

Report On

Gender Issues in Micro and Small Enterprises in Lao PDR

ISED Series
January 2006

3



**"priority on development of
the small-scale enterprise sector as
an important means for creating
new employment opportunities"**



Gender Issues in Micro and Small Enterprises in Lao PDR

ISED Series
February 2006

**Gender Resource and Information
Development Centre**

International Labour Organisation

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Foreword

The International Labour Organization (ILO) is committed to decent work for everyone and pays special attention to promoting gender equality in the world of work. The ILO's Enterprise Department and in particular its team working on Women's Entrepreneurship Development and Gender Equality (WEDGE) have made equal opportunities for men and women in enterprise development the focus of a series of studies undertaken in recent years. This study identifies gender-based inequalities in micro and small enterprises in Lao PDR. The study was jointly undertaken by the ILO and the Gender Resource Information and Development Centre of the Lao Women's Union. It provides a comprehensive picture of gender roles, beliefs, traditions, practices, and the division of labour relating to women and men. The results of the study facilitate a more focused approach in further efforts to promote women's participation in micro and small enterprises in Lao PDR.

The ILO is actively involved in small enterprise development in Lao PDR. It supports the agenda of the newly created SME Promotion & Development Office (SMEPDO) at the Ministry of Industry and Handicraft. SMEPDO and the ILO jointly adapted a number of ILO small enterprise development strategies and tools for use in Lao PDR. The ILO supports business development service providers and small business associations, and has been actively engaged in the development of business curriculum for secondary and vocational schools. The ILO works closely together with the Lao Women's Union to mainstream gender equality concerns into small enterprise development. It has adapted, translated and launched its GET Ahead for Women in Enterprise training materials, and provided training for many women and community leaders.

The field research on gender issues in micro and small enterprises in Lao PDR was made possible by the ILO-Development Cooperation Ireland Partnership Programme, for which the ILO is extremely grateful.

Christine Evans-Klock
Director
ILO Subregional Office for East Asia

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We are most grateful to all the women and men entrepreneurs who participated in interviews. We thank all provincial staff of the Lao Women's Union that facilitated the fieldwork.

Our particular appreciation goes to Mr Photong Siliphong, GRID Project Adviser, who led the research process. The research team was supported by Mr. Gerry Finnegan, ILO Senior Specialist in Women's Entrepreneurship Development, and Ms. Maria José Barney-Gonzalez, ILO consultant. The report benefited from the inputs of Ms. Nelien Haspels, Ms. Piyamal Pichaiwongse, Ms. Fiona Howell, Mr. Max Iacono, Mr. Bas Rozemuller and Ms. Linda Deelen. Special thanks go to Claire McLaughlin, Ms. Mary Velma O'Neil, Ms. Rita Natola and Ms. Christine Vuilleumier for their assistance in editing and formatting the report.

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Executive summary

This report is the outcome of a gender study on MSEs in Lao PDR jointly undertaken by the ILO and the GRID Centre of the Lao Women's Union.

The first stage of the research, conducted June and August 2003, involved a critical review of existing literature on gender issues in Lao PDR. The literature review and accompanying focus group discussions covered a number of important issues, including: the characteristics of enterprises and individual women entrepreneurs; gender issues; and factors related to the enabling enterprise environment (including socio-cultural, economic, policy, planning, and legal and regulatory frameworks) which may affect female entrepreneurs in starting and growing their own enterprises.

The desk-based secondary research in Lao PDR identified a number of obstacles to the performance of women entrepreneurs. These included limited access by women to productive and economic resources, such as land, credit, equipment, support services, technical know-how and labour.

The second stage involved primary research and was based on a field survey of 250 entrepreneurs (150 women and 100 men) in Lao PDR, covering five major provinces of Vientiane (Capital), Vientiane, Savannakhet, Champassak and Luang Prabang. During the field study, efforts were made to examine profiles of female and male entrepreneurs and their enterprises, and to determine their attitudes in starting and growing their enterprises. The report describes the barriers and constraints, as well as the support and opportunities, available to these entrepreneurs. The report also provides information on the activities of various government and international development organizations, and the roles they play as business development service providers. Based on the findings of the research, a set of recommendations has been formulated for future action.

The research findings highlight the following experiences and issues concerning women and men entrepreneurs in MSEs in Lao PDR:

- Women entrepreneurs in MSEs have limited education, limited experiences and limited access to resources.
- Women's MSEs exist mostly in the villages, as women face mobility constraints, and traditional customs do not allow women to leave their home to work far from the village.
- The business registration process is complicated and time consuming. Women entrepreneurs face difficulties in dealing with these procedures because of their low level of education and the constraints on their time. They also lack confidence in handling legal documents and communicating with officials in authority.
- Women predominate as unpaid family workers in many sectors, thus reinforcing their economic dependence, and limiting their opportunities to generate income.
- The multiple chores of women, arising from the traditional system of gender roles and division of labour, hinder women's full participation in public life and in economic development.
- The negative cultural values disadvantage women in terms of their participation in politics and decision-making processes.

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- The majority of small enterprises have little capital to invest in enterprise growth. This negatively affects the prospects for expanding their businesses.
 - Financial problems are very common at the start-up stage of a business. Women entrepreneurs have limited access to credit facilities, face complicated lending procedures, and lack the necessary collateral.
 - Marketing problems become much more significant over time. The domestic market is limited in terms of the number of consumers and their purchasing power. Most entrepreneurs in the villages do not know how to apply appropriate pricing for the goods and services produced. They are unaware of the market place and competition, as well as the range and type of products that are in demand.
 - There is a lack of information on policies, laws and regulations affecting MSEs.
 - There is a lack of information on appropriate technology.
 - Women and men run their enterprises in isolation and do not interact with business associations and networks.
 - Village-based entrepreneurs, especially women, lack awareness and have little knowledge of business planning, marketing, business opportunity identification and simple accounting techniques.
 - There is a lack of cooperation and coordination among government agencies, international development agencies and the private sector involved in MSE promotion.

The report gives a number of recommendations, including the following:

- The existing organizations that support micro and small enterprise development should be assisted to enable them to play a greater role as BDS providers.
- Special emphasis should be given to improving the marketing and promotion of the products and services of women entrepreneurs, and this could be achieved through well-planned business events such as trade fairs, as well as through the publication of directories of women entrepreneurs.
- Small business groups/associations and cooperatives of women entrepreneurs should be promoted and established.
- There is a need to support NGOs as well as the LWU in the management of small-scale loan funds and flexible credit schemes.
- It is necessary to raise awareness, upgrade knowledge and build skills in gender mainstreaming for government officials by providing training-of-trainers (TOT) programmes in identified areas, such as in curriculum development, gender training, and evaluating the impact of training programmes on gender equality issues.
- All SME agencies should focus on incorporating gender equality issues into their plans, activities and budgets, with emphasis on: (a) capacity building for the various institutions; (b) greater involvement of women at all levels of operations and decision making, especially at management level, and (c) developing gender action plans.

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- Gender audits should be conducted in line ministries and MSE development institutions (e.g., LNCCI, LTPC), so that these agencies can promote wider access to and ownership of economic resources by women, and build the institutions' capacities with respect to promoting gender equality and women's empowerment.
 - The dissemination of information on legal, regulatory and administrative procedures, as well as business and market information on MSEs, should be the priority responsibility of LNCCI and government organizations involved in SME promotion.

List of acronyms

ACCU	Asian Confederation of Credit Unions
ADB	Asian Development Bank
ASEAN	Association of South-East Asian Nations
BAFIS	Occupation-oriented Vocational Education and Further Training for Target Groups in the Informal Sector
BDS	Business Development Services
CIDA	Canadian International Development Agency
CPC	Central People's Committee
DCI	Development Cooperation Ireland
D/K	Do Not Know
EU	European Union
FDA	Food and Drug Administration
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GRID	Gender Resource Information and Development
GTZ	German Agency for Technical Cooperation
IGA	Income Generating Activities
ILO	International Labour Organization
INGOs	International Non-governmental Organizations
IPEC	International Programme on the Elimination of Child Labour
JICA	Japan International Cooperation Agency
JOVC	Japanese Overseas Volunteer Cooperation
LECS	Lao Expenditure and Consumption Survey
LNCCI	Lao National Chamber of Commerce and Industry
LFNC	Lao Front for National Construction
LTPC	Lao Trade Promotion Centre
LWU	Lao Women's Union
LYO	Lao Youth Organization
MIH	Ministry of Industry and Handicrafts
MOLSA	Ministry of Labour and Social Welfare
MPSDF	Mekong Private Sector Development Facility
MSEs	Micro and Small Enterprises
MSMEs	Micro, Small and Medium-sized Enterprises
N/A	No Answer
NCAW Lao	National Commission for the Advancement of Lao Women

NEM	New Economic Mechanism
NERI	National Economic Research Institute
NGOs	Non-governmental Organizations
NORAD	Norwegian Agency for Development Co-operation
NPEP	National Poverty Eradication Programme
NSC	National Statistical Centre
NUOL	National University of Laos
ODA	Official Development Assistance
PDR	People's Democratic Republic
PRF	Poverty Reduction Fund
SEED	Small Enterprise Development
SIDA	Swedish International Development Agency
SMEs	Small and Medium-sized Enterprise
TICW	Trafficking in Children and Women
UNCDF	United Nations Capital Development Fund
UNDCP	United Nations Drug Control Programme
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNFPA	United Nations Fund for Population Activities
UNV	United Nations Volunteers
USD	United States Dollars
VRF	Village Revolving Fund
WB	World Bank
WEDGE	Women's Entrepreneurship Development and Gender Equality
WFP	World Food Programme

Contents

	<i>Page</i>
Foreword.....	iii
Acknowledgements	iv
Executive summary	v
List of acronyms.....	viii
1. Introduction.....	1
1.1 Background	1
1.2 Key issues for the primary research.....	2
1.3 Methodology	2
1.4 Definition of formal enterprises	2
1.5 Definition of informal enterprises	3
2. Context of Lao PDR	4
2.1 Geography and demographic features.....	4
2.2 Socio-cultural conditions	4
2.3 Macroeconomic context.....	5
2.4 Gender and economic participation	5
2.5 Rural finance	6
2.5.1 Position of women in the family unit	6
2.6 General education and vocational training.....	7
2.7 Transport and marketing facilities	7
2.8 Women's participation in senior Government positions.....	7
2.9 Gender and the legal framework	8
2.9.1 The Constitution.....	8
2.9.2 Family and inheritance laws	8
2.9.3 Land law and titling	8
2.9.4 Labour law.....	9
2.9.5 Business law	9
2.10 Government policies on micro, small and medium-sized enterprises (MSMEs)	10
2.11 Gender strategy for poverty reduction	10
3. Profile of the entrepreneurs.....	12
3.1 Age and education	12
3.2 Marital status and family characteristics.....	14
3.3 Family context	14

3.4	Number of children.....	15
3.5	Previous occupation.....	16
4.	Profile of current enterprises	17
4.1	Type of business by sector	17
4.2	Scale of enterprise and financial aspects.....	18
4.3	Motivation for starting an enterprise.....	20
4.4	Helpful factors in business start-up	20
4.5	Problems and barriers at start-up	22
4.6	Business start-up.....	23
4.7	Business registration	25
4.8	Pattern of employment and job quality	26
4.8.1	Quality of employment.....	27
4.9	Ownership of enterprises	28
4.10	Business location	29
4.11	Marketing.....	29
4.11.1	Marketing constraints	30
4.12	Technology.....	30
4.12.1	Use of technology.....	30
4.12.2	Type of technology needed	31
4.13	Advice sought on business problems	31
4.14	Who makes decisions and assists in decision making?.....	32
4.15	Time spent at the business per day	32
4.16	Business premises	34
5.	Business support services (BDS).....	35
5.1	Desire for BDS and financial assistance	35
5.2	Training.....	36
5.3	Contribution of business to household income.....	39
6.	The business environment.....	40
6.1	Development policies, regulations and institutions	40
6.1.1	Policy environment	40
6.2	Hopes and aspirations	41
6.2.1	Policy suggestions.....	42
6.3	Family attitude towards women entrepreneurs.....	43
6.3.1	Type of family support	43
6.3.2	Impact on family life	44
6.4	Role of support organizations.....	44
6.5	Associations	45
6.5.1	Support from women's organizations.....	46

6.6	Socio-cultural factors affecting women and men in business	46
7.	Institutional framework for the promotion of gender equality	49
7.1	LWU	49
7.1.1	The LWU training centre.....	49
7.2	GRID Centre	50
7.3	National Commission for the Advancement of Women	51
8.	Business development services (BDS)	53
8.1	BDS providers	53
8.1.1	Occupation-oriented vocational education and further training for target groups in the informal sector (BAFIS)	53
8.1.2	The Lao National Chamber of Commerce and Industry (LNCCI)	53
8.1.3	The Lao Trade Promotion Centre (LTPC).....	54
8.1.4	MPSDF	54
8.1.5	Poverty Reduction Fund (PRF).....	55
8.1.6	Japan International Cooperation Agency (JICA)	55
8.1.7	UNIDO	55
8.1.8	ILO	55
8.1.9	MIH.....	56
8.1.10	MOLSA	57
8.1.11	Ministry of Education.....	57
8.1.12	Ministry of Commerce	57
8.1.13	Services from other agencies	58
8.1.14	Association of Women Entrepreneurs in Vientiane Capital.....	58
8.2	Access to credit	59
8.2.1	Asian Confederation of Credit Unions (ACCU)	59
8.2.2	United Nations Development Programme (UNDP) and the United Nations Capital Development Fund (UNCDF).....	59
8.2.3	United Nations Drug Control Programme (UNDCP).....	59
8.2.4	UNICEF and the United Nations Educational, Scientific and Cultural Organization (UNESCO).....	59
8.2.5	United Nations Fund for Population Activities (UNFPA)	60
8.2.6	World Food Programme (WFP).....	60
8.2.7	Concern Worldwide	60
8.2.8	Other international development agencies	60
8.2.9	INGOs	60
9.	Results of focus group discussions	61
9.1	Introduction and methods.....	61
9.2	Outcomes of focus group discussions	61
9.2.1	Reasons for going into business	61
9.2.2	Access to resources	61
9.2.3	Deciding to start a business	61
9.2.4	What are the benefits?	62
9.2.5	Constraints mentioned by female entrepreneurs	62
9.2.6	Awareness of commercial laws.....	62

9.2.7	Strengths and weaknesses of female entrepreneurs.....	62
9.3	Recommendations from female entrepreneurs.....	63
10.	Results of the national workshop	64
10.1	Current situation, problems and challenges	64
10.2	Recommendations from the national workshop	65
11.	Summary and recommendations	67
11.1	Summary	67
11.2	Recommendations	68
11.2.1	BDS.....	68
11.2.2	Capacity building at district and village level.....	69
11.2.3	Improving credit and financial services.....	69
11.2.4	Improving the policy and regulatory environment to enable women and men entrepreneurs to start and expand their enterprises	70
11.2.5	Mainstreaming gender equality into all aspects of MSE development.....	70
11.2.6	Capacity building for MSE support agencies at national level.....	71
11.2.7	Information dissemination and networking should be enhanced.....	71
11.2.8	Comprehensive and reliable databases on women entrepreneurs.....	72
Annex 1:	List of study sites.....	73
Annex 2:	List of participants: National workshop: Gender study on micro and small enterprises in Lao PDR.....	75
Annex 3:	Research questionnaire	77
Bibliography	97

List of tables

Table 1.1:	Summary of definitions of MSEs in Lao PDR.....	3
Table 3.1:	Age of entrepreneurs at time of survey	12
Table 3.2:	Age at start of enterprise	12
Table 3.3:	Educational level of female respondents and their close relatives	13
Table 3.4:	Educational level of male respondents and their close relatives	13
Table 3.5:	Marital status of entrepreneurs	14
Table 3.6:	Family context	15
Table 3.7:	Number of dependants supported by the entrepreneurs	15
Table 3.8:	Average number of children of entrepreneurs	15
Table 3.9:	Previous occupation.....	16
Table 4.1:	Type of business by sector	17
Table 4.2:	Productive assets	18
Table 4.3:	Total investment	18
Table 4.4:	Average monthly sales.....	19
Table 4.5:	Average investment and monthly sales.....	19
Table 4.6:	The most important reasons for starting this business	20

Table 4.7:	Helpful factors in business start-up	20
Table 4.8:	Why did you select this business activity?.....	21
Table 4.9:	Constraints in business start-up for entrepreneurs	22
Table 4.10:	Business establishment for women entrepreneurs	23
Table 4.11:	Business establishment for men entrepreneurs.....	24
Table 4.12:	Age of enterprise	24
Table 4.13:	Who undertook the business registration process?	25
Table 4.14:	How long does it take to register a business?.....	25
Table 4.15:	Experience with business registration.....	26
Table 4.16:	Number of workers (women entrepreneurs)	26
Table 4.17:	Number of workers (men entrepreneurs)	27
Table 4.18:	Changes in quality of employment – women entrepreneurs	27
Table 4.19:	Changes in quality of employment – men entrepreneurs	28
Table 4.20:	Ownership of enterprises	28
Table 4.21:	Business location	29
Table 4.22:	Entrepreneurs' markets	29
Table 4.23:	Marketing constraints	30
Table 4.24:	Technology improvement	30
Table 4.25:	Advice on business problems (women entrepreneurs).....	31
Table 4.26:	Advice on business problems (men entrepreneurs)	31
Table 4.27:	Role of family and others in business decision making (women)	32
Table 4.28:	Role of family and others in business decision making (men).....	32
Table 4.29:	Business premises of women entrepreneurs.....	34
Table 4.30:	Business premises of men entrepreneurs	34
Table 5.1:	Form of help desired by the women entrepreneurs.....	35
Table 5.2:	Form of help desired by the men entrepreneurs	35
Table 5.3:	Training for owner in the last three years	36
Table 5.4:	Kind of training received (women entrepreneurs).....	37
Table 5.5:	Top three training needs for women and men entrepreneurs	37
Table 5.6:	Preferences for business training programmes (women)	38
Table 5.7:	Preferences for potential business training programmes (men).....	38
Table 5.8:	Monthly income contribution.....	39
Table 6.1:	Knowledge of development policies.....	40
Table 6.2:	Long-term planning for the business	41
Table 6.3:	Perception of development policies for women	41
Table 6.4:	Suggested changes in business development policies – women.....	42
Table 6.5:	Impact of business on family life	44
Table 6.6:	Impact of doing business on social image.....	44
Table 6.7:	Expected role of support organizations for women entrepreneurs	44
Table 6.8:	Expected role of support organizations for men entrepreneurs	45
Table 6.9:	Membership in business associations	45
Table 6.10:	Reasons for not joining an association.....	46

Table 6.11: Socio-cultural factors affecting women entrepreneurs	47
Table 6.12: Socio-cultural factors affecting men entrepreneurs	48

List of charts

Chart 1: Business registration	25
Chart 2: Average number of hours devoted to business and family (women).....	33
Chart 3: Average number of hours devoted to business and family (men)	33
Chart 4: Applications for loans in the last three years.....	36
Chart 5: Borrowing money for the business in the last three years.....	36
Chart 6: Family reaction to their female and male relative's business activities	43

1. Introduction

1.1 Background

The Lao People's Democratic Republic is a developing country. It is currently undergoing rapid economic and social transformation following the adoption of open market policies in 1986. Recently, the Government has initiated projects in agricultural and forestry extension, in credit and income generation, as well as in health, education, and infrastructure development, in order to increase women's and men's ability to benefit from market reforms and to improve their living conditions.

It is widely accepted that MSEs have the potential to provide a livelihood for a considerable number of people in Lao PDR. Various studies confirm that Lao PDR women are engaged in a wide variety of economic activities for family upkeep. However, MSEs in the country are facing a variety of constraints that both stifle and smother their growth.

The ILO and GRID were eager to conduct this gender study on MSEs and to examine women's economic roles in the formal and informal economies, as well as small market-based activities in Lao PDR. The study analyses the needs and constraints of women and men in formal and informal enterprises. The findings will help to:

- describe the characteristics of small-scale entrepreneurs and their enterprises;
- provide a comprehensive picture of gender roles, beliefs, traditions, practices, and the division of labour relating to women and men;
- assess the perceptions of female and male entrepreneurs regarding their training needs, problems and constraints; and
- suggest policy measures to improve the situation of women in formal and informal enterprises. These suggestions can be taken up by the Government in considering policy changes and by non-governmental organizations (NGOs) in advocating for them.

The first phase of the research process involved a study of existing literature and produced an overview of MSEs in Lao PDR, with particular reference to the situation of female entrepreneurs. One of the findings of the first phase was that most studies on MSEs are national surveys, which focus on quantitative rather than qualitative data. Most of the studies reviewed do not emphasize gender-sensitive issues, and they provide little in-depth information about female entrepreneurs and their business environment. Although some of the surveys and studies summarized provide information on the composition of MSE employment, the characteristics of entrepreneurs, access to credit, training needs (in general), and business problems, they have not addressed a large number of gender aspects. These include the variety and complexity of women's roles in relation to economic activity; the barriers to participation by women entrepreneurs from different ethnic groups, including those based on traditional roles; gender-based division of labour; traditional values and customs; the process of starting a business; the patterns of business decision-making; access to and control over resources; managing a business; the need for basic skills training in specific topics; the policy environment, and the legal and regulatory framework. Therefore, these issues are the major focus of the present study on gender in MSEs in Lao PDR.

