In partnership with the Young Entrepreneurs Association of Laos (YEAL), STEPS ran a competition calling for business proposals from aspiring young entrepreneurs and providing business skills training, mentorship, seed

grants and support for shortlisted entrants and finalists, particularly women (World Bank, 2013).

The competition reached 400 young people and targets were included in the selection process to ensure 50% of participants were young females in the first round and 70% were young females in the second round (World Bank, 2013).

The winners were awarded seed grants of up to US\$5000 and received mentoring support from YEAL members (Knowles, 2013). The program also trained YEAL members to become mentors for young entrepreneurs (World Bank, 2013). USAID reported in 2016 that in a context where business networking is not embraced by most adult women, YEAL and other informal business meet-ups were helping young people, including many women, to feel comfortable sharing their business practices and learning from each other (USAID, 2016b).

In 2013 the World Bank reported that 59% of participants reported starting or expanding a business and more than half were female. Twenty-one new businesses had been launched and 20 expanded their operations; 140 new jobs were created and 55% of these were held by females; and 76% of businesses were profitable (68% of these were female-run) (World Bank, 2013).

##### 2. Mekong Women's Entrepreneurship Challenge (MWEC)

Designed and piloted by InfoDEV and the World Bank in 2012–2013, the MWEC targeted growth-oriented female entrepreneurs in Lao PDR, Cambodia and Vietnam (Knowles, 2013). In Lao PDR, it built on the Supporting Talent Entrepreneurial Potential and Success Program (STEPS) program (see above) by targeting women-led enterprises at a later stage (STEPS focused on start-up enterprises) (Knowles, 2013). In Lao PDR, the program partnered with the Department of Small and Medium Enterprise Promotion (DOSMEP),

the Lao Women's Business Association and the Lao Handicrafts Association (Knowles, 2013). A group of 25 women who had existing businesses which they intended to grow were recruited for the program. Ten women took part in the full program and others were provided with assistance (Knowles, 2013).

The key strategies of the program were to move away from classroom-based models to more peer-to-peer learning, business mentoring and coaching and networking which emphasised practical, real world experiences. The aim was to improve confidence, risk-taking and business management skills (Knowles, 2013).

A challenge arose in recruiting women who met the criteria, in that they needed to have experience in a small or medium-sized business and an intention to grow their business, and could both benefit from and contribute to peer learning (Knowles, 2013).

An evaluation of phase 1 conducted in late 2013 indicated that almost all participants in Lao felt that their networks were stronger as a result of the program and 84% reported that they had thought about producing new products and services and accessing new markets (Knowles, 2013). The same evaluations observed that the MWEC model can only ever assist a small number of women due to the need to build trust and foster peer mentoring. The cost of the program in Lao PDR was US\$226,000 (Knowles, 2013).

### 3. Village banking in Lao PDR

Village banking models have been supported in Lao PDR by a number of actors including: the International Labour Organisation (ILO), which developed a guidance tool in 2008 (ILO, 2008); GIZ which supports village banks under the Access to Finance for the Poor (AFP) program 2014–2017 (with financial contributions from Australian Aid and MMG/Lane Xang Minerals Ltd.); the Bank of Lao PDR (BoL) which is responsible for microfinance regulation and supervision, for example, developing Prime Ministerial Decree on Microfinance Institutions (2012) and accompanying guidelines (2016); and the Lao Microfinance Association which encourages organisations in the microfinance sector to provide feedback on regulations and which runs a Microfinance Management Certificate course (Fuchs, 2014).

The AFP supported village banks as part of an effort to provide financial services to rural populations and to promote financial inclusion (GIZ, 2017). Village banks are savings and credit institutions that are managed by communities and supported by network support organisations (regional microfinance institutions) (GIZ, 2017).

The ILO guidebook on village banking for Lao PDR includes an explicit gender equality component aiming for equal participation between men and women and a fair balance of responsibilities, workloads, decision-making power and incomes (ILO, 2008). However, evidence of this model being implemented, and of the results achieved, was not found. The AFP program, according to its own guidebook, included a provision that two positions on each village bank committee were to be reserved for women (GIZ, 2014a). GIZ also conducted gender assessments as part of the AFP program which revealed that women were often members of village bank committees but were mostly not leading them. Lack of knowledge and capacity (due to low Lao language literacy, low financial literacy and innumeracy) and lack of courage were described

as the main barriers to stronger female leadership and input into village banks (GIZ, 2014b). In 2017, 540 village banks had been formed with 63,000 active accounts, with women holding 54% of the individual accounts (GIZ, 2017).

