



សមាគមសហគ្រិនស្ត្រីកម្ពុជា

ENHANCING ACCESS TO EDUCATION AND INFORMATION FOR WOMEN ENTREPRENEURS IN CAMBODIA

White Paper

Cambodia Women Entrepreneurs Association

Vol. 1, June 2020

Message from the President

The Cambodia Women Entrepreneurs Association (CWEA) is a membership organization that was conceptualized in 2011 by Cambodia's Ministry of Women's Affairs with the technical support from the World Bank and 14 Cambodian women entrepreneurs. CWEA aims to support the growth of women in businesses through providing them with business platforms and networking opportunities locally and internationally and supporting the creation of an entrepreneurship ecosystem for women in Cambodia. CWEA has grown from 14 members in October 2011 to more than 650 members as of April 2020 and intends to reach out to more women entrepreneurs in Cambodia. Our members come from a variety of small and medium-sized enterprises, from different business sectors and age group with the majority living in Phnom Penh.

Realizing the important roles of micro, small, and medium-sized enterprises (MSMEs) and women-owned businesses to the economy, the Royal Government of Cambodia has put an effort in supporting MSMEs and women in business. To date, many initiatives have been implemented to support women in business, including mainstreaming gender issues in policies, as well as having women in business represented in the Government Private Sector Forum (GPSF) and in policy and regulation dialogue and consultation. Therefore, CWEA developed the white paper to further inform policymakers, development partners, non-government organizations (NGOs), and other relevant stakeholders on the evidence related to the challenges and needs of women entrepreneurs. The white paper will also provide recommendations to support women entrepreneurs as well as improve the entrepreneurship ecosystem for women in Cambodia.

On behalf of CWEA, I would like to express my appreciation to those that supported both the development of the white paper and CWEA, as well as Cambodian women entrepreneurs. I also would like to extend my appreciation to the CWEA board of directors and members for their dedication in improving the welfare of women entrepreneurs in Cambodia.

Sincerely,

LCT Dr. Eng Lykuong
CWEA President

Table of Contents

Message from the President	2
Executive Summary	4
Acronyms	5
Background	6
Defining the Problem	7
Identifying Solutions	9
Recommendation 1. Create an enabling environment for women entrepreneurs to gain access to education and business skills	10
Recommendation 2. Implement a public campaign to break gender stereotypes	10
Annex 1: CWEA Survey Methodology	11
Annex 2: Establishing a Women's Business Development Center	12
References	12

Executive Summary

Cambodia's economy has developed significantly over the past several decades. With rapid economic growth of more than 7% year to year since 1992, the Royal Government of Cambodia has reduced poverty by half. The Cambodian government also successfully reached many of the United Nations Millennium Development Goals. Current policies such as the National Strategic Development Plan (NSDP) 2014-2018 shows the government's commitment to developing the private sector, increasing employment, and building human resource capacity amongst other things. To achieve such goals, the Royal Government of Cambodia recognizes the importance of women's role as the backbone of the economy.

Women own 65.1% of all business in Cambodia. The majority of women in Cambodia embark on entrepreneurship out of necessity because there is not enough wage employment available in the country for women. Moreover, entrepreneurship provides women the flexibility they need to fulfill their responsibilities at home as caregivers.

At the same time, women entrepreneurs in Cambodia face many challenges and barriers. As a result of society's prescribed gender roles, many businesswomen in Cambodia find it difficult to network and learn new skills necessary to upgrade their enterprise. Many existing educational courses are not designed for working mothers juggling the operation of their enterprise along with family duties. Furthermore, there is a lack of awareness of existing educational opportunities among many businesswomen, as well as a lack of mentorship opportunities.

Government policies and resources must be directed towards women's economic empowerment initiatives so that the Cambodian economy and society as a whole can reap the benefits. The CWEA policy recommendations laid out in this white paper will be the first step towards addressing some of the major concerns that Cambodian women entrepreneurs face.

