ENTREPRENEURIAL WOMEN IN THAILAND:
RATIONALE FOR MICROENTERPRISE DEVELOPMENT

By

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Abstract

"Let women be provided with the living strength of their own. Let them have the means to attack the world and wrest from it their own subsistence, and (then) their dependence will be abolished."

Simone de Beauvoir, The Second Sex

This dissertation examines the emergence of women entrepreneurs and their contribution to the national economy in Thailand. The overall objectives of this study are: (i) To identify social, cultural and economic factors that hinder or limit women’s entry into entrepreneurship in Thailand and those that adversely affect their performance; (ii) To recommend appropriate programmes for increasing the economic empowerment of women through micro-enterprise. The sources of this study include reports from governmental departments, non-governmental organizations (NGOs), and individual researchers’ papers.

Relevant literature and secondary source materials reveal that women in Thailand (and elsewhere in Southeast Asia) participate in low demand and service-oriented activities that are often prone to horizontal expansion. Their choice of activities, growth strategies, recruitment practices and reinvestment policies are all household-centered rather than business-centered. The result is that most of the activities are gender typed.

Analysis of the factors that led to the above entrepreneurial behavior and hence their poor performance in business suggests that socio-cultural gender biases, prejudices, practices and the general lack of gender-sensitive industrial policies are the main critical factors. Socio-cultural practices have led to an unequal division of labour to the disadvantage of women. This has led to women’s multiple roles which have in turn engendered women’s poor performance in business.
By advancing the concept of traditional notions of “socio-economic development” and “gender and economic development”, this study shows that any interventions geared toward promoting women’s entrepreneurship should address both strategic and practical needs. Structural needs that would encompass a re-orientation of the economic and industrial policies should also be addressed. A successful way of identifying the strategic and practical needs of women should focus on the various entrepreneurial behaviours of women.

In sum, future research should investigate the factors that determine the growth of women’s entrepreneurship. A new approach to understanding women’s small firm entrepreneurship and to guiding local economic development in Thailand should rest upon the study of three pillars: the macro environment within which all entrepreneurs create and develop their enterprises; the social relations of women’s small business ownership; and survival and growth dynamics, technology use and innovation in small firms. In a nutshell, the process of women’s entrepreneurship development policies are not sufficient without broader development of the economic and social policies. It is a choice that is influenced by time, space and culture. Longitudinal data may reveal trends in constraints upon women’s entrepreneurship in Thailand that beyond the scope of this study. Since barriers to women’s entrepreneurship may change over time a clearer picture of the factors that influence growth of women’s entrepreneurship needs to come into focus.
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List of Abbreviations

APCs  Asia Production Co-operatives
APDC  The Asian and Pacific Development Centre
APEC  Asia Pacific Economic Council
ASEAN  Association of South East Asian Nations
ASSI  Association of Small-Scale Industries
CCS  Credit and Service Cooperatives
COMECON  Council for Mutual Economic Assistance
CONTOUR  Concern for Tourism
DAC  Development Assistance Committee of the OECD
DAW/DESA  United Nations Division for the Advancement of Women
ESCAP  Economic and Social Commission for Asia and the Pacific
FDI  Foreign Direct Investment
GAD  Gender and Development
GDI  Gross Domestic Investment
GSIS  Government Services Insurance System
ILO  International Labour Organization
IMF  International Monetary Fund
IRDAS  Institute of Resource Development and Social Management
JPPCC  Joint Public-Private Consultative Committee
NCWT  The National Council of Women of Thailand
NEP  New Economic Policy
NGOs  Non-Governmental Organizations
NIEs  Newly Industrialized Economies
NWD  Northeastern Handicraft and Women's Development Network
OECD  Organization for Economic Cooperation and Development
SEAGEP  CIDA's Southeast Asia Equity Program
SMEs  Small and Medium Enterprises
UNCTAD  United Nations Division on Investment, Technology and Enterprises Development
UNDP  United Nations Development Programme
UNIFEM  United Nations Development Fund for Women
WAD  Women and Development
WCB  Women’s Cultural Bureau
WED  Women Entrepreneurship Development
WID  Women In Development
WIDCIT  Women In Development Consortium In Thailand
WLTCID  Women Leadership Training for Community Development
WVCD  Women Volunteers for Community Development
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CHAPTER 1
Introduction

"We not only want a piece of the pie, we also want to choose the flavour and know how to make it ourselves."

Ela Bhatt, Self Employed Women’s Association (SEWA), India

"A penny to a woman is a penny for the family, a penny to a man is a penny for a man."
Indian proverb

Women in Thailand, as elsewhere, have two roles. In private, they act as wife and mother, while in public, they are employees or self-employed outside the home. In attempting to discharge each of these roles and to reconcile the contradictions between them, women encounter various problems. The history of women’s social roles has always been full of constraints. As well as their involvement in cash and food crop production, women continue to perform other numerous and vital productive and reproductive roles that have ensured the survival of the nation particularly during some of the worst economic periods between the late 1970s and the present. A number of studies suggest a strong relationship between women’s participation in income generating activities in Thailand and the economic crises (Phongpaichit, 1989; Fry, 1999). Women have borne the greatest burden of the structural adjustment measures that are being implemented in Thailand. A study on the impact of IMF conditionalities on health, education, nutrition, water and incomes has revealed that women have suffered most

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1 With the outbreak of the economic crisis, followed by the closing of numerous factories and businesses, many women were forced to move from the formal to the informal economy, i.e. numerous women, with a sewing machine and a small table, have established mending and tailoring shops on the street. The incredible variety of food vendors (operating at all hours) at almost every corner of the main street in Bangkok were operated by women.
(Charlton, 1984). The implications of this second economic status for women extends further to our most vulnerable citizens - children. Studies have repeatedly shown that when women have resources or earn income, children’s nutritional levels and well being improve (Dahn, 1993).\(^2\) Despite their important contribution to national development women lack equal access to, and control over, national resources. Their participation in meaningful entrepreneurship remains very low. Entrepreneurship in Thailand has basically been dominated by men and by non-indigenous communities (Unger, 1993).

Economic development in Thailand and elsewhere in the developing countries has sought in particular to eradicate the poverty that is more prevalent in the rural areas.\(^3\) The emphasis on the involvement of extension agencies in helping women in their income-generating activities began in the eighties when the role of rural women in uplifting the economic status of household was formally recognized. This recognition has led to a host of supportive interventionary measures that have included, for example, the agrarian reform and rural development policy to improve the quality of life of the rural population. Due to increasing demand for the use of land and the uneconomical size of land holdings, efforts to increase rural productivity have to be non-agricultural based and oriented towards mobilizing human resources, including women. One approach is to encourage the development of

\(^2\) Indian research has shown that men spend 80% of what they earn on themselves (motorcycles, radios, watches, TV’s, movies, alcohol and prostitutes) but that women spend 95% of what they earn on their children.

\(^3\) Researchers and policy makers increasingly agree that rural women are the “poorest of the poor,” often trapped in conditions that leave them worse off than their compatriots. Rural women are often caught in the downward economic spiral, a spiral that is fueled by a need for cash that outstrips the ability to earn it. To be successful, rural development must see women as cash earners and nonagricultural producers as well as farmers and household workers.
alternative economic activities to foster economic growth in rural areas (Masud and Paim, 1998).

Women in Thailand, particularly rural women, have been involved in the domestic sphere as well as contributing economically on the farm, helping their husbands or in micro-enterprise project. Micro-enterprise, focusing on activities that add value to agricultural produce, has the potential to upgrade the economic contribution of rural households.

Traditionally, micro-enterprise projects in rural areas comprised family farm extension programmes carried out by various government agencies and focused on providing domestic skills to rural women. The emphasis of these programmes has changed since the 1980s when the role of rural women in income-generating activities has become more obvious. It has now been widely accepted that one of the ways to alleviate women's poverty and hence societal poverty in Thailand is their equal participation in entrepreneurship (Charlton, 1984).

In the past two decades policy-making bodies of developing countries have increasingly and explicitly recognized that small-scale enterprises have potential for contributing to economic and social development of their countries. The project for the promotion of entrepreneurship among women in small and cottage industries is one of the most significant social movement today in many countries in Asia. This stems, in part, from the recognition of the importance of women's economic contributions especially in the informal sector as micro entrepreneurs, domestic workers, home-based businesses, and sweatshop workers - to family survival throughout the world. Most women's small-scale enterprises, especially micro-enterprises, are located in the informal sector, either because government regulations exempt businesses below a certain size or because these enterprises intentionally evade government regulations. One may even regard the informal sector as composed primarily of micro-enterprises, and this has led to a
tendency to equate one with the other (United Nations, 1991).

As support for women's entrepreneurial efforts has grown among governments, and non-
governmental organizations, so has the observation of women's extensive participation in
programmes that support self-employment and the initiatives of small-scale enterprise. 4
Women's increasing employment in both the formal and the informal sector and the growing
dependence upon women's income-earning capacity set the context for understanding women's
experiences as small-scale entrepreneurs and the evaluation of support for these efforts. Yet
despite all these efforts, women's participation in entrepreneurship in Thailand, like in other
developing countries, appears to be only a recent phenomenon (El Namaki, 1990). For the few
women who are already in business the problem of their survival remains a real one.

The above situation suggests that there must be fundamental and practical factors that
constrain women's entry into, and survival in business. It is crucial that these factors be
investigated. Research in this direction should reveal the additional parameters that can help to
understand the female entrepreneurs in Thailand. It will be particularly important to identify
social, cultural and economic factors that hinder or limit women's entry into entrepreneurship
and which adversely affect their performance. Analyses of women entrepreneurs' profiles and
business values are important to explain the reality of women entrepreneurs' lives and
environments, and will aid in developing theories of female entrepreneurship. That is, once, she
is better understood the woman entrepreneur can be helped to contribute more effectively to the

4 Two of the of the pioneering organizations in this work are the Bangladesh Rural Advancement
Committee (BRAC) and the Self-Employed Women’s Association (SEWA) in India. BRAC has
developed a comprehensive rural credit-enterprise program in Bangladesh for over 800,000 women from
poor households; SEWA has developed a comprehensive employment-social security programme for
over 100,000 self-employed women in both the urban informal and rural sectors in India.
socio-economic development of the nation. The problem of this study, therefore, revolves around three primary concerns: (i) the low participation of women in entrepreneurial roles, (ii) the disparity between women’s active participation in certain development activities and their lack of participation in meaningful and high growth entrepreneurial activities. Finally, it will be important to consider the lack of comprehensive information on the critical factors that restrict women’s entry into business and those that adversely affect their performance, as well as the strategies to overcome the constraints. This study attempts to fill this information gap.

1.1 The Concept of Entrepreneurship and of the SME

Although the term “entrepreneur” is commonly used to refer to particular characteristics of “innovativeness” and “risk taking” personalities, these are not easily identified qualities. This is further discussed in this dissertation. Therefore, “small business owner” and “entrepreneur” are used interchangeably in this study. Similarly, the term SME (small and medium-sized enterprises) is used interchangeably with “small firms” in the text when we refer to general trends, theoretical issues and policy implications. This is because small and medium enterprises have been mentioned together in many theoretical studies as well as institutional policies, including those of the APEC and the International Monetary Fund. But it is also true that there is a substantial grey area in the definition of small and medium-sized firms, SMEs and large firms, particularly across sectors and countries.

The definition of “small firms” here is based on three criteria: having a business premise, a small number of employees, and a highly personalized management structure. Manufacturing firms employing fewer than 50 workers are considered small. For commercial and construction sector firms the number of employees could not be an appropriate basis for definition. Nor are
data about the firms’ assets available. The management style of the business and the views of local informants, particularly chambers of commerce and industry, are useful for identifying small firms. Among many small firm definitions and criteria, Bannock’s (1981: 24-5) definition simplifies the main characteristics:

A small firm is one that has only a small share of its market, is managed in a personalized way by its owners or part-owners and not through the medium of an elaborate management structure and which is not sufficiently large to have access to the capital market.

The conceptualization of small firms in developing countries based on dependent capitalism and backwardness is equally unsatisfactory. Small businesses and many craft works in developing countries have been considered traditional and backward. Economic development had to encourage modern forms of production and service works in order to create new employment opportunities and income in Thailand. This, probably, neither fulfilled economic expectations nor reduced regional disparities. But involvement in micro-enterprise provides opportunities for women to make decisions, seek information and advice, become a risk-taker, control and manage resources effectively.