### 4. Lao Businesswomen's Association

The Lao Businesswomen's Association (LBWA) has a membership of 300 female-led enterprises and is the largest business and professional association for women in the country (USAID, 2016b). It was established by the Lao Women's Union in 2004 and is a branch of the Lao National Chamber of Commerce and Industry.

Its current five-year plan (2014–19) focuses on international collaboration (e.g. building networks between its members and the ASEAN Economic Community) but in general it aims to enhance the growth and competitiveness of women's enterprises through management and business skills training (USAID, 2016b). It also represents women's rights and interests to government and other relevant sectors (LBWA, 2016). To join, women must have businesses that are legally registered in Lao PDR and they must be Lao nationals (LBWA, 2016).

### 5. Lao PDR Women's Union

The Lao Women's Union (LWU) is one of four official mass organisations in Lao (as per the 1991 Constitution). It has a mandate to represent the interests of women from all ethnic groups and has between 600,000 and 900,000 members (USAID, 2016b).

The LWU has extensive networks at all administrative levels and disseminates information on gender issues and mobilises women's participation in development and trade activities (USAID, 2016b). It also administers the Community Development Fund and other women's economic activity programming and acts as a bridge between the ruling party, the government and women (USAID, 2016b).

The LWU also operates microfinance services which are not regulated by the

central bank which are utilised by a significant number of women-owned enterprises. USAID reports that these represent an important part of the social fabric, especially in rural communities. LWU provides the primary network of entrepreneurs for rural women because of its relevance to their livelihoods (USAID, 2016b).

### SUMMARY

This chapter has outlined one enabler and a number of barriers that female entrepreneurs in Lao PDR face in their efforts to establish and maintain businesses. It has also provided an overview of a number of documented programs and strategies which aim to support female entrepreneurs and promote women's economic empowerment. These enablers, barriers, programs and strategies are summarised in Table 8, Table 9 and Table 10 below.

**SUMMARY OF ENABLERS**

ENABLER IDENTIFIED IN LITERATURE REVIEWED	SUMMARY OF ENABLER (EXAMPLES IDENTIFIED THROUGH LITERATURE REVIEWED)
Legislation supporting enterprises	In general, a considerable legal framework exists in Lao PDR to support enterprise development and provide microfinance. A new enterprise registration system introduced in 2011 has resulted in high numbers of women registering and formalising their businesses, opening access to services and markets.

**TABLE 8 SUMMARY OF ENABLERS OF FEMALE ENTREPRENEURS IN LAO PDR****SUMMARY OF BARRIERS**

BARRIER IDENTIFIED IN LITERATURE REVIEWED	SUMMARY OF BARRIER (EXAMPLES IDENTIFIED THROUGH LITERATURE REVIEWED)
Socio-cultural barriers	There is a deeply embedded societal view that women are responsible for caregiving and household work. This limits women's time and mobility and hence their access to markets and opportunities for work far from the home. In ethnic minority groups women may face additional barriers associated with customary land rights.
Lack of education	The 2015 census showed that 90% of males were literate compared to 80% of females, and that women living in rural areas without roads record the lowest literacy rates. Women aged 17–25 are also less likely to continue with their schooling than men. Lack of literacy and education make it difficult for women to navigate the formal business registration procedures, access credit or obtain valuable market information.
Limited access to finance	Women don't commonly access formal financial services due to a lack of confidence and knowledge. In rural areas, distance from banks is also a factor. Financial institutions tend to perceive women as high risk borrowers. Women also face high tax rates and struggle to pay taxes that are based on sales rather than actual profits. As a result, women often take out loans in their husbands' names or seek credit from other sources such as informal savings schemes, money lenders or microfinance organisations.
Limited access to markets and infrastructure	Women commonly operate home-based businesses in textiles and handicrafts, for which there is poor public infrastructure. This problem is worse in rural areas. Low levels of literacy and poor Lao language skills, as well as a lack of roads, reduce access to markets and market information. These barriers also reduce access to other economic opportunities. As a result, middlemen tend to control market prices.