1.2 Key issues for the primary research

Based on the literature review, the research team summarized the key issues to be addressed in the subsequent primary fieldwork phase, as follows:

- (a) What are the key factors (i.e., socio-cultural, economic, political, legal and regulatory, educational, and so on) that affect women in small enterprises in the Lao PDR context? More especially, what are the barriers to participation by women entrepreneurs from different ethnic groups, including the obstacles deriving from traditional roles, division of labour, traditional values, customs, and so forth?
- (b) What are the roles of business development services (BDS)? To what extent are the services offered by BDS providers accessible, efficient and effective in relation to women's entrepreneurship development?
- (c) What interventions are urgently needed to assist women entrepreneurs in starting and expanding their businesses?

1.3 Methodology

The study was conducted by undertaking a field survey involving structured and semi-structured interviews with questionnaires administered to a sample of 250 entrepreneurs – 150 women and 100 men – as well as in-depth interviews with business development service providers and international non-governmental organizations (INGOs). In addition, the report reviews statistical data from other sources, including relevant Government documents and national programmes and policies, thereby facilitating an overview of the current situation faced by women and men entrepreneurs.

The research team carried out fieldwork in five provinces: Vientiane Capital, Savannakhet, Luang Prabang, Champassak and Vientiane Province. The research team selected villages based on the following criteria:¹

- villages located in the rural districts bordering the Mekong river;
- villages located in the rural districts that do not border the Mekong river;
- ethnic villages in the remote areas;
- urban and peri-urban areas, including villages in the four major cities: Vientiane Capital, Savannakhet, Champassak and Luang Prabang;
- urban markets in the five major cities.

1.4 Definition of formal enterprises

For the purpose of this study, formal enterprise is defined as a non-agricultural income-generating activity, which is registered and recorded in the official statistics. This

¹ See Annex 1, List of study sites.

study adopts the classification system of the MIH² which categorizes enterprises according to the number of people employed and the value of assets.

Table 1.1: Summary of definitions of MSEs in Lao PDR

Category	Number of employees	Total assets in million kip	Business and tax registration
Micro	1-4	<70	Yes
Small	5-19	<250	Yes
Medium	20-99	<1,200	Yes

Source: United Nations Industrial Development Organization (UNIDO) and MIH, 2002: SME development framework.

1.5 Definition of informal enterprises

In this research project, the term “informal enterprises” refers to a variety of very small-scale enterprises involving simple organizational and production structures, requiring low-level technology or skills and low capital investment per worker, having few barriers to entry, and relying on family labour or a few hired workers. They are mostly unregistered and unrecorded in official statistics. Consequently they are outside the scope of social protection, labour legislation and health and safety measures relating to the workplace.

² MIH and UNIDO (2002): *Draft No. 2 Small and Medium-sized Enterprise Development Framework*, Vientiane.

2. Context of Lao PDR

2.1 Geography and demographic features

Lao PDR is a landlocked country located in South-East Asia. It shares its borders with China to the north, Myanmar to the north-west, Thailand to the west, Cambodia to the south, and Viet Nam to the east. Lao PDR has an area of 236,800 square kilometres, and 70 per cent of its land is mountainous and hilly. One of its great natural features is the Mekong river, which flows from north to south for almost 1,900 kilometres. The river has a great influence on the livelihood and lifestyle of those who live along it.

A summary of various demographic aspects of Lao PDR will reflect the situation of women in the country and help to create the context for this study. The country's estimated population is 5.2 million, of which 80 per cent live in the rural areas. The annual population growth is 2.8 per cent, and the fertility rate has declined from 5.6 in 1995 to 4.9 children in 2002. The population density is 21 persons per square kilometre. Women make up more than half the population, which is 50.4 per cent female and 49.6 per cent male. Forty-four per cent of the population are under 16 years of age, and the remaining 56 per cent (over 16 years of age) can be categorized as the active/working population. Life expectancy at birth is 59 years. The infant mortality rate is 82.2 and the under-five mortality rate is 106.9 out of every 1,000 births, respectively. The maternal mortality rate is 530 out of every 100,000 women giving birth.

2.2 Socio-cultural conditions

Lao PDR is a multi-ethnic society, and the country is divided into 18 provinces, 142 districts and 12,000 villages. The ethnic groups³ fall into four ethno-linguistic families as follows: (1) The Tai-Kadai (Lowland Lao PDR) (Lao PDR Loum) comprises approximately 66.5 per cent of the total population and lives in the fertile lowlands and prosperous urban areas along the valley of the Mekong river. They practise a largely matrilineal type of family system, with daughters inheriting the parents' property. (2) The Mon-Khmer (Midland Lao PDR) makes up 23.5 per cent of the population, living in the lower-mountain areas and on the plateaux. They practise shifting cultivation, believe in supernatural forces such as ghosts, and practise sacrificial ceremonies to honour their ancestors or supernatural forces. (3) The Hmong-Yao (Highland Lao PDR) account for 7.5 per cent of the population, practising shifting cultivation of cash crops. They have a patrilineal system of inheritance. Women work particularly hard, even when they are pregnant or have small children. This group are mainly highland dwellers that reside at altitudes of more than 1,000 metres above sea level. (4) The Tibeto-Burmese is a small minority, representing 2.5 per cent of the population; they also live in the mountains and practise shifting cultivation.

Most ethnic minorities survive on subsistence production, and the majority are poor. This is because of their geographic location, traditional modes of production, and lack of basic services and infrastructure due to poor roads and inaccessibility. As a result, they have limited access to education, health services and other basic necessities of life.

³ The Lao Front for National Construction (LFNC) recently proposed an official classification into 49 main groups, currently under consideration by the National Assembly.

The traditional shifting cultivation requires significant labour and time in clearing large areas of forest every year and weeding, but productivity remains very low. Therefore, children commonly work in the fields from about six years old. They also have to help with household chores, livestock rearing and collecting firewood. The girls help their mother with the younger children and the household chores; the boys help their father with hunting and taking care of the large livestock. Women and girls are more disadvantaged than men among the ethnic minorities, but the livelihoods of many such communities depend on women to provide food and family subsistence.

In addition, many women and girls make and sell handicrafts to earn cash for household needs. Usually women have little voice in decision making within the family or the community. As far as household and community leadership is concerned, it is mostly the men who hold management and decision-making positions.

Traditionally, women are the primary micro-level producers, small enterprise traders, primary income cash-earners, small-scale users of credit, and agriculturists. Women also predominate as unpaid family workers in many sectors, thus reinforcing their economic dependence and limiting their opportunities to generate their own income. Women have less access to productive and economic resources, such as land, credit and loans; equipment and tools, agricultural extension services, technical know-how, and labour.

2.3 Macroeconomic context

The Lao PDR economy is predominantly based on subsistence agriculture, which employs 83.4 per cent of the population. Annual gross domestic product (GDP) per capita is US\$350, and the main products are rice, tobacco, coffee, tin and timber. About 52 per cent of value added within the GDP comes from the agricultural sector, 21 per cent from industry and handicrafts, and 26 per cent from services. Lao PDR is rich in forest and water resources, which have great potential for future development.

From 1986 to 1987, Lao PDR reformed its economic structure to promote a free market economy and private sector development. The Government adopted its New Economic Mechanism (NEM) with the purpose of transforming its centrally planned economy to a market driven economy. The NEM embarked on a number of initiatives that included price liberalization; removal of subsidies; restructuring and privatization of parastatal organizations; alignment of the exchange rate with the market rate, and the establishment of private and foreign commercial initiatives. It also aims at increasing regional integration through membership of organizations such as Association of South-East Asian Nations (ASEAN). With the arrival of the NEM, Lao PDR managed to initiate reforms in economic, physical and social infrastructure, particularly in transportation and communication. The major contributors to GDP growth were the agricultural and forestry sectors, the expansion in the export of lumber and wood products, garments, and electric power, as well as the inflow of foreign capital, which included official development assistance (ODA) and foreign direct investment (FDI).⁴

2.4 Gender and economic participation

Economic development is the key to growth as well as poverty alleviation and reduction. But economic growth without gender equality cannot be sustainable: gender

⁴ UNDP. 2001. *Advancing rural development*, National Human Development Report, Lao PDR.

equality is fundamental to economic growth and development. In many societies, women's contribution to the economy is under-valued and most of it remains unrecorded. Women's work accounts for more than half of many national economies, but their contribution remains largely invisible because it is not remunerated. Women perform unpaid reproductive and productive work in the household, in the farms and in the community.

Lao PDR women contribute about 54 per cent to the national economy, and men approximately 46 per cent. In industry, women make up 38 per cent of the workforce, and men 62 per cent; in trade 41 per cent are women and 59 per cent men; and in services, 57 per cent are women and 43 per cent men (GRID, 2003).

The status of women varies among the ethnic groups. In general, women play an important role in the economy, particularly in the agricultural sector. They provide labour for activities such as land clearing and preparation, rice planting, and spreading manure and fertilizer in the fields. In the rice subsector, women are responsible for transporting paddy to threshing areas. Women are responsible for feeding and rearing small animals such as pigs and poultry. In the horticulture subsector, they are responsible for vegetable growing, while in forestry they are responsible for minor forest products, mainly for home consumption, including bamboo shoots, mushrooms, leaves, wild fruit, and medicinal herbs, as well as rearing small animals. Lao PDR women of different ethnic groups are known for their traditional crafts, especially in silk, cotton, weaving and embroidery, and these generate additional household income.

2.5 Rural finance

In the Lao PDR Loum (Tai-Kadai) dominant settlements (peri-urban and rural Mekong areas), the majority of "household financial managers" are women (61-64 per cent). Men were the financial managers in 61 per cent of households in the provincial capitals, and 63 per cent of rural households in the upland areas. This distinction reflects the differences between the matriarchal Lao PDR Loum groups that predominate in peri-urban and rural Mekong areas, and the patriarchal societies that are more common in the upland areas. From the survey findings, the primary reason for taking loans is to cover emergencies or unforeseen expenditure. Business investment came second.

The primary sources of credit to rural households were family, friends and other (lending) households (33 per cent), especially for people living far from roads and in more remote areas. The loan size is generally small, with many of the loans being used for consumption purposes between the planting and harvesting seasons. This accounted for almost one half of household debt. Many of these loans do not carry an explicit interest rate and were obtained for short-term purposes without collateral. Suppliers of inputs and moneylenders are not an important source of loans for farmers. Where they operate, their interest charges range from 42-73 per cent per annum. Farmers approach these sources mainly for household emergencies and day-to-day survival needs. Banks are mainly located in provincial capitals, with sub-branches in at least 90 districts. Nevertheless, a large proportion of the rural population remains distant from banks. About eight per cent of rural households borrowed to buy fixed assets, and 13 per cent borrowed for working capital.

2.5.1 Position of women in the family unit

Men were described as the "heads of the household", and women as the "deputies". As head of the household, the man represents the family at all official meetings. There

were no perceived contradictions in the fact that men make decisions on activities which are performed by women (i.e., chicken and pig raising, and embroidery). All parties felt that women perform their activities for the benefit of the household, and men also “obtain” loans for the benefit of the household.

2.6 General education and vocational training

The Lao PDR Government has made great advances in promoting education for all. This has resulted in an increase in the literacy levels from 47.9 per cent for women and 73.5 per cent for men in 1995 (National Statistical Centre (NSC), 1995) to 60.9 per cent for women and 77 per cent for men in 2001 (MOE, Yearly Report 2001-02). However, illiteracy is still a severe limitation there, particularly for women, poor households and ethnic minorities. There are three types of educational institute for vocational and technical training in Lao PDR: vocational training schools (first level), technical training schools (middle level), and the National University of Laos. Many women students take courses in food processing, sewing, secretarial skills and accounting. Male students predominate in woodworking, machinery, electronics, electricity, ceramics and civil engineering courses. At the higher level of technical education, the enrolment rate of females decreases.

2.7 Transport and marketing facilities

In rural areas, access to markets, schools and health facilities is generally limited. About 50 per cent of national roads and less than two per cent of provincial roads are paved, and travel becomes more difficult during the monsoon season. This has led to high transport costs. Poor public infrastructure – transport and communication systems – has added to the costs of small enterprises, such as handicrafts production, where women predominate. There is no systematic marketing information service available for producers, and little or no market information provided in newspapers or on radio or television. The market price is basically controlled by “middlemen”, resulting in little bargaining power for individual farmers/producers. As many ethnic minority villages are located in remote areas, they are difficult to reach in the wet season, and are sometimes completely cut off from the outside world. Due to their isolated location and as the majority do not speak Lao, “many of the ethnic groups in Lao PDR are unable to take part in the economic activities of the country and continue to be poor despite high growth” (Kakwani et al., 2002, p. 15).

2.8 Women’s participation in senior Government positions

Recent data shows that women occupy low positions in management and few senior positions in Government: women are still under-represented in Parliament. It is worth mentioning, however, that there has been an increase in the number of women in the Lao PDR National Assembly, from 21 women (21.2 per cent) in the Fourth National Assembly in 1997-2002 to 25 women (22.9 per cent) in the Fifth National Assembly in 2002-07. The majority of the women in the current Fifth National Assembly were newly elected in 2002. In the Fourth National Assembly in 1997-2002, only nine women retained their seats. A woman is currently Vice-President of the National Assembly. The Lao PDR Government is also making efforts to introduce legislative, electoral and judicial reforms to ensure that women’s rights are protected by law and in practice. However, women’s representation in the committees is also disproportionate: 11 women

sit on the Social and Cultural Affairs Committee (comprising 47 per cent of members), and only one woman sits on the Economics Committee (four per cent).

2.9 Gender and the legal framework

2.9.1 *The Constitution*

The Constitution of Lao PDR (1991) guarantees equal rights for women and men (Article 24). It states that “Lao PDR citizens of both sexes shall enjoy equal rights in political, economic, cultural, social and family affairs”. Article 22 embodies the principle of equality between women and men in all the legal documents and regulations. But the reality is that most women (and some men as well) do not know about their legal rights, either due to illiteracy or ignorance, particularly among the poor and uneducated women and ethnic minorities. Lack of awareness makes it difficult for them to claim their legal rights and entitlements. Furthermore, they do not have easy access to legal aid or assistance.

2.9.2 *Family and inheritance laws*

In Lao PDR, women and men have equal rights in all aspects of family relations,⁵ and the inheritance law is gender-neutral. It stipulates that men and women have the same inheritance rights, which is at variance with the traditional system. The customary land inheritance system is matrilineal, i.e., land is inherited by daughters from their mothers. In the inheritance laws, when a person dies, the children and the surviving spouse inherit the deceased’s initial assets. Acquired assets are shared: half goes to the surviving spouse, and the other half is divided equally between the children.⁶ Inheritance rights can be forfeited if the children do not take care of their parents.⁷

2.9.3 *Land law and titling*

All land in Lao PDR belongs to the State, but since the late 1980s the Government has taken legal steps to broaden access to land use and individuals are guaranteed its use. Under the Land Law (1999), land use rights can be inherited, transferred, or leased and are legally recognized by the State, provided the transaction is recorded and land tax paid. In order to establish sustainable land use, legal land use rights have been allocated to individuals through a land allocation process adopted since early 1994.

With regard to the inheritance of land, there are variations in tradition and practice among the Lao PDR ethnic groups, which still apply customary law. In the Lao PDR Loum (Tai-Kadai) society, the daughters inherit land from their parents. After marriage, the husband moves in with the wife and her parents, and the wife takes care of her parents and inherits their land and house. These customary rights are usually verbal, especially in the rural areas, and nothing is written down (which means that women are not legally protected). In the Lao PDR Soung, Tibeto-Burman and to some extent in the Lao PDR Theung (Mon-Khmer) society, the land and other assets are customarily transferred to the sons.

⁵ Family Law, Article 2.

⁶ Law of Inheritance, Article 16.

⁷ Law of Inheritance, Chapter 3, Article 8.

2.9.4 Labour law

Under Lao PDR Labour Law (1994), Article 2 states “The Government shall ensure that employers and workers derive mutual benefits from their relationships without discrimination on the basis of race, colour, sex, religion, political opinion or social status.” At the same time, it establishes equality of remuneration and of conditions of employment for both sexes, as well as equality of treatment in the evaluation of the quality of the work. Article 33 states “an employer shall not employ women to perform heavy work dangerous to their health as specified by regulation, nor to work during the night in all industrial sectors from 10.00 pm to 05.00 am hours the next morning. The rest periods for women shall be 11 hours before resuming work on the next day.” Although the Labour Law seems to protect women, it may discriminate against them because it also perpetuates and reinforces the conventional belief that women are the weaker sex. Working hours and rest periods should apply equally to both women and men, thereby ensuring equality of treatment.

2.9.5 Business law

The Business Law of 1994 and its implementing regulations codify and determine how businesses are to be registered. Procedures for business registration are complicated and time-consuming,⁸ requiring consultation with the relevant branch level administrators prior to a decision to issue a registration certificate. The Ministry of Commerce has recently simplified some of its requirements. New entrepreneurs can apply directly for branch level approval, obtain a registration certificate and, upon presenting this to the Ministry of Commerce, obtain official registration in a relatively short time. Further research is needed on specific aspects of business registration, notably on the process and costs, in order to address questions such as: what are the advantages and disadvantages of business registration? Who are the “relevant branch level administrators”? Are there branches of the Ministry of Commerce at the provincial level?

However, the new procedures still involve branch level approvals and ‘question and answer’ situations at that level, where information is only disclosed if the applicants know that they have to ask for it. Among the required documents are a feasibility study and the professional certificates of the owner and future staff of the business. These requirements place both the government administrators and the entrepreneurs in a difficult situation: administrators may at times be burdened with challenging technicalities about a line of business where they do not have sufficient information, and/or knowledge, and the entrepreneurs are burdened with the costs of preparing these documents. Consultation reveals that on the average business registration may take from 45-60 days. It is also felt that these delaying situations provide even more opportunities for corruption among some officials.

Entry into business activities is hampered by complicated procedures for entrepreneurs, and particularly for potential women entrepreneurs who often lack both the skills and experience to manage such negotiations and procedures. Women entrepreneurs have faced difficulties because of their limited education and time constraints imposed by their family responsibilities and agricultural roles.

⁸ UNIDO; MIH. 2002. *Small and Medium-sized Enterprise Development Framework*, Draft No. 2, Vientiane.

2.10 Government policies on micro, small and medium-sized enterprises (MSMEs)

The Government has prepared a Prime Minister's Decree on support for the development of small and medium-sized enterprises (SMEs). UNIDO played an important role in the preparation of this Decree. The SME Decree aims to create enabling conditions for the growth of SMEs in order to increase the domestic production of goods and services and generate new employment opportunities.

The Decree provides for the creation of a National Small and Medium Enterprise Promotion Committee, a National SME Promotion Office, and an SME Promotion Fund, to be set up by the Government.

2.11 Gender strategy for poverty reduction

In 2003, the Lao PDR Government prepared a NPEP with a comprehensive approach to growth with equity. The Government is taking concrete steps in all key economic sectors to support poor women's economic activities, and to improve their access to basic services such as education, health, and productive resources. Key sectoral ministries have started to mainstream gender concerns into their development frameworks. A gender strategy to implement the Beijing Platform of Action is included in the NPEP. In the agricultural sector, gender concerns will be integrated into agricultural research, extension and training. In the education sector, such concerns will be addressed through increasing equitable access to education, improving the quality of education services, and strengthening education management. In the health sector, gender concerns will be addressed through improvements in primary health care, mother-and-child health care promotion in rural areas, immunization, and control of malaria. In the transport sector, gender concerns will be addressed through increasing equitable access to roads, transport and market facilities and other infrastructures. In the enterprise sector, gender concerns will be addressed through the promotion of opportunities for poor women as well as men in trading, handicrafts production, tourism and other fields. Legal and safe employment in manufacturing (e.g., garment industry) will also be ensured.

The Government identifies the following areas as priorities for SME development:⁹

- (a) Creating an enabling regulatory and administrative environment for SMEs;
- (b) Enhancing the competitiveness of SMEs;
- (c) Expanding domestic and international markets for SMEs;
- (d) Encouraging investments and improving access to financing by SMEs;
- (e) Improving access to suitable work premises;
- (f) Creating favourable conditions for and facilitating the establishment of business organizations;
- (g) Encouraging entrepreneurial attitudes and characteristics within society; and

⁹ Lao PDR. May 2003. *National Poverty Eradication Programme (NPEP): A comprehensive approach to growth with equity*, draft report, May 2003, p. 208.

(h) Financing SME development measures, programmes and projects.

Although the NPEP takes into account gender equality issues, the priorities for SME development have been phrased in gender neutral terms, thereby creating a danger that they could lead to “gender blind” actions. This could mean that the causes and effects of existing gender-based biases and inequalities will be largely ignored. In this situation, such inequalities are likely to be reinforced, thus making it more difficult for women to participate and progress in SME development.

3. Profile of the entrepreneurs

In order to put the results into perspective, the profiles of the entrepreneurs interviewed for the study are presented by age, level of education, marital status, family context, previous occupation, and number of children.

3.1 Age and education

Table 3.1: Age of entrepreneurs at time of survey

Age category	Women		Men (n=100)
	Frequency	Per cent	Frequency/Per cent
Below 20 years	2	1	–
20–29	24	17	15
30–39	54	36	27
40–49	56	37	30
Above 50 years	14	9	28
Total	150	100	100

Table 3.2: Age at start of enterprise

Age category	Women		Men (n=100)
	Frequency	Per cent	Frequency/Per cent
Below 20 years	14	9	8
20–29	59	40	31
30–39	48	32	32
40–49	23	15	17
Above 50 years	6	4	12
Total	150	100	100

Most of the women interviewed claim to have started their enterprise between the ages of 20-29 (40 per cent) and 30-39 years (32 per cent), together accounting for 72 per cent of the total sample. Most male respondents started their enterprise within the same age range as women, representing a total of 63 per cent. These age categories represent the active phase of women's lives, but they also coincide with the time when their reproductive functions are at a maximum (below 40 years), which means that most of these women entrepreneurs may have to combine bringing up small children with running a business.