1.2 Research Significance

The overall objective of this study, is to find an appropriate framework for an analysis of the factors that affect women’s entrepreneurship activities in the small-scale enterprise sector.

Women’s participation in business can greatly break the vicious cycle of low entrepreneurship = low resources = poverty. It should be a primary concern if women’s poverty and hence societal poverty is to be alleviated. This is because "entrepreneurship represents the force for continuous innovation and change which makes possible an ever improving way of
life” (Morris and Lewis, 1991). Early economic theories suggest some correlation between economic growth and business formations. Palmer (1971) also appears to support this relationship. In modern growth theory, any contribution of entrepreneurship is typically contained various terms i.e. “technical change” or “coefficient of ignorance”, includes, among other things, technology, education, institutional organization, and entrepreneurship (Kilby, 1971). Whether or not “entrepreneurship is the missing component, it is an important component in the process of economic development” (Kilby, 1971).

The potential contribution of small-scale enterprises to the development process in developing countries has been well acknowledged. The recent policy in entrepreneurship in these countries has basically focus on developmental strategies in an economic environment which is dominated by market forces and oriented towards the promotion of the private sector.

In Thailand, like in many other developing countries, the recognition of this important role of small-scale enterprises led to the establishment of the Federation of Thai Industries (FTI) in 1987. FTI was previously the Association of Thai Industries (ATI), which was created in 1967. FTI is the single largest officially recognized organization for private sector industries in Thailand and a part of the Federation of Thai Industries Act, B.E. 2530 (1987), in conjunction with efforts to strengthen the private sector by giving industry a unified and representative channel (Obhasanond, 1996). Despite these efforts women’s participation in business remains very low. Women’s non participation in business means that their potential capability as well as their potential contribution to economic and social transformation of this country remains untapped. Women’s participation in entrepreneurship should be part and parcel of this whole transformation process. It is this situation that prompted the execution of this dissertation.
Causes for women’s non participation in entrepreneurship should be identified in order to recommend possible measures that can address the present status quo.

Furthermore, this study was motivated by the absence of comprehensive information on the critical factors that hinder women’s entry into, and survival in, business in Thailand. It is also intend to recommend appropriate programmes to increase economic empowerment of women through micro-enterprise.

1.3 Organization of the Materials

This dissertation consists of eight chapters. The first three chapters are directed to the emergence of women entrepreneurs and their contributions to the world economy. The introduction has set out some of the issues involved in analyzing women entrepreneurs and their experiences in a variety of locations throughout the world. The next chapter begins by setting out a broad context from which to view women’s experiences as small-scale entrepreneurship. Economic restructuring, the informal sector, and women’s work in these contexts are discussed, followed more specifically by sections on the location and the strategies of women working in micro-enterprises. It is organized so as to bring the reader through the background of the study of women in small and medium enterprises in general, and of their roles in local economic development in Asia and the Pacific in particular in chapter 3.

Chapter 4 reviews the development of entrepreneurship in Thailand with respect to history, political and economic policies and the changed roles of women in the modern economy.

Chapter 5 reviews the literature on entrepreneurship in general and female entrepreneurship in particular as it relates to the critical factors that hinder its development. The
findings on the characteristics of women entrepreneurs and the dynamics of their businesses are presented together with their sectoral and local characteristics in chapter 6. This chapter reports preliminary findings of an ongoing research on women entrepreneurs, the objective of which is to discuss the profile and systems of women entrepreneurs. The profile encompasses the demographic and business descriptions of women entrepreneurs, reasons for venturing into business and problems they face. The involvement of family, friends and social networks in small business practices are also covered.

Chapter 7 discusses and analyses the critical factors that hinder the promotion of female entrepreneurship. Finally, in chapter 8 we present a summary of conclusions and suggest strategies for future research.
CHAPTER 2
The Emergence of Women’s SMEs in the World Economy

"The impact that women in business are having worldwide cannot be underestimated. Women in business today are emerging as significant contributors to the economies of almost every country - developed and developing. Women controlled businesses, the role of women in small and medium enterprises and the impact of this on economies and societies is now being recognized."

Andrina Lever, Managing Director, Expansion International Advisory Inc., address to the Senior Women Leaders’ Network from the APEC Economies, Manila 4 October 1996.

2.1 Introduction

Over the last three decades, 1965-95, the economies of Asia and the Pacific region have undergone deep-seated changes and are increasingly challenged by globalization, increased market competition and growing interdependence. In the 1980s, Southeast Asia emerged on the world stage as an economic powerhouse. At the same time, empirical evidence from most countries in the region also shows that small and medium-sized enterprises (SMEs) have become an important source of employment generation (Steinmetz and Wright, 1989). However, many policy challenges have arisen because of market imperfections, inappropriate policies and institutional inconsistencies that discriminate against SMEs. As Carlsson (1990) points out, broadening the technological base of industry is not easily achieved by individual SMEs. New technical and managerial skills are required which smaller firms often find difficult to obtain. In addition, a domestic machine tool industry is often necessary for user industries in order to

5 Small and medium-sized enterprises and self-employment have also been promoted by the European Union governments for employment creation. The European Observatory for SMEs (1994) put emphasis on the job creation potential of SMEs and defines policy areas for the member states of European Union.
assimilate new technologies. In developing countries the lack of domestic production of numerical control machines and computer aided machinery is an important barrier to the technological improvement and innovativeness of small firms (Ozcan, 1995).

Gender relations and labour market characteristics also influence small firms. Although considerable evidence shows that female workers are growing as a proportion of the total workforce, the sex-typing of jobs and the influence of patriarchal values still limit opportunities for women to varying degrees in every society. Indeed, women cannot take up small firm entrepreneurship and employment in some male dominated sectors (Ozcan, 1994). For example, a study on small manufacturing firms in Portugal shows that there is male domination in the manufacture of metal products (83%) and wood products (94%) which were described as sectors dependent on traditional apprenticeship systems (Ozcan 1995). Hence, businesses owned by women tend to be concentrated in the retail and personal service sectors. However, despite the numerous barriers that make it harder for women to start up and develop businesses and to obtain adequate economic returns, women continue entering the marketplace either as sole proprietors or as partners with others. Women-owned SMEs are reported to be growing at a faster rate than the economy as a whole in several countries in the region (Dahn, 1994). 6

The growth of women in small business in large numbers opens new possibilities for economies through employment creation, competitiveness building and social development. Therefore, there is a need to explore these possibilities and attempt to understand the social and economic problems facing women entrepreneurs. Their contributions and needs must be

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6 In 1989 the OECD published a report indicated that: women represented, on average, 25% of the total number of self-employed persons in all OECD countries; the businesses created by women were growing at a faster rate than men; etc.
economic problems facing women entrepreneurs. Their contributions and needs must be examined, and commensurate structural reforms undertaken, for three main reasons:

(i) **Economic**: Women-owned SMEs are creating employment for themselves and for others. Unfortunately, sex stereotyping and continuing discrimination against women in the work force remains a problem for women entrepreneurs no less than for women workers. Middle-and upper-level management positions in corporations are good training grounds for self-employment, but even though many companies have hired more women in the past ten years, they frequently do not promote them to the highest management positions: the "glass ceiling effect" (Hisrich and Brush, 1986). The result is that even those women with corporate management experience have not had the same opportunities as many men to learn negotiating skills and to make important financial decisions. Therefore, providing opportunities for these women to branch out and create their own firms is a way of capitalizing on their acquired skills and training. Of course, the benefits of entrepreneurship are not restricted to female middle managers. Self-employment can also serve as an escape from unemployment. This is particularly important today when access to paid full-time employment is neither easy nor inevitable (Dahn, 1994).7 There is overwhelming evidence that economic constraints have attracted large numbers of people to self-employment and that, with this growth, small business has increasingly been recognized as a key economic sector. But, it must be pointed out that self-employment is not for everyone. There are a variety of reasons why, the majority of women cannot become or do not choose to become self-employed. *This is not necessarily*

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7 Only 3% of female wage and salary earners are in management compared to 10% of men. In 1992 there were no women on the boards of Australia's top 10 companies (ABS, women in Australia).
linked to women’s skills or status, but more often to her preferences and principles.

(ii) Social: As well as representing an alternative to unemployment, enterprise creation can also offer women the possibility of balancing work and family responsibilities, thus contributing to family well-being and improving social cohesion. This being said, balancing the dual roles of family and a business can create an extremely stressful situation for women entrepreneurs.

(iii) Political: Encouraging women-owned SMEs will help reduce the disparities between women and men, increase women’s autonomy and allow them to play a more active and representative role in the economic and political life of countries.

Fostering the participation of women entrepreneurs strengthens the economy and can be a source of political, economic and social innovation. Women business owners, as compared to their male counterparts, often have a different vision of organization and management style, company structure, community service and the use of technology. However, recognition of women’s businesses and their influence on policy making remains comparatively weak. Neither government nor the business community yet recognize that women’s businesses are important or that they may have different needs and concerns from those of men’s businesses (Finnegan and Danielsen, 1997).

2.2 The Contribution of Women Entrepreneurs

It is quite obvious that entrepreneurship performs a vital function in economic development. The entrepreneur’s role in economic development is briefly described as “no entrepreneur, no development”. Furthermore, it is observed that the economic contribution of entrepreneurship is even more important in developing countries than in developed countries as
the dearth of sources of livelihood in the former pushes people to self-employment. During the recession small business has been robust, shedding the least amount of labour and the growth in self-employment has taken up many of the large business losses (Dahn, 1994).

Women entrepreneurs who own and operate, whether micro-and small enterprises in rural areas or small and medium-sized enterprises in industrialized sectors, are rapidly becoming key participants in the world economy. Accordingly, women’s business ownership needs to be addressed as a policy issue for the sustainable development of the countries in the region over the coming years.

On the whole, women entrepreneurs are playing a large and increasing role in many countries, especially in the restructuring of economies; they constitute a new and emerging force in economic development and growth; they are contributing to increase economic productivity. They are also contributing to general social welfare by reducing unemployment and underemployment and fostering a climate which changes male-centered enterprise culture and upholds an ethic of equality. It is a well acknowledged fact that women constitute a key resource whose ideas, ability and creative solutions and concern for social cohesiveness can help bring about economic and social transformation (Rotachobya, 1998).

2.3 Why Women Start-up a Business

The factors to motivate women to become entrepreneurs are quite diverse, depending on personal characteristics, locations, etc. Turner (1993) divided factors contributing to the growth in female entrepreneurship across the European Community during the 1980s into ‘push’ and ‘pull’ elements. Against the background of rising unemployment, underemployment, and unstable or unsatisfactory job conditions and prospects, a growing number of women have been
‘pushed’ into creating their own jobs through setting up small businesses.  

Many factors also ‘pull’ women to undertake entrepreneurial activities including personal ambition, creativity, a desire for independence-to be one’s own boss, self-realization and an ambition to improve the quality of working conditions, and to raise economic returns (Hisrich and Brush, 1986). In other words, women entrepreneurs tend to be more interested in self-fulfillment than in money and power.

Some reported other factors such as a desire to spend more time with the family or the children (owning a business provides women with the flexibility and proximity to home) and a desire to use a talent or skill. In other instances, some had an idea for a product or service, leading to the establishment of their own businesses.

2.4 The Concept of Entrepreneurship: Definition Problems

The term “women entrepreneurs” is used in this paper to address a wide range of women-owned/managed enterprises from self-employed to SMEs. Women entrepreneurs are also at times used synonymously with independent business women or women employers. There has also been a tendency to associate the word with small business. Women entrepreneurs differ from women executives or managers in terms that the latter do not necessarily own the businesses. A woman entrepreneur is, therefore, defined as a woman who owns and manages an enterprise ranging from small to medium-scale businesses.

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8 Women were typically motivated by a range of push and pull factors in seeking self-employment - typically the need to earn an income and job-search frustration.