**TABLE 9 SUMMARY OF BARRIERS FACED BY FEMALE ENTREPRENEURS IN LAO PDR****SUMMARY OF PROGRAMS AND STRATEGIES**

STRATEGY IDENTIFIED IN LITERATURE REVIEWED	PROGRAM (EXAMPLES IDENTIFIED THROUGH LITERATURE REVIEWED)
Start-up support and funding	Supporting Talent, Entrepreneurial Potential and Success (STEPS) used a competition approach to identify good business ideas and support young entrepreneurs. In partnership with the Young Entrepreneurs Association of Laos (YEAL), STEPS ran a competition calling for business proposals from aspiring young entrepreneurs and provided business skills training, mentorship, seed grants and support for shortlisted entrants and finalists. In particular, the program targeted young women.
Targeted support for growth-oriented entrepreneurs	The Mekong Women's Entrepreneurship Challenge 2012–2013 built on the STEPS program by targeting women-led enterprises at a later stage of development. This approach was based on the belief that growth-oriented female entrepreneurs were more likely to benefit from targeted training and support which included peer-to-peer learning, business mentoring and coaching and networking which emphasised practical, real world experiences.
Village banking and microcredit	Village banking is designed to bring financial services to rural areas. Village banks are savings and credit institutions managed by communities and supported by microfinance institutions. Strategies to promote gender equality and the inclusion of women in the banks have been inconsistent, however, one report estimates that women held 54% of individual village bank accounts by 2017.
Women's business associations	The Lao PDR Businesswomen's Association (LBWA) has a membership of 300 women-led enterprises and is the largest business and professional association for women in Lao. Its activities aim to enhance the growth and competitiveness of women's enterprises through management and business skills training. It also represents women's rights to government and increasingly its activities focus on international collaboration (ASEAN and other international platforms).
National women's union supporting women's economic empowerment	The Lao PDR Women's Union supports women's economic empowerment by operating microfinance services; providing the most important network of entrepreneurs for rural women; disseminating information on gender issues; mobilising women's participation in development and trade activities and administering women's economic activity programming. It is seen as an important part of the social fabric of rural communities due to its extensive networks and local presence, and its relevance to the livelihoods of rural women.

**TABLE 10 SUMMARY OF DOCUMENTED PROGRAMS AND STRATEGIES AIMING TO SUPPORT FEMALE ENTREPRENEURS IN LAO PDR**

# 6. SUPPORTING WOMEN IN WASH ENTERPRISES

This working paper has so far identified typical barriers and enablers experienced by WASH enterprises, as well as the barriers and enablers related to women-led enterprises in other sectors beyond WASH in three case study countries – Cambodia, Indonesia and Lao PDR. It has also outlined a number of documented strategies to promote and support female entrepreneurs in a range of sectors.

In this section we bring our review of the literature on these three countries together with research conducted through the Enterprise in WASH initiative, as well as other information from the WASH sector. We start by describing efforts to engage women in WASH enterprises, including examples from 'Enterprise in WASH' concerning the experiences of a small number of female sanitation entrepreneurs. We then look at the reported evidence concerning female entrepreneurs in Cambodia, Indonesia and Lao PDR and describe the common enablers and barriers faced, and consider how these relate to the typical barriers faced by WASH enterprises to give insights into the likely gendered dimensions of these challenges. Finally, we draw on the strategies being utilised in other sectors to suggest initial ideas that may be useful to practitioners aiming to support women in WASH enterprises.

### CURRENT STATUS OF WOMEN IN WASH ENTERPRISES

There are a growing number of examples of strategies being utilised by civil society organisations (CSOs) and other development agencies in the WASH sector to increase the engagement of women in WASH enterprises in South-East Asia and South Asia.

In the **sanitation sector**, SNV Development Organisation (SNV), IRC WASH, iDE, East Meets West Foundation (EMWF), WaterSHED and Plan International have all given attention to women's roles.

- The IRC WASH worked to help women who were mason hands to become masons, resulting in a transformation of women's skills and confidence, and

greater income parity with men (IRC WASH, 2012).