The respondents were asked to indicate their educational level.

Table 3.3: Educational level of female respondents and their close relatives
(as percentage) (n=150)

	Self	Spouse	Father	Mother
Never went to school	12.7	2.7	20.0	58.0
Primary school	32.6	18.7	40.0	30.0
Lower secondary school	20.7	15.3	15.3	4.0
Upper secondary school	13.3	18.0	13.3	4.0
Vocational diploma	2.7	2.7	6.6	2.0
Technical diploma	11.3	11.3	4.0	2.0
Advanced diploma	4.0	13.3	0.6	–
Postgraduate qualification	0.7	2.0	–	–
Other	2.0	1.3	–	–
N/A	0.0	14.7	–	–
Total	100	100	100	100

The literacy rate of women entrepreneurs is above the national average. The female literacy rate is 47 per cent in Lao PDR. Table 3.3. shows the educational attainment of respondents, 87 per cent of whom are literate.

Table 3.4: Educational level of male respondents and their close relatives (n=100)

	Self	Spouse	Father	Mother
Never went to school	2.0	6.0	23.3	40.0
Primary school	34.0	26.0	36.6	33.3
Lower secondary school	21.0	25.0	21.5	16.6
Upper secondary school	14.0	13.0	10.0	6.6
Vocational diploma	3.0	5.0	3.3	3.0
Technical diploma	17.0	7.0	2.0	1.3
Advanced diploma	4.0	1.0	3.3	–
Postgraduate qualification	1.0	0	–	–
Other	4.0	9.0	–	–
N/A	–	8.0	–	–
Total	100	100	100	100

Many of the women entrepreneurs have a primary school (32.7 per cent), lower secondary school (20.7 per cent) or upper secondary school (13.3 per cent) education, with a combined total of 66.7 per cent of the sample. As table 3.4 shows, male respondents have a slightly higher education level than women entrepreneurs, with more

women entrepreneurs who have never gone to school (12.7 per cent). According to the National SME Survey in 1996, the proportion of female owners with no schooling (22 per cent) is almost twice as high as the proportion of male owners with no schooling, whereas this study shows six times more women than men with no schooling.

The survey also shows that a higher proportion of the spouses of the male respondents had “lower secondary school” education and below (57 per cent) than the spouses of female entrepreneurs (36.7 per cent).

3.2 Marital status and family characteristics

Table 3.5: Marital status of entrepreneurs

Current marital status	Women (%)	Men (%)
Married	78.7	92.1
Single	9.3	8.1
Separated	1.4	–
Divorced	3.3	–
Widowed	7.3	–
Total	100	100

Most of the women and men entrepreneurs are married, 78.7 per cent and 92 per cent respectively. About 9.3 per cent of women and eight per cent of men are single. There are no male respondents who are separated, divorced and widowed in the sample. The survey revealed that the divorced and widowed women interviewed (ten per cent) have become heads of households and they have to combine single motherhood with running their enterprise(s). Previous research findings¹⁰ indicate that one of several reasons why women started their businesses is that they run a female-headed household and have no alternative.

3.3 Family context

Most respondents were found to be living in a nuclear family (61.3 per cent for women and 68 per cent for men).¹¹ However, 36.7 per cent of women entrepreneurs live in an extended family. This would mean relatively more interaction with the older generation and more exposure to their social and cultural influences.

¹⁰ GTZ. 1996. *Gender approaches to small enterprise development in Lao PDR*.

¹¹ Nuclear family denoted husband, wife and unmarried children.

Table 3.6: Family context

Family structure	Women (%)	Men (%)
Nuclear family	61.3	68.0
Extended family	36.7	31.0
Alone	1.3	1.0
Other	0.7	–
Total	100	100

3.4 Number of children

Table 3.7: Number of dependants supported by the entrepreneurs

Number of dependants	Women (%)	Men (%)
None	11.3	11.0
1–2	33.3	24.0
3–4	26.7	37.0
5–6	22.0	23.0
7 and above	6.7	5.0
Total	100	100

About 88.3 per cent of the women entrepreneurs have dependants in their house in addition to their immediate families. Of those who support dependants, 33.3 per cent of women entrepreneurs and 24 per cent of men entrepreneurs have between one to two; 26.7 per cent of women entrepreneurs and 37 per cent of men entrepreneurs have between three to four dependants; and 22 per cent of women entrepreneurs and 23 per cent of men entrepreneurs have between five to six dependants.

Table 3.8: Average number of children of entrepreneurs

	Total with children	Total number of children	Average number of children
Women (n=150)	135.0 (90%)	330	3.47
Men (n=100)	95.0 (95%)	485	3.59

Ninety per cent of women entrepreneurs and 95 per cent of men entrepreneurs have one to four children. The average number of children among women entrepreneurs in the survey sample is 3.47, compared to an average of 3.59 for male entrepreneurs. The family size of the majority of the entrepreneurs is small to medium by Lao PDR standards, where the national average fertility rate is 4.9. However, the majority of women interviewed are combining the work of their business with family responsibilities.

3.5 Previous occupation

Table 3.9: Previous occupation

Occupation	Women (%)	Men (%)
Student	8.0	3.0
Employee	10.7	22.0
Farmer	16.0	18.0
Housewife	6.7	–
Ran another business	28.0	32.0
Unemployed	14.6	11.0
Too young to work	4.0	3.0
Other	12.0	11.0
Total	100	100

Table 3.7 shows that 28 per cent of women entrepreneurs and 32 per cent of men entrepreneurs ran another business before starting their current enterprise, and 22 per cent of men (compared to 10.7 per cent of women) had previously been in employment. This means that men were more likely to have substantial business or work experience before entering into business. Conversely about 14.6 per cent of entrepreneurs were unemployed, eight per cent were students and 6.7 per cent were housewives before starting a business – a combined total of 29.3 per cent, as compared to 14 per cent for men.

4. Profile of current enterprises

This section looks at the profile of the businesses operated by the women and men in the sample.

4.1 Type of business by sector

The characteristics of the business vary between female- and male-owned enterprises. The sector composition of enterprises differs significantly according to the sex of owners, as shown in table 4.1. The most obvious difference is that 57.3 per cent of female-owned enterprises are in the commercial sector (vending and retailing), compared to 15 per cent of male-owned enterprises. The 1996 National Survey, carried out by the German Agency for Technical Cooperation (GTZ), indicated that two-thirds of female-owned enterprises are in the commercial sector, thus showing a slight decline in this sector.

Table 4.1: Type of business by sector

Sector	Women (n=150)		Men (n=100)
	Frequency	Per cent	Frequency/Per cent
Food processing	8	5.3	15
Textiles	16	10.7	1
Wood processing	3	2.0	16
Metal products	1	0.7	5
Other manufacturing	5	3.3	4
Vending	20	13.3	3
Retail	66	44.0	12
Guesthouse/restaurant	7	4.7	2
Service/repair	12	8.0	36
Agriculture/livestock	12	8.0	6
Total	150	100	100

Another difference is in textiles, where female-owned businesses dominated, accounting for 10.7 per cent of the total sample. Men dominate most of the other manufacturing subsectors including food processing (15 per cent), wood processing (16 per cent) and metal products (five per cent) while women make up only 5.3 per cent, two per cent and 0.7 per cent in food processing, wood processing and metal products respectively. The high proportion of male-owned enterprises in food processing may seem surprising. This is explained by the fact that the dominant activities in this subsector are rice milling and ice-making, both of which involve the use of machinery and are often considered “male” occupations.

Male-owned enterprises also dominate the service sector, accounting for 36 per cent of the total sample, while only eight per cent of female entrepreneurs operate in this sector. This includes watch repair, motorbike and bicycle repair, boat service and so on.

4.2 Scale of enterprise and financial aspects

Women's and men's enterprises were defined in terms of employment and divided into micro (1-4 workers) and small (5-19) enterprises. Eighty-one per cent of women entrepreneurs (and 75 per cent of men) were in the "micro" group and 18 per cent of women and 25 per cent of men were in the "small" group.

The respondents were asked to give the approximate value of their productive assets, total investment and volume of monthly sales. The following tables provide the responses, indicating that a higher proportion of men have productive assets in excess of 70 million kip (table 4.2), and women's enterprises are more prominent (67 per cent of all women-owned enterprises) in those categories with a total investment of less than ten million kip (table 4.3).

Table 4.2: Productive assets

	Women		Men
	Frequency	Per cent	Frequency/Per cent
More than 70 million kip	13	9	14
Up to 70 million kip	137	91	86
Total	150	100	100

Table 4.3: Total investment

	Women (%)	Men (%)
>50 million kip	8.0	17
10-50 million kip	24.7	32
0.5-10 million kip	52.0	45
200,000-500,000 kip	10.7	3
Up to 200,000 kip	4.6	3
Total	100	100

Table 4.4: Average monthly sales

	Women (%)	Men (%)
>10 million kip	10	15
5-10 million kip	8	12
1-5 million kip	23	39
0.1-1 million kip	57	32
20,000-100,000 kip	1	2
Up to 20,000 kip	1	0
Total	100	100

Table 4.5: Average investment and monthly sales (in kip)

	Women	Men
Average investment	25 026 500	31 846 500
Average monthly sales	3 091 200	5 351 450

The average investment made by men is 27 per cent higher than that made by the women entrepreneurs. This indicates quite conclusively that men have better access to finance for investment, and that their enterprises are likely to be more machinery-intensive and less labour-intensive.

The average monthly sales for a male-owned enterprise (5,351,450 kip) are 73 per cent higher than the average for a female-owned enterprise (3,091,200 kip). About 15 per cent of men entrepreneurs and ten per cent of women entrepreneurs have average monthly sales of more than ten million kip. The difference in sales figures could be a result of the women entrepreneurs' limited mobility and greater dependence on local markets, as well as a reflection of the larger scale of the men's enterprises. This is further borne out when we examine the difference in average investment by women and men entrepreneurs. According to the national survey carried out in 1996, the average sales revenue and value added for a male-owned enterprise is almost twice the average for female-owned enterprises.

Combining the sales and investment figures gives us some indication of the respective productivity¹² of the women's and men's enterprises. For men, the level of activity of sales generated from the investment is 2.10 times, and for women it is 1.48 times. Thus, the men entrepreneurs have a level of productivity that is 36 per cent higher than for women entrepreneurs. Any support initiatives should take account of this and work towards improving the productivity of the women-owned MSEs.

¹² In this instance, the proportion of sales to investment can be seen as an indicator of the level of business activity and as a measure of productivity. It is calculated as average annual sales divided by average investment.

4.3 Motivation for starting an enterprise

During the field survey, respondents were asked to state the most important reasons for going into business; the reasons are summarized in table 4.6.

Table 4.6: The most important reasons for starting this business (multiple responses)

Motivating factors	Women (%)	Men (%)
Grew up in business family (family business/business inherited from parents)	40.00	30
To improve family status and earn more income	31.97	42
Appropriate location for business	28.50	25
Desire for recognition and economic independence	8.41	16
Family labour available	3.27	-
I cannot work in another job because of health condition	-	4
To transfer experience to my children	-	1

The most common motive for going into business was to take over the parents' business – 40 per cent for women entrepreneurs and 30 per cent for men. Other motives for going into business include earning income for the family (32 per cent for women entrepreneurs and 42 per cent for men entrepreneurs), having an appropriate location for business activity (28.5 per cent for women and 25 per cent for men), and a desire for recognition and economic independence (8.4 per cent for women and 16 per cent for men).

4.4 Helpful factors in business start-up

Table 4.7: Helpful factors in business start-up (some gave more than one response)

	Women (%)	Men (%)
Hobby	16.7	12
A lot of raw material	8.0	7
Some capital available	13	37
Initial endowment	2.7	3
Skills and experience	18.0	14
Appropriate location for business	15	46
Retirement of spouse/need for income	10.0	-
Family help (land and house and capital)	60.7	33
Other than family help (other investment available)	13.3	6
Business idea copied from friends/relatives in similar business	10.5	12

The survey tried to identify factors that were helpful in business start-up, and any problems that may have hindered the establishment of a business. A high response rate of 60.7 per cent of women entrepreneurs (33 per cent of men) suggested that family help is the most important enabling factor for women; 18 per cent of women entrepreneurs and 14 per cent of men entrepreneurs said that their own skills helped them to establish the business; 16.7 per cent attributed their commitment to developing a hobby as a major factor (12 per cent for men). Significantly, 37 per cent of men had some capital for business, compared to 13 per cent of women, and 46 per cent of men had appropriate locations (premises, and so on) compared to 15 per cent of women. This again highlights the major inequalities between women and men's access to economic resources such as finance and property.

Table 4.8: Why did you select this business activity? (multiple responses)

	Women (%)	Men (%)
I can run this business and care for the household at the same time	28	6
I like this business (personal interest)	25.3	25
This business does not require large capital	24.0	9
I do not have another job (no alternative)	19.3	23
This business can be profitable	14.0	11
It is easy to do this business	12.0	15
I would like to use my own knowledge and skill	8.0	22
For additional income	6.7	12
Insufficient family income	2.7	1
Suppliers provide credit for this business	2.0	1
This business does not require a permanent building (I can move anywhere)	0.7	-

Respondents were asked to state the most important reasons for selecting their businesses. Twenty-eight per cent of women entrepreneurs chose a type of business which they can do at home, so that they can take care of household work, compared with six per cent of men; 24 per cent of women said their businesses did not require a lot of capital (nine per cent of men), indicating that they were not confident in dealing with big investment; 22 per cent of men mentioned having the skill and knowledge for the business (eight per cent of women). Almost the same number of women and men entrepreneurs said that they selected their businesses because of personal interest.

The points that vary significantly between the women and men entrepreneurs illustrate the fact that women enter business with less skills than men (eight per cent compared to 22 per cent for men), their business requires little capital (24 per cent compared to nine per cent of men), and they need to work close to home (28 per cent compared to six per cent for men).

4.5 Problems and barriers at start-up

Respondents were asked to indicate the major problems they faced during the start-up phase: the problems cited were grouped into six categories. Table 4.9 provides a complete picture of the results.

Table 4.9: Constraints in business start-up for entrepreneurs

	Women (%)	Men (%)
Gender bias	22.7	1.5
Mobility (traditional restrictions on women leaving the home)	10	1.5
No one to support/assist women	6.0	-
People were not cooperative towards women	4.0	-
Dealing with men is difficult	0.7	-
Credit recovery/repayment was a problem (weak bargaining position)	2.0	-
Marketing	47.2	29.1
Many competitors	12.0	6.9
Difficult to attract customers	11.3	10.7
Late payment by customers	10.0	2.3
Few clients/customers	9.3	6.9
Price of goods fluctuated	3.3	1.5
Unfavourable market behaviour	1.3	-
Lack of customer response	-	0.8
Family/social	13.4	-
Household responsibility/commitment	10	-
Time distribution between family and business	2.7	-
Children/family members being neglected	0.7	-
Finance	19.4	18.7
Lack of funds for investment	18.7	17.9
Inflation	0.7	0.8
Related to government	12	10.8
High cost of imported raw materials/goods	-	3.1
Increased tax rate	2.7	2.3
Some officials were not cooperative	-	2.3
High electricity prices	2.0	2.3
Electricity problem	2.0	0.8
Irregular water supply	2.0	-
Lack of water supply for business	1.3	-
High cost of water supply	1.3	-
Lack of government facilities	0.7	-
Others	47.3	32.1
I was not experienced enough to run this business	8.0	12.2
Weather conditions (rainy season) and customers decreased	6.7	3.8
Lack of business facilities (vehicle, house and so forth)	6.7	3.0
Mobility (transportation problem)	6.0	1.5
Raw material was not easily available (expensive)	4.0	4.6
Expenses were higher than income	4.0	1.5
Health problems for women in this business	3.3	-
Seasonal fluctuations	2.0	-
Lack of knowledge	1.3	-
Low skills of workers	1.3	-
Illegal trade	1.3	-
Location was not appropriate	1.3	3.1
Incurred high cost on purchasing machinery/equipment	0.7	0.8
Pest damage	0.7	0.8
Machinery installation	-	0.8
Did not face any problem	15.3	22.9

Table 4.9 indicates some significant differences between women and men entrepreneurs in the factors that hinder business start-up. Women entrepreneurs faced more problems than their male counterparts. About 15.3 per cent of women entrepreneurs compared to 22.9 per cent of men did not encounter problems.

Women entrepreneurs have more mobility constraints than men. Men do not have problems related to household responsibility/commitments. Limited experience in running a business is a significant retarding factor for both women and men.

Marketing and finance are the most important retarding factors in business start-up for both women and men entrepreneurs. Marketing problems were identified as: many competitors (ten per cent for women and 6.9 per cent for men), difficulty in attracting customers (13 per cent for women and 10.7 per cent for men), late payment by customers (ten per cent for women and 2.3 per cent for men). In addition, lack of funds to start the business is a major constraint (18.7 per cent for women and 17 per cent for men).

According to the national survey of 1996-97, financial problems are most common at the start-up phase. More detailed questioning reveals that “financial problems” almost always refer to lack of investment funds or lack of operating funds. The marketing problem becomes much more important over time. The domestic market is limited in the number of consumers and their purchasing power. Demand is constrained by the significant fragmentation of Lao PDR markets due to the geographical terrain and underdeveloped transportation and communication networks.

4.6 Business start-up

Regarding the pattern of start-up, the majority of respondents (63 per cent for women and 70 per cent for men) claimed that they established the business by themselves. Further examination revealed that male family members had set up 57 per cent of “already established” businesses. Of the 21 per cent of women entrepreneurs whose businesses were established by themselves and other family members, 85 per cent had sought the help of male relatives to establish the businesses. Therefore, dependence on male relatives remains strong among those who seek family assistance.

Table 4.10: Business establishment for women entrepreneurs

	Per cent responses	Women	Men
Already established by family (Sex disaggregated)	14	6	8
Myself	63		
Myself and family (Sex disaggregated)	21	3	18
Others	2		
Total	100	9	26

Table 4.11 illustrates that for men entrepreneurs, two-thirds of those who engaged family support had the assistance of female relatives in establishing their enterprises.

Table 4.11: Business establishment for men entrepreneurs

	Per cent responses	Women	Men
Already established by family (Sex disaggregated)	7	4	3
Myself	70		
Myself and family (Sex disaggregated)	21	14	7
Others	2		
Total	100	18	10

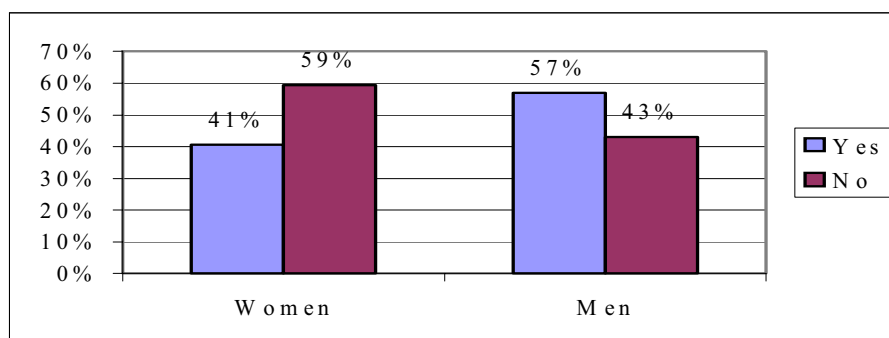
Table 4.12: Age of enterprise

	Women		Men (n=100)
	Frequency	Per cent	Frequency/Per cent
2-5 years	78	52.0	45
6-10 years	31	20.7	33
11-15 years	19	12.7	12
16-20 years	12	8.0	4
21-25 years	2	1.3	1
26-30 years	6	4.0	1
>30 years	2	1.3	4
Total	150	100	100
Average age	8.2		8.2

The data shows that the majority of the women's enterprises are 2-5 years old (52 per cent), followed by those which 6-10 years old are (33 per cent). Therefore most of the enterprises were established during the 1990s. The average age of women's and men's enterprises is the same (8.2 years).

4.7 Business registration

Chart 1: Business registration



Fifty-seven per cent of male-owned enterprises were registered, compared with 41 per cent of female-owned enterprises. Due to their small size, it is not necessary to register many businesses. Regarding the time of registration, 57 per cent of the women registered after starting the business, while 42.6 per cent registered at the start of the business.

Table 4.13: Who undertook the business registration process?

Who initiated	Women		Men	
	Frequency	Per cent	Frequency	Per cent
Myself	33	54.1	39	68.4
Spouse	9	14.8	2	3.4
Family member	4	6.5	2	3.6
Government officials	15	24.6	11	19.3
Other	0	0.0	3	5.3
Total	61	100	57	100

About half (54 per cent) of women entrepreneurs initiated the registration process on their own; in 24.6 per cent of cases Government officials initiated the process, and in 14.8 per cent of cases the spouse took the first steps. Data showed that men entrepreneurs are more involved in business registration than their female counterparts.

Table 4.14: How long does it take to register a business?

Time in months	Women		Men	
	Frequency	Per cent	Frequency	Per cent
<1 month	26	42.5	31	54.4
1-2 months	14	23.0	10	17.5
3-4 months	5	8.2	3	5.3
> 4 months	9	14.8	6	10.5
No response	7	11.5	7	12.3
Total	61	100	57	100

About 42 per cent of women entrepreneurs completed business registration within one month, compared to 54 per cent of men; 23 per cent of the women needed one or two months to register their businesses, compared to 17.5 per cent of men. It is noted that about 23 per cent of the women needed three months or more for the process, compared to 16 per cent of men entrepreneurs. This seems to underline the real problems faced by women entrepreneurs in dealing with red tape.