9 The psychological risk for women is often less because their motivation often has its roots in job frustration and interest in the area of the business. In addition, this risk is less since most women entrepreneurs start businesses in areas they know best. Why did I start my own business? Because of my professional experience, because I wanted to be independent, self-employed, and there was a need for my services.
The term "entrepreneur" has a lot of definition and operational ambiguity (Rutashobya, 1998). Despite an extensive use of the term in the 1980s (Gibb, 1990), the debate on what exactly constitutes entrepreneurship is still ongoing (Romijn, 1989). Entrepreneurship is variously used to describe an overall set of attributes of a person, to describe a career or refer to a practice in large or small organizations (Gibb, 1990). In other words, entrepreneurs are described as innovative, exploring, risk-taking, self-confident, achievement-oriented, seeking concrete feedback on performance, more concerned with tasks and taking personal responsibility for outcomes or results of any undertaking.

In the literature, two definition approaches have come out quite clearly. The first approach is that of classical economists who define the "entrepreneur" in terms of his/her assumed roles and functions. The second approach is that of psychologists and behavioural scientists who define the term by personality traits or characteristics that differentiates the individual from non-entrepreneurs (Hisrich and Brush, 1986).

In the first approach, entrepreneurship comes from the French words "entreprede" and literally translated means "between-taker" or "go-between" (Hisrich and Brush, 1986). Moore (1990) defines an entrepreneur as one who takes an active role in the decision-making and risk-taking in a business in which she or he has the majority ownership. The term was first introduced by the French economist Cantillon in 1755. Cantillon defined the "entrepreneur" as "the agent who purchased the means of production for combination into marketable products" (Palmer, 1971). These can be the introduction of new goods, the introduction of a new production method, the opening of a new market, the discovery of new raw material supply sources and the reorganization of an industry (Schumpeter, 1971). Changes over time in such
exogenous variables as population, technology, and institutional drift will impinge on the role structure by creating new operational needs - whether or not the entrepreneurial response will be determined primarily by cultural values. In other words, an entrepreneur is the organizer of an economic venture, especially one who organizes, owns, manages and assumes the risks of a business (Hisrich and Brush, 1986).10

The second approach postulated by psychologists and behavioral scientist has also received great attention in the literature. The attitude component refers to the willingness of the entrepreneur/organization to take advantage of new opportunities and act accordingly. The behavioral component includes those activities required to assess an opportunity, create the business idea, acquire the necessary resources, and organize and operate the business venture (Morris and Lewis, 1991). Consequently, six underlying entrepreneurial attitudes and behaviours have been highlighted: achievement motivation, innovativeness, risk-taking, self-confidence, pro-activeness, and future orientation (Cochran, 1959; Kilby, 1969; Gibb, 1990; Schumpeter, 1934; Gasse, 1990). The need for achievement is defined as the willingness and the need to overcome obstacles, to exercise power and to accomplish something difficult (Gasse, 1990). Innovativeness, (creativity) has been defined by Schumpeter as the tendency to do new things and break the routine.11 On the other hand, risk taking refers to the willingness

10 An early example of a “go-between” is Marco Polo. He attempted to establish trade routes to the Far East, and as was the custom, he signed a contract in advance to sell a manufacturer’s goods. The common contract of the times included a loan from an investor to a merchant adventurer making the investor a passive risk-bearer and the merchant adventurer an active bearer of the physical risks. Upon the successful completion of a journey by a merchant adventurer, the capitalist, not the entrepreneur, took the majority of the profits.

11 Despite the wide popularity of Schumpeterian notions among economists, comparatively few of them have survived rigorous empirical testing. For an excellent review of the literature on this subject see Edgar Salin, “The Schumpeterian Theory and Continental Thought” and the comments by Alexander
to invest resources in opportunities despite possibilities of costly failure. Risk can be broken down into three categories: financial, psychological (fear of failure), and social (fear of what others will say). Often the financial risk is more critical since most new businesses require more capital than expected before they can turn a profit. The psychological risk can be a big factor as well as social risk, especially as it relates to his/her family (Morris and Lewis, 1991).

In practice, entrepreneurs, will demonstrate different degrees of innovativeness, achievement motivation, risk taking, proactiveness and the like. This means that different levels or amounts of entrepreneurship do exist. Some entrepreneurs, be they communities or societies, will be more entrepreneurs than others. To the extent that this is true, many business women in Thailand, at the moment would correspond more closely to the informal type of business, characterized by low innovations, low achievement motivation, low future orientations and the like. Highly entrepreneurial women in the country are mere tokens. Thus, this phenomenon should be noted. Subsequently, some women who operate in the informal sector were included in this study.

It will be shown in the literature review in chapter 5 that the attitudes and behaviours and hence the amounts of entrepreneurship are shaped by societal and economic environments.

2.5 Women’s Position in Small Businesses

Enterprises could be micro, cottage, small-scale or medium-scale, depending on the asset value of the enterprise, the range of which is based on the standards of the country’s economy. Most low-income women in developing countries live and work in high-risk
environments and seek, therefore, to minimize risk and increase security in their lives and work. In mainstream micro-enterprise programmes, an “entrepreneur” is characterized as one who is willing to take risk and the related term “enterprise” carries the same connotation. Because low-income women often try to avoid risk and secure their livelihoods rather than to take risk and expand their activities, their economic activities often are not classified as “enterprises” (Moore, 1990; Chen, 1996).

As a result, in many classifications of small-and micro-scale enterprises, the bulk of women’s economic activity is classified as “subsistence activity” and considered non-productive and pre-entrepreneurial (Sassen, 2000). What separates “subsistence sector” from “micro-enterprises” remains unclear. However, the impact of this classification is clear: many women workers are excluded not only from mainstream economic policies but also from micro-enterprise programmes. The number of women who come under the category of entrepreneurs in a formal sense is still negligible. The representation is somewhat better in the informal sector with a higher percentage of women applying for loans for cottage industry enterprises. However, this does not necessarily mean that these women intend to enter the economy as entrepreneurs. They may simply remain self-employed and limit the scale of their enterprise to meet the requirements of household consumption (USAID, 1990).

2.6 Rationale for Micro enterprise Development

The structure of the Thai economy has changed over the past thirty years. Thailand’s industrial sector covers a wide spectrum of manufacturing industries. Over the past two decades, the manufacturing sector has grown rapidly, and although it has been thriving from time to time, its continued growth may be largely dependent on the creativity of its small
business owners. Women contribute substantially to the development of small businesses, especially in the service sector—an important and growing part of the Thai economy. The goal of this paper is to provide strategies for the alleviation of the feminization of poverty by terms of fostering women's enterprise.

In Thailand, some kinds of information specified are collected and processed. But much of the required statistical data is lacking or is in need of qualitative improvement. There has been little official appreciation of the need for statistics, and this in turn has meant failure to develop the statistical services beyond a rudimentary level. However, even though largely impossible to measure accurately, at present, it is estimated that 99.5% of businesses owned and managed by women are 'small,' have less than 10 to 15 employees and account for 65% of employment. Of these small businesses the majority are mini and micro enterprises, according to the US categorization, with fewer than 5 employees. They account for 85.7% of enterprises and 23.3% of employment (ESCAP, UN Report 1995).

Significantly, SMEs have been seen as elements of the change and future development of local economies. In the context of Southeast Asia, evidence suggests that SMEs play important roles in the following national concerns:

(i) Provision of employment opportunities: SMEs tend to be labour intensive and, therefore, they can absorb the ever-growing labour force; one aspect of this is the increasing rate of self-employment and SME formation as a result of unemployment and

12 By the end of 1992 there was a total of 103,822 factories. From this total, about 91% were small-scale industries, and 6.5% were medium-scale industries. Most of the small industries' production is for domestic consumption. Their exports are handled by trading companies in Thailand, or by parent companies in the importing countries.
lay-offs from large firms (Steinmetz and Wright (1989);

(ii) Regional dispersal of industrial development: SMEs are relatively easy to establish in the less-developed areas of the country and help stem the tide of rural to urban migration;

(iii) Utilization of local raw materials: Many SMEs are involved in the processing of domestic agricultural produce for export. This means more value added, as well as jobs and foreign exchange earnings;

(iv) Linkages between large and small industries: Such linkages aid in achieving greater economic efficiency, by supplying raw materials, parts and components, semi-finished goods, and distribution of finished products.

The classic work of Staley and Morse (1965), *Modern Small Industry for Developing Countries*, suggests that the most productive industrial structure for any country is a combination of large, medium and small manufacturing units. In developing countries this means that small manufacturing firms must be encouraged and supported in order to increase economic growth. The International Labour Organization (ILO, 1976, 1972) redefined the informal sector in under-developed countries as a potential engine for achieving self-sustained economic growth. The World Bank (1980), has also supported policies of small scale enterprise development in developing countries as important role in generators of income and employment opportunities for the poor in urban areas. In all these approaches we observe a new emphasis on territory and locality which have long been ignored in economic development policies (Charlton, 1984).
3.1 Introduction

Globally, a growing number of women-owned/operated micro businesses are being established. In the past decade, women’s experiences as small-scale entrepreneurs have received increasing attention. This stems, in part, from the recognition of the importance of women’s economic contributions, especially in the informal sector- as micro-entrepreneurs, domestic workers, home-based subcontractors, and sweatshop workers- to family survival throughout the world. Women businesses have been taking up a significant proportion of market segments from providing niche services to tapping into production and manufacturing goods. Women have contributed significantly not only to national GDP growth, but also to employment growth.

Women’s impact via SMEs across the region is much greater than commonly appreciated and continues to grow rapidly. Women already account for an average of 42 per cent of the paid labour force in Southeast Asia (USAID, 2000). The increasing numbers of women entering the labour force and contributing significantly to national social and economic development in many countries of the region is matched by the large proportion of women employees and owners in the SME sector. As SME entrepreneurs, women are a strong force in regional SME growth and hence in the region’s rapid economic development.

However, data available from industrialized economies shows that over one-third of new businesses were set up by women, and that women’s businesses absorb a large proportion of national employment and contribute significantly to GDP in these countries as well. The
Following examples illustrate the point:

In Australia, women constitute approximately one-third of all small business proprietors. Between 1986 and 1996, the number of women in small businesses grew by 25 percent, faster than the 15 per cent growth registered form men in small businesses. More than 40 per cent of all businesses in Australia were owned by women, a figure that is estimated to have reached 50 per cent by the end of the 1990s (ABS, Small Business in Australia 1990; Dahn, 1994).  

In Canada between 1991-1996, women have been starting up their own business at three times the rate of men. Canadian women constitute 35 per cent of employers, while self-employed and women-led firms are creating jobs at four times the national average. One-third of self-employed Canadians in 1996 were women, up from less than one-fifth in 1975.

Over the past few years, the number of start-ups and businesses run by women surpassed men-owned firms in the United States. The 1992 census of businesses showed that women owned 6.4 million businesses, representing a third of all domestic firms and 40 per cent of all retail and service firms. By 1996, 36 percent (nearly 8 million businesses) of all companies in the United States were owned by women and employed 26 per cent of the total workforce and generated more than $2.28 trillion dollars in sales. The number of self-employed women in

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13 More than 272,000 small businesses are now run by women. Approximately 2/3 of these are self-employed women and 1/3 are small business employers. Approximately one-third of the self-employed women work at home. Australian women's businesses are also the fastest growing segment of the small business sector. Women-owned businesses in Victoria had been increasing at more than double the rate of male-owned businesses and, in 1992, 70% of the small businesses started were headed by women (VWCC Report 1988 Victorian HUB Report 1991). The WA HUB survey found that over 40% of women in business provided the major financial support for their households.

14 According to David Birch, president of Cognetics Inc., a consulting firm based in Cambridge, Massachusetts. We have gone from essentially 0% of the work force employed by women in 1972 to about 10% to 12% today. According to national estimates, in 1992, women created 10% of the new firms in North Africa, 33% in North America (in 1993, 75% in the US) and 40% in the new German Lander.
non-agricultural industries grew from 2.8 million in 1987 to 3.6 million in 1997 (U.S. Department of Labor, 1998).

Although national data are not available, surveys in some East Asian economies suggest that women play an equally prominent role in SMEs in those economies.

In Taiwan, more than 60 per cent of exports of manufactured products in 1997 were generated by SMEs, many of them owned by women. The percentage of women employed in SMEs increased from 36 per cent in 1991 to 38 per cent in 1996. Women constituted more than 40 per cent of the employed persons in SMEs in manufacturing, commerce, and business services, and more than 50 per cent in finance, insurance and real estate, social, personal and related services (Kim, 1998).