- The World Bank Institute's Kerala Rural Water Supply and Sanitation Project involved training women as skilled construction workers and masons. The trainings, along with other efforts to introduce community women into the project, resulted in higher incomes, higher status within the community, and, according to community interviews, an improved sense of self-respect for women in Kerala (World Bank Institute, 2010).
- SNV Vietnam worked with the Vietnam Women's Union to identify active but unskilled women and then trained both male and female sanitation entrepreneurs in northern Vietnam. SNV Vietnam facilitated collaborative working arrangements and provided follow-up mentoring and support (Halcrow et al., 2012).
- iDE Cambodia has made explicit efforts to make the role of sales agents (or sanitation teachers) attractive and achievable for women. This has been done through, for example, offering part-time working arrangements (CS WASH Fund, 2016).
- East Meets West Foundation (EMWF) has engaged strongly with the Women's Union in Vietnam in an output-based aid approach that targets women in households as the recipients of cash-returns on verification of investment in a hygienic toilet, and engages Women's Union staff in facilitating multiple aspects of the program. (Pham and Nguyen, 2016)
- WaterSHED in Cambodia has engaged in sanitation marketing efforts, with programs designed specifically for female entrepreneurs. Wework is a program to support women to run their own WASH businesses and market their WASH products more effectively to potential customers. WaterSHED has found that less than 15 per cent of toilet businesses in Cambodia are run by women, and less than a third

of WaterSHED-supported sales agents promoting toilets in rural villages are women (WaterSHED, 2016).

- Plan Indonesia has supported both male and female sanitation entrepreneurs through their WASH programming in eastern Indonesia.

'Enterprise in WASH' research found that men and women have different perceptions about whether it is possible for women to become sanitation masons or work in other roles in the sector. Preconceptions based on traditional gender roles and other barriers were found to limit women's opportunities. In Vietnam the study found that women thought it would be easy for them to take up such roles, but men thought it would be difficult, because of women's housework and family duties. Another challenge for women was access to capital. Women were more economically stressed than men, which created an obstacle to entrepreneurship. This finding aligned with research conducted which found that Vietnamese women face challenges accessing finance if their land is only registered in their husband's name, rather than jointly (ISF-UTS, 2016).

All of these initiatives are evidence of significant progress, given that a review of sanitation marketing in Vietnam in 2010 (Sijbesma et al., 2010) noted little presence of women amongst entrepreneurs, except in a few cases where they were working in partnership with their husbands. However, 'Enterprise in WASH' research with female sanitation entrepreneurs in Vietnam also found that significant barriers were affecting women's ability to take up such roles. Preconceptions based on traditional gender stereotypes were found to limit women's opportunities, as did access to capital and economic stress (Gero et al., 2015; Murta and Willetts, 2014).

In the **water sector**, there appears to have been fewer efforts to involve women in water enterprises. However amongst those enterprises supported by EMWF in the Mekong Delta, there exist female-owned enterprises. In Cambodia 38%

of water enterprises listed with the Cambodia Water Association (CWA) are registered in a woman's name and the suppliers and agents for household water filters are all women (CWA pers. comm, 2017 and SNV pers comm, 2017). Another example includes women being targeted in water kiosk programs by organisations such as WaterAid (WaterAid et al., 2015). These small water businesses also enable women to sell other household products at their kiosks to diversify their products and boost the economic potential of their businesses.

In the **hygiene sector** a number of social enterprises have emerged recently to manufacture and provide menstrual hygiene products for women and girls. This has included training women in business and financial literacy in order to make selling menstrual hygiene products a viable side business for women. For example, a project in Uttar Pradesh, India, encouraged shop keepers to stock menstrual pads, while female community leaders were simultaneously recruited to manage pad distribution and sell pads for a small profit. At the same time, awareness raising activities were carried out targeting women. This has led to an increased demand for, and use of, menstrual pads (Keatman, 2013).

### GENERALISED BARRIERS AND ENABLERS FOR FEMALE ENTREPRENEURS

In terms of the general barriers and enablers faced by female entrepreneurs in Cambodia, Indonesia and Lao PDR identified in this working paper, some useful comparisons and conclusions can be drawn.