Table 4.15: Experience with business registration

Responses	Women		Men	
	Frequency	Per cent	Frequency	Per cent
No problem	40	65.6	44	77.2
Licensing fees	16	26.2	8	14.1
Too much bureaucracy	5	8.2	5	8.7
Total	61	100	57	100

The entrepreneurs were asked to describe their experience with business registration. More women entrepreneurs (26 per cent) experienced problems with licensing fees than men (14 per cent). The majority of women entrepreneurs (65.6 per cent, compared to 77 per cent of men) did not face any problems in business registration, perhaps because someone else was involved with them (e.g., spouse and government officers as shown in table 4.13). In terms of the costs involved, 26.2 per cent of women entrepreneurs felt that registration charges are high. About 8.2 per cent of women entrepreneurs cited problems relating to the bureaucratic system, a similar proportion as for the men.

4.8 Pattern of employment and job quality

Respondents were asked if they had other people working with them in their business, at the start of the business and at present.

Table 4.16: Number of workers (women entrepreneurs)

	When the business started				At present			
	Working women		Working men		Working women		Working men	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Full-time	122	32	36	33	122	31	42	37
Part-time	49	13	29	26	55	14	17	15
Paid family member	12	3	11	10	15	4	14	12
Unpaid family member*	193	51	34	31	201	51	42	36
Total	376	100	110	100	393	100	115	100
Average	3.24				3.39			

*Including the woman entrepreneur owner (female).

Table 4.17: Number of workers (men entrepreneurs)

	When the business started				At present			
	Working women		Working men		Working women		Working men	
	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
Full-time	32	58	137	47	37	53	130	42
Part-time	8	15	43	15	9	13	48	16
Paid family member	10	18	9	3	12	17	17	6
Unpaid family member*	5	9	105	35	12	17	112	36
Total	55	100	294	100	70	100	307	100
Average	3.49				3.77			

*Including the man entrepreneur owner (male).

In general, the results show that women entrepreneurs offer few employment opportunities to people outside the family. The workforce is composed primarily of the enterprise owners and unpaid family members (74 per cent of family workers). According to the 1996 national survey carried out by GTZ, the owners accounted for slightly more than half of the SME workforce, and unpaid family workers contributed another 36 per cent of the total. This was the case in 44 per cent of the surveyed SMEs.

4.8.1 Quality of employment

In general, the quality of employment, working conditions and social protection in MSEs is considered poor. Pensions, insurance, written contracts and other important employment benefits are rarely found in MSEs. There is no significant difference in the provision of benefits to employees at business start-up, in the current situation, or in plans for the future (see table 4.18). Nor does there appear to be a significant difference between the qualities of employment offered by women and men entrepreneurs.

Table 4.18: Changes in quality of employment – women entrepreneurs (percentage)

	When the business started			Now			In the future		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
Written employment contract	9	81	10	11	78	11	13	75	12
Pension contribution	1	85	14	1	85	14	2	83	15
Maternity leave	3	83	14	4	82	14	6	81	13
Annual leave	7	79	14	7	79	14	9	78	13
Health care	18	71	11	20	69	11	20	69	11

Table 4.19: Changes in quality of employment – men entrepreneurs (percentage)

	When the business started			Now			In the future		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
Written employment contract	8	92	10	90	10	90	8	92	10
Pension contribution	1	99	1	99	0	100	1	99	1
Maternity leave	4	96	4	96	4	96	4	96	4
Annual leave	5	95	7	93	8	92	5	95	7
Health care	25	75	25	75	27	73	25	75	25

4.9 Ownership of enterprises

Table 4.20: Ownership of enterprises

	Women	Men
Sole owner	98	99
Equal shareholder	-	1
Minority shareholder	1	0
Other	1	0
Total	100	100

Table 4.20 shows that 98 per cent of women entrepreneurs and 99 per cent of men entrepreneurs are sole owners (100 per cent ownership); only one per cent of women entrepreneurs are minority shareholders. Ownership of an enterprise can increase the opportunities to access inputs for production, loans, business training, and so forth as the formal certificate of ownership can be used as proof. Ownership status may affect women's empowerment in terms of their participation in decision-making on a wide range of issues relating to starting, managing and expanding the business.

4.10 Business location

Table 4.21: Business location

Location	Women (%)	Men (%)
Home	61	58
Local market	18	10
Industrial area	2	2
Roadside	10	8
Mobile	5	15
Commercial area	1	5
Other	3	2
Total	100	100

A large number of both male- and female-owned businesses are based at home, accounting for 61 per cent and 58 per cent of the total sample respectively. Women-owned enterprises (18 per cent) are more likely to be located in a market place compared to men's businesses (ten per cent). Men's businesses are more likely to be mobile than women's businesses. This finding confirms the 1996 national survey that women's enterprises are more likely to be home-based or located in the marketplace compared to men's businesses.

4.11 Marketing

Table 4.22: Entrepreneurs' markets

	Start		Now		Future	
	Women	Men	Women	Men	Women	Men
Local markets	86.0	73.0	84.0	70.0	82.0	64.0
Regional markets	3.3	21.0	4.7	22.0	4.0	21.0
National markets	2.0	2.0	2.0	4.0	2.7	8.0
International markets	0.7	2.0	1.3	2.0	2.7	5.0
Others (general)	8.0	2.0	8.0	2.0	8.7	2.0
Total	100	100	100	100	100	100

Table 4.22 shows that most women and men entrepreneurs deal in local markets. At business start-up, 86 per cent of women respondents deal in the local market; three per cent sell their product/services in the regional markets, two per cent sell in national markets, and only 0.7 per cent is involved in international markets. At the present time, women entrepreneurs have kept within the same markets. Table 4.22 indicates that men entrepreneurs (22 per cent) are much more involved in regional markets than their female counterparts (only 4.7 per cent).

4.11.1 Marketing constraints

Table 4.23 shows the major marketing constraints identified, such as competitors, information gap, lack of mobility. There seemed to be greater problems for women than for men entrepreneurs. Women seemed to experience greater disadvantages in mobility (13 per cent, compared to four per cent of men), and in bargaining power (11 per cent compared to four per cent of men).

Table 4.23: Marketing constraints

	Women	Men
No problem	34	49
Competitors	20	19
Information gap	16	11
General constraints	16	10
Mobility	13	4
Interaction/weak bargaining power	11	4
Small market/few customers	8	13
Late payment by customers	7	5
No responses	1	-
Do not know	1	-

4.12 Technology

4.12.1 Use of technology

The survey shows that the technological level of both women's and men's enterprises is equally low. More than half of the surveyed sample had made no technological improvement in their business in the past year; 19 per cent of female business owners and 17 per cent of male business owners had made a substantial input; six per cent of female business owners and 12 per cent of male business owners had made moderate improvements; and seven per cent of female owners and ten per cent of male owners had made marginal additions.

Table 4.24: Technology improvement

	Women	Men
Substantial	19	17
Moderate	6	12
Marginal	7	10
None	68	61
Total	100	100

4.12.2 Type of technology needed

Respondents were asked to indicate the kind of technology that could be useful for their business: the majority (65 per cent) of women and men entrepreneurs placed quality upgrading at the top, followed by information and communication technology (30 per cent); five per cent did not respond.

4.13 Advice sought on business problems

Respondents were asked about the person who advised them on business problems. Tables 4.25 and 4.26 provide sex-disaggregated information based on the answers.

Table 4.25: Advice on business problems (women entrepreneurs)

Percentage of responses				
Family member				85
*Breakdown by sex	Women - 15	Men - 65	Both - 18	No response - 2
Relative/friend				12
*Breakdown by sex	Women - 27	Men - 55	Both - 18	
Other				3
Total				100

Table 4.25 shows that 85 per cent of female respondents sought advice from a family member in the case of business problems. It is noted that 65 per cent of these referred to their male relatives, while only 15 per cent depended on female family members. Only 12 per cent resorted to distant relatives and friends, in which case 55 per cent were likely to be men.

Table 4.26: Advice on business problems (men entrepreneurs)

Percentage of responses				
Family member				77
*Breakdown by sex	Women - 60	Men - 28	Both - 12	
Relative/friend				10
*Breakdown by sex	Women - 40	Men - 30	Both - 30	
General manager/director/employee				3
BDS provider				2
Other				8
Total				100

Table 4.26 shows that 77 per cent of male respondents sought advice from a family member in the case of business problems. It is noted that 60 per cent of these referred to their female relatives, while 28 per cent depended on male family members. Only ten per cent resorted to distant relatives and friends, in which case 40 per cent were likely to be women.

4.14 Who makes decisions and assists in decision making?

Table 4.27: Role of family and others in business decision making (women)

	Investment (%)	Recruitment (%)	Marketing/sales (%)	Public contracts (%)	Signing legal documents (%)
Self	78	87.9	96.7	58	56.6
Husband	4.7	4.8	0.7	14.0	30
Self/husband	10.7	4.8	0	20	5.4
Consultation with family members	5.6	2.6	1.3	7.3	8
General manager/director	0	0.0	0.7	-	-
Others	1	0.0	0.6	0.7	-

Table 4.28: Role of family and others in business decision making (men)

	Investment (%)	Recruitment (%)	Marketing/sales (%)	Public contracts (%)	Signing legal documents (%)
Self	91	85.0	76	63	64
Wife	5	10.0	11	8.0	5
Self/wife	0	5.0	3	-	-
Family members	4	-	6	28	31
Others	-	-	4	1	-

Respondents were asked about the decision-making process in their businesses. From table 4.27 it seems that women entrepreneurs make most of the business decisions by themselves. The incidence is generally high, particularly in recruitment and marketing of decision making, but relatively low in legal matters and public contracts.

In 15.4 per cent of women's enterprises, investment decisions are taken either jointly with the spouse or by the spouse; only five per cent of men involve their spouse in investment decisions. For public contracts the difference is even greater, with 34 per cent of women entrepreneurs involving their husbands, while only eight per cent of male entrepreneurs involve their wives in these decisions; and for legal documents 35.4 per cent of women engage the spouse, while five per cent of male entrepreneurs do so.

4.15 Time spent at the business per day

The survey sought information on how much time the women and men entrepreneurs spend at their enterprises.

Chart 2: Average number of hours devoted to business and family (women)

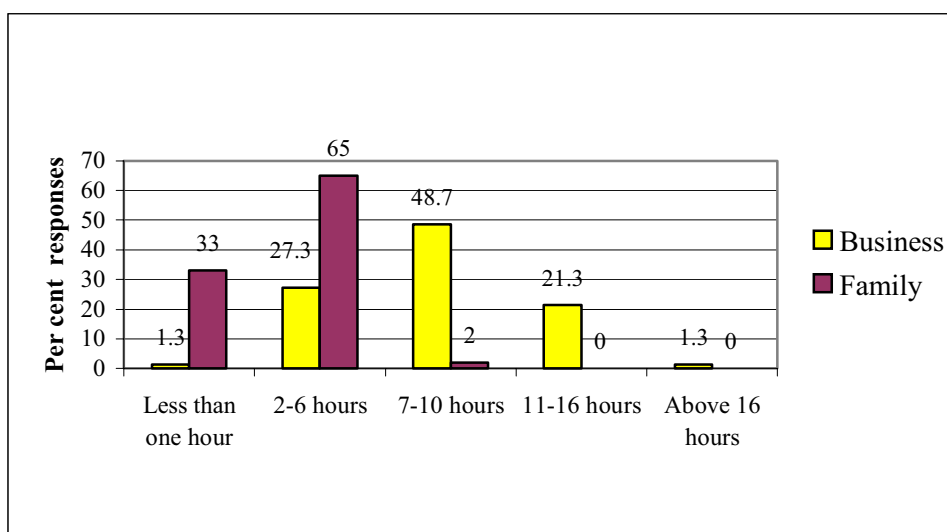
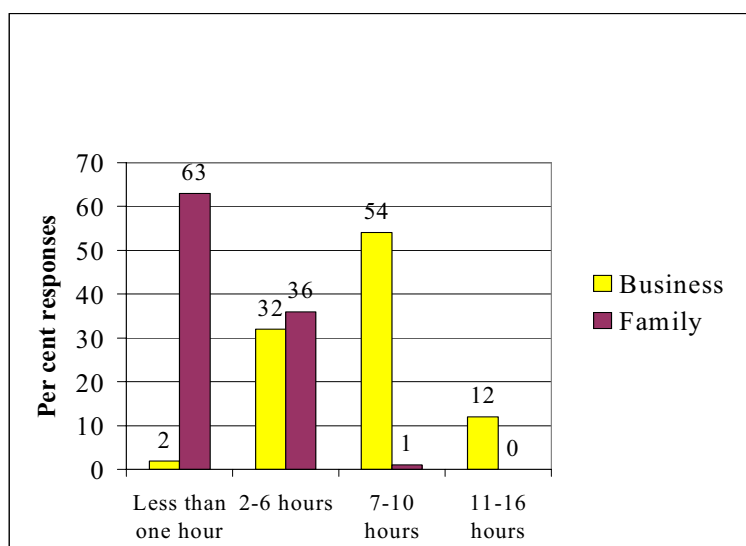


Chart 3: Average number of hours devoted to business and family (men)



Activities outside the house compete with family work more significantly for many women than for men. The charts show that the majority of the women entrepreneurs (65 per cent) devote 2-6 hours per day to household chores, compared to 36 per cent of men. The majority of the men entrepreneurs (54 per cent) devote 7-10 hours a day to the business. On average, women spend 8.42 hours and 2.24 hours on business activities and family respectively, while men spend 7.41 hours and 1.26 hours per day.

The analysis of gender and time use, as carried out in the Lao PDR Expenditure Consumption Survey 2 (1997/1998), reveals that women work nearly an hour more per day than their male peers (11 per cent more) on income-generated activities and household labour. Women do more business and cottage industry work (vending their own produce and products, weaving, sewing, other textile work and handicrafts) than men (1.8 versus one hour per day).

4.16 Business premises

Table 4.29: Business premises of women entrepreneurs

Origin of premises			Legal status on the title document	
	Frequency	Per cent	Frequency	Per cent
Husband's family	7	10.4	Husband's name	25.4
Wife's family	13	19.4	Wife's name	56.7
Common property	47	70.2	Both names	17.9
Total	67	100	67	100

Table 4.30: Business premises of men entrepreneurs

Origin of premises			Legal status on the title document	
	Frequency	Per cent	Frequency	Per cent
Husband's family	14	23.0	Husband's name	63.9
Wife's family	4	6.5	Wife's name	9.8
Common property	43	70.5	Both names	26.3
Total	61	100	61	100

For the female-owned businesses, it can be seen from table 4.29 that 56.7 per cent of business premises are registered in the woman's name, 25 per cent are registered in the husband's name, and 17 per cent in both names. For the male-owned business, only 9.8 per cent of premises are registered in the woman's name, while 63.9 per cent are in the husband's name. From these tables, it can be concluded that many women are not exercising their legal rights with regard to property and land registration. Illiteracy and lack of self-confidence contribute to this situation. Especially in the rural areas, many women cannot read or write; they lack self-confidence and are unable to deal with documents relating to land ownership, or to communicate with the land allocation authorities and officials, who are mostly men. As a result, many women depend on their husbands for such administrative procedures.

However, tables 4.29 and 4.30 suggest a considerable degree of family involvement in what are termed "female" and "male" owned enterprises, as many properties are held in the names of both husband and wife. The reality in many small enterprises, whether led by women or men, is that they effectively operate as family enterprises with wife and husband both playing significant roles. However, there is still a common tendency for the woman's role to be less visible than that of the man.

5. Business support services (BDS)

5.1 Desire for BDS and financial assistance

Respondents were asked to indicate areas where they would most welcome help from the Government, the LWU and donors.

Table 5.1: Form of help desired by the women entrepreneurs

Type of help	From Government (%)	From LWU (%)	From donors (%)
Finance	49	25	34
Training	27	31	24
Marketing	11	19	21
Networking	8	17	11
Legal	5	3	1

Table 5.2: Form of help desired by the men entrepreneurs

Type of help	From Government (%)	From LWU (%)	From donors (%)
Finance	61	34	49
Marketing	13	18	27
Training	12	21	15
Legal	6	4	1
Networking	4	14	2

Finance (49 per cent) and training (27 per cent) were the most important needs of women entrepreneurs, followed by marketing and networking, while legal support was less important (five per cent). However, the information from the two tables can also be interpreted to mean that women are more open to and welcoming of training than men. Finance is the most important assistance which is desired by both women and men entrepreneurs from Government and donors. The male entrepreneurs consistently showed finance as their greatest need from all three sources, while women requested training and networking support more often than men. It seems that legal support is the least important form of help needed by both female and male entrepreneurs.

Chart 4: Applications for loans in the last three years

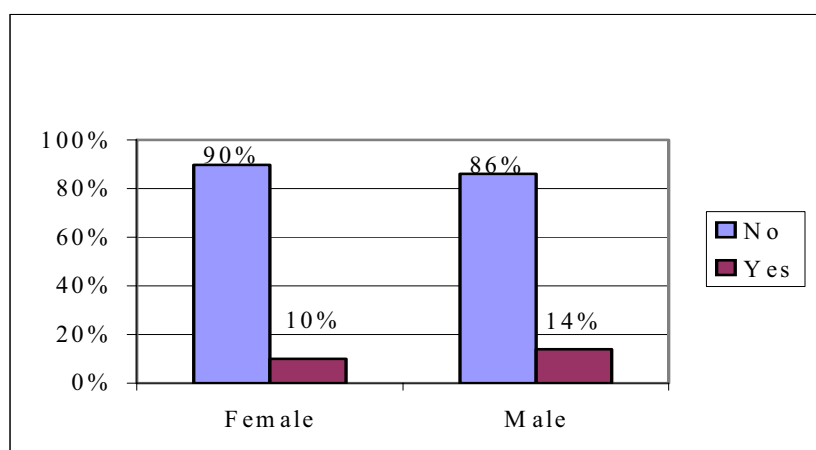
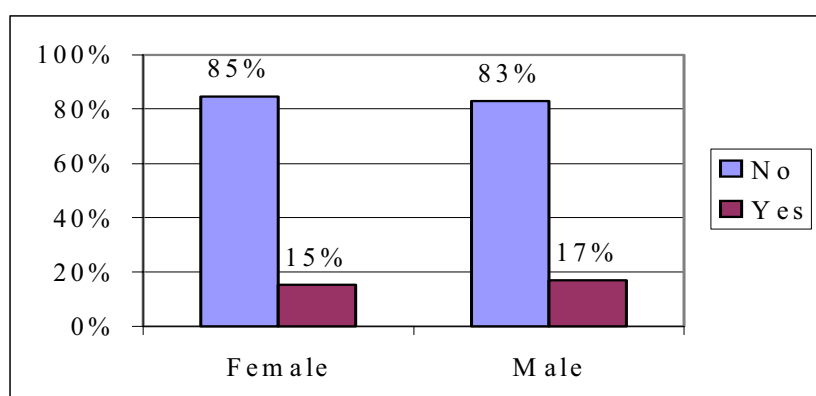


Chart 5: Borrowing money for the business in the last three years



5.2 Training

The respondents were asked if they had received training, or what their training needs might be (top three training needs), as well as their preferences for future training.

Table 5.3: Training for owner in the last three years

	Women		Men (n=100)
	Frequency	Per cent	Frequency/Per cent
Yes	20	13.3	22
No	130	86.7	78
Total	150	100	100

More men entrepreneurs (22 per cent) had received training than women (13.3 per cent), and this should be considered in light of the fact, indicated in the previous tables, that more women than men desired training.

Table 5.4: Kind of training received (women entrepreneurs)

Type of training	Frequency	Per cent
Agriculture and livestock	5	27
Beauty care	3	16
Service and cooking	3	16
Sewing	3	16
Hotel and restaurant management	2	10
Family planning and health care	2	10
Gender and land titling	1	5
Total	19	100

During the field survey, respondents were asked about any training delivered to them. Only 13 per cent of women entrepreneurs had received some kind of training, and men (22 per cent) received more training than their female counterparts. It is observed that women had very limited access to business training.

Table 5.5: Top three training needs for women and men entrepreneurs

Women (%)		Men (%)	
Marketing	14.7	Mechanical/technical skills	12
Business management	14.0	Marketing	11
Trading	12.7	Livestock	10
Cooking	7.3	Agriculture (vegetable, fruit tree growing)	9
Legal matters	7.3	Business management	9
Animal rearing (livestock)	6.7	Trading	9
Sewing	6.7	Wooden furniture making (carpentry)	8
Agriculture (vegetable growing)	6.0	Motorbike and bike repairing	5
Skill development	6.0	Hair dressing and barbering	4
Beauty service skills	5.3	Block/brick making	3
Finance management	4.7	Finance management	3
Food processing skills	3.3	Food processing skills	3
Gender issues (the role of women)	2.0	Management	3
Food service	1.3	Mushroom growing	2
Management	1.3	Small business start-up	2
Mechanical skills	1.3	Metal work (welding)	1
Business start-up	0.7	Beauty service skills	1
Group building/team work	0.7	Legal issues	1
Mushroom growing	0.7	Medical knowledge	1
Restaurant management	0.7	Traditional weaving	1
Natural dyeing and weaving	0.7	Plastering and painting	1
		Service skills	1
		Sewing	1
N/A	0.7	N/A	1

A slightly higher proportion of women than men required training in marketing and business management, while more men required technical skills' training.