- ✓ Recommendation 1: Create an enabling environment for women entrepreneurs to gain knowledge and business skills.
 - Establish a Women Business Development Center as a training hub for aspiring and established women entrepreneurs
 - Tailor the training courses for businesswomen
 - Provide onsite daycare and tutoring services for children so that mothers are not excluded from receiving entrepreneurship trainings
- ✓ Recommendation 2: Implement a public campaign to break gender stereotypes.
 - Break gender norms related to domestic and family responsibilities
 - Encourage women and girls to pursue career and professional aspirations
 - Provide mentorship opportunities for businesswomen

Acronyms

ADB	Asian Development Bank
BoD	Board of Director
CCHR	Cambodian Center for Human Rights
CEDAW	Convention to Elimination of all forms Discrimination Against Women
CIPE	Center for International Private Enterprise
CWEA	Cambodia Women Entrepreneurs Association
FGD	Focus Group Discussion
GPSF	Government Private Sector Forum
MDG	Millennium Development Goals
MoWA	Ministry of Women's Affairs
MFI	Micro Finance Institution
NGO	Non Governmental Organizations
NSDP	National Strategic Development Plan
SME	Small Medium Enterprises
UNDP	United Nations for Development Programme
USAID	United States Agency for International Development
USD	United States Dollars
WEE	Women Economic Empowerment
WBDC	Women's Business Development Center

Background

Cambodia's economy has developed significantly over the past several decades. With rapid economic growth of more than 7% year to year since 1992, the Royal Government of Cambodia reduced poverty by half. The Cambodian government also successfully reached many of the United Nations Millennium Development Goals. Current policies such as the National Strategic Development Plan (NSDP) 2014-2018 shows the government's commitment to developing the private sector, increasing employment, and building human resource capacity amongst other things.

Globally, Small and Medium-Sized Enterprises (SMEs) employ 80% of people. Success of SME translates into the overall well-being of the majority of the population. According to the Asian Development Bank (ADB) 2015 report, women own 65% of all businesses in Cambodia, but 96% of them have less than four employees and are less profitable than men-owned business. A 2015 McKinsey Global Institute report finds that \$12 trillion could be added to global GDP by 2025 by advancing women's equality. Similarly, the Cambodian economy and society would benefit from creating an enabling environment for women-owned businesses and entrepreneurs.

The Royal Government of Cambodia recognizes the importance of women's role as "the backbone of the economy and society" in the National Strategic Development Plan for 2009-2013. A five-year plan for Gender Equality and the Empowerment of Women in Cambodia called *Neary Rattanak* is executed for each government mandate by the Ministry of Women's Affairs (MoWA). There is also a 2014 Gender Mainstreaming Policy to ensure that all other government agencies adhere to the plan of gender equality and the empowerment of women in Cambodia.

Furthermore, the Cambodia Women Entrepreneurs Association was established in 2011 by 14 Cambodian women entrepreneurs, MoWA, and the World Bank to further provide women's voices in private sector development. CWEA is a permanent representative in the national Government Private Sector Forum (GPSF). As the collective voice of women entrepreneurs in Cambodia, CWEA advocates for a gender sensitive business environment.

Defining the Problem

In order to fully understand the context that women business owners are facing in Cambodia, CWEA conducted a series of roundtable discussions in five different locations across the country: Phnom Penh Capital City, Siem Reap, Kampong Thom, Battambang, and Mondul Kiri provinces. 25 to 40 women-owned businesses participated in each roundtable. The roundtables indicated three common top challenges:

- Access to education, business skills trainings, and information
- Access to finance
- Access to market

The CWEA Board of Directors surveyed its members for the top priority for women entrepreneurs, through which 40% of CWEA members voted via various channels. As a result, access to education and skills development came out on top at 42%, followed by access to market at 34%, and access to finance at 24%. Further information was gathered from CWEA members through five Focus Group Discussions (FGD) involving around five people each time. For more details about the survey methodology and result, please refer to Annex 1 of this White Paper.

The survey results indicated that **CWEA members and women entrepreneurs need assistance in gaining access to further their knowledge and business skills**, which was contrary to the assumption that access to finance would be the priority. Subsequent FGDs revealed why access to education and business skills training was the priority for women entrepreneurs.