**Women's roles in small-scale enterprises** are significant. In all three countries, there were high rates of female ownership of businesses and enterprises:

- Cambodia: 65% of all formal and informal private enterprises
- Indonesia: 60% of micro, small and

- medium-sized enterprises
- Lao PDR: 52% of household businesses and 31% of formal registered businesses.
- However, these were concentrated in particular sectors:
  - Cambodia: wholesale and retail, accommodation and food and manufacturing
  - Indonesia: services, manufacturing and trade
  - Lao PDR: retail, textiles and handicrafts, and they tended to be micro or small rather than medium-sized or large.

Additionally, women were often 'necessity-driven' entrepreneurs as opposed to stable or growth-oriented entrepreneurs. Necessity-driven entrepreneurs are those that have started businesses as a means of supplementing household income, and they report unchanging or declining trends in their customer bases, as opposed to stable entrepreneurs (who report some signs of growth), or growth-oriented entrepreneurs (who report consistent signs of business growth).

**Socio-cultural and religious norms** concerning women's and men's gendered roles were reported to affect women's ability to develop and succeed in businesses in all three countries.

- In Cambodia, negative stereotypes which entrenched women's subordination to men were related to the Chbab Srey (traditional "Code of Women"). The Chbab Srey limits women's economic independence and opportunities, leaves women with less control over resources, restricts their ability to access markets and promote their businesses, and it therefore has implications for women's success as entrepreneurs.

- In Indonesia, 87% of the population is Muslim and Islamic-based norms mean a woman's duties to her husband and household take precedence over her business. Women may be prevented from entering jobs that involve contact with men and women are not allowed to leave the home alone, which also makes it difficult to start and run an enterprise. Sociocultural expectations of women, some of which are supported by the Indonesian legal framework, mean that women are responsible for housework and childcare and they have fewer hours to dedicate to enterprises. These expectations prevent women from making their own personal and economic decisions, and they restrict women's rights to land, ownership of property and control over capital limiting their ability to provide collateral.
- In Lao PDR, there is a deeply embedded societal expectation that women will be responsible for caregiving and household work. This limits their time and mobility and therefore their access to markets and their opportunities for work far from the home. In ethnic minority groups women may face additional barriers associated with customary land rights.

Equally, lower **levels of education and literacy** were also mentioned as barriers for female entrepreneurs:

- In Cambodia, lower levels of education and literacy are key barriers to effective business management and success and are brought about by social conventions. This leads to a lack of family support for young women and girls who want access to further education. Women's domestic responsibilities also prevent them from benefiting from advancement opportunities which could assist them to operate a successful business.

- In Lao PDR, the 2015 census showed that 90% of males were literate compared to 80% of females, and that women living in rural areas without roads had the lowest literacy rates. Women aged 17–25 were also less likely to continue with their education than men. Lack of literacy and education make it difficult for women to navigate formal business registration procedures, or access credit and valuable market information.

A range of other **key enablers and barriers** were documented. A small number of enablers were identified in Indonesia (women's ability to advance based on experiential learning and women's abilities in networking) and Lao PDR (favourable legislation for enterprises generally has led to greater numbers of female entrepreneurs). The number of barriers documented was much greater, and these were documented in greater depth in the literature. A summary of the barriers found across the three countries in the available literature is provided in the figure below.



**FIGURE 3 SUMMARY OF THE BARRIERS FOUND ACROSS THE THREE COUNTRIES (CAMBODIA, LAO PDR AND INDONESIA).**

#### GENDER DIMENSIONS OF WASH ENTERPRISE CHALLENGES

Drawing on evidence of the barriers experienced by women in other sectors, this section aims to briefly highlight the importance of considering the gendered dimensions of common challenges faced by WASH enterprises, as these challenges may be magnified (or in some cases reduced) for female entrepreneurs.



In **Table 11** we compare the challenges faced by female WASH entrepreneurs and with those faced by female non-WASH entrepreneurs. We list the five categories of challenges in the left-hand column. These categories are: access to market, financial challenges, human resource challenges, operational challenges and government and regulation challenges. In the next column, we list the typical challenges faced by WASH enterprises. In the third column we list the possible gendered

dimensions of these challenges. Finally, in the extreme right-hand column we list the corresponding barriers faced by female entrepreneurs in non-WASH sectors. It will be important to continue to gather empirical evidence on the lived experiences of women in WASH enterprises, and this table provides some starting ideas about which areas should be given attention in such empirical research.