Japanese women entrepreneurs are also active. According to the Japan Small Business Research Institute, 23.3 per cent of private firms are set up by women (2.56 million of 11 million). A Survey on Business Openings, conducted in 1996, showed that 14 per cent of new businesses in Japan were established by female entrepreneurs. Korean women owned 32.4 per cent of total industrialized and business establishments in 1997 (Kim, 1998).

The majority of Chinese women, according to the 1996 figure, were working in collective enterprises and private entities, most of these being small and medium-sized enterprises (Ministry of Personnel, People’s Republic of China, 1998).

Although for Southeast Asia relevant and reliable labour force statistics on self-employment are not available, the data indicates that women in these economies also play a prominent role in small enterprises. Women make up a significant part of those classified as employers and self-employed. Averages range from 23 per cent to 30 per cent of the total for
Indonesia, Malaysia, the Philippines and Thailand. Many of the enterprises started by women are in the fields of food and clothing as these enterprises are seen by society to be suitable for women.

In the Philippines in 1991, women constituted more than half of the self-employed working in manufacturing and trade, and up to 70 percent in social/community and personal services (Licuanuan, 1992).

In Thailand in 1996, they represented between 42 per cent and 66 per cent of the self-employed in these sectors, and in Indonesia in 1997 they accounted for 50 percent and 20 percent respectively. In Malaysia and Singapore, women accounted for 25 percent of employers or own account workers (Ismail and Ahmad, 1999).

In Vietnam, women comprised 50-60 per cent of those working in the private and/or cooperative (non-state) sector, according to Vietnam Women’s Union Survey in 1997. Four out of five restaurants, coffee shops, hotels, wholesale and retail shops and garment and leather manufacturing enterprises were owned and run by women (Tantiwiramanond and Pandey, 2001).

3.2 Support Measures for Women Entrepreneurship

On the demand side, women entrepreneurs require a higher quality of services and information from government agents, industry, and public and private organizations to assist and improve their management skills, information access and quality control.

How could government agents and industry, as well as other public and private organizations, better serve women in order for their businesses to continue to grow? That lies in timely identification of business women’s needs and concern for their business development.
A recent research project done by the National Foundation for Women Business Owners (NFWBO, 1998) internationally at a blend of day-to-day internal business management issues and external factors. Internal concerns are: maintaining profitability, obtaining quality staff and managing finance. External concerns are: improving business laws and policies, national political and economic status, access to technology and capital, and the local development and expansion of basic infrastructure, such as roads, bridges, electricity and telecommunications.

Within ESCAP, it is believed that these internal concerns and external issues are equally critical to women in SMEs. As most women owned/operated businesses are micro-enterprises, and regarded as informal, their concerns have not been properly addressed, despite the importance of women’s contributions and even though the issues faced by SMEs have been widely documented. Therefore, economies in the region should revisit these issues and discuss new problems emerging as a result of the current Asian economic crisis. They should also examine policies and programmes implemented by the countries of the region to remove barriers, address problems and identify policy guidelines so as to further encourage women’s SME endeavors thereby assisting sustainable growth in the region.

3.3 The International Development Agency

For the past three decades now the need to rectify gender inequities and to bring women

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15 The Australian Bureau of Statistics conducted a Characteristics of Small Business Survey in February 1995, which collected information on the characteristics of businesses employing less than 20 employees and their operators, provides detailed information on the differences and similarities between women-owned and men-owned businesses. In the US, the National Association of Women Business Owners conducted its own membership survey in 1992 and a later survey conducted jointly with AT & T and MetLife Small Business Center on home-based women-owned businesses. Other data comparing women-owned and men-owned businesses are available from the 1987 US Bureau of the Census Characteristics of Business Owners Survey released in 1992.
in the mainstream of development has been a major policy concern of United Nations bodies, governments and many non-governmental organizations have shown increasing concern with the role of women and their entrepreneurship too. It is a well acknowledged fact that women constitute a key resource whose ideas, ability and creative solutions and concern for social cohesiveness can help bring about economic and social transformation. The World Bank and other institutions have recognized that women are the critical players in the fight against poverty. Women are better at repaying their loans and less prone to waste or loot development funds. The UN's Fourth World Conference on Women, held in Beijing in 1995, placed considerable emphasis on practical actions which could contribute to the economic empowerment of women. In addition, the Women Entrepreneurs' summit hosted by the Organization for Economic Cooperation and Development (OECD), which was held in Paris in 1997, brought together a large number of women entrepreneurs from around the world. Together they have drawn attention to the potential and opportunities, as well as the barriers and constraints, relating to women's entrepreneurship development.

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16 The UN Conference on Women, held in Beijing in 1995, clearly called on the governments to: Strengthen women’s access to credit and capital on appropriate terms equal to those of men through the scaling-up of institutions dedicated to promoting women’s entrepreneurship. Promote gender-sensitive policies and measures to empower women as equal partners with men in technical, managerial and entrepreneurial fields; and Promote and support women’s self-employment and the development of small enterprises.
CHAPTER 4
Entrepreneurship Development in Thailand: The Enabling and Disenabling Environment and the Gender Dimension

4.1 Introduction

As observed in the previous chapters, SMEs entrepreneurship is now recognized as a vital quality for the emergence and sustenance of economic growth in less developed countries (Romijn, 1989). The theory behind this is that a complex of market sensitive, resource maximizing, flexible companies can counter the supposed "dead hand" of big business and generate jobs and income. New technologies such as the use of informatics in service and production activities have increased small firms' ability to compete and survive in the market. The result is supposed to be not only personal prosperity for successful risk takers, but also prosperity for the towns and provinces which nurture local economies (Ozcan, 1995). Entrepreneurship development should, therefore, be one of the primary policy concerns if poverty is to be alleviated in the Southeast Asian countries.

As will be shown later in this chapter, the level or amount of entrepreneurship is strongly determined by environmental (social, culture, legal, economic, political, educational, turbulence) factors (Morris and Lewis, 1991). Thus countries with conducive policies, organizational environments and educational systems are expected to have high levels or amounts of entrepreneurship. In the case of Southeast Asian countries, rapid economic growth has usually been explained in terms of "external" factors - favourable opportunities for trade have opened up new markets and produced internal political stability. It has been well acknowledged that for the past three decades, the Asia-Pacific economies have grown well
above the world average (Islam and Chowdhury, 1997). The unprecedented expansion in world output and trade in the post-war era provided the Asia-Pacific economies like Japan and the four Asian newly industrializing economies (NIEs) - South Korea, Taiwan, Hong Kong, and Singapore - with a conducive and stable environment for export-led growth. These were the most dynamic middle-income economies in the world (Tan Kong Yam, 1997).

The pattern of industrialization and exports of the NIEs has been rather similar. After a short period of protectionistic import-substitution policy in the 1950s and early 1960s, they soon turned to an export-oriented strategy for growth. Their major markets were the Organization for Economic Co-operation and Development (OECD) countries, particularly the United States which had a major strategic interest in nurturing these market economies through foreign aid, capital inflow, technology transfer, market access, and special tariff preferences against the ideological challenge of the socialist countries in Asia like China, North Korea, and North Vietnam. Consequently, the manufacturing exports of the four NIEs were able to grow in a substantial rate. Gradually, with rising income and savings, together with a higher educational level and better infrastructural facilities, the NIEs were able to invest in and upgrade to more capital, and technology-intensive industries (Tan Kong Yam, 1997).

By the beginning of the 1980s the success of the NIEs had begun to have a significant

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17 "The economies of East and South East Asia are becoming integrated into a broad Pacific Asia region", proclaim Dixon and Drakakis-Smith (1993:1). They note: This new regional grouping has emerged as the most dynamic component of the global economy. While the region is increasingly dominated by Japan, it has over the last twenty years contained most of the world's fastest growing economies.

18 Their annual growth rates in gross national product (GNP) per capita between 1965 and 1990 have averaged 6 to 8 per cent, almost triple the average rate of 2.3 per cent for middle income economies of the world and double the 3.6 per cent average for countries in the Association of southeast Asian Nations (ASEAN), excluding Singapore.
demonstration effect on policy makers in the Southeast Asian countries. Most of these
developing countries with their dominant small business sector are desperate to replicate the
NIEs' successes. They had increasingly looked upon a liberal trading regime as well as the
inflow of direct foreign investment from the NIEs and Japan as a quick way to jump-start the
process of industrialization.

This surge of foreign investment inflows from NIEs into ASEAN, together with the
dynamic effect of the liberalizing and deregulatory measures undertaken domestically, brought
about an ASEAN economic boom between 1987 and 1995. Thailand, however, appears to be
the most appealing to foreign investors who have found it necessary to relocate their production
bases. With its expanding investment potential, political stability, relatively low wages and a
reasonably high degree of economic development, Thailand has become a significant producer
and exporter of light industrial and manufactured products which, in turn, have broadened the
country's export base beyond the singular concentration on agricultural products
(Suksiriserekul, 1999). The domestic consumption of goods and services has also expanded.

To remain FDI competitive, the Thai government offers excessive investment
incentives, and unduly relax environmental, labour safety, and prudential regulations.
Continuing high liquidity has kept interest rates relatively low and this has helped boost
construction and local investment. All these factors have contributed to the growing national
economy, with the annual growth rate estimated at between 6 and 9 percent between 1975 and

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19 Thailand passed laws designed to attract foreign capital. Export-oriented industrialization is
strongly advocated by international agencies such as the World Bank and the IMF and the main incentives
for foreign investment are the absence of taxation and restrictions on investment and trade, of restrictions
such as price control and rationing at the internal market and first and foremost a surplus of cheap labour,
usually young and female.
1995. During 1992 and 1993 the Board of Investment (BOI) introduced very generous incentive packages for FDI to encourage investment in 57 provinces outside Bangkok and its neighbourhood. The new guidelines for FDI also accord priority to investment in agriculture, fisheries, mineral exploitation, manufacturing and services (Islam and Chowdhury, 1997).

This chapter considers how the structure of the Thai economy and society affects the development of entrepreneurship. We will also see what the economic and social roles of SMEs are. However, due to historical reasons and Thailand’s own policies in the 1970s and early 1980s, entrepreneurship has been, and still is, dominated by migrants from Northeast Asia (about 90% of private industry and trade outside the informal sector). Indigenous entrepreneurship is, therefore, still at its infancy and is mainly limited to small-scale businesses.

The remainder of the materials in this chapter demonstrates how the conducive world trading system as well as the government policy have affected the development of entrepreneurship in the country in general and how these policies have engendered women’s involvement in business.

4.2 The Historical Context: Economic and Social Setting

The discussion in this chapter suggest that the progressive emergence of the Asia-Pacific region as a new center of economic power in the global scene is being accompanied by closer regional interdependence. This trend towards regionalisation - which apparently seems more pronounced in the later part of the 1980s - is part of a general pattern of regionalization of the

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20 It was a classic example of an export-growth led economy with impressive annual rates of export expansion. For the long period 1960-1996, Thailand sustained steady economic growth on the order of 6-8% per year. With a conservative Bank of Thailand, relatively independent from the influence of politicians, Thailand achieved this rapid growth with only modest inflationary pressures.
world economy. One needs to understand the historical context of this process, the extent to which it is ‘market-driven’, and the implications that follow from such analysis.

4.2.1 The Economy

James Ingram (1955), *Economic Change in Thailand since 1850.*, has provided a thorough and excellent economic history of Thailand from 1850 to 1950. As he noted, Thailand is a rich country, and national wealth makes a difference in national politics. The country’s wealth must be judged in comparison with the number of people, which is not large, and their enterprise, which is not negligible.

The cultivation of rice occupies more than three-fourths of the working people of the nation; perhaps 95 percent of the cultivated land is planted to rice, and the rice product is the most valuable item of the economy as well as of foreign trade.

Thailand has always had plenty of land available to accomplish the economic objectives and maintain the standard of living of an increasing population. At the same time, although the economy appears to have changed considerably, the fact is that such change has been generally a matter of quantity rather than quality (Wilson, 1962).