Table 5.6: Preferences for business training programmes (women)

	Short ¹³ courses	Long ¹⁴ courses	Daytime courses	Evening courses	Courses held in classroom	Courses held in village
Very important	44.6	24.7	55.3	15.3	15.3	44.0
More important	8.7	8.0	8.0	6.0	13.3	10.0
In between	8.0	6.0	4.7	2.7	10.7	14.0
Less important	6.0	12.7	2.7	8.0	9.3	6.0
Not important	20.0	36.7	17.3	56.0	39.4	14.0
N/A	8.0	7.2	7.3	7.3	7.3	7.3
D/K	2.7	2.7	2.7	2.7	2.7	2.7
No need	2.0	2.0	2.0	2.0	2.0	2.0
Total	100	100	100	100	100	100

Table 5.7: Preferences for potential business training programmes (men)

	Short courses	Long courses	Daytime courses	Evening courses	Courses held in classroom	Courses held in village
Very important	25	34	44	10	25	27
More important	10	12	9	13	14	10
In between	9	11	9	6	13	6
Less important	14	9	8	16	15	20
Not important	25	20	16	41	19	33
N/A	3	1	1	1	1	1
D/K	2	2	2	2	2	1
No need	12	11	11	11	11	2
Total	100	100	100	100	100	100

The preferences for business training programmes of women and men entrepreneurs are different. As might be expected, given their multiple roles and responsibilities as mothers, homemakers and workers, women have a much stronger preference for short courses (53 per cent compared to 35 per cent for men) and courses held in the village (54 per cent compared to 37 per cent for men).

¹³ Not more than three days.

¹⁴ Up to several weeks or months long.

5.3 Contribution of business to household income

Table 5.8: Monthly income contribution

	Women	Men
A lot	51	42
A half	21	32
A little	25	20
None	1	1
Do not know	2	5
Total	100	100

Table 5.8 shows that 51 per cent of women entrepreneurs contribute a lot to total household income, compared to 42 per cent of men.

6. The business environment

6.1 Development policies, regulations and institutions

6.1.1 Policy environment

The survey attempted to discover whether respondents are aware of government policy or not. The findings revealed that the vast majority of women entrepreneurs (87 per cent) did not know about policies on service and foreign economic relations development; 85 per cent did not know about the trade and export promotion policy; 67 per cent did not know about the lending policies of the National Bank of Laos; 77 per cent did not know about labour-related regulations; and 61 per cent did not know about the policies of the LWU on income generation activities.

Table 6.1 shows that men know more about government policies than women entrepreneurs, with the one exception, understandably, the policy of the LWU on income generating activities (IGAs).

Table 6.1: Knowledge of development policies

		Women (%)	Men (%)
Policies for service and foreign economic relations development	Yes	11	32
	No	87	65
	A little	2	3
Policies of Ministry of Commerce for trade and export promotion	Yes	12	29
	No	85	69
	A little	3	2
Policies of State Bank of Laos for concession loans	Yes	30	50
	No	67	48
	A little	3	2
Policies of the MOLSA that entail labour related regulations	Yes	21	43
	No	76	56
	A little	3	1
Policies of LWU for income generation activities	Yes	38	25
	No	61	74
	A little	1	1

The Government departments lack the capacity, facilities and finance to disseminate SME information. This would appear to be the major reason for the lack of information on policies among women and men entrepreneurs.

Table 6.2: Long-term planning for the business

	Women		Men (n=100)	
	Frequency	Per cent	Frequency	Per cent
Continue with the business at the same size	44	29.3	28	28
Increase the size of the business	62	41.3	42	42
Reduce the size of the business	2	1.4	1	1
Change to another line of business	7	4.7	4	4
Leave the business and take up wage employment	2	1.3	2	2
Start another business and keep the present one	22	14.7	10	10
Start several other businesses and keep the present one	5	3.3	10	10
Pass the business on to someone else in the family	1	0.7	2	2
Retire	2	1.3	0	0
Other	3	2.0	1	1
Total	150	100	100	100

6.2 Hopes and aspirations

Forty-one per cent of female respondents said they wanted their businesses to grow, while 29.3 per cent wished to maintain the level they had already achieved. About 14.7 per cent of women entrepreneurs said they expected to start another business and keep the present one. There is no significant difference between female and male businesses in terms of long-term planning. An overall perception about the business environment was sought by posing nine questions and asking for the respondents' opinions on a five-point rating scale. Table 6.3 provides the detailed answers. About 80 per cent of women entrepreneurs agreed that the overall environment for women entrepreneurs is good, and 88 per cent agreed that family and social commitment and support for enterprise development are growing. However, 39 per cent of women entrepreneurs felt that there was no increased access to finance and credit for women.

Table 6.3: Perception of development policies for women

	+2 Strongly agree	+1 Agree	0 Cannot say	-1 Disagree	-2 Strongly disagree
Percentage of responses					
The overall environment for women entrepreneurs is good	35	45	16	4	0
Family and social commitment for women entrepreneurs is growing	50	38	9	3	0
The costs of running a business are decreasing	17	17	22	27	0
Access to women's business support networks is decreasing	29	39	23	5	4
Access to finance and credit for women entrepreneurs is increasing	7	23	32	32	7
Markets for women entrepreneurs are expanding	43	31	19	6	1
The business know-how of women entrepreneurs is increasing	39	43	17	1	1
The technical skills of women entrepreneurs are decreasing	9	17	26	35	13

6.2.1 Policy suggestions

The respondents were asked to suggest inputs that could promote women entrepreneurs. Table 6.4 provides an overview of the results; headings have been assigned to the various clusters of answers, and sub-titles show the actual suggestions mentioned by the women entrepreneurs.

The majority of the respondents would like more business management training, especially for women entrepreneurs. Reduced utilities costs (especially electricity) are the most important need. Others suggested financing, information, and marketing opportunities as valid options. Fewer and easier regulations are also important, especially for women entrepreneurs.

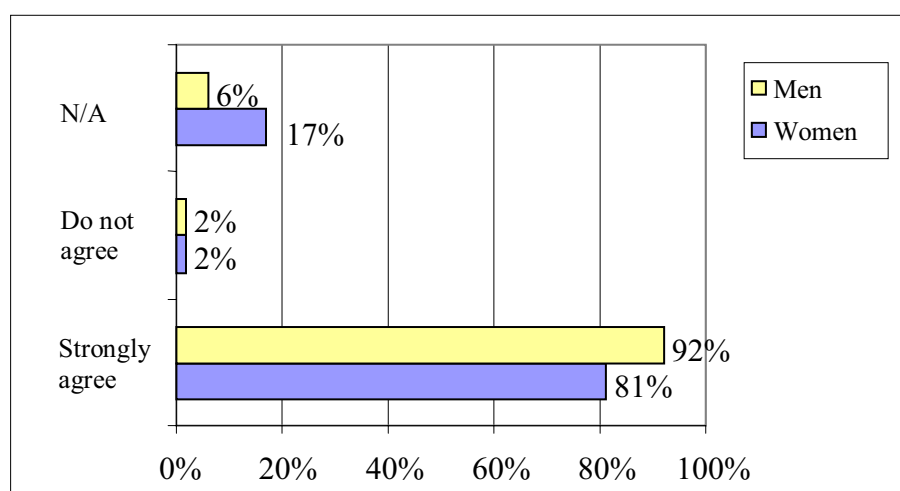
Table 6.4: Suggested changes in business development policies – women
(percentage of responses)

Fewer and easier regulations	35
Income tax should be reduced	15
Less documentation and shorter time to process business licence	10
Policies should be specific to the needs of women entrepreneurs	7
No tax for very small enterprises	3
Reduced costs of utilities (electricity, water, gas, and so on)	45
Lower electricity prices	30
Lower prices for water and other inputs	15
Loans at concession rates of interest	30
Low interest rates should be provided at local level	15
Easy access to banks for loans	10
No collateral requirements	5
Business development services	50
More business management and skill training should be provided	25
Marketing assistance to women entrepreneurs	15
Improving business training system for women entrepreneurs	10
Networking and information	25
Information on marketing, policies and regulations should be disseminated to local women entrepreneurs	15
Develop networking to promote women entrepreneurs	10
Other	14
Women should be assigned, at all levels of government offices, to handle matters regarding women entrepreneurs	5
Laws regarding social protection for women entrepreneurs should be formulated	3
National security	3
Inflation rate control	3
Do not know	8
No response	3

6.3 Family attitude towards women entrepreneurs

Chart 6 shows that families generally react positively to the women entrepreneurs' business activity. However about two per cent of families do not agree with women doing business, and 11 per cent did not respond to the question.

Chart 6: Family reaction to their female and male relative's business activities



6.3.1 Type of family support

Of the men entrepreneurs in the sample, 92 per cent received strong support from their families, as opposed to 81 per cent of the women entrepreneurs. The women whose families were either very supportive or supportive were questioned about the kind of support they received, and the range of responses is reflected below.

- They shared all the work.
- Transportation was provided.
- Everybody was supportive and helpful.
- Emotional and moral help was provided.
- Financial help.
- They gave advice.
- They allowed the woman to go out to business.
- They went with her.

Two female respondents faced resistance from their families. One woman was told she should stay home to do the household chores, and the other woman faced personal criticism from her husband.

6.3.2 Impact on family life

Table 6.5: Impact of business on family life

	Women (%)	Men (%)
Positive impact	96	98
Can't say anything	3	1
N/A	1	1
Total	100	100

Table 6.6: Impact of doing business on social image

	Women (%)	Men (%)
Better than before	92	89
The same	8	10
Worse than before	0	1
Total	100	100

The vast majority of women and men entrepreneurs thought that doing business had a positive affect on their family life and that it had improved their image in society.

6.4 Role of support organizations

Table 6.7: Expected role of support organizations for women entrepreneurs
(multiple response questions)

	Per cent
Giving more training courses for women (business management, finance management, technical skills, and so on)	14.7
Provide credit at low interest rates	10.0
Provide more service/advice on business development	10.0
Help women undertake income generation activities and increase employment	9.4
Provide marketing facilities (exhibitions)	6.0
Help to hold/organize meetings	4.0
Give more knowledge (education) for women entrepreneurs	4.0
Establish business groups and networking for women entrepreneurs	3.3
Encourage men to assist women in business development	3.3
Establish role models for women entrepreneurs	2.7
Raise gender awareness	2.7
Help women in business start-up	2.6
Disseminate more business information	2.0
Give more opportunities for women to run business	1.3
Expand international markets for women	1.3
Help to solve legal and business problems	1.3
Work closely with women entrepreneurs	1.3
Help women to develop business plans in rural areas	1.3
Relax laws and regulations on business promotion for women	0.7
Do not know	27.3
N/A	12.7
No needs	2.7

Table 6.8: Expected role of support organizations for men entrepreneurs
(multiple responses)

	Per cent
Organize more training courses (business management, finance management, technical skills, and so on)	23
Give more funds for family businesses	17
Provide more service/advice on business development	15
Help men undertake income generation activities and increase employment	10
Create employment opportunities in country and overseas	6
Raise gender awareness	4
Give more information on business development	4
Assist men to develop business plans in rural areas	4
Help to expand markets	3
Establish role models for entrepreneurs	1
Help in setting up meetings for business activity	1
"One city, one product" promotion	1
Do not know	20
No response	6

Tables 6.7 and 6.8 above outline the expectations that women and men entrepreneurs have of support organizations. Several of the categories of responses from the women entrepreneurs reflect the desire for "women-specific" inputs on role models, networking and gender awareness.

6.5 Associations

In many countries, associations of small-scale entrepreneurs and women entrepreneurs' associations, play an active part in the local economies. In many situations they also lobby on behalf of, and provide important support and advisory services for, their members.

Table 6.9: Membership in business associations

	Women (%)	Men (%)
Yes	0.7	9
No	99.3	91
Total	100	100

Almost all of the women run their enterprises in isolation and do not interact with business associations and networks. Table 6.9 shows that 99.3 per cent of women entrepreneurs and 91 per cent of men entrepreneurs had no membership, affiliation or

association. Only nine per cent of men entrepreneurs are members of associations, specifically the following: Passenger Transport Association, Taxi Association, Trading Association, Chamber of Commerce, Boat Service Association.

Table 6.10: Reasons for not joining an association (percentage of response)

	Women (%)	Men (%)
I am not aware of the associations	83.3	70
I do not see any benefits from associations	12.7	-
Lack of relationship with concerned organizations	-	13
Can manage on my own in business (have capacity to sustain operations)	3.3	4
I have no time	2.0	-
Tried but failed	0.7	1
No response	-	12

6.5.1 Support from women's organizations

Questions were asked about the respondents' perceptions and expectations of women's support organizations and about their level of outreach: 43 per cent did not know of any such organizations; 17 per cent thought that their range of service was poor, and 29 per cent found that their service was good.

6.6 Socio-cultural factors affecting women and men in business

Respondents were asked to identify the positive and negative social/cultural factors that affect their business activities. Table 6.11 summarizes their statements.

Table 6.11: Socio-cultural factors affecting women entrepreneurs

Positive	Negative
Women can attract more clients than men	Women have mobility constraints
Women have more skills in trading than men	Family responsibilities
Women are good in financial management	Women lack technical skills
Women can do the same business as men	Lack of opportunity to study in higher education
People still keep the traditional culture	Poor working conditions in some businesses
The market is expanding for women	Working late at night time is a big problem for women
Some businesses can maintain local traditions	Women do not have decision-making power
Society does not prohibit women from doing business	Men do not share household chores
Creation of employment and more skills development	Drug problem
Good behaviour/attitude of the community	Women who work at night are despised by society
Lao PDR women are very patient so that they can do more business	The western styles of the young generation mean they do not buy local products
More gender awareness in society	Women are more appropriate in small-scale business
	Men like drinking and looking for second wives
	Big gaps between rich and poor families
	Cheating occurs in finance and on contracts
	Immigration of illegal labour from neighbouring countries
	Girls should assist their mothers with household work
	Parents do not have enough time to take care of their children
	Some men believe that women are flowers
	Illegal trade (drug trade, prostitution and trafficking)
	Discrimination against women
	Inflation
	Economic slowdown
	The girl child is oppressed and disadvantaged
	Women cannot do as many jobs as men because of household responsibilities
	Women are not confident in running large-scale businesses

It is noted that Lao PDR society increasingly accepts women entrepreneurs. The majority of women entrepreneurs believe that the general perception of women in business has improved. The majority of respondents mentioned that women have more skills than men in trading. However, women entrepreneurs face more problems than men in relation to: limited mobility; family responsibilities; lack of technical skills; lack of opportunity to study in higher education; poor occupational health and safety conditions; and limited decision-making power, as well as the stated difficulties in accessing credit.

Table 6.12: Socio-cultural factors affecting men entrepreneurs

Positive	Negative
Maintain national customs	Extravagant expenditure increased but income earning decreased
Men do not have mobility constraints	Consumption of imported goods increased
Men are good at technical jobs	Cheating in finance and on contracts
Social development increased among businessmen	Environment changing rapidly
Employment creation and making use of traditional skills	Western style for young generation
Increase in the use of new technology	Illegal trade (drug trade, prostitution)
Access to health care system increased	Immigration of illegal labour from neighbouring countries
Good communication system	The gap between rich and poor has increased
Men have more opportunity to access higher education than women	Import of products
Demand for local products/goods increased	Increase in number of women working at night
	Men return home late and do not take care of the family
	Parents do not have enough time to take care of their children

7. Institutional framework for the promotion of gender equality

There is an enabling environment that supports the promotion of gender equality in Lao PDR. The institutional framework includes the LWU, the GRID Centre, and the National Commission for the Advancement of Lao PDR Women.

7.1 LWU

The LWU enjoys ministerial status and has committees at all levels of Government as well as at provincial, district, and village levels. The LWU is the formal representative body to protect the rights and benefits of Lao PDR women (including all ethnic groups). The LWU promotes party and government policies, the Constitution and the laws of Lao PDR.

In collaboration with many international donors and INGOs, the LWU has promoted micro-credit through their development programmes, mainly in connection with agriculture, animal husbandry and primary health. These projects have the potential to spur enterprise development, and in many cases expand women's roles by allowing them to undertake an economic activity. In some cases a credit fund is established for an income-generating activity (e.g., in cooperation with the United Nations Children's Fund (UNICEF)), thus enabling women to supplement their incomes.

The aims of the LWU in providing credit services are both economic and social. In Lao PDR, there is a general feeling that neither of these goals is being reached. High inflation, caused mainly by currency devaluation, has diminished cash funds making economic objectives almost impossible to reach through the existing models of revolving fund programmes. There is also the perception that many programmes have failed to reach their social objectives, particularly in relation to improving the status of women. This is of considerable interest for the purpose of this study, because women are seen as the "doers" for many activities (chicken, duck, pig raising), but they do not participate in decision-making and related official duties.

The LWU implemented 13 new projects in 2003. In the economic sector, LWU provides informal training for women's groups, business training for female entrepreneurs, and support for income generation activities, micro-credit, rice banks, promotion of handicrafts, and agricultural activities.

7.1.1 The LWU training centre

The LWU Training Centre provides training in vocational skills for employment and income generation. From 2002-03, 610 poor women and 190 poor men participated in the training courses and seminars.

Some of the strategies of the LWU Plan of Action 1998-2005 and its Yearly Plan (2003-04) are outlined below:

- To concentrate on women's education, technical, scientific and professional skills.
- To enable more women aged 15-45 to read and write, and to give more women the opportunity to study in technical secondary schools, technical high schools and universities.

-
- To protect the rights and benefits of Lao PDR women and children of various ethnic groups, and support the implementation of equal rights between women and men as stipulated in the Constitution and laws. Also to put gender issues on the agenda of development plans in every government sector. This will be done with a view to enabling women to participate in policy and decision making.
 - To expand micro-credit projects and establish more saving groups and village development funds for women.
 - To improve the knowledge and skills of female entrepreneurs. In cooperation with APHEDA (an NGO from Australia), the Training Centre of LWU has organized training-of-trainers programmes and business training for female participants in several skills, such as food processing and hotels and tourism. These training courses will be conducted for larger target groups in the future.

The LWU also works with regional and international organizations including the Asian Development Bank (ADU), UNDP/United Nations Volunteers (UNV), Norwegian Agency for Development Co-operation (NORAD), United Nations Development Fund for Women (UNIFEM), UNICEF and the World Bank (WB). For example, in 2002, the LWU got support from the Asian Development Bank (through the Government of the Lao PDR) to prepare guidelines for the development of a national gender policy. NORAD and UNDP are supporting the LWU GRID Project, and UNIFEM supported the establishment of a Commission for the Advancement of Lao Women.

The LWU gives high priority and importance to the economic empowerment of women in the following ways:

- Upgrading the technical knowledge and vocational skills of Lao PDR women so that they can work in many fields such as, agriculture, handicrafts, livestock, textiles, and so on.
- Continuing to expand micro-credit projects and establish more savings groups and village development funds for women.
- Improving the knowledge and skills of female entrepreneurs in business management.
- Increasing the quality and quantity of women's enterprises. This will include improving the quality of production and business services.

7.2 GRID Centre

The GRID Centre was established at the end of 1997 under a cooperation agreement between the Lao PDR Government, NORAD and UNDP. The LWU is responsible for implementing the GRID project. The objectives of the project are: (1) to promote, increase and disseminate information on gender and development in Lao PDR; (2) to incorporate gender issues into the planning process at all levels; (3) to strengthen and promote women's participation in the development process and decision making; and (4) to upgrade the gender knowledge and ability of government officials at different levels.

GRID works in close cooperation with various government organizations. With the National Statistical Centre (NSC), it facilitates the collection and dissemination of gender

information and promotes the use of sex-disaggregated statistics. In 2001,¹⁵ due to interventions by the LWU, the Office of the Prime Minister issued Notification 0009 on the use of sex-disaggregated statistics for mainstreaming gender in socio-economic development. GRID organized consultative meetings with the planners and statisticians in different sectors around the country in order to explain the importance of sex-disaggregated statistics and to find ways for improving implementation.

With the Central People's Committee (CPC), it has mainstreamed gender issues into the planning system at all levels, particularly the collection of sex-disaggregated data, and planning systems at grass roots level, including village and family levels, in order to monitor statistics on the reduction of poverty. GRID developed the curriculum on gender sensitive development planning and organized gender sensitive planning for planners within the country. It also held consultations on how to mainstream gender into the National Poverty Reduction Programme and other socio-economic plans.

GRID organized gender training to raise awareness and improve the gender knowledge and skills of government staff from line ministries at grass roots level. At present GRID has 96 trainers (60 women and 36 men) at provincial and district levels, and a total of 2,004 people (818 women and 1,186 men) have been trained.

GRID formed research teams, with expertise in both quantitative and qualitative research methods. The teams have provided data on issues such as: surveys on the situation of Lao PDR women; gender and land law; the participation of women in decision making at village level; and gender and wood energy. Currently, the team is working on new research areas, namely: the participation of women in village committees, and gender in micro-credit and income generation activities for families.

GRID has produced newsletters, gender information sheets, posters and brochures on sex-disaggregated statistics, as well as videos/films on: Promotion of the Advancement of Women; Convention on the Elimination of All Forms of Discrimination against Women and the Beijing Twelve Critical Areas of Concern from the Beijing Declaration and Platform for Action (from the Fourth UN World Conference on Women).

The main priorities of the GRID Centre are capacity building and gender training of government staff in order to create gender awareness, and the collection and dissemination of gender information. Gender mainstreaming by addressing gender inequalities in government ministries is a priority of the GRID Centre for the near future.