Many of the women in the FGDs shared the same sentiment: They learned from trial and error when they first opened their businesses without anyone teaching them. For this reason, many women-owned businesses struggled to expand and achieve profit because of the lack of educational opportunities to properly equip them as women entrepreneurs. Access to knowledge and technical skills to expand their businesses is the first step before women entrepreneurs can even consider the issue of access to market or finance.

The majority of women entrepreneurs in Cambodia decided to start their own business based on necessity because wage employment opportunities are lacking for women. Much of the employment is concentrated in low-skill sectors such as the garment industry or entry-level office work with very little room for advancement. Moreover, Cambodian women have become entrepreneurs because entrepreneurship provides them the flexibility to fulfill their responsibilities as caregivers.

For example, when CWEA members were asked during the FGDs why they did not take advantage of the universities and training institutions that were available to the public, many cited that the currently available courses were geared towards young and single women without

family obligations. Businesswomen who are juggling their business with their household responsibilities could not attend such offerings.

Another reason given by CWEA members is that existing courses at universities and training institutions lacked practical applicability and were either too generic, theory-based, or taught by trainers without business experience. Others expressed their practical need for courses on bookkeeping and accounting records for their businesses, since many of their enterprises are too small to hire an in-house bookkeeper or accountant. For established businesswomen, they expressed the need for business mentoring without fear of competition or judgement.

The final reason uncovered from the FGDs was the issue of increased empowerment and agency for women entrepreneurs. Only 3 out of 25 respondents had ambitions to expand their business. Most of the respondents seem content with their small or micro businesses or were simply too occupied juggling between business and family. This is to the entrenched expectation of women to not accomplish much more than household duties, as evidenced by various studies:

“However, despite these positive developments, patriarchal structures and societal norms remain deeply entrenched in Cambodia. The Chbab Srey, a traditional code of conduct for women, still influences girls growing up in Khmer society. The principle of female submissiveness that it embodies continues to inform the conception of the ideal Cambodian woman. Men and women are prescribed gender-specific roles in accordance with deeply ingrained cultural beliefs and traditions that serve to reaffirm the dichotomy between powerful masculinity and weak femininity.” (CCHR Factsheet Violence Against Women 2018)

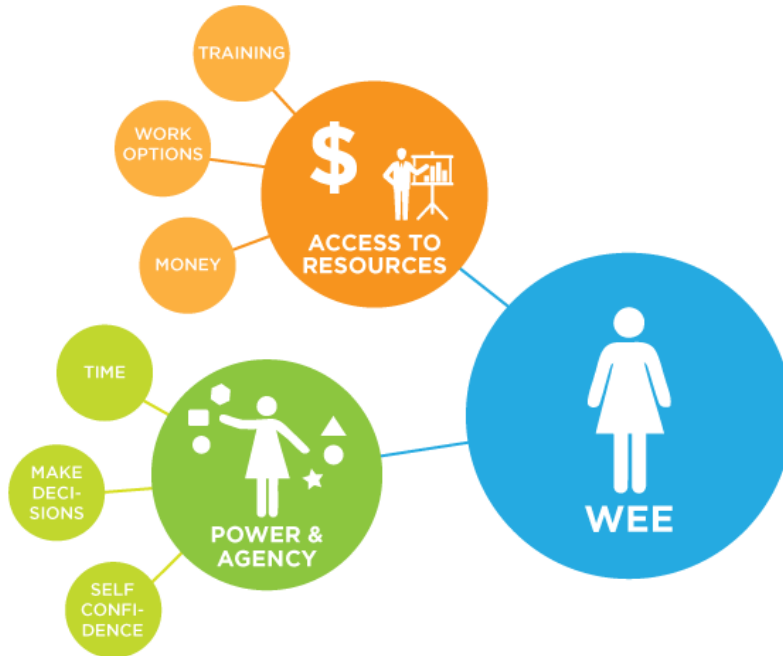
In the United Nations Development Program Gender Inequality Index (UNDP-GII) 2018 Cambodia ranked 116 out of 189 countries. More needs to be done towards women’s economic empowerment in Cambodia and investing in the education of women entrepreneurs is one way of doing that.

