



VOICES *OF*

Vietnamese women

ENTREPRENEURS



SETTING UP SHOP PROPERTY AND INFRASTRUCTURE

Having access to sufficient land and proper infrastructure are two important policy-related issues that directly affect the livelihoods of women in developing countries. In many places, women face restrictions on owning, using and inheriting land, which in turn prevents them from using such property as collateral to obtain business or even personal credit.¹⁰ Poor infrastructure burdens enterprises and customers with increased delays and costs, ultimately hurting profitability and opportunities for expansion. In rural areas in particular, the lack of sufficient power, telecommunications, water, and roads makes it difficult for women not only to do business but also to carry out domestic responsibilities.

LAND ACCESS

Women's access to and control over land has been a longstanding issue in Vietnam. Officially, the state owns all land and grants usage rights by issuing "Land Use Certificates" (LUCs) to businesses and households.¹¹ Until recently revised legislation

- namely, the Law on Family and Marriage (2000) and the Land Law (2003) - specified that family LUCs must list the names of both husband and wife, women were not guaranteed equal rights to land. At least ten million LUCs have been issued to individual households in an officially gender-neutral context, but because each LUC originally had space for only one person's name, many more were issued to men, as the heads of household, rather than women.¹² Even now, women continue to face obstacles in getting land certificates (re)issued with their names; reasons range from varying degrees of local law enforcement to social factors such as traditional family practices.¹³ Ultimately, both the lack of a legal land title and adequate physical space impose serious limitations on women-owned enterprises, especially those involved in agriculture and manufacturing:

"Access to land is a major problem for private enterprises like ours. At the moment, many women entrepreneurs are still operating from home. When their businesses grow bigger, they will be faced with the difficult issue of finding land."

INFRASTRUCTURE

Another related issue, particularly in rural areas, is access to infrastructure. Even urban enterprises cite the need for better roads, ports, and bridges. Lack of adequate infrastructure has limited production and delayed some women business owners' plans for expansion:

"I own a company that sells both industrial and household electrical supplies. One of my difficulties is that big ships cannot dock in Da Nang, so I have to go to Ho Chi Minh City on a regular basis to get my merchandise."

In recent years, the government has established industrial parks in key

locations, such as along national highways or near airports. While these zones are proving to be successful magnets for investment, their high rents and distance from city centers renders them inaccessible to many women entrepreneurs:

"It is very difficult for a company to get into the industrial zone. And industrial zones are not necessarily good for all businesses - some businesses need to be located in the city center so that customers can find them. My company, for example, supplies packaging materials and we need to be accessible to our customers, so a central location is necessary for us."

Phan Thi Minh Tue, 49, is the director of Phu Thanh Co. Ltd., a seafood processing and exporting company in Can Tho. Before she and her husband started their business, Tue had 17 years experience in working for state-owned seafood companies. Today, Tue has 280 employees, and her exports are worth about US\$4 million a year.



Although Can Tho is considered the capital of Vietnam's Mekong delta region, Tue notes that inadequate investments in infrastructure impede the development of local enterprises:

"The roads and bridges are in bad condition, and investments in infrastructure have been very slow. We have to first transport our shipments all the way to Ho Chi Minh City, and then put them in storage before we can export them. These extra steps cost money and significantly lower our profit margins."

RECOMMENDATIONS

According to women business owners in Vietnam, the single most important reform the government can undertake with respect to land is improving their access to it. As mentioned earlier, while women now enjoy the legal right to land, obtaining LUCs in practice is still quite difficult. In 2003 and 2004, after the revision of the Land Law, a World Bank-funded pilot project was implemented in several communes to ensure that LUCs included the names of both husbands and wives. Not only were a significant percentage of certificates issued or amended, but the project also generated greater awareness of women's land rights among local officials and the general public. Reissuing certificates via this two-name

approach throughout the country can make it easier for women entrepreneurs to establish title to land, provide lenders with evidence of collateral and obtain financing for their businesses:

"There isn't a single enterprise in Vietnam that isn't dependent on land or property. Enterprises need land-use rights in order to access capital and invest in longer-term production."

The other major recommendation from women business owners is to improve "hard" (i.e., roads, ports, telecommunications, etc.) and "soft" (i.e., labor and services) infrastructure in rural areas and industrial zones so that it is easier for them to access suppliers, tap into human resources and reach customers.



FOLLOWING YOUR VISION STAY PATIENT AND PERSISTENT

NGUYEN THI BINH, 50, is the general manager of East West Seed Vietnam Co. Ltd. Binh, a trained biologist, used her savings of US\$23,000 to start a vegetable seed company in 1994. In 1997, she set up a joint-venture enterprise with East West Seed Group, contributing 30 percent towards the company's start-up capital. Today, the business employs 200 staff across the country and has an annual growth rate of 40 percent.



In 1989, after working for a state-owned seed company for thirteen years, I realized that I had spent a lot of energy, effort and devotion - all in vain. A major weakness of state-owned institutions was that they were not putting research into practice. Without any plans, I decided to leave the job to develop my own career.

The legal climate in Vietnam was still very difficult for private enterprises, especially those in agriculture. I thought that as an agricultural country, Vietnam could not afford to neglect the development of the seed industry. Moreover, with no husband or children, I was in a better position than anyone else to do something meaningful.

I helped a Dutch friend find investment opportunities in Vietnam's seed markets, and he insisted that we set up a business. Trying to avoid risks, I decided to start small, on my

own, and as a local private firm. I started the business with my own savings. My parents thought I was crazy. Back then, the Chinese controlled nearly 98 percent of the seed market in Vietnam, and competing with them was not going to be easy. I would go to Chinatown to observe the Chinese buying and selling seeds and to learn about the trade. I would stay there until 10 p.m.

Initially I had many problems because I was a scientist, not a businessperson. During the first two years, I had only losses. I did a lot of work on my own - testing the market, breeding new varieties and recruiting and training new staff. I didn't own any land and so I had to use my mother's house as an office.

I decided to focus on getting the farmers' acceptance. Instead of selling seeds through agencies, I would sit in farmers' huts and sell to them [directly]. I believed that once

the farmers accepted the quality of our seeds, they would demand them from the agencies, who would then have to sell our seeds. This strategy worked; today, we're supplying seeds to 200 agencies. My long-term goal is to focus on research and development (R&D). My foreign partners initially wanted to centralize R&D in Thailand, but they finally let me set up facilities here with the business profits.

Starting up was extremely difficult, but the skills I had acquired previously, including knowledge of finance and money management, helped. The biggest challenge for me, though, has been finding and training good people. It is very hard because agriculture doesn't appeal to young people these days. Our turnover rate at the beginning was extremely high. I think the younger generation today lacks ideals and commitment. During the American War, I lived

away from my family from the age of three; I learned to live in the forest and got used to bombings and malaria. All these things taught me to be persistent. Without such a history, I would never have been able to make this business survive.

During my career as an entrepreneur, I have learned a few lessons. First, never think you are unable to do business just because you don't have capital. What you need, in fact, is knowledge and experience. Don't start big. Without experience, a big investment is a big risk - especially when our economy is still changing very fast. Start small with whatever you have, accumulate experience and be effective. Your business will grow along with your experience and knowledge. The problem is not one of capital. Once you have proven yourself, the capital will find you.