7.3 National Commission for the Advancement of Women

In 2002, Lao PDR established the National Commission for the Advancement of Women (NCAW),¹⁶ which is in compliance with the party and government guidelines, the Constitution, the Law on the Advancement of Women, as well as with the Convention on the Elimination of All Forms of Discrimination against Women

¹⁵ Prime Minister's Notification Number 0009, 5 Jan. 2001.

¹⁶ Prime Minister's Decree No. 37, 1 Apr. 2003.

(CEDAW),¹⁷ which the Lao PDR Government signed on 17 July 1980 and ratified on 14 August 1981.

The Prime Minister's Decree Number 37 outlines the functions, roles, rights, important elements and organizational structure of the NCAW. It also outlines the aims of supporting, promoting and protecting the benefits and respective rights of women in political, economic, social, cultural and family life as stated in the party and Government policy, the Constitution and national law, and described in the international Conventions to which Lao PDR is a party. The roles and tasks of the NCAW are as follows:

- The NCAW is a State organization whose main tasks are to assist the Government in formulating national policy guidance and strategic plans of action to promote women's advancement and gender equality in all spheres and at all levels of society.
- The Commission functions as the national focal point, and coordinates closely with local authorities and international organizations concerning the implementation of Government policy on the promotion of gender equality and the elimination of all forms of discrimination against women.
- It has developed a strategic plan of action, and a national policy on the advancement of women, and submitted these to the Government for final approval and affirmation.
- It has prepared appropriate guidelines for all organizations at central level, as well as local authorities and other concerned organizations in order to integrate gender equality issues in all areas of work.
- It coordinates effectively with international organizations in order to mobilize financial support and technical assistance and to disseminate relevant experience in promoting and protecting the rights of women.

As the NCAW is a very new organization, the capacity building of its staff will be a very important priority for the future.

¹⁷ CEDAW was adopted by the 34th Session of the United Nations General Assembly on 18 Dec. 1979.

8. Business development services (BDS)

8.1 BDS providers

8.1.1 *Occupation-oriented vocational education and further training for target groups in the informal sector (BAFIS)*

BAFIS is the German acronym for Occupation-Oriented Vocational Education and Further Training for Target Groups in the Informal Sector. This project is implemented by the Department of Non-formal Education of the Ministry of Education. BAFIS aims at improving the quality of life, especially for people from rural and semi-urban areas, by providing non-formal skills training, as well as basic training for self-employment. Its activities include: (a) enabling youths and adults to acquire new skills and/or improve existing skills within the informal sector; (b) bridging an existing gap between skills training and self-employment by providing basic entrepreneurial training aimed at creating high employment within the community; and (c) assisting the initiatives of small family business people with further training.

The project has four non-formal education centres in four provinces: Vientiane Capital, Champasak, Luang Prabang, and Hua Phan. The regional non-formal education centres offer many different training courses, such as livestock farming, food processing, dressmaking, training-cum-construction, tourism services, health and beauty, hairdressing, furniture making, arc-welding, sheet-metalwork, and so forth. From August 1998 to June 2003, the project organized 334 different programmes in seven occupational fields for 7,563 trainees, 3,123 men and 4,440 women (58.7 per cent).

8.1.2 *The Lao National Chamber of Commerce and Industry (LNCCI)*

The LNCCI established direct formal links with Chambers of Commerce overseas, including Australia, China, France, Germany, Thailand, the United States, Viet Nam and other European countries and the ASEAN region. LNCCI has been active in organizing seminars for potential foreign investors enabling them to make contacts directly with public and private sector representatives.

LNCCI also plays an important role in providing information to local and foreign investors and entrepreneurs to identify potential business projects and partners, and assisting them to meet relevant authorities and officials. Other important services provided by LNCCI are: (a) arranging textile export visas through agreements with foreign embassies; (b) preparing and establishing a membership directory and newsletters; (c) developing and promoting business groups and associations, and (d) developing human resources in enterprises through workshops, training and scholarships organized under partnership projects with the support of related agencies.

The LNCCI Office is based in Vientiane Capital and has branch offices in major provinces: Champasack, Savannakhet, Bolikhamxai, Khammoan, Bokeo and Luang Prabang. The Chamber is in the process of extending its branch activities within the country.

The LNCCI supports the development of enterprises, and it has 350 members representing a broad cross-section of business enterprises in Lao PDR. The LNCCI

consists of twelve business groups comprising, eleven sectors and one association, such as the Lao PDR Textile and Garment Industry Group; the Lao PDR Handicrafts' Group; the Foodstuff and Consumer Group; the Construction Material Group; the Petroleum Group; the Association des Exportateurs de Café; the travel industry sector; the agriculture and forestry sector; the consultancy sector; the banking and insurance sector; the mining sector; the transportation sector; the restaurant sector; the general industry sector; the general trading sector, and the education sector.

Of these, the main groups involving women are the Lao PDR Handicrafts' Group and the Textile and Garment Industry Group. Through them, women entrepreneurs receive training in marketing and production, as well as being involved in domestic and international trade fairs. However the assistance is very limited and is still not accessible to many women owners of MSEs in textiles and weaving.

8.1.3 The Lao Trade Promotion Centre (LTPC)

The LTPC is a Government agency run by the Ministry of Commerce. The Centre opened in November 2001. The LTPC assists Lao PDR (or Lao-based) companies, or foreign companies which are looking to invest in Lao PDR. The LTPC has three divisions: (1) the exhibition division is responsible for organizing exhibitions and trade fairs in Lao PDR, and for organizing a presence at international trade events. Its goal is to introduce Lao PDR products to the world. This division can also provide assistance with branding, packaging and promotional materials that are appropriate for export markets. (2) the trade policy division provides information on local trade policies to both importers and exporters and upon request can liaise with relevant government ministries and agencies. It is currently working on the introduction of a "Made in Lao PDR" brand, which will signify a quality standard for Lao PDR products sold in international markets. (3) the trade information division provides information on international trade regulations and analysis of overseas markets, in order that Lao PDR manufacturers can identify opportunities for export, and where appropriate identify potential partners and clients.

LTPC is implementing a project to support local entrepreneurs in Vientiane Capital, Bolikhamxai, Savannakhet and Champasack. The project has organized seminars on microfinance, technology application, business management, marketing and trading for 50 rural entrepreneurs (20 women and 30 men).

Through LTPC, women entrepreneurs from medium and large textile and weaving enterprises become involved in domestic and international trade fairs and receive information on marketing and exports. However, the assistance is very limited and is still not accessible to many women owners of micro and small businesses.

8.1.4 MPSDF

The MPSDF was established in 1997 to support the development of private, locally-owned, small and medium enterprises (SMEs) in Viet Nam, Cambodia and Lao PDR. The main objectives of the MPDF are to develop sustainable local providers of financing and other business services needed by SMEs, and to cooperate with relevant institutions, both local and foreign, in initiatives that aim at improving the business environment for SMEs. MPDF provides specialized assistance to two main target groups: private sector entrepreneurs and managers with plans for business expansion, and organizations providing business support services to private companies.

To meet the needs of these client groups, MPDF is organized into three separate but linked programmes: (1) Company Advisory Assistance (CAA) that works mainly

through local consultants. The MPDF provides assistance to local SMEs by helping them improve their operations, develop new markets, strengthen their management, and develop sound business plans; (2) the Business Development Programmes (BDPs) of MPDF drive four key initiatives to strengthen the capacity of local institutions that provide essential business services to SMEs. These include financing, consulting, training, and information services; (3) through the Business Enabling Environment (BEE), it conducts research and prepares analyses on specific issues facing local SMEs and on the environment in which they operate; it works closely with relevant government authorities and institutions.

8.1.5 Poverty Reduction Fund (PRF)

In 2002 the Lao PDR Government established the PRF project with the aim of reducing poverty among Lao PDR ethnic groups, especially women, through income-generated activities. The PRF delivers development resources at village level, targeted at the poorest districts in the country, through strong participatory and decentralized decision-making processes. PRF gives assistance to prioritized sectors as identified by individual communities: these include health, education, agriculture (related to IGAs), industry and handicrafts (related to IGAs), communication, postal services and construction. The PRF provides a range of credit or village-revolving funds including funds for animal-raising (fish, poultry and livestock), funds for agriculture (land clearance and cash crops as secondary plantation for commercial purposes), and funds for handicrafts (weaving, sericulture, basket weaving, sculpture, ceramics, and so forth.)

8.1.6 Japan International Cooperation Agency (JICA)

With financial and technical support from JICA, the National Economic Research Institute (NERI) of the CPC is implementing the Macroeconomic Policy Support Project for Socio-Economic Development in Lao PDR-Phase 2. The project's objective is to strengthen the capacity of Lao PDR Government agencies in policy formulation. The project is conducting comprehensive research on the Lao PDR economy, jointly by Japan and Lao PDR, leading to draft policy recommendations. The research covers SME promotion, agriculture and rural development. The research does not focus on gender issues in SME promotion, and is more concerned with small, medium and large enterprises than with micro businesses.

8.1.7 UNIDO

UNIDO assisted the MIH in drafting the Small and Medium Enterprise Development Framework in 2002. The SME development framework includes the national policy for SME development, an overview of SMEs in Lao PDR, guiding principles for implementing SME development, and strategies for SME development. The Government is currently considering endorsing this SME development framework. However, gender issues and women's concerns in SMEs were not discussed to any large extent. It requires specific guidelines to mainstream gender concerns into the SME development programme. UNIDO also carried out two surveys of the industrial sector in 1999.

8.1.8 ILO

The study on *Generating Employment through Micro and Small Enterprise and Cooperative Development in Lao PDR* was carried out for the ILO by the Enterprise Development Consultants Co. Ltd. in 2002. The report reviewed compiled and updated

earlier research and literature on the micro and small enterprise sector. It provided a broad overview and preliminary recommendations on how to increase employment in this sector.

In collaboration with the Lao National Chamber of Commerce and Industry, the ILO held a national workshop on Micro, Small and Medium Enterprises on August 18-19, 2003. The overall purpose of this workshop was to make a useful contribution to developing a better understanding of what is required by concerned stakeholders to effectively implement the many policies, initiatives and practical measures that are required to develop a dynamic and expanding MSME sector in Lao PDR. The workshop was also planned as a means of progressing towards the further development and implementation of an overall national policy framework for MSME development and its main components. The workshop established five “Action Planning Working Groups” to discuss the main issues relating to (1) policy and institutional development; (2) business development services; (3) credit; (4) associations and cooperatives; and (5) gender and disabled persons.

Since September 2003, the ILO has developed a project to develop SMEs in Lao PDR, namely “Alleviating poverty and increasing income generation in a market economy through the development of small, family and co-operative enterprises”. This project became operational in mid-2004. Gender issues and women’s concerns in SMEs are being addressed through the project. However, the project still requires a Gender Action Plan to facilitate its implementation stage. It needs to define the proportion of women and men beneficiaries clearly, and identify the working relationships among key stakeholders, especially for cooperation with the LWU.

The ILO is implementing an International Programme on the Elimination of Child Labour (IPEC) with the main objective of reducing the vulnerability of child labour and the trafficking of girls from the Mekong River zone and cross-border areas. Built into the project is a microfinance and micro-entrepreneur support activity, intended to provide families with alternative economic activities, complemented with vocational skills development and training. The project assists each target village with an average of \$2,500 to create a village development fund for seed capital to start economic activities for victims and their families who are in vulnerable situations. The programme has been running in three provinces (Savannakhet, Khammuane and Champassak) with 22 villages. Basically, it uses an established method of providing a loan fund as an alternative to a grant.

8.1.9 MIH

The MIH is the main Government agency providing a wide range of services and training to MSEs. It has several departments: the Departments of Handicrafts, Industry, and Geology and Mines. The MIH is responsible for: (a) laying out policies, and providing information on regulations and plans for the promotion of the industry and handicrafts sectors; (b) disseminating laws and regulations; (c) defining measures for encouraging cooperation and coordination among government agencies, and domestic and foreign private-sector efforts in industry and handicrafts. Many matters require other ministries to be involved; for example, the Department of Handicrafts must work with the Ministry of Commerce on regulations relating to the export of handicrafts.

In collaboration with UNIDO, the MIH has prepared a comprehensive and detailed policy framework for MSME development, including how to go about implementing the various components of this policy framework. UNIDO has also assisted the MIH to develop a comprehensive framework to foster economic initiatives in Lao PDR. The

Medium-term Strategy and Action Plan for Industrial Development was developed. The MIH developed the National Action Plan for the Promotion of SMEs in 2004.

8.1.10 MOLSA

The MOLSA has a direct role in promoting employment. It works with other ministries such as the Ministries of Industry and Handicrafts; Health; Education; Agriculture and Forestry; as well as the Lao Youth Organization (LYO), LWU, and international agencies that support employment development.

8.1.11 Ministry of Education

The Ministry of Education has emphasized expanding basic education and improving vocational and technical training opportunities. This includes improvements in access to education, quality of education, relevance of education and management. The Ministry of Education is implementing a Basic Education for Girls and Secondary Education Development Project, and mainstreaming gender perspectives into the primary school curriculum.

In Lao PDR, there are 29 government vocational schools/colleges with 15,395 students (6,017 men and 9,378 women), and 39 private vocational training centres with 9,370 students (5,289 men and 4,081 women) (MOE, yearly report 2002). These schools provide vocational training on technical skills, business management, computers, accounting, and so on.

The Ministry of Education intends to develop and improve the vocational curriculum of the technical schools, as well as to develop new courses on business management. The Ministry will also establish three new vocational schools in Xieng Khoang, Oudomxai and Bokeo provinces.

8.1.12 Ministry of Commerce

The Ministry of Commerce is a core Government Ministry, responsible for managing the overall development of commerce throughout the country. It aims to stimulate and develop production; to move the economy from one based on primary products to one based on commercial goods; to develop the domestic market and link it to regional and global markets; and to accelerate the development and improve the infrastructure of the country step by step.

Its main duties and scope of authority are: (a) to develop and establish policies, laws and decrees concerning the development of commerce during each planning period, for submission to the Government and approval by the National Assembly; (b) to study and research domestic and foreign markets in order to stimulate and promote domestic production and reduce imports; (c) to manage the national commercial sector at all levels of administration throughout the country; (d) to manage and administer commercial activities concerning budgets, means of transport, and premises that are operated by the Government; (e) to maintain relations and cooperate with foreign countries and international organizations in the area of commerce, as authorized by the Government; and (f) to assist the Government in managing and supervising the National Chamber of Commerce and Industry.

The Foreign Trade Department of the Ministry of Commerce has the following roles: (a) developing, planning and implementing the policies, rules and regulations of the Government which are related to foreign trade, border trade, and transit goods; (b) managing the country's exports and imports; (c) coordinating with foreign agencies

and setting up negotiations with trading partners to promote exports; and (d) researching and coordinating with various economic groups and with international organizations.

The Domestic Trade Department has the following roles: (a) controlling the market prices of essential commodities and adjusting the domestic market if necessary; (b) encouraging the production of domestic goods for local consumption and for export; (c) developing the domestic trade network throughout the country; (d) protecting consumers of goods and services, and protecting the domestic production of goods; (e) registering companies; and (f) coordinating with line ministries and government agencies concerned with economics and trade.

8.1.13 Services from other agencies

Certain agencies provide entrepreneurship and skills training and advisory services on markets and technologies, as indicated below.

- The Rattana Business Administration College provides business management courses.
- The Labour Development Centre provides skill training courses.
- The Lao-Japanese Centre at the National University of Laos provides business management courses.
- The Government of Finland has supported the Youth Skills Training Centre in Vientiane to give training in management.
- The Koblenz Chamber of Skilled Crafts (Germany) promotes handicrafts development and gives training in business management, product design in bamboo, rattan, silverwork and pottery, and exporting.
- The Japanese Overseas Volunteer Cooperation (JOVC) has provided skills' training to villagers in rural Laos, particularly in weaving and natural dyeing.

8.1.14 Association of Women Entrepreneurs in Vientiane Capital

The LWU of Vientiane Capital (formerly known as Vientiane Municipality) established an Association of Women Entrepreneurs in 2001. This association has 53 women entrepreneurs, who mostly own small and medium enterprises (not micro) in many business sectors such as trade, construction and textiles. The Association is completely controlled by the Vientiane Capital LWU in terms of planning and implementation. The main objectives of this association are to establish a group of women entrepreneurs, to exchange ideas and experiences among its members in the field of business development, and to provide social services to the public. Recently the Canadian International Development Agency has supported the association in capacity building by providing six marketing and business management training courses for 20 women entrepreneurs, and through a training-of-trainers (TOT) programme. This project also organized several study tours in the country and overseas to expose members to various business development activities with the aim of learning, sharing and exchanging ideas and experiences. The members also participated in the ASEAN meeting on Women and Business. In general this association is very young and less experienced in business development, and more support is needed to build its capacity.

8.2 Access to credit

Many international agencies and INGOs are involved in microfinance development as indicated below.¹⁸

8.2.1 Asian Confederation of Credit Unions (ACCU)

ACCU has agreed the terms of a Memorandum of Understanding to implement credit union methodologies in four provinces (Vientiane, Luang Prabang, Champassak and Savannakhet, whereby the Bank of Lao PDR would be the executing authority, the ADB would provide funding, and ACCU provide technical support.

8.2.2 United Nations Development Programme (UNDP) and the United Nations Capital Development Fund (UNCDF)

Since 1996 UNDP/UNCDF have supported rural microfinance development and IGA projects in three provinces, Oudomxai, Sayaboury and Sekong. Unfortunately, the UNCDF programme was abandoned in June 2002, due to the failure to negotiate the transfer of their microfinance project into an institution. This programme has now been handed over to the provincial government authorities of Oudomxai and Sayaboury in the form of a development fund. The UNDP-funded IGA projects were also terminated by 2000.

8.2.3 United Nations Drug Control Programme (UNDCP)

UNDCP has implemented several projects in the northern mountainous area of Lao PDR. The main objective of these projects is to reduce and ultimately to stop, poppy cultivation and to rehabilitate the poor growers by providing alternative economic activities. Within this project, several components implement microfinance activities to ensure there is soft capital to conduct economic activities as an alternative to poppy cultivation.

Experience has shown that most of the microfinance activities have not reached high levels of achievement due to unclear methodology, high illiteracy, inadequate market access, an absence of business skills among the target groups and lack of vocational or skills development training.

8.2.4 UNICEF and the United Nations Educational, Scientific and Cultural Organization (UNESCO)

These agencies have been implementing education and literacy projects in Lao PDR, using microfinance activities as incentives (this has been done on a pilot basis). However, the agencies do not apply microfinance as a tool for poverty alleviation, but rather as a promotional input for education and literacy programmes.

¹⁸ Much of this information has been included in the *Market research study: A sector analysis update for microfinance in Lao PDR* by P.K. Bagchi.

8.2.5 *United Nations Fund for Population Activities (UNFPA)*

UNFPA provided \$10,000 in the form of a seed capital fund for agricultural purposes (revolving funds) in two villages of Saravan province late in 2002. This fund was not included as a project component and, as a result, it has been treated as a grant.

8.2.6 *World Food Programme (WFP)*

The WFP aims to provide food security for all in Laos, which involves encouraging its implementing partners to establish projects such as cereal banks. A number of cereal banks have been established and in most of the concerned villages, some form of rice bank also exists.

8.2.7 *Concern Worldwide*

In mid-2003, with support from Concern Worldwide, the CPC launched the Microfinance Capacity Building and Research project. This is a capacity building project to assist the Government in developing and promoting a pro-poor microfinance policy framework for Lao PDR. The project's time frame is from July 2003 to June 2007.

8.2.8 *Other international development agencies*

Various international development agencies promote microfinance activities, such as Aus-Aid, CIDA, GTZ, Lux-Development Co-operation, SIDA, FDA, JICA and the European Union (EU). In most cases, the implementation authorities are the Ministries of Health, Labour and Social Welfare, Agriculture and Forestry, and Education. In addition, various mass organizations (for youth, women, and so on.) are involved in implementation, and the LWU is particularly involved in microfinance activities at grass roots and district levels, and is well known in Lao PDR for playing this role.

8.2.9 *INGOs*

There are about 102 INGOs in Lao PDR,¹⁹ many of which support capacity building in income generation activities. Most INGOs have implemented rural development projects. According to the Concern-Laos Microfinance Database, 35 INGOs are involved in Village Revolving Fund (VRF) schemes, animal banks, rice banks and group savings schemes. Most microfinance activities were designed as secondary to community development activities, and are intended to supplement the main project activities. In general, most INGOs do not focus exclusively on microfinance activities and so far these small-scale revolving funds have not created an institutional framework. In addition, most activities were started with high subsidies, without appearing to follow a systematic process, and with little consideration of human resource development.

¹⁹ Ministry of Foreign Affairs, July 2002.

9. Results of focus group discussions

9.1 Introduction and methods

In addition to the secondary and field research stages, the research team organized focus group discussions at two villages, Phonesinoun and Tadthong Village, on 25 and 27 July 2003 respectively. The purpose was to assess the general situation and the issues facing women in business, covering the following points: reasons for doing business, access to resources, decision making, support measures, and various constraints.

The research team went to the villages and invited women entrepreneurs to participate in the meetings. In order to see the diversity of business operations, female entrepreneurs who run different businesses were invited.²⁰ Group discussions lasted approximately one-and-a-half hours. Below are the results of the group discussions.