Identifying Solutions

Women-owned businesses contribute to 65.1% of SMEs in the Cambodian economy. In 2011, women-owned businesses in Cambodia provided 1,026,084 jobs (MoWA's Neary Rattanak 4). Policies and initiatives towards women's economic empowerment are needed so that the Cambodian economy and society as a whole can reap the benefits.

Figure 1 below shows that the two components of women's economic empowerment as having Access to Resources and Power & Agency; the same source defines women's economic empowerment as: *a woman is economically empowered when she has both (a) the ability to succeed and advance economically; and (b) the power to make and act on economic decisions.*

Figure 1. WEE main components (DCED 2014 "Measuring Women's Economic Empowerment in Private Sector Development")



As such, CWEA's recommendations to the government and development partners are to:

- (1) create an enabling environment for women entrepreneurs to gain access to education, information, and business skills, and
- (2) implement a public campaign to break gender stereotypes.

Recommendation 1. Create an enabling environment for women entrepreneurs to gain access to education, information, and business skills

- (a) This can occur through existing training providers in the private and public sectors or by establishing a Women Business Development Center (WBDC). The WBDC would be a public private partnership (PPP) managed and run by the private sector. Please refer to Annex 2 for further details on the WBDC.
- (b) Whether or not resources are allocated to establishing a WBDC, existing training providers can make their courses more accessible to women by taking the following actions:
 - i. Gather and incorporate the needs of women entrepreneurs when designing courses so courses are demand-driven
 - ii. Offer courses and events at times that are convenient for women entrepreneurs who are often also mothers and wives
 - iii. Provide onsite daycare center for young children and tutoring services for school age children so that mothers are not excluded from benefiting from the trainings
 - iv. Ensure both long term operational sustainability and inclusion of women from all socioeconomic backgrounds by offering different pricing structures and scholarship opportunities for women to enroll in trainings
 - v. Advertise resources and courses through information channels that are trusted by women, including organizations such as CWEA
 - vi. Provide business mentoring, targeted towards women in business
- (c) Encourage female student access to learning at tertiary training institutions through admissions quotas instituted by the government.
- (d) Establish a coordination mechanism through MoWA amongst all working groups on women's economic empowerment (government agencies, private initiatives, NGOs and international donors) to share best practices and lessons learned.

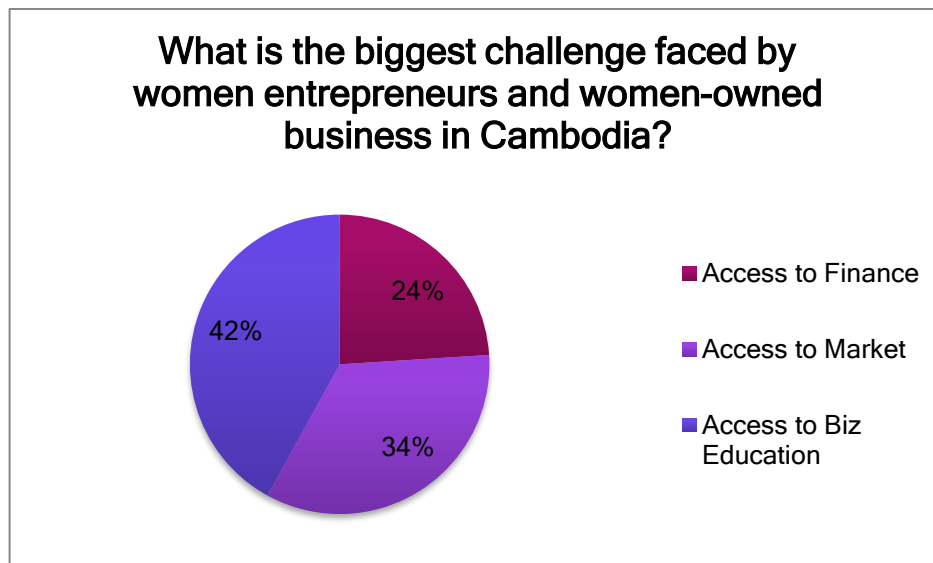
Recommendation 2. Implement a public campaign to break gender stereotypes

To enable a change in culture norms that say only women and girl work to rear children, only women and girls are expected to do housework, women and girls are weaker or less able than men and boys, and to encourage women and provide them their own sense of pride, we recommend to:

- 1) Engage the general public with messaging to break gender stereotypes through various media outlets, such as print media, TV ads, radio programs and public forums.
- 2) Encourage and educate Cambodian women and girls to become active and empowered agents of the economy.