During this past century the economy of Thailand as a whole has changed from a system of largely self-sufficient production to a system of international trade based on rice grain surplus, supplemented by forest products, rubber, and tin. In the middle of the nineteenth century, the government of Thailand yielded to the pressure of events and ended the policy of restricted commercial intercourse with the rest of the world. 21 In 1855 the first of a number of

21 The Kingdom of Siam (Thailand) prospered most during the period it suffered unequal relationships with the European powers. Thailand had to sign treaties, similar to Bowring, with other Western powers. These treaties, although they meant a substantial surrender of the nation’s sovereignty, turned Thailand into an almost completely open economy.
commercial treaties with Western power was signed by Thailand and Great Britain. This event is a convenient mark for the opening of the Thai economy to the world. For two reasons the course of change has been and continues to be most gradual. First, the government of the kingdom by means of a consistently conservative economic policy has been reasonably successful in mitigating the impact of new economic forces. Second, the abundance of land has permitted both the absorption of increased population and the realization of increased production without doing violence to social relations. Therefore severe pressure of population on the land and the related problems of peasant indebtedness, landlord-tenant conflict, and impoverishment of the rural population have occurred rarely in Thailand. At the same time, because of the very small scale of industrial development, the working-class proletariat is small. The economic development of the country has not produced that kind of economically depressed group - a desperate peasantry or an oppressed and depersonalized worker group - to which revolutionary programs might offer an appeal (Wilson, 1962).

There have been three principal changes in the Thai economy in the past century. These are the development of a partial money economy, the change from largely subsistence production to specialization and exchange in parts of the economy, and the appearance of an ethnic aspect to the division of labour. The first two changes have affected only part of the nation even today. The third developed as a result of Chinese immigrants' filling the new demand for free labour and for merchants in an exchange economy. The social effects of economic change and development have not been radical, and the social system of the greater part of the population has not been seriously disrupted (Ingram, 1955).

The Thai population has largely remained in agriculture, and has neither improved
techniques nor increased the proportion of capital to labour. Subsistence is still the basis of rural household economy after 100 years of commercial revolution. The primary crop of the representative farmer is rice, which is at the same time the staple of its family’s diet. The relative importance of cash in the household economy varies with the amount of surplus rice available for sale. Luxury is not the proper term to use when describing rural life in Thailand, but it is a land of sturdy and wholesome peasantry. Suffering and fear do not dominate any significant part of the population, although hardship is not unknown or unfamiliar (Wilson, 1962).

The development of the international rice trade, especially after the opening of the Suez Canal in 1869, provided the major source or revenue for the state and comprised about 30 percent of world trade in rice (Islam and Chowdhury, 1997).

Non-agricultural industry has its own socio-economic peculiarities. In general, it may be said that non-agricultural industry is organized in two ways - either as government or government-aided industry or as private investment by aliens, primarily Chinese. This division has come about historically as a result of the reluctance of the Thai to enter into occupations other than government service - on a purely cash basis. There are several explanations for this situation. For example, agriculture as a source of livelihood has historically been sufficiently secure so that it retained a comparative advantage, both psychological and financial, over the wage or profit incentives of labour or business. The same sufficient security is characteristic of government service. In addition, it is highly esteemed and influential. Because trade lacked traditional support and market exchange relationships might have strained traditional social
bonds, the Thai evidently found this field unattractive and left such opportunities to aliens.\textsuperscript{22}

The pattern of industrial organization is also a matter of social significance. Private investment in non-agricultural as well as in agricultural enterprise is organized as small family business. One feature of the predominant family business pattern among Chinese in Thailand is residence on the second floor above the shop. This enables the wife and often the children to work in the family shop downstairs. The home workshop, the home store employing largely family labour or a few wageworkers integrated into the family pattern, is the dominant form of business activity. The World Bank estimated that in 1958 there were only about 300, or about 2 percent, of a total of 16,000 industrial establishments in the country which employed over 50 workers. The bulk of urban workers are probably employed in small shops mostly with less than 10 workers. This type of quasi-family organization, while implying poor standards of hygiene and safety, involves an intimate pattern of inter-personal relations between employer and worker and probably includes a higher degree of social integration than is characteristic of large factories. Since the boss and workers are approximate social equals in a small shop, this pattern does not stimulate working-class solidarity or working-class political activity (Wilson, 1962).

\textit{4.2.2 The Society}

The primary social division of Thailand is between country and city. Rural society in

\textsuperscript{22} Ingram (1955:37) has noted that "One of the outstanding features of the period since 1850 has been the general willingness of the Thai to leave the entrepreneurship function to foreigners. This was true not only in the case of the middleman organization. In any new development which required the application of business methods and the use of individual entrepreneurship, the Thai were rarely to be found. Another striking feature of this period of Thailand's history was the existence of a supply of foreign entrepreneurship which was willing to flow into the country, and allowed to.
Thailand is remarkably homogeneous throughout the country in terms of economic status and occupational role. The more complex urban, primarily Bangkok, society is related only marginally to the rural society. It is here that the mobility and finely graded social status which characterize Thailand are most clear. At least five criteria of status have been noted: economic standing, political power and connections, education, outlook on life, and family background. In various permutations and combinations they determine social status. Urban society may then be analyzed into five social status groups or classes: old elite, new elite, upper middle class, lower middle class, and lower class (Skinner, 1958).

Another factor which retards the growth of class feeling is the rather strong nationalistic feeling toward the large Chinese minority. This group, whose members may be either native or China born, constitutes around 10 percent of the population of the kingdom. The Chinese as a social minority evoke an attitude of ethnic solidarity within their group and against it as well and at the same time cut across certain socially significant occupational groups such as free wage labourers and merchants, both large and small (Skinner, 1957).

Overseas Chinese are the most important minority in the country socially, economically, and politically. Chinese in Southeast Asia are well known for their powerful commercial position, and those in Thailand are no exception. Encouraged to come first as wage labour in such construction as canal and railway building, the enterprising and mobile Chinese proletarian was quick to appreciate the trading possibilities in a developing commercial economy. As the quantity of rice which was entering the world market increased at an explosive rate, the opportunity for middlemen and milling expanded accordingly. While the Thai peasant population directed its enterprise into expanding production and the Thai upper class was
absorbed with increasing administrative and political work, the potentials of rice processing were left to Chinese energies for development (Skinner, 1957). They helped finance agricultural investment and came to control the marketing and exporting of major crops. Since they also became the only source of rural credit they were able to command high interest rates from the peasantry. These usurers were often themselves indebted to other wealthier money-lenders in a complex debt structure. In most of Southeast Asia, and Thailand is included, the Chinese were not allowed to obtain titles to agricultural land. Crops instead became security for loans from Chinese money-lenders who were tied thus to the urban trade. They became vital links in the economy in the country, organizing the export and import business and the retail and money-lending activities that kept this economy operating. Although most immigrants were not of high economic status, the fact that Chinese peasant culture put a high value on hard work and thrift enabled them to play the role of economic intermediary between Western colonial officials and local agricultural workers (Lebra, 1980).

Opportunity for the Chinese was expanded by the milieu of Thais traditional social structure. Social standing—whether one belonged to the aristocracy or to the peasant masses—was determined by birth. The cleavage was sharp and there was little commercial intercourse between the two classes. In this vacuum the Chinese found a lucrative niche. Not concerned with social standing—they had none and were, in any event, superior by their own reckoning—they created and became a new commercial middle class (Paulson, 1980).

Not unnaturally, social status for Chinese came to be determined by wealth. Wealth, in turn, opened a second avenue of mobility—education. The role of education was further enhanced by a shift, after 1900, in the type of immigrant. The 20th century, especially after
World War II, saw increased migration of Chinese intellectuals to Southeast Asia.

Initially Chinese immigration was almost entirely male, and those who chose to settle in Thailand were apparently assimilated into the Thai population with little difficulty. As there were few marriageable Chinese women available, those who stayed married local women. In these mixed marriages men were the tradition-bearers. When the husband was Chinese, the family tended to retain more of its Chineseness than when the reverse was true. Nevertheless, a degree of assimilation occurred as a result of marriages. Around 1910, however, Chinese women began coming in great numbers, and the basis was laid for the growth of a distinct social community (Wilson, 1962; Paulson, 1980).

The influx of Chinese women into Southeast Asia beginning at the turn of the century in the context of Chinese immigration generally led to certain patterns of economic participation. The absence of a major role in agriculture for Chinese immigrants and the fact that these nations were pre-industrial meant that those women who did seek employment went into tertiary occupations, i.e. service occupations, in large and significant numbers (Wilson, 1962).

Almost since their arrival in Southeast Asia, Chinese women have participated more actively in the work force than did their counterparts in traditional China. This generalization, however, tends to obscure the role of women in rural China in agriculture, which is not considered paid employment but rather unpaid family labour. As soon as they arrived in Southeast Asia, the rationale for a greater economic role for women than what they played outside the home in China was compelling. Reflecting this rationale, the media today tend to portray women as equally capable with men because they are necessary to the work force (Lebra, 1980).
In Southeast Asia, and Thailand is no exception, Chinese women account for 40 to 50 percent of the total work force in the bazaar and service occupations. According to Ester Boserup (1970), these occupations represent a kind of intermediary stage in development between agricultural and modern industrial society. It should be reiterated here that the Chinese did not generally work in agriculture in Southeast Asia. In the early stages of development, jobs in the small modern sector are usually reserved primarily for men. A correlation can therefore be drawn between the stage of development and the proportion of women in the modern sector. In some countries of Southeast Asia this correlation is not direct. In Thailand, for example, 25 to 30 percent of workers in the modern sector are women, though this sector accounts for only 7 to 12 percent of all adults. The percentage of women in the bazaar and service occupations is higher than the proportion in the modern sector. The absence of colonial rule in Thailand is related to the exceptionally high proportion there of women in the modern sector (Lebra, 1980).

4.3 Diversification Stage (1960s - 1970s)

As mentioned earlier, the Thai government actively encouraged the increased immigration of Chinese as well as the allocation of the newly created economic roles to non-Thai. The explicit motivation given by Rama III and Rama IV, who were both instrumental in establishing this policy, was a more impressed Thai labour, and to “leave the farming classes alone.” (Ingram, 1955).

While encouraging Chinese immigrants to take on the new economic roles and simultaneously encouraging the Thai to retain their traditional roles, the government’s policies

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23 One large market are in Bangkok is worked almost entirely by ethnic Chinese women, most of them speak Teochew, the commonest dialect group in Thailand.
also discouraged the development of large estates.\textsuperscript{24} Thailand remained a nation of small, independent free-holders with relative equality of economic condition and opportunity. Traditional channels of mobility were still kept open or expanded. Thais were not actively discouraged from taking on the new roles if they chose, but few in fact did.\textsuperscript{25} The Thai Buddhist orientation to action was enough to make such roles unattractive to them, or, if they did take them on, to make them less than successes in competition with the Chinese. The Chinese orientation to action was well suited to economic success under the conditions they found in Thailand (Skinner, 1957).

Until about 1960, the Thai economy was mainly based on agriculture.\textsuperscript{26} The transformation from an agricultural to an industrial economy in Thailand started in the 1960s and accelerated in the 1970s.

The launch of the first five-year Social and Economic Plan in 1961 could be marked as the first step in the industrialization effort and the Thai economy began to diversify rapidly. From 1960 a policy of export-oriented industrialization was instituted. Laws were passed which gave foreign investment tax exemption; a Board of Investment was created to help foreign

\textsuperscript{24} The first law requesting landowners to register their land was enacted in the reign of Rama V (1868-1919). At this time people were allowed to settle on unclaimed land and cultivate it (up to 25 rai). For the first three years they were exempt from taxes and corvee (labour). About 12\% of the land legally fully owned by the people who claimed it.

\textsuperscript{25} As a matter of fact, Thailand has been a free market economy since the establishment of the Kingdom of Sukothai in the 13th century. A stone inscription in the Thai language attributed to King Ramkhamhaeng the Great reads, in relation to the economic system of that period: ‘Those who want to trade elephants can do so while others who want to trade horses can do so as well.’ This statement is taken to mean that it was the King’s policy to promote a system of free enterprise within the kingdom.