9.2 Outcomes of focus group discussions

9.2.1 *Reasons for going into business*

The women entrepreneurs in the focus groups gave a range of reasons for becoming entrepreneurs. Most of them went into business in order to maintain the household (family survival), while only a few went into business as a career choice in order to utilize their skills and experience. Many women stated that their husbands are working in government offices, and receiving low (insufficient) salaries; other reasons were:

- female-headed households (divorced or widowed women) who operate businesses because they are forced to make a living and feed their children;
- the business idea was copied from friends or based on technical skills learned informally;
- Government officers encouraged them to set up in business.

9.2.2 *Access to resources*

The main sources of capital for start-up and for running the businesses were family assets, or inherited land and property. This is a common feature with the ethnic groups of Lao PDR Loum (Lowland Lao PDR) due to their traditional matrilineal system. Some women obtained loans from the LWU and District Offices. Only one woman got a loan from the Agricultural Promotion Bank (formal credit).

9.2.3 *Deciding to start a business*

The interviews showed that husbands tended to be involved in the decision-making process. Only a few women made the decisions to start a business on their own.

²⁰ See Annex 2, List of participants.

9.2.4 What are the benefits?

The interviewees' first answer to this question was that profits are used for family upkeep and welfare, because earning a living is the primary rationale for running a business. Such is their lack of knowledge and awareness about business that some women did not know whether they were making any profit or not. Many women paid for the education of family members, while others used their income to invest in the running costs and fixed assets of the business itself.

9.2.5 Constraints mentioned by female entrepreneurs

The following constraints were highlighted during the focus group discussions:

- (a) Lack of capital is one of the main constraints in both villages.
- (b) Although there is a tax law, the actual application of the law still creates problems due to inadequate information and poor communication. Some women said, "We do not understand about tax regulations, especially we have no idea about the tax rates." Many female entrepreneurs had to negotiate with officers about the amount of tax they had to pay.
- (c) Marketing problems: some women said "We can produce more, but we do not know where to sell."
- (d) Two ladies who run an ice-cube factory and a restaurant complained, "We may quit our businesses soon because we cannot pay the high cost of electricity."
- (e) Other obstacles quoted by female entrepreneurs included the following: home-based activity; lack of labour; seasonal fluctuations of business; lack of technical skills; small profits; poor understanding of business; family problems, and illiteracy.

9.2.6 Awareness of commercial laws

Many women do not know the laws relating to their businesses. However, some women had received some information on this subject from radio and television programmes. A group of women in Tadthong village said, "Last year, the district officials came to our village to disseminate information about land titling, but we could not join because our husbands who are 'heads of households' participated in the meeting."

9.2.7 Strengths and weaknesses of female entrepreneurs

Many women believed they had better skills in business negotiation than men, and they also have good financial management skills. They are aware that they have similar ability and they contribute more to the family income. A woman in Phonesinoun Village said, "My husband is very much relying on my income to maintain the family because his salary is very little." However, when asked about their image, some women complained about the lack of social acceptance – for example, the women who operate bars have a bad public image and get little respect as entrepreneurs.

9.3 Recommendations from female entrepreneurs

The following recommendations resulted from the two focus group discussions:

- more business opportunities should be created for women;
- more credit should be provided at village level;
- more vocational skills, business training and technical inputs should be provided for women;
- marketing opportunities should be provided to women, as well as more and appropriate vending locations.

10. Results of the national workshop

The National Workshop was organized at the Training Centre of the LWU on 16 December 2003 and involved 30 participants from line ministries, such as the Ministry of Industry and Handicrafts, Education, and Commerce, as well as LNCCI, the Lao Trade Promotion Centre (LTPC), and the Association of Women Entrepreneurs.

The workshop's objectives were to present the findings from the fieldwork, and to get feedback and recommendations from the participants to help improve women entrepreneurs' access to support and resources to start and expand their businesses.

The following questions were discussed during the workshop:

- What is the current situation of the women's enterprises?
- What are the main issues, problems and challenges for women entrepreneurs?
- What are the appropriate interventions to address the problems and challenges faced by women and men entrepreneurs?

10.1 Current situation, problems and challenges

- Women are the main small-scale micro enterprise producers, small enterprise traders, and primary income earners for their families.
- Women also predominate as unpaid family workers in many sectors.
- Women are more involved in household work. It is felt that women work very hard, often much harder than men, due to the combination of business and domestic work, even though the statistics do not always reflect this.
- Women's mobility is limited and as a consequence they do business mostly at home, as the traditional culture does not allow them to leave the family or to work far away from their villages.
- The women entrepreneurs' skills are learned from family and friends, and they tend to do business in the traditional ways. Women need to upgrade their skills as well as acquire new ones so that they can cope with conditions in the modern market and face up to new competition.
- There is no specific representative (office) to facilitate, supervise and help women entrepreneurs run a business.
- Women face problems caused by high input costs, especially for electricity, gas, and imported goods.
- They lack access to funds, credit and other resources for business.
- They lack access to modern technology.
- They lack access to information for business.
- They lack formal education and training.

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- Society does not respect the ability of women, including their role as entrepreneurs.
 - Society does not really support women in business.
 - They experience high investment costs due to cumbersome processes and procedures related to business registration and payment of taxes, as well as preparing the many documents involved in export procedures.

10.2 Recommendations from the national workshop

- Skills development is the most important priority for women entrepreneurs. This will include improving the knowledge of women entrepreneurs to use Internet and computer-based technology, and knowledge of the English language.
- The international and donor agencies should give more support to the vocational training centres, especially the Training Centre of LWU, in developing and conducting technical and technology-based training courses for MSEs, and for women in particular, to improve the quality of their products and services.
- The BDS providers should give more focus to their activities and work closely with women entrepreneurs at village level.
- An MSE or SME fund or SME bank for women entrepreneurs should be established.
- An SME Promotion Centre should be set up, and within the Centre, a special division for women entrepreneurs should be created. This Centre should provide services and consultations on business development for women entrepreneurs. If possible, the ideal solution is for the support agencies to establish a separate SME Promotion Centre for women.
- Long-term credit should be provided to women entrepreneurs at very low interest rates.
- Tax rates and electricity prices should be reduced for women entrepreneurs.
- The procedures for bank loans should be more flexible and should be simplified so as not to discourage women entrepreneurs.
- The business registration process should not involve so many licences, which tend to increase investment costs.
- There is a need to raise gender awareness among financial officers to enable them to support women entrepreneurs. The bank officers should show more respect for existing and potential women entrepreneurs. They also require training to appreciate and understand that women can manage loans (and loan recovery) the same as, or even better than, men entrepreneurs.
- An enterprise culture should be developed through the media, events and campaigns, using television and radio programmes, “year of women entrepreneurs”, awards, and so on.
- The business curriculum at the National University of Laos and other educational institutes should be improved, and more female students should be encouraged to take business courses.

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- Representatives from the LWU and the Association of Women Entrepreneurs should be invited to participate in formulating the National Action Plan of SME Development in 2004 (as cited by Mr. Somdy, Deputy Director of Industry Department). The data from this ILO-supported research into gender issues in MSEs in Lao PDR should be used for the National Action Plan of SME Development in 2004.

11. Summary and recommendations

11.1 Summary

The findings from the field research highlighted the following issues concerning women and men entrepreneurs in MSEs:

- Many of the women entrepreneurs in MSEs in Lao PDR have limited education, limited work and business experience, and limited access to resources.
- Women-owned MSEs exist mostly in the villages. Many of these women have limitations in mobility, and traditional customs do not allow them to work or do business far away from the village.
- The business registration process is complicated and time-consuming for both women and men. However, women entrepreneurs face greater difficulties in dealing with these procedures because of their lower level of education, restrictions on their mobility, and time limitations due to their combined reproductive and productive roles. They also tend to lack confidence in handling legal matters and in dealing with related documentation, as well as in communicating with the officials in authority – most of whom are men.
- Women predominate as unpaid family workers in many sectors, thus reinforcing their economic dependence and limiting their education and training opportunities, which further restricts their potential to generate income and develop substantial enterprises.
- Women are expected to carry out multiple chores arising from the traditional gender-based division of labour, which limits women's full participation in public life and reduces their opportunities for contributing to economic development.
- The prevailing cultural values tend to disadvantage women in terms of their participation in politics and decision-making processes.
- The majority of small enterprises have little capital to invest in enterprise growth, more particularly for female entrepreneurs, who often run their businesses for subsistence purposes. Furthermore, this negatively affects the prospects for the growth of their businesses.
- Financial problems are most common at the start-up stage of the businesses. The more detailed survey enquiries revealed that “financial problems” almost always refer to the lack of investment funds or lack of operating funds. Other constraints are limited credit, complicated lending procedures, villagers' fear of borrowing, and borrowers' lack of collateral. It is also apparent that these constraints remain significant even for existing businesses.
- Marketing problems become much more important over time for both female and male entrepreneurs. The domestic market is limited in terms of the number of consumers and their purchasing power. Most village-based entrepreneurs do not know how to appropriately price the goods and services that they produce. They are unaware of marketing locations, and have limited knowledge of the range and variety of products and services that are in demand. A related problem is that most MSEs – in particular those operated by women – provide poor quality products.

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- A frequently mentioned problem is that essential inputs, especially electricity and gas, are expensive.
 - There is a lack of available information on the policies, laws and regulations affecting MSEs, as well as on access to advice on marketing and appropriate technology. Furthermore, women have greater difficulties in accessing information and connecting to business networks.
 - Most women and men run their enterprise in isolation, and they do not interact very much with existing business associations and networks.
 - Villagers, especially women, lack awareness, knowledge and skills on business development, marketing, business opportunity identification, simple accounting, and entrepreneurship.
 - There is a lack of cooperation and coordination among government agencies, international development agencies and the private sector involved in MSE promotion.

11.2 Recommendations

The following recommendations are based on the findings of the field research, as well as on the participatory workshop at which preliminary findings were shared. It is widely recognized by the Government that gender issues should be addressed in every aspect of development projects, as well as in the operations of government organizations and international development agencies that promote micro and small enterprise development. Incorporating women's needs into all MSE support activities and projects is crucial. In order to increase women's participation in micro and small enterprise activities, the following issues need to be addressed and acted upon:

11.2.1 BDS

- The existing organizations that support micro and small enterprise development should be assisted to enable them to play a greater role as BDS providers. Relevant agencies include the Training Centre of the LWU, regional non-formal education centres of the Ministry of Education, and LNCCI. Furthermore, new business development service centres should be established, and gender divisions or focal points should be created within the centres. These BDS centres should be empowered to: (a) provide training on basic business management, entrepreneurship, marketing and vocational training for MSEs, with a special emphasis on empowering women entrepreneurs; (b) provide updated information on technology and markets; and (c) provide counselling to new entrepreneurs involved in establishing and growing their businesses.
- A business development and coordination unit should be established within the LWU and within the National Commission for the Advancement of Lao Women (NCAW Lao). This division should coordinate with other organizations (such as LNCCI, LTPC, and so on) to promote women's enterprises.
- Special emphasis should be given to improving the marketing and promotion of the products and services of women entrepreneurs, and this could be achieved through well-planned business events such as trade fairs, as well as through the publication of directories of women entrepreneurs.

11.2.2 Capacity building at district and village level

- Business extension and support staff must be facilitated to go and consult with women in the rural areas (at district and village level) to identify their needs and interests.
- The basic technical and business skills of existing family enterprises at village level should be enhanced. Village-based training should be organized so that women can participate in business training workshops. The ILO's Women's Entrepreneurship Development and Gender Equality (WEDGE) training tools should be adapted and applied.²¹ The new package on Gender and Entrepreneurship Together – GET Ahead for Women in Enterprise – can also be used to provide business training that is linked to microfinance and technical training schemes. The research has indicated that short training courses within their own localities would be more appropriate for women entrepreneurs.
- Training on gender issues (with particular reference to MSE development and women's economic empowerment) should be organized for village committees, and gender awareness training provided for villagers to raise their awareness and help change existing attitudes within families and the community.
- Small business groups/associations and cooperatives of women entrepreneurs should be promoted and established. This could include building on the success of existing micro-credit scheme groups within the LWU. The ILO could further assist in this support at district and village levels, particularly under its new (Mekong 2) MSE support project.
- Female role models (in a variety of enterprise situations) should be identified and strengthened, so that they become effective resource persons and mentors during field extension and training.

11.2.3 Improving credit and financial services

- There is a need to support NGOs as well as the LWU in the management of small-scale loan funds and flexible credit schemes.
- Access to banks should be improved and banking procedures should be simplified and designed to address the different categories and needs of MSEs, including the specific needs of women and disadvantaged groups.
- It is recommended that paperwork concerning business registration should be reduced (involving fewer agencies and levels of administration); the length of time for processing loan applications should be reduced; and procedures should be made easier to understand by entrepreneurs, especially women and disadvantaged groups.
- An SME promotion fund should be established and an appropriate mechanism has to be designed to ensure that women entrepreneurs and various disadvantaged groups will benefit from the fund.

²¹ ILO is implementing a project focusing on women's entrepreneurship and market access development as a strategy to combat trafficking in children and women in Khammaune, Savannakhet and Champassack (ILO-WEDGE and IPEC Lao PDR). This project should be extended to other provinces.

-
- There is a need to build the capacity of mass organizations such as the LWU, LYO, Lao PDR Trade Union and LFNC to enable them to promote good practices in microfinance programmes in semi-urban and rural areas.
 - Training, advice and counselling should be made available to women entrepreneurs to enable them to understand financing mechanisms and procedures, and to assist them in preparing good quality feasibility studies and business plans that will be acceptable to the lending institutions.

11.2.4 *Improving the policy and regulatory environment to enable women and men entrepreneurs to start and expand their enterprises*

- A national micro and small-enterprises promotion committee should be established. This committee should include representatives from the LWU and NCAW at the decision-making level. It should also include representatives from concerned line ministries and key mass organizations, as well as representatives from the private sector. This committee should have powers and responsibilities to: (a) undertake a review of existing policies and regulations, and develop new laws and regulations that protect and promote the interests of women and men entrepreneurs and other disadvantaged groups; (b) define measures that encourage cooperation and coordination among government agencies, between domestic and foreign organizations, and with the private sector in their efforts to promote MSE development; and (c) screen and approve strategic plans on MSE development from a gender perspective at both central and local levels, and monitor and evaluate their implementation and impact on women and men respectively.
- A national SME promotion office should be established as a technical administrative organization under the National MSEs Promotion Committee, with responsibility for SME promotion at all levels. Within the national SME promotion office, a gender focal point or gender division office for Women's Enterprise Development (OWED) should be established to ensure the mainstreaming of gender equality; it would also ensure that women's concerns are addressed in SME promotion activities.
- A working committee should be established to investigate the feasibility and desirability of merging the MSE and women's entrepreneurship functions of government organizations and mass organizations, with a view to reducing any duplication of functions and creating more effective agencies.

11.2.5 *Mainstreaming gender equality into all aspects of MSE development*

There is a need to mainstream gender concerns and build the capacity of SME institutions in the following aspects of gender equality:

- It is necessary to raise awareness, upgrade knowledge and build skills in gender mainstreaming for government officials by providing training-of-trainers (TOT) programmes in identified areas, such as in curriculum development, gender training, and evaluating the impact of training programmes on gender equality issues.
- All SME agencies should focus on incorporating gender equality issues into their plans, activities and budgets, with emphasis on: (a) capacity building for the various institutions; (b) greater involvement of women at all levels of operations and

decision making, especially at management level, and (c) developing gender action plans.

- Gender audits should be conducted in line ministries and MSE development institutions (e.g., LNCCI, LTPC), so that these agencies can promote wider access to and ownership of economic resources by women, and build the institutions' capacities with respect to promoting gender equality and women's empowerment. (It is noted that the ILO has adapted its own gender audit tool and applied it as a FAMOS Check – Female and Male Operated Small enterprises – in the United Republic of Tanzania on a pilot basis. This approach could also be relevant for Laos.)
- It is strongly recommended that gender focal points should be established at all levels (in national ministries, as well as in provinces and districts) to facilitate greater support for women's economic empowerment, income generation and enterprise development for women and men.
- Closer links should be developed between organizations representing and supporting women entrepreneurs (such as the LWU), and the NPEP working committees in order to better integrate MSE activities, gender concerns and women's economic empowerment into the NPEP.
- It is strongly recommended that the new proposed ILO project for Lao PDR – along with Cambodia and Viet Nam – should work very closely with and provide support for the new SME Decree. This new project should also give considerable emphasis to gender issues in MSEs, as detailed in this report, and provide support to implement some of the key recommendations.

11.2.6 Capacity building for MSE support agencies at national level

- There is an urgent need to build the capacity²² of the staff of the National SME Promotion Office, the existing institutions (e.g., LNCCI, LTPC), and mass organizations (LWU, LYO, LFNC) so as to enable them to provide the necessary policy, regulatory, programming, advisory and coordinating services and information to line ministries and other government agencies. This should be provided at national, provincial and district levels in order to ensure that women and disadvantaged groups benefit from all of these development interventions.

11.2.7 Information dissemination and networking should be enhanced

- The dissemination of information on legal, regulatory and administrative procedures, as well as business and market information on MSEs, should be the priority responsibility of LNCCI and government organizations involved in SME promotion.
- Information about existing sources of business training and credit should be made widely available, and in accessible form, to both female and male entrepreneurs.

²² The ILO has developed a new project proposal in which capacity building is already included. This proposal will require full commitment from and clear working cooperation with key stakeholders.

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- There is a need to liaise closely with mass media agencies (newspapers, radio, magazines, television and so forth) and to supply them with relevant information to promote a favourable business and social environment for women and men entrepreneurs; to help develop an effective level of awareness about MSEs; and to provide encouragement for both existing and potential female entrepreneurs. This can be achieved by promoting interesting women entrepreneur role models, and highlighting their contributions to employment creation, poverty eradication and economic development. It is important to ensure that media staff is gender aware and sensitive to gender issues. Training in gender issues should be organized for media agencies to raise their level of awareness.
 - Women's business groups/clubs/associations should be encouraged and supported, as well as networking with key business and development agencies, to facilitate greater sharing of information and experience among MSEs at the local level. In time, these business groups/clubs/associations could develop to the stage where they can provide efficient and demand-driven business support services for their members.
 - Sex-disaggregated enterprise development information systems or data banks should be established at GRID, LNCCI and LTPC.

11.2.8 Comprehensive and reliable databases on women entrepreneurs

- There is a need for up-to-date statistics on MSEs in general, and on women entrepreneurs in particular. National surveys on MSEs should be conducted on a regular basis to obtain comprehensive information on the scope and scale of both women and men in business (this could be along the lines of the study conducted by MIH and GTZ in 1995/1996).
- More research is required on the causes and factors contributing to the lack of associations of women and men in MSEs in Lao PDR. Without such associations, it is extremely difficult to reach the majority of MSEs with business support services, and the unit cost of delivering business services can be prohibitive.
- Additional research should document the extent of women's contributions to employment, wealth creation and national economic development.
- The LWU could play an important part in preparing (initially on a pilot basis) a directory of women-owned businesses. This could help with the development of existing enterprises, and could attract more business from public and private sectors, as well as from foreign buyers.

