



# AID-FOR-TRADE: CASE STORY

WORLD BANK

## Women Entrepreneurs in Cambodia

Using the lessons from a 2010 World Bank guide on gender and investment climate reform, the International Finance Corp. has helped women entrepreneurs in Cambodia increase exports of handicrafts and other products their companies produce.

The IFC has been able to focus government attention on issues of interest to women through its coordination of the Government-Private Sector Forum, set up in 2000 to provide a communication channel between Cambodian business and the government.

As such it has been able to convey the concerns of women entrepreneurs in such areas as paperwork and regulation, helping them to expand their businesses and increase exports.

Women play a significant role in business in Cambodia, particularly in the artisanal, handicrafts and agricultural areas, and particularly in smaller enterprises. As such, in addition to directly gender-related issues such as cultural difficulties in attending business meetings in a hotel or at night, more general sorts of business issues such as paperwork requirements may particularly affect women to the extent that they apply to those industries.

Moreover, some of the industries women entrepreneurs are most involved with are important export industries for Cambodia as it moves forward.

Meng Saktheara, a senior official in the Ministry of Industry, Mines and Energy, cited food, including rice, fish and cashews, as well as silk as key sectors where Cambodia needs to build productive capacity to increase exports.

According to Mr. Saktheara, who is director general of the ministry's General Department of Industry, these are sectors in which Cambodia has market potential and that will help Cambodian development.

According to Director General Saktheara, 70 percent of the owners in these sectors are women.

"Surprisingly," he said, whenever the government holds meetings of people for these sectors or provides training, when Cambodians show up, "most of them are women."

The issues apparently of most concern to women entrepreneurs in Cambodia are the sorts of issues that would be of concern to entrepreneurs of any sort in most places.

A 2010 workshop for Cambodian businesswomen held by the IFC and Ministry of Women's Affairs showed women were unhappy about dealing with tax authorities, corruption, lack of transparency, lack of clear laws or regulations, deception, lack of access to finance, high costs and discrimination. They also showed concerns about a range of issues, including lack of clarity about laws and procedures related to their business and corruption.

When asked about the most important actions the prime minister could take to address their problems, the top actions were cutting corruption, making women's voices more influential, cutting taxes and the cost of doing business, and improving access to markets and the certification of products.

These are the sorts of issues the forum has now begun to address, but Lili Sisombat, the IFC's Phnom Penh-based Government Private Sector Forum project manager, said that when she took over the program three years ago, there was very low participation by women, which she has tried to increase.

She cited the role of the World Bank book in her work, and Cambodians in the affected industries point to direct benefits of the forum's work.

The book, *Gender Dimensions of Investment Climate Reform*, is aimed at helping development specialists and officials who are not gender specialists to discern gender issues, design solutions and use tools to implement these recommendations. It has sections on various aspects of business, such as business taxation, secured lending, alternative dispute resolution, special economic zones and trade logistics. Chapters include information on why gender matters in each business area, diagnostics and solutions.

Ms. Sisombat said that the IFC was able to integrate the book's indicators into the forum program. The book, she said, "actually forces us to think from the women's perspective and to engage women in our work."

Ms. Sisombat said the book allowed the IFC to design a more rational approach to the issues.

"There was," she said, "a lot of ad hoc stuff that I was doing, but I wasn't guided, so what has been helpful is really the program," which she said "has really helped put the right design in it."

The forum has separate working groups dealing with agriculture and agro-industry; tourism; manufacturing and small and medium enterprises; legislation, taxation and governance; banking and financial services; export processing and trade facilitation; energy, transport and infrastructure; and industrial relations.

There is now, Ms. Sisombat said, a "much more structured participation of women in our working groups so that we do have women" who come on behalf of associations or of producer groups and who "raise issues that they are facing specifically from their group."

As women entrepreneurs are so prominent in handicrafts industries and smaller firms, they have a substantial presence in the group dealing with manufacturing and small and medium enterprises, Ms. Sisombat said. They are also, she said, active in the export processing working group "because all of them are struggling to export, so they do have issues related to export processing."

This is borne out by Lun Yeng, executive director of the Federation of Association for Small and Medium Enterprises of Cambodia - which represents seven associations and 30 individual enterprises in handicrafts, real estate, and the hotel and restaurant sector - who says the IFC efforts through the forum have aided members of his organization export.

He said several of the groups have the potential to export or are already exporting such products as silk, woven mats and rattan products. The forum, he said, has helped his members to trade more through its ability to raise issues, such as regulations causing problems, with government officials.

"In general," he said, "this forum helps a lot."

Mr. Yeng has experience with exporting, having previously served as operations manager of the Artisans' Association of Cambodia, which represents artisans, mostly women, in such areas as silk weaving, silver working and woven mats. As such, he said, he clearly sees the barriers to exporting from the Cambodian and the consignee's side.

Simplifying regulations, including export procedures, is particularly important for the handicrafts, small retail shops and other industries with export potential in which there are a large number of Cambodian women entrepreneurs. Mr. Yeng and Ms. Sisombat both cited forum efforts to make it

easier for Cambodian companies to obtain certificates of origin, which are needed for exporting, as an example of how it has helped women entrepreneurs expand trade.

According to Ms. Sisombat, the forum convinced the Ministry of Commerce to lower the certificate's cost from hundreds of dollars to 5,000 riels, or \$1.25, after pointing out that small-scale handicrafts businesses could not afford the higher fee.

"This is the kind of thing that they have been able to achieve for this group of women handicraft producers," Ms. Sisombat said.

Seng Takakneary, who is the managing director of Sentosa Silk and has a shop near many tourist hotels in Phnom Penh, struck a similar chord, pointing to the help she and other women entrepreneurs have been able to get in exporting because of the forum.

Ms. Takakneary has been in business since 2004, specializing in Cambodian silk and related products. She sells in Cambodia and, since 2005, overseas, having exported to the United States and the United Kingdom, Switzerland and other European countries.

The forum has "helped a lot," Ms. Takakneary said. She said it has particularly helped with export sales - local sales do not pose a problem because of her shop's location near tourists, residents and hotels.

She said the program has particularly helped in facilitating the paperwork necessary to export and will continue to be needed.

"I am very satisfied with this program," she said, "because they are open and they help a lot" to bring businesswomen's problems to the government, particularly in the case of small businesses.

She said she thought other women entrepreneurs had benefited from the forum and said without such an institution, no one would convey such women's concerns to the government.

Seung Kimyonn, the executive director of the Cambodian Craft Cooperation, a 2,000-member craft association, believes the IFC work through the forum has been very helpful in assisting his members to export.

Members of the group are involved in silk weaving, ceramics, silver working, basket weaving and souvenirs. Before the IFC project, he said, his members did not export, but now they have begun to, including 50 silk weavers and four or five silver workers, all women. Silver exports, he said, have gone to the United Kingdom, Germany and Thailand, while silk exports have gone to Europe, the United States, Japan and South Korea, because of assistance from the forum.

The IFC effort, he said, is a "very important venture."