Annex 1: CWEA Survey Methodology

A combination of in-person members meeting, Facebook, and email (Survey Monkey) vote was administered to determine which topics from the countrywide roundtable discussions should be chosen as the most pressing barrier to be addressed for the success of women-owned SMEs in Cambodia.



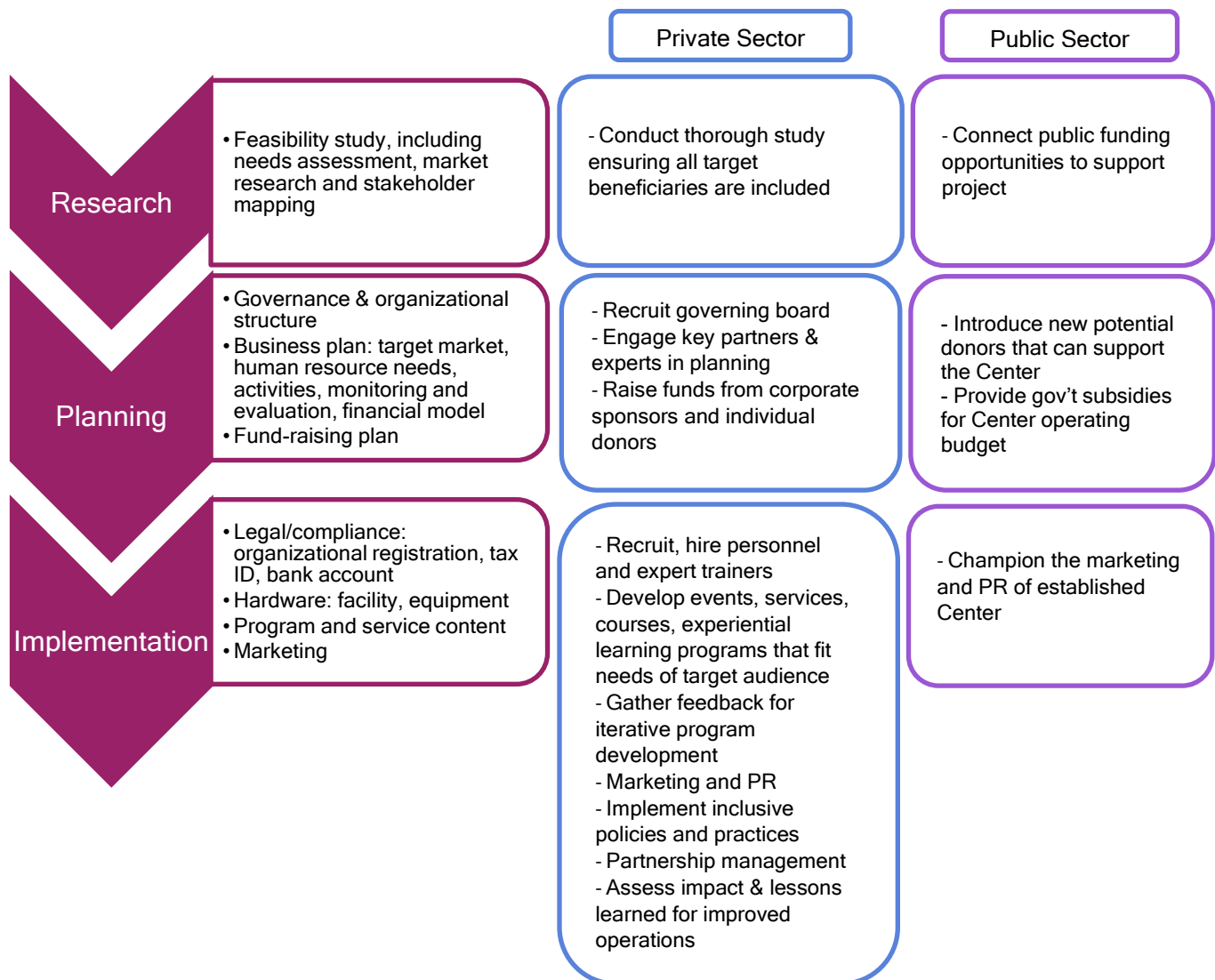
Follow-up FGDs were carried out with four groups of five people each to further investigate the results of the survey.