Category	WASH Enterprises		Enterprises in non-WASH sectors
	Typical challenges faced by water and sanitation enterprises (Sources: Willetts et al. 2016, p.22; Gero et al. 2013)	Possible gendered dimensions to consider for female and male entrepreneurs (likely to affect how female and male entrepreneurs respond to these typical challenges)	Examples of barriers or enablers for female entrepreneurs documented from Indonesia, Lao PDR and/or Cambodia (in non-WASH sectors) for each category
<b>Access to market challenges</b>	<ul style="list-style-type: none"> <li>low or irregular (e.g. seasonal) demand</li> <li>market saturation</li> <li>high business competition</li> <li>lack of information about the market (e.g. customers' needs and preferences, source and cost of materials)</li> <li>lack of business partnerships</li> <li>lack of social and business networks</li> <li>fragmentation of supply chains (particularly for sanitation)</li> <li>pricing excludes certain market segments, particularly the poor (e.g. cost of water connections, cost of sanitation facilities in remote areas)</li> </ul>	<ul style="list-style-type: none"> <li>differences in women's and men's ability to engage with the customer base</li> <li>differences in literacy affecting understanding of information about market needs</li> <li>differences in ability or opportunity to form business partnerships</li> <li>differences in access to social and business networks</li> </ul>	<p><b>Lao PDR:</b> Low levels of literacy and poor Lao language skills as well as lack of roads reduce access to market information and prevents important links to markets and other economic opportunities. Therefore, middlemen tend to control market prices.</p> <p><b>Indonesia:</b> Women's ability to network is an enabler that supports their businesses and access to markets. One study reported that 55% of female entrepreneurs were members of business associations compared to 30% of men. Women make use of networks to share information and experiences, and to seek support in resolving operational challenges. Networks also help women to succeed in industries that are often male-dominated.</p> <p><b>Cambodia:</b> Networking activities, although essential for successful business development, are less accessible to women because they take place after business hours and require women to interact with male business owners and government officials which is against social norms.</p>
<b>Financial challenges</b>	<ul style="list-style-type: none"> <li>lack of financing options for enterprises</li> <li>lack of financing options for customers<sup>3</sup></li> <li>high interest rates</li> <li>late payment by customers</li> <li>limitations in meeting bank loan requirements</li> <li>challenges to reach economies of scale, particularly in remote areas</li> <li>licence fees and taxes</li> </ul>	<ul style="list-style-type: none"> <li>differences in women's and men's ability to access finance or meet bank loan requirements</li> <li>differences in women's and men's ability to cope with late payments, high interest rates or cash-flow issues</li> </ul>	<p>In all three countries women have less access to finance than men.</p> <p><b>Cambodia:</b> Reported reasons include women's lower levels of education and confidence, their lack of collateral and documented credit histories, unclear legal rights and the prejudices of financial institutions.</p> <p><b>Indonesia:</b> Reported reasons include: women's lack of collateral; an inability to absorb high interest rates in their predominantly small-scale businesses; a lack of confidence (to write business proposals for loans) and risk avoidance. 'Kin tax' also affects women in that capital is diverted to family members and community networks rather than used in the firm.</p> <p><b>Lao PDR:</b> Women don't commonly access formal financial services due to lack of confidence, knowledge or distance from banks (in rural areas) as well as high tax rates. Financial institutions are also reported to perceive women as high-risk borrowers. As a result, women often take out loans in their husbands' names or seek credit from other sources such as informal savings schemes or money lenders as well as microfinance organisations.</p>

