

# FINAL THOUGHTS

As their candid confidences throughout the preceding pages reflect, women business owners confront a wide range of obstacles to establishing, managing and expanding enterprises in Vietnam. Yet, instead of passively waiting for top-down reforms, these female entrepreneurs have already been working around many of these problems with remarkable energy, flexibility and persistence. Their stories share a recurring theme of not only adapting to restrictive conditions but also, in some cases, transforming barriers into opportunities.

Despite the individual successes highlighted here, it is clear that further policy reforms and encouragement from the government and donors would greatly benefit the majority of women entrepreneurs in Vietnam. Already, significant efforts to further women's opportunities in business are underway. The Vietnamese government has demonstrated not only a strong history of but also a firm commitment to advancing women's opportunities and economic development; both the Socio-Economic Development Plan 2006-2010 and the draft SME Development Plan 2006-2010 include support for women-owned enterprises. The upcoming Law on Gender Equality not only aims to ensure equal opportunities for women politically, socially and culturally, but also seeks to empower them economically, specifically in the areas of business ownership, management and labor.

It also requires that all future legislation and policies undergo a gender assessment before their adoption, so that any potentially negative impact on women can be addressed first. Finally, to complement the government's efforts, local and international donors have undertaken a variety of programs to assist women's entrepreneurial activities.

However, while the above measures hold some promise, much more needs to be done. From an overall perspective, the programs that do exist in Vietnam seem somewhat ad-hoc and even inconsistent. A comprehensive strategic framework and system for supporting women's enterprise development appears to be missing. It is time to look at this issue critically and thoroughly to help Vietnamese women business owners further realize their potential and contribute to the country's economic development and poverty alleviation. Female business owners are a valuable source of information in identifying existing problems and devising potential solutions. Perhaps, as in other countries, a more formal mechanism that incorporates their ideas and feedback will lead to more effective and sustainable policies and reforms. We urge the Government of Vietnam, businesses, donors, and the general public to keep these remarkable entrepreneurs' voices in mind as they continue to work together to improve Vietnam's business environment and generate prosperity.

For more information, please consult the Gender Entrepreneurship Markets website at <http://www.ifc.org/gem> and the Mekong Private Sector Development Facility website at <http://www.ifc.org/mpdf>.

<sup>1</sup> Official statistics do not always reflect the extent of these contributions, as women's economic activities tend to occur largely in the informal sector. According to UNFPA, women constitute approximately two-thirds of self-employed entrepreneurs in the informal sector. See United Nations Population Fund (UNFPA), *State of World Population 2005: The Promise of Equality: Gender Equity, Reproductive Health & the MDGs*, 2005.

<http://www.unfpa.org/swp/swpmain.htm>

<sup>2</sup> Vietnam is regarded a leader among Asian countries in institutionalizing gender equity. See Asian Development Bank, *Women in Viet Nam Country Briefing Paper*, Manila: November 2002.

[http://www.adb.org/Documents/Books/Country\\_Briefing\\_Papers/Women\\_in\\_VietNam/default.asp](http://www.adb.org/Documents/Books/Country_Briefing_Papers/Women_in_VietNam/default.asp)

<sup>3</sup> Amanda Ellis, International Finance Corporation, January 2005. The estimates cited are from official statistics and the Chamber of Commerce. Another estimate, from the National Committee for the Advancement of Women in Vietnam (NCFAW), states that 24.7 percent of enterprise owners in Vietnam are women. See Dang Huynh Mai, "Progress in Gender Mainstreaming - Vietnam," Speech from APEC Conference, 2002.

[http://www.apec.org/apec/documents\\_reports/ministerial\\_meeting\\_on\\_women/2002.html](http://www.apec.org/apec/documents_reports/ministerial_meeting_on_women/2002.html)

<sup>4</sup> International Finance Corporation, "Women Business Owners in Vietnam: A National Survey" Private Sector Discussion Paper No. 21, Hanoi, Vietnam: March 2006.

<http://www.ifc.org/ifcext/mekongpsdf.nsf/Content/PSDP21>

<sup>5</sup> In Vietnam, the private sector is estimated to contribute 42 percent of GDP and 56.3 percent of jobs. See "SME Factsheet," SME.com.vn.

<http://www.sme.com.vn/Article.aspx?TopicID=107>.

<sup>6</sup> World Bank and International Finance Corporation, *Doing Business in 2006: Creating Jobs*, Washington, DC: 2006.

<sup>7</sup> International Finance Corporation, "Women Business Owners in Vietnam: A National Survey."

<sup>8</sup> Asian Development Bank, *Women in Viet Nam*, page 22.