Annex 1

List of study sites

Province	District	Village	Total site visits
Rural Mekong stratum			
Champasack	Champasak	Phonepaeng	11
Savannaketh	Songkhone	Nuanvilai	13
Luang Prabang	XiengNgen	Huaykhot	5
		XiengNgen	5
Other rural strata			
Savannaketh	Adsaphanthong	Huameuang	9
Vientiane Province	Vanvieng	Phonesavang	10
		Sysavang	10
	Phonehong	Ban 52 km	10
Urban stratum			
Champasack	Pakse	Phonsavan	15
	Pakse	Phonsa-at	14
Savannakhet	Khanthabuli	Sibounheuang	12
Luang Prabang	Luang Prabang	Phongkham	10
Vientiane Municipality	Chanthabuli	Dongmeiang	12
Peri-urban stratum			
Luang Prabang	Luang Prabang	Xiengman	10
		Channuoa	10
Savannaketh	Khanthabuli	Song	4
Vientiane Municipality	Saythani	Thagnone	15
		Thadindeang	10
Urban market stratum			
Savannakhet	Khanthabuli	Sayoudom	10
Vientiane Municipality	Sikhot	Nongduang	22
Industrial stratum			
Savannaketh	Khanthabuli	Huameuang Nua	21
Vientiane Municipality	Sisattanak	Thapalanxay	12
Total			250

Annex 2

List of participants

National workshop: Gender study on micro and small enterprises in Lao PDR

	Name	Organization	Telephone No.
1	Mrs. Khemphet Pholsena	Vice-President, Lao Women's Union	-
2	Mrs. Bandith Prathoumvanh	Director, Department of Development, LWU	516264
	Mrs. Bouachanh Syhanath	Deputy Head, Cabinet Office, LWU	517321
3	Mr. Somdy Inmyxai	Deputy Director, Department of Industry, MIH	414208
4	Mr. Seng Seang Suliya	Deputy Director, Department of Vocational Education, Ministry of Education	5510881
5	Mrs. Khammane Thavonglad	Director, Training Centre, LWU	412398
6	Mrs. Thanda Khommady	Head, Vocational Office, Ministry of Education	312631
7	Mr. Viengthong Intha	Deputy Director, Consortium (INGO)	214524
8	Mr. Malalon Lotouthum	Deputy Director, Pasason Newspaper	5503608
9	Mrs. Bouvone Oulapon	Deputy Head, Labour Skill Development Centre	415170
10	Mrs. Khonthip Phuangphet	Head of Division, PRF	261480
11	Mr. Dong K kaykiok	Deputy Head of Division, National Television	413766
12	Mrs. Phimmalay Souvathdy	Technical Staff, Ministry of Justice	911303
13	Mr. Tiangkham	Deputy Head, Credit Division, Agriculture Promotion Bank	212024
14	Mrs. Somsanouk Phanthavong	Technical staff, Ministry of Communication, Transport, Post and Construction	412290
15	Mr. Singkham Thakhunhak	President, Association of Disabled Person	451578
16	Mrs. Ammone	President, Association of Women Entrepreneurs, Vientiane Capital	5511115
17	Mr. Souksavang Sayalad	Head of Information Division, Lao Trade Promotion Centre	216207
18	Mrs. Phetpim Champasit	National Project Assistant, SEED-WEDGE Project, ILO	412335
19	Mr. Phonkeo Chomsy	Deputy Director, LYO	9901902
20	Dr. Outhaki Khamphoui	Gender Specialist, GRID, LWU	431228
21	Mrs. Bounmaly Siangmuang	Communication staff, Vientiane Mai Newspaper.	212623
22	Mrs. Douangsamone	Project Assistant, LWU	522891
23	Mr. Sa Siriphong	Technical staff, MIH	7700649
24	Miss Vanthida	Communication staff, LWU	614579
25	Mr. Thatsaphone Songbandith	GRID staff, LWU	7704077
26	Mr. Sivixai Phetthilad	Communication staff, Vientiane Mai Newspaper	212623
27	Mr. Khasang Vongkhamsoo	GRID staff, LWU	611689
28	Mr. Bounpheang Phanyasit	GRID staff, LWU	702645
29	Mr. Kheopphet Phoumphone	Senior Lecturer, National University of Laos (NUOL)	5659682
30	Mr. Boathong Chatavong	Senior Lecturer, NUOL	-
31	Mr. Phothong Siliphong	GRID Project Advisor, LWU	7709973

Annex 3

Research questionnaire

Primary research phase

Date of interview:	Day	Month	Year
Name of interviewer:			

Quality control

[To be filled in by supervisor after interview]

Checked by:		Corrected	Yes	No
Date checked:				
Village:				
District:				
Province:				

Respondent criteria

Please ensure that the respondent meets the following criteria by asking:	Yes	No
Are you the owner of this business?	1	2
Has this business been operating for at least two years?	1	2
Have you been the owner/manager of this business over the last two years?	1	2

Part I. Profile of the entrepreneur

1. General information

- (a) Junior ethnic origin: _____ Major ethnic origin: _____
- (b) Sex: Female 1 Male 2
- (c) How old are you now?
- (d) How old were you when you started your enterprise?
- (e) Marital status:

	Before starting business	Currently
Married	1	1
Single	2	2
Separated	3	3
Divorced	4	4
Widowed	5	5

- (f) Owner's level of education:
Highest level of education attained (Please choose one)

Never went to school	1
Primary school	2
Lower secondary school	3
Upper secondary school	4
Vocational diploma (first level)	5
Technical diploma (middle level)	6
Advanced diploma/first degree	7
Postgraduate qualification	8
Other (please specify)	9
Highest specific professional qualification attained (e.g., Bachelor of Commerce in marketing, business management, and so forth)	

2. Family background

- (a) What is the level of education completed by the following members of your family? (Please tick one)

	Spouse	Father	Mother
Never went to school	1	1	1
Primary school	2	2	2
Lower secondary school	3	3	3
Upper secondary school	4	4	4
Vocational diploma (first level)	5	5	5
Technical diploma (middle level)	6	6	6
Advanced Diploma/first degree	7	7	7
Postgraduate qualification	8	8	8
Other (please specify)	9	9	9

- (b) Kindly provide the following information:

Father's main occupation _____

Mother's main occupation _____

Spouse's main occupation _____

- (c) If married, is it a monogamous or polygamous marriage?

Monogamous 1
Polygamous 2
Not applicable 0

- (d) Do you have children (own or dependents)? 1 Yes 2 No
If yes, how many children do you have?

	Age		
Own children (girls)			
Own children (boys)			
Dependents (girls)			
Dependents (boys)			

(e) What kind of family structure are you living in?

Nuclear family ²³	1
Extended family ²⁴	2
Alone	3
Other (specify)	4

3. What were you doing immediately before starting this business? (Please tick one)

1	Student	5	Ran another business (specify)
2	Employed	6	Unemployed
3	Farmer	7	Too young to work
4	Housewife	8	Other (specify)

If you had been employed at any point in time, please indicate in your employment history below. If you have not been employed, proceed to the next question.

From: (Year)	To: (Year)	Job title

4. Have you had, or do you currently run another business other than this one?

1. Yes
2. No

If yes, kindly indicate the type, year of establishment, whether or not the business still exists and number of people employed by completing the following. Otherwise proceed to the next question.

Type of business	Year established	Year discontinued	Maximum number of people ever employed

5. If you sold it, why?

6. If it failed, what were the reasons?

7. What previous experience relating to your present enterprise do you have?

²³ Husband, wife and unmarried children.

²⁴ Nuclear family and married children, parents or other relatives.

-
8. Based on your previous experience, how has this experience been useful?
- _____

Part II. Profile of the current (present) enterprise entrepreneur

Introductory statement: *I would now like to ask you a few questions about your existing enterprises.*

1. What were the most important reasons in starting business?
- _____

2. What were the major factors that were helpful in starting this business?
- _____

3. How did you come up with the idea for this business?
- _____

4. Why did you select this business activity?
- _____

5. What were the major problems you faced in starting the business?
- _____

6. When this business was established? Year
- _____

7. Who established this business?

Already established by my family

Myself

Myself and my family

Somebody else (specify)

1. (If yes, specify the family member:
father, mother, and so on)

2.

3. (If yes, specify which person in the family)

4.

8. Is the enterprise registered?

1. Yes

2. No

9. (a) If registered, did you register at the start of the business?

1. At start

2. After

- (b) If the business was registered later, how long did it take you to register?
- _____

(c) Who initiated and actually processed registration of the business?

10. If registered, how is it registered? (Read out and get single response)

Single owner/sole proprietor	1
Partnership (registered)	2
Partnership (unregistered)	3
Private company	4
Cooperative society/NGO	5
Other (specify)	6

11. If yes, why did you register the business?

12. What benefits have you obtained from registering your business?

13. Which certificates and licences has your business obtained?

(a) Certificates:

Type of certificate	Issuing authority	Time taken to secure certificate	Year certificate received

(b) Licences:

Type of licence	Issuing authority	Time taken to secure licences	Date licence received

(c) Comment on the financial costs for licences and certificates

14. What were your experiences in obtaining licenses and certificates for your business?

15. What is your involvement in the ownership of the enterprise?

- | | |
|---|---|
| Sole owner (100 per cent ownership) | 1 |
| Majority shareholder (over 50 per cent share) | 2 |
| Equal shareholder (50 per cent share) | 3 |
| Minority shareholder (less than 50 per cent) | 4 |
| Other (specify) | 5 |

16. Where are the major operations of this business located?

- | | |
|-----------------|---|
| Home | 1 |
| Local market | 2 |
| Industrial area | 3 |
| Roadside | 4 |
| Mobile | 5 |
| Commercial area | 6 |
| Other | 7 |

17. Main products/services of the business:

When the business started:	Currently:
_____	_____
_____	_____
_____	_____

18. Premises:

Where did you operate this business when it started and where do you operate it now?

	When it started	Currently
Business premises owned by you	1	1
Rented business premises	2	2
Home	3	3
Other (specify)	4	4

19. If you own the business premises, how did you acquire it and what is the legal status on the title document?

Origin of premises	Legal status on the title document

20. Do you have a personal bank account? (In your name)

1. Yes
2. No

21. Do you have a separate bank account for your business?

1. Yes
2. No

22. Please indicate the number of people working in this business (including owners regularly working for this business, when it started and now)

	When business started		At present	
	Women	Men	Women	Men
1. Full-time ²⁵				
2. Part-time ²⁶				
3. Paid family members				
4. Unpaid family members				

23. Please indicate whether you provided the following benefits to your employees when the business started, now, and whether you plan to provide them in the future.

	When the business started		Now		In the future	
	Yes	No	Yes	No	Yes	No
1. Written employment contract	1	2	1	2	1	2
2. Pension contribution	1	2	1	2	1	2
3. Maternity leave	1	2	1	2	1	2
4. Annual leave	1	2	1	2	1	2
5. Health care service	1	2	1	2	1	2

24. Have you insured your business against any risk such as fire, burglary, breakage, natural disaster, and so forth?

If yes, specify which risk

- (a) Who is your insurer?

- (b) How much coverage does your insurance provide? (In Lao PDR kip/dollars/Thai baht)

- (c) How much do you pay for insurance per year? (In Lao PDR kip/dollars/Thai baht)

If no, why did you not insure your business?

²⁵ Working at least for the normal working time for the business.

²⁶ Working for less than the normal working time for the business.

25. What are your long-term plans for this business? (Please select one)

Continue with the business at the same size	1
Increase the size of the business	2
Reduce the size of the business	3
Change to another line of business	4
Leave the business and take up wage employment	5
Start another business and keep the present one	6
Start several other businesses and keep the present one	7
Pass the business onto someone else in my family	8
Sell the business	9
Hire a manager	10
Retire	11
Other (specify)	12

26. How do you expect to continue your business over the next year?

	Yes	No
No change planned	1	2
Make new investments in the business	1	2
Expand/improve the business	1	2
Increase the number of workers	1	2
Decrease the number of workers	1	2
Expand the range of products/services	1	2
Reduce the range of products/services	1	2
Do not know	1	2
Other (specify)	1	2

27. What is your opinion on the following statements on a 5-point rating scale from +2 to -2, where +2 means "Strongly agree" and -2 means "Strongly disagree" with this statement (show card). Tick the appropriate boxes.

	+2 Strongly agree	+1 Agree	0 Cannot say anything	-1 Disagree	-2 Strongly disagree
The overall environment for women entrepreneurs is good					
Government support women entrepreneurs is increasing					
Family and social commitments are growing					
The costs of running a business is decreasing					
Access to women business support networks is increasing					
Access to finance and credit for women entrepreneurs is decreasing					
Market for women entrepreneurs is expanding					
Business know-how of women entrepreneurs is increasing					
Technical skills of women entrepreneurs are decreasing					

28. How do you obtain orders for your products and services?

29. Who takes these orders?

Myself 1
Family member (male/female) 2
Marketing staff (specify male/female) 3
Other (specify) 4

30. As a woman/man entrepreneur, what problems do you face in getting these orders?

31. How do you get your products/services to the market?

32. Who delivers your products/services to the market?

Myself 1
Family member (male/female) 2
Marketing staffs (specify male/female) 3
Other (specify) 4

33. As a women/man entrepreneur, do you feel any constraints in delivery of your products/services?

1. Yes (specify)
2. No

34. Please, indicate: (a) in which markets you sold most of your products when the business started; (b) in which markets do you sell most of them now; and (c) in which market do you expect to sell most of them in the future:

Markets		When the business started		Now		In the future	
		Yes	No	Yes 1	No 2	Yes 1	No 2
1.	Local markets (within the district)	1	2	1	2	1	2
2.	Regional markets (in more than one district)	1	2	1	2	1	2
3.	National markets	1	2	1	2	1	2
4.	International markets (outside the country)	1	2	1	2	1	2
5.	Other (specify)	1	2	1	2	1	2

35. What is the most common mode of marketing?

- Managed by the entrepreneur her/himself 1
- Managed by enterprise staff 2
- Through an intermediary 3
- Production is based on demand only 4
- Sold to retailers 5
- Sold to wholesalers 6
- Other (specify) 7

36. Approximately what percentages of your domestic sales are to:

		Sales (%)
1.	Wholesalers	
2.	Retailers	
3.	Retailers run by family/relatives	
4.	Intermediaries	
5.	Customers directly	
6.	Others (specify)	
Total		

37. What are the major marketing constraints of your business? (Please explain)

38. What promotional events or exhibitions have you participated in over the last three years?

39. What are the major promotional and marketing activities carried out by your business?

40. Have you made any technology improvement in your business during the past year? (Read out and ask how if the response is 1, 2, 3 or 4)

- Substantial 1
- Moderate 2
- Marginal 3
- Not at all 4

41. How was the improvement made?

42. What kind of technology is helpful for your business and how can it help?

Type of technology	How it can help the business

43. What other environmental issues affect your business?

44. Are you connected to the public drainage system?

1. Yes

2. No

45. How do you dispose of your garbage/industrial waste?

(a) Public service

(b) Own trucks

(c) Contract with private company

(d) I dump the garbage/waste outside my work area

(e) Not applicable for my business

(f) Other (specify)

Part III. Business and the family

I would now like to ask questions on the links between the business and your family situation.

1. Do some family members help you in running this business? (Please specify sex)

Nobody	1
Close blood relations (father, mother, brother, sister and so forth)	2
In-laws (husband, mother-in-law, and so forth)	3
Other relatives/friends	4

2. How many family members are there in your: (a) management; (b) supervisory; and (c) working team?

		Family members		Others	
a.	Management staff	Male	Female	Male	Female
	Total				
b.	Supervisory staff	Male	Female	Male	Female
	Total				
c.	Worker staff	Male	Female	Male	Female
	Total				

3. How much does your monthly income from this business contribute to your total household income?
(Read out, single response)

None	1
A little	2
A Half	3
A lot	4
Do not know	5

-
4. What percentage of your profit is reinvested in this business? (Read out, single response)
- | | |
|-----------------------|---|
| None | 1 |
| Up to 25 per cent | 2 |
| Up to 50 per cent | 3 |
| More than 50 per cent | 4 |
5. Who do you normally ask for advice on business problems?
- | | |
|---------------------------------------|---|
| Family member (please specify) | 1 |
| Relative/friend (please specify) | 2 |
| General manager/director/employee | 3 |
| BDS provider (or appropriate wording) | 4 |
| Other (specify) | 5 |
6. Who makes the final decision regarding investments in machinery/other fixed assets?
-
7. How do you take this decision?
- | | |
|--|---|
| My own judgment | 1 |
| In consultation with a family member (specify) | 2 |
| In consultation with a relative/friend (specify) | 3 |
| In consultation with general manager/director/employee | 4 |
8. Who decides about the recruitment of new workers in the business?
-
9. How do you decide about new recruitment in the business?
- | | |
|--|---|
| My own judgment | 1 |
| In consultation with a family member (specify) | 2 |
| In consultation with a relative/friend (specify) | 3 |
| In consultation with general manager/director/employee | 4 |
| Other (specify) | 5 |
10. Who makes the final decision regarding marketing and sales?
-
11. Who is responsible in your business for making/maintaining contracts (other than marketing)?
-
12. Who goes to the village meeting?
-
13. Who signs legal documents such as business contracts, and so on?
-
14. What is the number of hours/days that you spend for the business?
-
15. What is the average number of hours/day that you spend with the family/household?
-

-
16. How many other members of the family contribute to the household income? (Specify number and sex)

Part IV.

Business environment and support services

Thank you. We have finished questions on how you are combining family and business responsibilities. Now I would like to ask you some questions about the business environment and support available to women entrepreneurs in Laos.

1. Do you know the following policies of the Government?

	Yes	No
Policies of the Government for service and foreign economic relations development		
Policies of the Ministry of Commerce and Industry for trade and export promotion		
Policies of the State Bank of Laos for concession loans		
Policies of the Ministry of Labour on labour related regulations		
Policies of LWU for income generation activities		
Draft SME Decree		

2. What business environment issues affect your business?

3. Are there situations where the business environment affects women entrepreneurs more than their male counterparts?

1. Yes

2. No

If the answer is yes, explain how

4. If there are policies or regulations that affect your enterprises, what changes are needed in these policies or regulations in order to make them more supportive to your enterprises?

5. From your experience, are there Government regulations that were difficult to comply with?

1. Yes

2. No

If yes, which policies or regulations?

-
6. What did you do to make sure that you complied with the regulations and policies that were difficult to comply with?

7. Please describe three critical factors that have negatively impacted on your business since you started:

8. Please describe three critical factors that had a positive impact on your business since you started:

9. Which help from the Government is desired by you the most? Please list the first, second, third, fourth, and fifth factors respectively? (Read out and rank the responses, 1 as most important, and so on.)

Fewer government regulations
Reduced costs of utility inputs (electricity, gas, etc.)
Loans at concession rates of interest
Business development services
Other (please specify)

10. How did you finance your business operations: (a) at start-up and (b) today's level of investment? (Multiple response), show in order of priority – 1 as most important, and so on.

	At start-up	Today's level of investment
My own savings	1	1
Credit from formal source	2	2
Credit from informal source (friend/family)	3	3
Somebody else invested	4	4
Other (specify)	5	5

11. Have you applied for a loan in the past three years?

1. Yes

2. No

If yes, what happened?

12. Have you borrowed money for your business in the last three years?

1. Yes

2. No

If yes, ask source as follows?

(a) Formal source:

Commercial bank 1

APB 2

Langxang Bank 3

Other (specify) 4

(b) Informal source:

Friend 1

Family 2

Relative 3

Money lender 4

Informal saving groups (ngeun huay) 5

Other (specify) 6

(c) (If formal source, ask) how was collateral managed?

(d) For what purpose did you borrow money (if yes in 12)?

Plant and equipment investment 1

Working capital 2

Trade finance 3

Real estate 4

Other (specify) 5

13. What problems did you face in borrowing money (if answer is “yes” in 11)?

Accessing a financial institution 1

Cumbersome procedures 2

High interest rates 3

Strict terms and conditions 4

Other (specify) 5

14. Do you think that being a woman makes it more difficult for you to obtain a loan?

1. Yes

2. No

If yes, how? _____

If no, why? _____

15. Did you undergo any training in the last three years?

1. Yes

2. No

If yes, what kind of training did you get and from where?

16. Was the training useful?

1. Yes

2. No

If yes, in what ways was training useful

17. Did your staff undergo any training in the last three years?

1. Yes

2. No

If yes, what kind of training did you receive and from where?

18. Was the training useful?

1. Yes

2. No

If yes, in what ways was the training useful?

19. Have you received any business support from the Government/private institutions since you started this business?

1. Yes

2. No

If yes, what kind of support:

	Government	Private institutions
Management	1	1
Marketing	2	2
Technology development	3	3
Export-related advice	4	4
Legal	5	5
Other (specify)	6	6

20. Which are the most important factors for the growth of your business in which you expect the Government, the LWU and donors to extend help? Which is the first, second, third, fourth, fifth, and sixth? (Please prioritise)

	Government	LWU	Donors
Finance			
Networking			
Marketing			
Training			
Legal			
Other (specify)			

- (a) If you want training, please list top three training needs

21. Please rate the following in terms of your preferences for potential business training programmes: (1 means “Not important”; 5 means “Very important”)

Short courses (<three days)	1	2	3	4	5
Long courses (up to several weeks or months)	1	2	3	4	5
Daytime courses	1	2	3	4	5
Night time courses	1	2	3	4	5
Courses held in classroom	1	2	3	4	5
Courses held at location of business	1	2	3	4	5
Others (specify)	1	2	3	4	5

22. Please list three non-financial business support services that are most important for your business.

23. (a) To what extent are you aware of the following organizations?

Organization	Have you heard of it?		Do you know its objectives		Are you a member?	
	Yes	No	Yes	No	Yes	No
Labour Development Centre	1	2	1	2	1	2
BAFIS (Vocational Training Centre)	1	2	1	2	1	2
Association of Women Entrepreneurs	1	2	1	2	1	2
LWU Training Centre	1	2	1	2	1	2
National Chamber of Commerce and Industry	1	2	1	2	1	2

- (b) Please name other support organizations that you are aware of:

-
24. What do you think about the outreach, range of services and performance of women's support organizations in Lao PDR? (Tick the appropriate box)

	Outreach	Range of services	Performance
Good	1	1	1
Average	2	2	2
Bad	3	3	3
Do not know`	4	4	4

25. How (in your opinion) can this range of services be improved?

26. Have you received help (non-financial) from women's support organization(s) in the last three years?

Year	Type of help	Name of organization

27. If you are a member of any of the associations above, what services have you obtained from it/them?

28. If you are not a member of any of the associations above, explain why:

29. What should be the role of support organizations in Laos in helping entrepreneurs with business-related problems?

30. What do you think are the major business issues faced only by the woman/man entrepreneur in Laos and not the male/female entrepreneur?

Part V. Socio-cultural issues

Thank you. We have finished questions about the business environment and support. Finally, I would like to ask you some questions about the experiences of women/men in business

1. Are you the first woman/man member of your family who started a business?
1. Yes
 2. No

2. What were the responses of your spouse and other family members when you started this business?

(a) Spouse's response:

(b) Other family members' responses:

3. How did the business affect your family life?

Positively	1
Cannot say anything	2
Negatively	3
In what ways? (specify)	4

4. What socio-cultural aspects positively contribute to your doing business in Laos?

5. What socio-cultural barriers negatively affect your doing business in Laos?

6. How do you think these barriers could be reduced/removed?

7. How do you think that doing business has affected your social image in society?

8. What general comments do you hear from society about your doing business?

Positive comments:

Negative comments:

9. How do you think perceptions about women/men doing business are changing in society? What changes in the attitude of society have you noticed in the past years?

10. What positive improvement have you noticed in the social attitudes?

11. What negative aspects have you noticed in the social attitudes?

12. What are the: (a) advantages; and (b) disadvantages in business from being a woman/man?

13. What other comments would you like to make on women/men in business?

Contact information:

Name of business: _____

Name of entrepreneur: _____

Address of business: _____

Telephone No.: _____

What is the value of productive assets – excluding land and building? (Including raw material, stocks and machinery)

Up to 70 million kip 1
More than 70 million 2

Total investment: _____

Average monthly sales: _____

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