<b>Human resource challenges</b>	<ul style="list-style-type: none"> <li>limited technical and business skills</li> <li>difficulties in finding staff with the right skills</li> <li>limited capacity building opportunities</li> <li>time constraints of the enterprise leader</li> </ul>	<ul style="list-style-type: none"> <li>differences in women's and men's opportunities to access capacity building opportunities</li> <li>differences in women's and men's available time (or control over available time) to contribute to enterprise roles</li> </ul>	<p><b>Cambodia:</b> Business development services (or business support services) mostly offer vocational training which reflects traditional gender roles and fail to respond to particular needs of women. Membership fees for business member organisations are also prohibitive for women, particularly those from rural areas.</p> <p><b>Indonesia:</b> Although many women benefit from BDS training, there is little recognition of women-specific needs in terms of services or needs of different types of female entrepreneurs ('necessity-driven' and 'growth-oriented' entrepreneurs). Also, women may not know about business training programs available to them despite being willing to pay for such services.</p> <p>Also in Indonesia, it was reported that female entrepreneurs demonstrate high levels of financial know-how and financial literacy, which are not correlated with their levels of education, suggesting that talent and creativity may be more important than a formal education. One-third of female entrepreneurs in Indonesia acquire their knowledge and skills through experiential learning.</p>
<b>Operational challenges</b>	<ul style="list-style-type: none"> <li>high fixed expenses (e.g. electricity, salary, office space rental)</li> <li>high cost of materials and equipment</li> <li>access to relevant resources (e.g. water resources for water enterprises, relevant building materials such as sand, gravel etc. for sanitation enterprises)</li> <li>poor infrastructure such as unreliable power supply or poor road conditions</li> </ul>	<ul style="list-style-type: none"> <li>differences in women's and men's ability to negotiate needs and expenses</li> <li>differences in how women and men are affected by poor infrastructure</li> </ul>	<p><b>Lao PDR:</b> Women suffer significantly due to poor infrastructure. Women commonly operate home-based businesses in textiles and handicrafts, for which there is poor public infrastructure. The problem is worse in rural areas.</p>
<b>Government and regulation challenges</b>	<ul style="list-style-type: none"> <li>lack of or unfavourable policies and regulations (e.g. unofficial and official taxes)</li> <li>lack of clarity of relevant government legislation</li> <li>lack government support</li> <li>corruption</li> <li>inconsistent or inappropriate approaches to subsidies or support</li> <li>inconsistent communication of available subsidies or support to either enterprises or to customers</li> </ul>	<ul style="list-style-type: none"> <li>differences in women's and men's engagement and ability or opportunity to communicate with government counterparts</li> <li>differences in literacy affecting confidence, understanding and engagement with current policies and processes</li> <li>differences in women's and men's capacities to negotiate factors affecting their enterprises.</li> </ul>	<p><b>Cambodia:</b> Businesswomen report paying considerable amounts in informal taxes and fees to government inspectors which prevents them from sustaining strong and profitable businesses.</p> <p><b>Lao PDR:</b> An enabler for female entrepreneurs has been a change in the legal framework. In general, a considerable legal framework exists in Lao PDR to support enterprise development and to provide microfinance. A new enterprise registration system in 2011 resulted in high numbers of women registering and formalising their businesses, opening access to services and markets.</p>

**TABLE 11 IDEAS TO INFORM EMPIRICAL RESEARCH ON CHALLENGES AND GENDERED DIMENSIONS OF WASH ENTERPRISES**

**STRATEGIES THAT MAY BE APPLICABLE TO SUPPORTING WOMEN IN WASH ENTERPRISES**

It has been recognised that tailored strategies to support female entrepreneurs in WASH are essential if women are to access the economic opportunities available (ISF-UTS, 2016). Furthermore, including gender analysis in any intervention designed to support entrepreneurs will also help to reveal effective strategies to support women. The discussion above provides some insight into the types of barriers women in WASH enterprises may face, and this section draws on the strategies used in other sectors to provide a starting point for considering strategies applicable in the WASH sector.

It is important to note that female entrepreneurs are not a homogenous group and differences should be recognised in their characteristics, life experiences and aspirations. Overall, the three types of entrepreneurs outlined at the beginning of this paper – necessity-driven; stable; and growth-oriented – are important classifications when considering barriers and also strategies to support women in WASH enterprises. Moreover, the age, ethnicity, religion and location (urban or rural) of women also have a bearing on the types of barriers faced and their magnitude, and the most effective strategies for supporting female entrepreneurs.

It should be noted that the strategies identified in published material written in English do not necessarily address the barriers that were identified in the literature review. This working paper reports what was found through a desk-top research process. It does not make recommendations on strategies or programs for addressing challenges and opportunities. The range of strategies documented across the three countries provides useful ideas for supporting women in WASH enterprises (see Table 12), and includes the following types of programs and strategies:

**Financing – Addressing women’s financing needs:**

- linking women with start-up support and funding (for example, seed funding through a competition process)
- supporting village banking and microcredit organisations offering loans to female entrepreneurs at low interest rates
- targeted savings and loans schemes, in conjunction with business-related training
- Training: Addressing women’s training and business development support needs:
  - providing targeted business development support for growth-oriented female entrepreneurs, including field trips; peer, individual and group mentoring; business mentoring and coaching and networking
  - business development services that help share new techniques, market-based ideas and equipment
  - providing targeted skills training to disadvantaged groups (specifically including women) including technical skills and on-the-job enterprise training.