\textsuperscript{26} Economic development in Thailand was initiated by the International Monetary Fund in the 1960s. Most workers worked in the agricultural sector, but now the industrial sector takes up most of the workforce.
firms establish themselves, and former requirements to utilize Thai employees were lifted. Furthermore, important services that encourage entrepreneurship growth were only accessible to foreign firms. Foreign investment has been subsidized, as has the urban population generally through the rice policy. The price of rice in Thailand is rather low. This is due to several factors: government policy, oligopoly in trade, and competition from a few comparatively productive farmers whose land is situated near public irrigation. The government policy of forcing down rice prices on the internal market is motivated by the wish to keep wages low, both for employees of the state and workers. Low wages are of course attractive for foreign investment (Thorbek, 1987).

The basic development policy was for the government to play supporting role to the investment initiatives of the private sector. The situation was made better when the US became involved in the Vietnam War, the Thai government seized the opportunity offered Thailand to be used as a US military base and Bangkok became a rest and recreation center for US troops. Loans and grants aid from the United States and the International Bank for Reconstruction and Development (IBRD) built up the infrastructure to get Thai agricultural products into a world market buoyed up by excess demand (Islam & Chowdhury, 1997).

Thailand benefited enormously as the US military built roads and communication facilities across the country. The monetisation of the Thai economy progressed rapidly with increased US military expenditure. There was also expansion of education. Japanese began investing heavily in Thai agri-business as well as in trade and manufacturing.

However, Thailand’s agricultural resources were hitherto under-utilized and could respond with spectacular rates of growth. In this situation, local entrepreneurs could make
marvelous profits from the export of primary products, or from service activities related to the procurement boom for the American War in Vietnam.\(^{27}\) They were not at all tempted to venture into the risky unknowns of manufacturing investment (Phongpaichit, 1989).

Some local entrepreneurs understood the potential of the growing domestic urban market and pressed the government to provide protection for import-substituting industries. The government responded with a tariff structure which encouraged the assembly of final goods from imported parts. Some foreign investment flowed in to take advantage of this tariff protection, but there was no interest on the part of those investors to expand into production for export. Indeed, in many cases, the foreign parent firm imposed technology contracts which prevented the local subsidiary or joint venture firm from producing for export (Phongpaichit, 1989).

The lower returns in some industries have stimulated interest in investment in other industries - and in efficiency. The local entrepreneurs had always relied heavily on foreign technicians to set up plants and initially run them. At least 60 percent of the investment in larger firms involved some foreign technical staff (Akrasanee and Wattananukit, 1990). Entrepreneurs thus had overcome the limits on expansion that lack of technical manpower would otherwise have imposed. But until recently, most of them were little concerned with efficiency. This was sound profit-maximizing behaviour, since the returns from increased efficiency were likely to be less than from the promotion of new enterprises and from coping

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\(^{27}\) By maintaining its strong anti-communist stance, Thailand was able to restore US economic and military aid. The renewed US military involvement was crucial for restoring the confidence of foreign investors. As one observer puts it, "The involvement of the USA both supplement foreign investment and boosted the confidence of investors" (Dixon, 1995).
with and trying to evade government regulations. As profits fell, as competition increased, and as laws were better enforced, efficiency received more attention. The trend is from family management to professional management and toward the employment of technical staff regardless of family or "community" connections. The more promising young family members are receiving training in engineering and sometimes business administration. By 1970 at least one-quarter of the investment in larger firms were controlled by families who had provided or planned a technical education for some family members.

Throughout the 1960s and the early 1970s, manufacturing expansion was a low priority for both government and the business elites. Commerce prospered. The banking sector grew at exponential rates. High commodity prices and expanding agricultural production cushioned the government and the business elites from the need to promote manufactured exports. Until the mid 1970s, there were no serious attempts to diversify exports beyond primary products, neither were there serious attempts by local business elites to bargain with foreign investors on the issue of technology transfer and diversification of markets outside Thailand (Phongpaichit, 1989).

In 1975 manufacturing accounted for only 8 percent of total employment, manufactured goods contributed only 26 percent of total exports in 1976, and most manufactured exports were the products of simple processing industries (Phongpaichit, 1989).

4.3.1 Rural Migration and Entrepreneurship

The economic transformation from an agrarian economy to industrialization, on the one hand, and rapid urban growth and labour migration to urban areas, on the other hand, have affected the country's regions differently. While the agricultural transformation of the 1950s
was geographically dispersed to some extent, industrial development after 1960 was not. It was from the domination of this industrial capital that regional inequalities have increased. Although economic growth and capital expenditures for development have steadily improved, they have not been evenly distributed. Both private and public investment are concentrated in Greater Bangkok. At the same time, the building sector developed parallel to urbanization. Between 1958 and 1978 the industrial areas in Bangkok have grown from 600 hectare to 1,685 hectare. (Thorbek, 1987).

The main emphasis in the approaches of various Thai governments, following American and Asian Development Bank advice, has been a *laissez-faire* policy, promoting private enterprise, lifting restrictions on internal and foreign trade and investment, and in general letting agriculturalists fend for themselves. Foreign investment has been subsidized, as has the urban population generally through the rice policy.

Poverty in the countryside is great and has grown worse over the years. The peasants have grown poorer because of this policy; one of the results of this is the high rate of migration to the city. The flow of migration is mainly to the premier city of Bangkok. Women predominate in migration streams. Among them there are seasonal rural migrants male and children (Leenothai, 1991).

In the process of urban growth, increasing economic activities and the formation of small businesses increase job opportunities for migrants. The extension of informal and formal service sectors in urban areas during the development process provides numerous opportunities for women to participate in the labour force. Therefore, the duration of the urban residence and the period of migration develop various layers of migrants in the local markets. While early
comers fill existing opportunities and secure their survival, late arrivals from rural areas may not get an opportunity for upward mobility in urban areas. When the number of small businesses which provide goods and services for the urban population reach a market threshold, it becomes more difficult for newcomers, particularly rural migrants, to enter business and develop local ties. As a result, poor rural migrants have little chance for upward mobility and become cheap, unorganized and unqualified labour for small businesses. Among them uneducated women and child workers are the most vulnerable (Ozcan, 1995; Charlton, 1984).

4.3.2 Characteristics of the Labour Market

The general features of the labour market for migrants can be summarized in two layers. At the bottom there is casual-peripheral workforce. They have largely no educational and vocational training and form the unskilled and cheap labour pool of manufacturing and construction firms.

The middle range of the labour market has individuals with some education and training or working experience. They are largely employed in low grade office tasks and in the commercial sector. The better educated migrate more frequently and respond to wage or income differentials than do the less educated. Migration streams of women, therefore, are often composed of two very different groups: the uneducated seeking employment in the service and informal sectors, and the more educated seeking clerical and manufacturing employment.

Most female migrants are highly concentrated in the service and informal sector. Half of all female service workers in Bangkok are recent migrants. The informal sector utilizes the services of young single women with little education. Domestic service allowed women to find employment in urban areas, whether as servant or in other forms of female servitude, for
example, as prostitutes. These occupations are low in status and lacking real prospects for upward mobility (Charlton, 1984). Geographically, the ‘informal sector’ production units are often located in either urban slums or rural areas. Therefore, most migrants are driven from the countryside into slums in cities, and these slums are their workplace where they serve their families. Both the physical conditions and the social relations in slums are of utmost importance to these women (Thorbek, 1987).

4.4 The Foundation for an Industrialized Economy (1970s - 1980s)

Although the level of industrialization in Thailand was very limited during the 1960s and the 1970s, however, the experience of rapid economic growth transformed the economy, society and the institutional structure, thereby preparing Thailand for the next stage of its development. To begin with, rapid economic growth nurtured an increasing number of small, medium and large local entrepreneurs. While most had their major interests in trading, banking and service activities, some of them diversified into manufacturing on their own or in joint ventures with foreign capital. A number of major companies grew rapidly both in Bangkok and in the provincial areas, based essentially on export and import trade, services and import substitution industries (Phongpaichit, 1989).

4.4.1 State-Society Relations

It is necessary to include a discussion of the Chinese in Thailand with a history of the country’s economic development. As Suehiro notes,

The growth of capitalism and wage labour in southeast Asia is essentially related to the history of overseas Chinese.

The strength of the local entrepreneurs can be seen in the influential role taken by the
Association of Thai Industries, which was established in the late fifties. Most of these entrepreneurs are of Chinese origin, usually second or third generation migrants. In contrast to certain other countries in the region, entrepreneurs of Chinese origin in Thailand have been well assimilated into the social mainstream (Phongpaichit, 1989). The influence of Chinese traditions dissipated gradually not only because of distance and the passage of time over generations, but also because of the influence of local social structures and value systems.

A critical step in realizing a *modus vivendi* between Thai and Chinese elites, and hence between business and government elites, was the practice of having leading Thai politicians and bureaucratic elites serve on the boards of directors of Chinese firms (Skinner, 1957). This provided Thai leaders with incomes sufficient to support their political followers and thereby reduced incentives to create state enterprises to serve that function. For the Chinese, having Thai elites serve on the boards of their firms offered guarantees against arbitrary state action against their interests. It also offered the hope of reaping inside contracts and privileged information. While this arrangement was not satisfactory in the long term, it was of critical importance in establishing the new bases for economic growth in Thailand (Unger, 1993).

Under General Sarit Thanarat’s regime (1957-1963), relations between the Thai and Chinese improved dramatically. Local Chinese responded to the new investment incentives and increased their involvement in manufacturing, often in joint ventures with Japanese firms. General Sarit carried close relations with the Chinese Chamber of Commerce. He declared the state would neither create new enterprises nor compete with private investors who were granted investment promotional privilege.

Since the 1950s, the Chinese business community has moved from being a pariah to
establishing itself as the backbone of Thailand's industrial and commercial community. Sino-
Thais not only control almost all of the largest firms and financial institutions in Thailand, but
also dominate the major trade associations, including peak organizations such as the JPPCC
(Unger, 1993). Sino-Thais with roots in business are increasingly well represented in Thai
politics, dominating the main political parties and increasing business representation in
parliament and in the Cabinet. In addition, trade associations have become more assertive in
expressing business policy preferences. The easing of communal tensions has made possible a
dependence on private enterprise without which Thailand's economy could not have performed
well given the considerable limitations on its administrative capabilities.

Successful Thai-Chinese accommodation has been of fundamental importance for Thai
economic growth. Chinese entrepreneurial energy has been critical in bringing the peasantry
into the market economy, in establishing and supporting manufacturing industries, in attracting
foreign capital to Thailand, and in finding overseas markets for Thai exports (Unger, 1993).

In many respects, the Chinese were clearly outward-oriented long before most
indigenous Thais and used their external links to develop economic ties between the Thai and
international economies. The easing of communal tensions has made possible a dependence on
private enterprise that has produced Thailand's rapid economic growth. Coexistence among
Chinese and Thai elites, as well as the Communist victory in China in 1949, which foreclosed
continued access by Sino-Thai to their original communities, stemmed capital outflows from

28 The Joint Public-Private Consultative Committee (JPPCC) served as an umbrella organization
over the various peak business organizations. Over the 1980s, with assistance coming from the United
States Agency for International Development, the government established regional chambers of commerce
in every province in Thailand.
Thailand and made available for local investment the profits earned in merchandizing goods in
Thailand (Muscat, 1966).

The new ethnic compact brokered by General Sarit, together with a new economic
policy-making regime, cleared the way for rapid economic growth in Thailand. Over time, this
produced a politically significant middle class in Bangkok, more powerful business figures in
Thai politics, and a fundamental alteration in Thai politics. Thailand’s bureaucratic polity has
disappeared.

4.4.2 Local Development Initiative

The government investment in economic infrastructure (electricity, transport and
communication) and social overhead capital (health and education), increased provision of safe
drinking water supplies, and improvement in environment sanitation, has resulted in a reduction
in the incidence of diseases. Even though, it may be inadequate by developed countries’
standards, it is quite substantial in comparison to some other countries in the region, such as
Indonesia and South Asia. They became the basis for industrial investment in later periods
(Phongpaichit, 1989).

During this period, the development of a labour force become available for
manufacturing. Demographic growth in the early expansion period gave the population a young
age profile, and ensured that by the 1980s the number of new entrants to the labour force was
higher than ever before. 29 Mass education policies also ensured that virtually all of these new

29 Between 1960 and 1990, the number of persons reported as economically active has doubled
both among males as well as females in the country. In 1990, about 67 percent of all females aged 13
years and over were participating in the country’s labour force, the corresponding proportion for males
being about 81 percent (census, 1960,1990).
entrants were at least literate. Furthermore, many rural youth were in the habit of migrating to the urban sector temporarily, either for the duration of the agricultural off-season, or for a longer period. This had created a large pool of young workers at least acquainted with urban work-styles (Phongpaichit, 1989).