<sup>9</sup> Asian Development Bank, *Women in Viet Nam*, page 21.

<sup>10</sup> UNFPA, *State of World Population 2005: The Promise of Equality*, page 14.

<sup>11</sup> "The Good Pupil," *The Economist*, 6 May 2004.

<sup>12</sup> International Finance Corporation, "Gender Equal Land Laws: Driving Business Forward," page 3. [http://www.ifc.org/ifcext/enviro.nsf/Content/GEM\\_BPNNotes](http://www.ifc.org/ifcext/enviro.nsf/Content/GEM_BPNNotes)

<sup>13</sup> Asian Development Bank, *Women in Viet Nam*, page 14.

<sup>14</sup> Susanne E. Jalbert, "Women Entrepreneurs in the Global Economy," 17 March 2000, page 30. <http://www.cipe.org/pdf/programs/women/jalbert.pdf>

*Ms. Amanda Ellis*  
*Head of*  
*Gender Entrepreneurship Markets*  
*International Finance Corporation*



Promoting gender equality is recognized as so essential to reducing poverty and improving governance that it has now become a development objective in its own right (Millennium Development Goals). As women comprise the majority of the poorest 1.3 billion people who subsist on less than US\$1 a day, they warrant special attention as a target group for poverty reduction. However, women themselves are also a critical part of the solution. Increasing their economic opportunities is integral to meeting not just one, but all of the eight Millennium Development Goals.

Women's private sector activity in the formal and informal economies, both as employees and as entrepreneurs, has increased significantly over the past decade. However, women are more likely to be stuck in the informal sector due to specific legal impediments and/or cultural norms that restrict female labor force participation and business activity.

Addressing gender discrimination in the broader investment climate is a prerequisite to unleashing economic growth and making progress towards gender equality and the empowerment of women.

Women entrepreneurs should have a key role to play in influencing public policies, especially those affecting their businesses. At the moment, their voices are often lost or unheard by policymakers.

A great many women entrepreneurs are being isolated, both emotionally and geographically, and lack access to traditional networks or spheres of influence, which make them less competitive and place them at a disadvantage compared to their male counterparts. Addressing the specific barriers faced by women entrepreneurs is good for growth and critical for poverty reduction. Unleashing their full economic potential will benefit not only women themselves but also their families, society and the economy overall.



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IFC-MPDF is a multi-donor funded initiative set up by the International Finance Corporation in Vietnam, Cambodia, and Lao PDR, to reduce poverty through sustainable private sector development. We work through six interrelated programs that seek to improve the business environment, develop the financial sector, improve managerial capacity, and increase sustainable business practices in three sectors that are central to economic growth and poverty reduction - tourism, agribusiness, and garments. IFC-MPDF's donors are the Asian Development Bank, Australia, Canada, Finland, IFC, Ireland, Japan, New Zealand, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

Website: <http://www.ifc.org/mpdf>

**HANOI**

3<sup>rd</sup> Floor, 63 Ly Thai To St.  
Hoan Kiem Dist., Hanoi, Vietnam  
Tel: (84-4) 824 7892  
Fax: (84-4) 824 7898

**HO CHI MINH CITY**

3<sup>rd</sup> Floor, Somerset Chancellor Court  
21-23 Nguyen Thi Minh Khai St.  
Dist 1, Ho Chi Minh City, Vietnam  
Tel: (84-8) 823 5266  
Fax: (84-8) 823 5271

**PHNOM PENH**

70 Norodom Blvd,  
Sangkat Chey Chumnas  
P.O. Box 1115.  
Phnom Penh, Cambodia  
Tel: (855-23) 210 922  
Fax: (855-23) 215 157

**VIENTIANE**

Nehru Road, Pathou Xay  
P.O. Box 9690  
Vientiane, Lao P.D.R.  
Tel: (856-21) 450 017-9  
Fax: (856-21) 450 020

## Gender Entrepreneurship Markets

Recognizing that aspiring businesswomen are often prevented from realizing their economic potential because of gender inequality, IFC launched the Gender-Entrepreneurship-Markets (GEM) initiative in December 2004. The program aims to mainstream gender issues into all dimensions of IFC's work, while at the same time helping to better leverage the untapped potential of women as well as men in emerging markets. If you would like more information on IFC GEM's work, please visit our website at: <http://www.ifc.org/GEM>

**Gender- Entrepreneurship-Markets (GEM)**

International Finance Corporation  
2121 Pennsylvania Avenue, NW  
Washington, DC 20433, USA  
Tel: (001-202) 473 1028  
Email: [GEM-info@ifc.org](mailto:GEM-info@ifc.org)