1. What type of business or work do you do?
2. How long have you been in business or work?
3. What level of education do you have?
4. How many more years of education do you want?
5. What kind of further studies would you like to have?
6. What language would you like to study?
7. How many hours per week could you study if there was a class for you?
8. Have you been to a bank or MFI for a business loan? Which banks/MFIs? Were you successful or unsuccessful? Why?
9. What kind of loan terms would you like? Please explain.
10. As a businesswoman, do you think the loan terms you want from the bank/MFI will be profitable for the bank/MFI?
11. What sort of access to market issues do you struggle with in your business? Please describe.
12. What kind of help do you want with access to market for your business and whom do you think can help you with this?
13. What kind of help do you want with access to market for your business and whom do you think can help you with this?

Annex 2: Establishing a Women’s Business Development Center

Vision for the Women’s Business Development Center (WBDC)

CWEA envisions the WBDC to be a safe and inclusive “One Stop-Center” for aspiring and established women entrepreneurs to access entrepreneurship learning, business-related resources and services, and collaboration and networking opportunities. In line with many international best practice models, the Center is to be a locally owned and sustainable model that is government and donor supported but itself a non-governmental entity. This will require careful consideration of the best public-private partnership model that will ensure long-term sustainability, flexibility, and independent decision-making of the WBDC to quickly meet the wide-ranging and changing demands of Cambodian women entrepreneurs.



References

Asian Development Bank, “Promoting Women’s Economic Empowerment in Cambodia” 2015

Brooking’s Africa Growth Initiative Policy Brief, “Empowering Women Entrepreneurs in Developing Countries: Why Current Programs Fall Short” February 2019

Cambodia MDG Acceleration Framework, Promoting Women’s Economic Empowerment May 2013

CCHR Factsheet, Case Studies Series - “Violence Against Women.” December 2018

Donor Committee for Enterprise Development (DCED), “Measuring the Results of Women’s Economic Empowerment in Private Sector Development,” by Erin Markel. July 2014

Donor Committee for Enterprise Development (DCED), “Gender -Sensitive Business Environment Reform: Why does it matter? - A policy guide,” by Katherine S. Miles. July 2017

EURCHAM Cambodia, “White Book 2017”

<https://opendevelopmentcambodia.net/topics/taxation/> Seen in April 2019

<https://opendevelopmentcambodia.net/topics/budget/> Seen in April 2019

<https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth> Seen in May 2019

International Development Research Centre, “Enhancing the Productivity of Women-Owned Enterprise: The Evidence on What Works, and a Research Agenda” by Arjan de Haan 2016

International Labour Organization, International Training Centre, “Women Empowerment Country Fact Sheet Cambodia 2015”

Ministry of Planning, National Institute of Statistics, “Cambodia Socio-Economic Survey 2017,” November 2018

Ministry of Women’s Affairs, “Neary Rattank 4, Cambodian Gender Strategic Plan” 2014-2018

Ministry of Women’s Affairs, “Gender Mainstreaming: Institutional, Partnership and Policy Context and Cambodia Gender Assessment 2014”

Royal Government of Cambodia National Strategic Plan 2014-2018

Royal Government of Cambodia Industrial Development Policy 2015-2025

United Nations Development Program “Human Development Indices and Indicators 2018 Statistical Update”

Women’s Chamber of Commerce and Industry Policy Advocacy Working Paper, “Fostering Women’s Entrepreneurship in the SME Sector in Sri Lanka” January 2015