4.4.3 The Role of the Thai Military

Ever since the ‘1932 revolution’, the military have been dominant in Thai politics. However, Thailand’s rapid economic growth has created in the process a burgeoning middle class who see their future lying in the development of a democratic capitalist political system, based on parliamentary democracy. Together with the local entrepreneurs, they have tried to counter the influence of the military and checked the growth of direct state role in economic activities. While state capital has been important in public utilities, it is not at all important in other economic spheres. Thus, with the exception of public utilities there is no real problem of state capital competing with local or foreign businesses as in some other countries (Unger, 1993).

In recent years, the military’s influence in the economic and political spheres has declined. The withdrawal of the United States from Vietnam and Thailand in 1975 deprived the military of its major source of finance and thus contributed towards its subsequent decline as a major political force. This decline of the military, and the rise of the middle class made it possible for a democratic political system to take root in Thailand (Islam & Chowdhury, 1997). The political system allows the business sector to come to the forefront in terms of its influence over the decision-making process. The three major business organizations, the Board of Trade, the Thai Bankers Association and the Association of Thai Industries, are among the most
powerful pressure groups behind government economic policies. They are pushing for a reform of the bureaucracy, laws concerning businesses, and taxation, in order to facilitate greater industrial development (Phongpaichit, 1989). Clearly the expansion of a middle class and the need to afford business greater autonomy as the economy grew more complex helped to undermine the Thai bureaucratic polity.

### 4.5 Economic Performances during the 1980s - 1990s

In 1987, foreign investment started to flow into Thailand. Japan is the main source of Thailand’s imports, accounting for 33.3 per cent in 1993. The strong link between capital goods imports and foreign direct investment, both dominated by Japanese companies, has been an important factor in the growth of imports from Japan (Phongpaichit, 1989; Islam and Chowdhury, 1997).\(^{30}\) Taiwanese and South Korean investment also increased sharply, with several projects in agriculture, and the total investments from the “four tigers” exceeded that from Japan. However, agriculture still plays a very important role in the Thai economy, and accounts for 60% of total employment. By the end of the 1980s Thailand has emerged as the third largest recipient of foreign direct investment (FDI) in ASEAN and an Asian Development Bank study notes that Thailand is becoming the fastest growing nation in the region in terms of FDI (DFAT, 1994 c:28).

While foreign investments registered a high profile, the increase in domestic investment was even more significant. Most of the major (Sino)-Thai companies are engaged in major projects of expansion and diversification. The most active sectors for domestic investment are

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\(^{30}\)The US is the largest market for Thai exports, followed by Japan and ASEAN. The European Union has a significant share of this distribution. Whereas no single country within the EU is a dominant market for Thai products, Singapore is the single largest market for Thai exports within ASEAN.
in construction and machinery. A number of major companies grew rapidly, much capital had also been accumulated by these capitalists, both in Bangkok and in the provincial areas, based essentially on export and import trade, services and import substitution industries. Other traders now shifted resources from trade to industry. Across a wide spectrum of rather low-tech industries, and the scale of firm is small or medium-sized (Phongpaichit, 1989).

Until 1994 Thailand had been one of the fastest growing economies among the ASEAN countries. The average GNP growth rate had been around 8.5 per cent during the late 1980s and early 1990s. The driving force behind this exceptional economic expansion was twofold. First, there was a boom in manufacturing exports, which grew by 29 per cent per annum in volume terms. Second, there was the surge in private investment, especially foreign direct investment in the export-oriented manufacturing sector (Islam and Chowdhury, 1997).

4.6 Growth and Structural Changes

The impact of FDI has been far-reaching. Thailand has undergone tremendous social and economic changes. However, globalization has produced yet another set of dynamics in which women are playing a critical role. It is necessary to view these current development as part of a long process in history that has revealed women’s role in crucial economic processes. Women contribute substantially to the development of small businesses, especially those in the service sector- an important and growing part of Thailand’s economy. The relatively high rate of female labour force participation could be attributed to two important factors: in the first place, the definitions adopted have been liberal to include unpaid family workers in the category of economically active persons. In rural areas, women continue to help in family enterprises without receiving any formal remuneration. Secondly, the high rate of economic
growth which the country experienced during the past few decades have resulted in rapid expansion of employment opportunity for both males and females. Prior to the economic expansion, women performed many of the services essential to survival. The growth of the service sector was one of the major factors contributing to the influx of women into the paid labour force. As services moved from the domestic sphere into the market economy, women moved with them. Women held 60 percent of the jobs in the service sector by the 1980s and accounted for nearly 40 percent of the labour force (United Nation, 1982).

During this period of gradually accelerating economic growth, the significant increase in women’s participation in economic activities has also moved beyond agriculture into the local market economy. In search for wage employment, women are moving into small business and self-employment ventures thereby creating many formal and informal opportunities for work. Women are increasingly migrating to urban areas for employment in a range of 'cottage industries', or 'small-scale enterprises' of a variety of consumer goods, ranging from handicrafts, food processing, garment manufacture, weaving, textiles and handicrafts.

Tourism has been another source of foreign exchange for Thailand. It has also contributed to the development of regional economies in Southeast Asia, with millions of foreign tourists every year. Thailand became a tourist attraction and the most favorite destinations for international tourists. The long term effect of tourism has been to encourage a

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31 People who are displaced from agricultural work logically move into or create those jobs that give them the best possibility of survival.

32 The tourist boom, fueled by the “visit Thailand Year” in 1987, spilled into 1988. The number of tourists visiting Thailand in 1988 is expected to be higher than the 1987 figure of 3.5 million.
growing number of SME in the service sector with increasing employment opportunities. Tourism offers job opportunities for young women from rural and urban areas. By the 1980s the Thai government had made urban-based export manufacturing and an international tourist industry the cornerstones of its economic planning. However, the seasonal aspects of the employment and the large scale economic fluctuations in this sector create a highly sensitive business atmosphere (Ozcan, 1995).

These three factors, migrant workers, foreign investment, and tourism have been not only the motors of economic integration but have had important effects on the local economies of many cities and towns in Thailand.

Economic growth has also had a considerable positive impact on the living standards of the people. Infrastructure and basic facilities are now accessible to the majority of the people. The overall health status and literacy rate has improved substantially in the past few decades. In 1994, the length of compulsory education was expanded from 6 to 9 years, however the educational attainment is still low, especially that of women. A new bureaucratic class was created through university education. Additionally, the number of state economic enterprises and their employment continued to increase. Rural migrants and the urban poor, concentrated in the slums, added a new picture to the Thais class system and cultural life with its own identity problems and economic marginalization.

33 Participation of Thai women in education has been increasing in significant manner over the years. Data from the censuses indicate that between 1980 and 1990, female enrolment ratios have risen from 74.6 per cent to 81.0 per cent at the primary level, and from 42.0 per cent to 45.7 per cent at the secondary level and 53.2 per cent at the upper secondary levels. But women considerably lag behind men in regard to enrolments in formal vocational and technical education programmes.
4.7 Gender and Entrepreneurship

Amid the process of social and economic change outlined above, the role of women has also changed. The importance of the economic role of women can be traced back several hundred years in Thai history. In the past, when prime-age males were forced to be away from their families either to work for the crown or to join the national defense forces, women were left behind to take full responsibility for the family farms. Therefore, there were never any cultural or religious barriers which prevented women from participating in economic activities. In fact, it is traditionally assumed that women take responsibility for housework as well as economic activities while men take responsibility for economic and political activities. The practice that men and women work side by side in economic activities has been carried over to modern society. Hence it is not surprising that the female labour force participation rate in Thailand has been one of the highest in the world, at approximately 70 percent (Thitsa, 1980). However, economic activities in modern societies are in greater conflict with housework, which remains the primary responsibility of woman. This creates new challenges and opens up new opportunities for women to participate in the process of social and economic development of the country (Phananiramai, 1996).

Slowly but surely, Thailand is moving towards more open markets and towards greater respect for consumer sovereignty. This progress is taking place in a supply-constrained developing economy with a growth-oriented paternalistic government. While there continues to be strong public support for growth-oriented industrial policies, the paternalistic role of government has lost ground drastically. The government has become less of a director and more of a facilitator in microeconomic policy. The private sector, with increasingly more
qualified personnel educated at the best universities, is relatively stronger and often leads the way rather than following government policy. There is also increasing pressure from the private sector for equal economic opportunities and free competition (Pupphavesa, 1998). Trade liberalization has also been shown to have differential impacts on women and men, an essential aspect of trade liberalization is export competitiveness and much of this competitiveness in Asian countries has come from the labour of women.

The rise of small and local enterprises, involving both women and men was seen as part of a new form of division of labour by gender. Several implications for women were noted. First, most of the home working labour in both manufacturing and service industries were women. Second, new enterprises ranging from retail businesses to security services and engineering-based industries were owned and managed by women. It was in this context that research on small business enterprises, having gender perspectives within the business environments, were developed in the 1980s all over the world, including Thailand.

Realizing the important role of women in the development process, the government has set up a special task force to work on a Long Term Women’s Development Plan (1992-2011) which is more comprehensive than the Five-Year Development Plan and deals specifically with

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34 When basic education is privatized or if families cannot afford the rising costs of education, it is more often girls who drop out of school than boys. Because of lower levels of education, women are concentrated in the lower rungs of most labour markets. The replacement of manual labour with machines and new technology usually displaces more women than men since women lags basic knowledge of using new technologies.

35 The development of export processing zones in the 1980s and 1990s in developing countries eager to industrialize was premised on the availability of cheap, docile, unskilled labour that would be willing to work at low wages for long hours. This sector targeted women as the primary work force. No country in Asia has been able to expand its manufacturing capacity without pulling an increasing proportion of women into industrial waged employment.
all groups of women (Hiranpruk, 1999).

The number of women entrepreneurs in Thailand has increased in the past three decades due to emphasis on industrialization, and growing interests in privatization, self-employment and business-oriented employment. All these have facilitated the growth in sectors such as banking and financing, food manufacturing, general trading, personal and public services, education, training and consultancy, travel and tourism and others.

In general, the boom in entrepreneurship among women in the Southeast Asian countries including Thailand has been a product of a new awareness and willingness among women to take risks in their economic lives. This is very much related to an increased level of education among women and better living standards of the population. More women than men in the developing Southeast Asian countries are starting new businesses, largely because they have a strong desire to control their time, their future, and their financial destinies. Other motives for business ownership include self-determination, financial independence, and a belief in a ‘better way’ to earn a living. The rampant downsizing in the corporate world in the past decade and the ubiquitous “glass ceiling” have further encouraged women to become entrepreneurs. A recent study has shown that women have been involved in various enterprises which were formerly male-dominated (Ismail and Joned, 1999).

The involvement of women entrepreneurs in Thailand can be divided into two broad categories, namely, the groups of women entrepreneurs in stable formal urban-based business, and the group of women entrepreneurs who are active in informal business. The first group comprises those who are involved in registered companies either as sole proprietors or as partners in a limited private company. In Thailand, the number of women of all races involved
in this category is estimated at 600,000, which accounts for about 35 percent of the total self-employed population (Department of Statistics, Thailand, 1998). While it is difficult to get an account of women in the informal business sector, this group comprises those in the micro-enterprises with small capital outlay located in both rural and urban areas. As a result, in many classifications of small-and micro-scale enterprises, the bulk of women's economic activity is classified as "subsistence activities" and considered non-productive and pre-entrepreneurial.  

Many scholars feel that the nature and size of the informal sector is a direct outgrowth of the type of industrialization is undergoing.  