**Linking to existing initiatives that support female entrepreneurs:**

- leveraging national strategies that aim to support women’s economic empowerment
- working through women’s business associations or related organisations, that are likely to be already involved in policy advocacy and specific services or training for female entrepreneurs.

Examples of programs/strategies identified in the three countries are provided in Table 12. Details of these programs can be found in the respective country sections above. This table is designed to illustrate the range of strategies identified in the literature for each country, and across the three key strategy types (financing, training and linking).

STRATEGY IDENTIFIED ACROSS THREE COUNTRIES	EXAMPLES FROM CAMBODIA	EXAMPLES FROM INDONESIA	EXAMPLES FROM LAO PDR
<b>Financing</b>			
Start-up support and funding			A competition was held for young entrepreneurs, and winners were provided with business skills training, mentorship and seed grants. The program particularly targeted young women.
Village banking and microcredit		Small loans were provided to groups of 15–20 women operating or planning to operate a small business. Low interest rates were provided.	Village banking which supports community savings and provides credit to community members, including women. These institutions are managed by communities and supported by microfinance institutions. Some have gender inclusion strategies in place.
Women’s Specific Savings and Loans (SPP)		Women have been targeted through savings and loans schemes.	
<b>Training</b>			
Targeted business development support for growth-oriented entrepreneurs	A program has been offered to women to support them to grow their businesses using information and tools tailored to Khmer culture, including field trips, and peer, individual and group mentoring. Men were also constructively engaged through this initiative.		Growth-oriented female entrepreneurs were targeted by a program which provided peer learning, business mentoring and coaching and networking based on practical, real world experiences.
<b>Linking</b>			
National strategies to support women’s economic empowerment	A government strategy has been put in place to build women’s capacity to grow and formalise their enterprises and improve livelihoods in rural communities, especially for poor women.		The Lao PDR Women’s Union uses its networks and local presence to support women’s economic empowerment, through microfinance and networking, particularly for rural women.
Women’s (or general) business associations	Advocacy programs for better public policy and services for female entrepreneurs, promotes local products and provides business services, networking opportunities and needs-based training courses.	A program targets women in SMEs and provides services to build business management capabilities and provide opportunities to access technology, markets and financial networks.	Management and business skills training are provided and representations in support of women’s rights are made to governments within ASEAN countries.
Combining economic and political empowerment		Tailored finance, home-based collection of repayments, credit for both businesses and family/personal needs is provided to women. Additionally, training in advocacy, lobbying, negotiation, policy analysis, pro-poor and gender budgeting is provided in a program.	

**TABLE 12 DOCUMENTED EXAMPLES OF STRATEGIES AND PROGRAMS TARGETING FEMALE ENTREPRENEURS ACROSS THREE COUNTRIES**

**CONCLUSION**

This working paper has shown that issues related to women owning and working in MSMEs are highly contextual, and they are significantly influenced by women's ability to access finance, education and business support services as well as culture, religion and societal expectations. It is likely that all of these factors are equally relevant to women working in WASH enterprises.

In this paper we have drawn on the literature about female entrepreneurs in three countries and applied them to the current context for WASH enterprises and the typical challenges these enterprises face. While the literature available on gender, women and WASH enterprises is scant, this process has yielded some helpful insights into the gendered aspects of WASH enterprise challenges, and the issues that female entrepreneurs in WASH are likely to face.

As donors, CSOs and governments seek to support women in WASH enterprises into the future, further empirical research will be required to explore and verify the ideas presented in this paper, and to gain a deeper understanding of the barriers facing female WASH entrepreneurs. It will also be important to apply and test a range of possible strategies to maximise their effectiveness in supporting women to benefit from the economic opportunities that the sector offers. This will contribute to mutually beneficial WASH outcomes for women and for their communities.

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