

# **Role of the Vietnam Women's Union in Supporting Women Entrepreneurs**

*by*

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Distinguished Guests,

The renovation direction of Vietnam, with an economy of multiple sectors and forms of ownership, particularly the Cooperative Law (1996) and the Decree 90/2001/ND-CP, has created a driving force and favorable opportunity for the establishment and strong development of enterprises, including those managed by women. The number of small and medium enterprises has been increasing quickly. From 2000 to 2005, there were 160,752 registered enterprises, about 3.3 times higher than the total number of newly established enterprises that were registered during the period from 1991-1999. At present, the annual average number of registered enterprises is approximately 6 times higher than that of the period 1991-1999.

Of all enterprises in Vietnam, women-owned enterprises account for nearly 25%. Moreover, out of 2 million family-based businesses, 27% are run by women. Newly established enterprises, household businesses plus those that have been established for over the past 5 years, have created nearly 2 million new positions, bringing the total employed labor force in private sector and household businesses to 6 million persons (accounting for 17% of the total work force of the country).

In Vietnam, women entrepreneurs are enjoying the advantages of a favorable legal and business environment: laws and regulations that are supportive of small to medium-sized as well as household enterprises - a sector where women make up the majority, both in management and the work force. The "open door" policy and the increase of regional and international economic and trade opportunities have facilitated enterprises, including women-managed ones, to develop. The educational level of Vietnamese women entrepreneurs is relatively higher than those in other countries with the same income level in the region. In addition, Vietnamese women entrepreneurs also possess good qualifications, i.e. they are hardworking, sensitive, and creative.

In spite of these advantages, Vietnamese women entrepreneurs are faced with the following disadvantages and difficulties:

Low competitiveness of many women's enterprises due to shortages of capital, small scales of operation, difficulties in technology, information, management knowledge, and obstacles caused by inadequate legal framework, socio-psychological environment. Many women entrepreneurs lack professional, foreign language, and business management knowledge and skills. Many of them have not yet participated in any training in business management.

The global business environment changes quickly and frequently. The globalization process and changes in business technology applications have impacted all enterprises. Women in small and medium enterprises face the threat of being excluded

Women's enterprises have an undeveloped network of support. Women entrepreneurs are not bold enough in doing business; they have to assume both business work and household chores.

Therefore, the VWU's role sees a great need to effectively promote and support the development of female enterprises in order to contribute to the realization of the targets of socio-economic growth, enhancing Vietnam's integration into the international economy and promoting gender equality in Vietnam. The VWU has focused its activities for supporting women's enterprises as follows:

## *1. Policy advocacy for female enterprises:*

The Union has conducted a number of research studies, surveys and workshops to assess the situation and needs of women - owned enterprises. We have conducted advocacy and communication activities as well as workshops and training sessions to raise gender awareness for policy makers and executors. The VWU sent

the findings of these research studies, surveys and workshop to different levels of policy makers, investors, donors, and to the mass media and the State to ensure consistency and gender sensitivity in formulation and amendment of economic laws and policies, particularly of enterprises related laws and policies. Recommendations/proposals from the VWU have received recognition from the State, which were reflected through legal documents and policies relating to the development of the economy and enterprise. The Government's Decree 90/2001/NG-CP on supporting the development of small and medium enterprise clearly states that *"priority should be given to supporting programs for small and medium enterprises managed by women"*.

## *2. Supporting women enterprises in access to credit*

The Women's Union at different levels has established collaborating mechanisms with banks to provide credit to women for household economic activities and for starting and developing their own enterprises. These mechanisms are institutionalized in the form of inter-agency resolution, in which the VWU plays an intermediary and bridging role between women and the banks. In this way, the VWU is currently assisting women to borrow more than 10,000 billion VND from banks, of which 150 billion VND is from the National Fund for Job Creation. This credit source is for women to invest in their household economic activities and small businesses, encouraging them to create jobs for other women, thus contributing to change the economic structure. Thanks to this, about 500,000 women are provided employment every year. In addition, the VWU has been actively mobilizing international funding to increase the loan fund for women to develop their business and production.

## *3. Improvement of management knowledge and skills for female entrepreneurs*

Along with credit support, training to improve business management knowledge and skills for women is a focus of the VWU. Training programs of the VWU concentrate on training of key trainers and of women owners of enterprises. These trainings focus on 2 aspects: business inception and business management.

During the 5 years from 2000-2005, we gained from the implementation of projects funded by the Dutch, German and Australian Governments and from the Vietnamese Government's Human Resource Training Support Program for small and medium enterprises. During the period 2004-2008, about 400 key trainers in business administration have been developed by Women's Unions at different levels. The VWU has developed a pool of VWU's trainers in enterprise building for women. Moreover, the VWU has also provided business training for hundreds of thousands of female enterprises, including basic training in counseling for female entrepreneurs in small and medium enterprises in 20 selected provinces/cities. The VWU's Training School for Women Cadres has set up a "Women and Enterprise" faculty to provide training in entrepreneurship for women. At different Centers for Vocational Training and Job Introduction of provincial/city WUs, entrepreneurship is one of the training topics offered. After a long time of studying, developing and testing, the Training Manual on Female Entrepreneurship is now finalized; the Teaching Guide for Teachers of Female Entrepreneurship is still in the process of being completed.

## *4. Development of network for women's enterprises*

The central VWU's Women Enterprise Coordinating Committee is a focal point for information on supporting activities for women's enterprises. The Committee assumes the task of maximizing mobilization and appropriate allocation of resources for women's enterprises. In addition, the Union has also activities to develop a women's enterprise network such as the model of clubs for women entrepreneurs. The Women's Union has set up 563 clubs for women entrepreneurs with nearly 20 thousand members in over 40 provinces/cities. There are currently 7 Women Entrepreneurs Associations, which were scaled up from these clubs. Through these clubs and associations, women entrepreneurs received training in business management, information, experience exchange, and business matching. Through these clubs and associations, women entrepreneurs can propose their needs to functioning agencies and participate in social activities and the VWU's movement.

Every year, the VWU, in collaboration with the Vietnam Chamber of Commerce and Industry (VCCI), Advertisement and Trade Fair Company (Ministry of Commerce), has organized various trade promotion

activities such as exhibitions, the trade fair on “Vietnamese Women With Economic Development and Integration”; participated in the trade fair and exhibited at the conference of Asia-Pacific Women Entrepreneurs; conducted a workshop “Culture in Doing Business”; selected and awarded the prizes “Golden Rose” and the “Golden Conical Hat” to successful women entrepreneurs; and conducted meetings for experience sharing and information for women entrepreneurs.

#### *5. Social support*

To reduce the burden of household work for women entrepreneurs, the Union conducted training on management of family; conducted various communicative activities among women and communities to build “Plentiful, equal, progress and happiness family and to raise awareness on gender and role of men in the family. A series of workshops and dialogues on “Enterprise, Family and Social Work”, “Gender Equality in Business and Production”, “Men Share Responsibilities with Women and Family”...were conducted by the VWU. In addition, the VWU has activities to promote women’s enterprises, which helped to raise the awareness and sense of responsibility among families and the society towards the work and life of women entrepreneurs.

On the threshold of Vietnam entering WTO, the VWU’s direction in supporting women’s enterprises continues to focus on the above 5 areas, in which priority is given to policy advice, training, information, counseling and development of supporting networks to assist women entrepreneurs to improve their status and meet the requirements of international integration. The VWU has committed itself to continue its efforts in supporting women entrepreneurs, facilitating their talents and potential to enrich their families, the country and contributing to the advancement and equality for women.

Thank you.