In most cities, the range of occupational choices that are available to women is very limited. For poor women in urban areas, two options predominate: domestic service and microenterprise. For the poorest women, the primary option among various forms of microenterprise is microvending. Microvending and domestic service have a number of common characteristics that make them forms of employment to which women with the fewest resources turn: They are both easy to enter, require little or no capital or savings, provide immediate returns, and draw upon skills that most women acquire early in their lives. Requiring long hours for minimal pay, they are both also labour intensive, unorganized, and generally unregulated, making them fragile and insecure for income generation. The ease of entry is matched by the ease of exit, which may, in fact, work

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36 Millions of people in cities around the world must feed for themselves. In 1980, the U.S. Agency for International Development found that between 20 and 50 percent of the people working in the cities worked in the "informal sector," often running tiny businesses such as street vending. Women form the majority of the people who work in the informal labour sector, and if unpaid and noncontracted labour were included in the term "informal," the category would be even larger than is generally assumed.

37 These are often referred to as cottage industry and cover traditional handicrafts, weavers, artisan, as well as sub-contracted as piece-rate workers by larger enterprises.
to the detriment of women workers. This helps account for the "casualness" of women's labour, and the low pay for women's work, each of which then exacerbates the other. 38

Small business women cannot improve their situation without knowledge or credit, and these factors are critical for urban migrants. In urban cities in Thailand, the increase in the number of women in the informal sector is the result of an influx of people from the countryside. Assistance to these female workers must take into account their community and family structures, as well as their limited skills, as they attempt to survive in a new environment. Assistance projects must proceed with a clear understanding of the benefits and restrictions of microenterprise, particularly since the gendered impacts development are still open to debate.

38 In Bangkok, for an example, migrant women with families are disqualified from residential domestic service, and as kitchen helper in the restaurants, they are subject to economic and sexual exploitation. Because they lack the knowledge, contacts, and licenses to sell in the established markets, they prefer small-scale street vending. Vending, along with prostitution, is one of the most important female occupations in urban areas around the globe (Charlton, 1984).
CHAPTER V
Review of Literature

5.1 Introduction

The literature on constraints to women participation in entrepreneurship is very sparse. Even where it exists a proper gender analysis of these constraints is missing. Despite its evident importance, there is a lack of research about these issues.

The available literature can, for convenience of analysis, be categorized under two broad themes:

(i) Factors, that enhance or constrain women’s entry into business and those that affect their survival once they are in business.

(ii) Strategies to overcome barriers for women’s participation and effectiveness in entrepreneurship.

Our presentation in this chapter will mainly focus on the first theme.

5.2 Constraints to Entrepreneurship

To shed more light on constraints facing women in entrepreneurship a review of literature on constraints to entrepreneurship in general is necessary. A review of the literature on entrepreneurship reveals two types of hypotheses that attempt to explain entrepreneurial development and constraints. The first hypothesis focuses on entrepreneurship as an environmentally determined phenomenon. That is, entrepreneurship is influenced by social legal, economic and political factors. The second hypothesis has its focus on the individual personality and therefore emphasizes the importance of individual’s entrepreneurial traits to the formation of the business.
Perhaps Morris and Lewis (1991) model provides the best insight to the understanding of environmental factors of entrepreneurship. They contend that the entrepreneurial traits are strongly influenced by political and economic systems (the infrastructure), rapid and threatening change (environmental turbulence) and one’s family, school and work environment (life experience). Subsequently, at national level, policy makers can have an effect by redesigning the infrastructure and facilitating innovation and change. At company level, management can create organizational environments which tolerate and support creativeness, autonomous and risk taking behaviours, while at the level of the individual the educational system has immense potential as a vehicle for helping develop characteristics associated with entrepreneurship. Education should encourage individual initiative, conceptual thinking, conflicting ideas and unstructured problem solving. These factors act to determine the level of entrepreneurship in different countries. Thus a country with conducive policies, organizational environments and educational systems is expected to have a high level or amounts of entrepreneurship. Other proponents of the environmental theory of entrepreneurship include mainly those who emphasize the importance of a conducive economic and legal environment. Studies by Papanek (1971), Harris (1971), and Gasse (1990) are good examples of this theory.

On the other hand, proponents of the trait theory of entrepreneurship contend that certain attitudinal and behavioural factors differentiate entrepreneurs from non-entrepreneurs as well successful entrepreneurs from the unsuccessful ones. Essentially this approach, emphasizes the importance of the individual entrepreneur to the formation of a business. Amplifying on this aspect, Palmer (1971) postulates that in areas which posses capital and resources while suffering from a scarcity of entrepreneurs, a lag in economic development is
There are many of the literature on the trait approach based on McClelland’s work as quoted earlier in this study. According to this approach, a successful entrepreneur is the one who sees an opportunity by understanding the marketing environment - the current and future needs, wants and varying habits of the consumer - and takes advantage of this opportunity by executing a business activity. Proponents of the trait theory generally agree that the entrepreneur is not motivated by the money but rather by high needs especially his/her need to achieve. It is this type of motivation that makes a better entrepreneur (McClelland, 1971).

Other entrepreneurial characteristics include: innovation, risk taking, self confidence, proactiveness, people and future orientation (Kilby, 1988; Palmer, 1971; Gibb, 1990).

Nevertheless, proponents of both environmental and trait theories have come to one common conclusion that: entrepreneurship is not a biological trait. More precisely, entrepreneurs can be developed, and that even the much advocated entrepreneurial traits can be learnt. For example, proponents of the trait approach contend that characteristics of the entrepreneurs are related to certain sociological factors in the entrepreneurs childhood, and then moulded by personal experiences in later adult life. Entrepreneurial competencies may, therefore, be developed by training and education (Romijn, 1989; Gibb, 1990).

An analysis of the literature on entrepreneurship relevant to less developed countries is crucial. Romijn’s (1989) review of similar literature distinguished three approaches:

(i) The psychological and sociological theories of entrepreneurial supply (notably those of McClelland and Hagen) have individual personality as their common focus of study. Entrepreneurial behaviour is seen as resulting from attitudes which in turn are affected by the
social environment (parental guidance, religion, belonging to marginal groups etc.).

(ii) The "economic approach" (Papanek, 1971; Harris, 1971) emphasizes the importance of the economic environment which is either conducive or repressive to entrepreneurial activity. In this view, entrepreneurial activity responds to a change in "demand" for entrepreneurs.

(iii) Finally, is the functional approach as propounded by Kilby (1971). Kilby maintains that "it is the quality of entrepreneurship that is vital" rather than the supply and demand issues which are the concern of the first two approaches mentioned above. Kilby's analysis of empirical studies on the subject concludes that it is "managerial skills that are in short supply in developing countries."

Studies focusing on entrepreneurship in Thailand are very sparse. Judging from the numerous literatures dedicated to the wondrous rise of Asia (Asian Economic Miracle) and the excitement generated among the ranks of corporate leaders in the West. A chorus of praise has naturally, perhaps justifiably, been heaped on the Asian work ethic, its people's prudence and patience, governmental wisdom and virtue and, in general, apparently extra ordinary abilities, traits and policies that bid fair to leave the West far behind. Examples are studies by Krugman, (1991, 1994); Arogyaswamy, (1998). A review of these studies reveals an emphasis on the importance of both the quantity and quality aspect of entrepreneurship. They particularly stress the importance of a conducive environment and the quality of management to entrepreneurship development. In their papers on Women's Entrepreneurship Development series (ILO-SAAT, New Delhi, 1997) identified resources, market and legal variables as factors that hinder entry into self-employment. Other studies have cited management as the main obstacle to
entrepreneurship. The need for an opportunity and a conducive policy, social, legal and economic environment (Harris, 1969; Finnegan and Danielsen, 1997) have also been suggested.

5.3 Barriers to Women’s Participation in Entrepreneurship

Most of the studies reviewed above have taken gendered differences in entrepreneurship participation for granted. They have tended to analyze constraints to entrepreneurship in very general terms without focusing their attention on barriers to women entrepreneurship. To the extent that women’s participation in entrepreneurship remains at low levels, a special research programme focusing on the aspect is important. Few recent studies, nevertheless, do exist. This recent work reflects a strong association between gender and ability to start business (El Namaki, 1990; ILO, 1995, 1997; Matthews and Moser, 1995).

A review of the few studies that have focused on barriers to female entrepreneurship reveals a similar type of analysis as reported in the literature above. In particular, the three types of approaches summarized in Romijn’s (1989) paper have come out very clearly.

The trait approach (psychological and behavioural theory) has received a great deal more attention in the literature on women entrepreneurship. The hypothesis that requisite traits, viz; innovativeness, self confidence, proactiveness, risk-taking, independence and future orientation, and demands of the entrepreneurial function could assume a slightly different dimension when the entrepreneur is female has been discussed (El Namaki 1990; Hisrich and Brush, 1986). The whole issue is that there exist a female based set of entrepreneurial traits that appear to be non-congruent with the acceptable (generic) entrepreneurial traits (El-Namaki, 1990). If possession of these entrepreneurial traits is used to explain entrepreneurship development (because they distinguish between entrepreneurs and non-entrepreneurs and/or
successful entrepreneurs from unsuccessful ones), according to the proponents of the trait approach, then implicitly, the non-possession of these traits by women would appear to explain their low or non participation in entrepreneurship.

Results of the above studies, nevertheless, have revealed interesting and mixed findings. There are those who agree that there is a significant difference between male and female entrepreneurs in the possession of "acceptable" entrepreneurial traits. They, therefore, contend that low self confidence, low achievement motivation, low future orientation, passive orientation towards risks and too much people orientation are big problems for women entrepreneurs (El Namaki, 1990; Hisrich and Brush, 1986).

On the other hand, some studies have observed no significant difference between female and male entrepreneurs in their possession of "acceptable" entrepreneurial traits. They contend that women entrepreneurs rate high in self confidence, achievement motivation, future orientation and risk taking. Dahn (1994), for example, found that a greater percentage of women entrepreneurs were motivated by pull factors: the need to achieve, desire to be independent and desire to utilize a talent or skill. According to Dahn, women entrepreneurs also appear to be primarily motivated by achievement needs just as their male counterparts.

The environmental approach to the analysis of barriers facing women entrepreneurs has also received a great deal of attention. A review of the literature in this direction reveals that women's entrepreneurial behaviour is a function of some environmental factors. Of greater magnitude are cultural and traditional values and prejudices. According to El Namaki et al. (1986), and Rutashobya (1995) women's early socialization has significantly affected their level of self-confidence, achievement motivation and even their ability to take risk. The women
entrepreneurs in Ito’s (1983), study stated that they were brought up by their parents or significant others to believe that men are better and more important and that the ultimate role in life for women is to be a wife and mother. This phenomenon has been widely documented elsewhere (Ozcan, 1995). Additionally, few scholars observes that full participation of women in business is constrained by their multiple roles and the heavy opportunity cost of her entrepreneurial role. There was also a strong indication that participation in business placed far greater strains on the personal relationships with spouses. Other issues include not being taken seriously as a businesswoman, difficulty with bringing clients to their home, erratic business hours, and the inability to compete with businesses that operate seven days per week.

The issue of ethnicity and its influence on entrepreneurship participation in Southeast Asia has also been documented widely. The hypothesis that exposure to business seems to vary from one ethnic group to another has been supported by Unger (1993); Obhasanond (1996) and Lebra and Johnson (1977). These findings appear to support studies on role models and family background of entrepreneurs which suggest a strong relationship between the presence of role models and the emergence of entrepreneurs (Mathews & Moser, 1995).

Legal barriers and lack of women’s access to resources have particularly been reported in the literature relevant to developing countries (El Namaki, 1985, 1990; El Namaki and Gerrissen, 1987). Women’s lower levels of education and their lack of independent access to capital in developing countries have been widely documented. Sex stereotyping in vocational training have also been reported (Ozcan, 1995; Lebra and Johnson, 1977). Apprenticeship

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39 In an earlier study, Stoner et al. (1990), find the work-home conflict-the tension caused by the dual responsibility of managing a business and maintaining a family to be the main stumbling block for female entrepreneurs.
programs (pertinent skill development strategy) and on-the-job training appear more common for male than female employees. In the literature, a strong association between education, capital and business performance has frequently been reported.

Finally, women’s lack of proper management skills, poor management of working capital, lack of business information (Kilby’s functional approach), lack of networks, and competitive pressures have been reported to constrain women’s survival in business (El Namaki, 1990). Perhaps, among the most documented problems facing female owned small business is the poor management of working capital (Hisrich & Brush, 1986). In general, the most common start-up problems seem to be a lack of start-up capital. Also important is a lack of confidence in female business owners’ abilities on the part of banks, suppliers, and clients alike, as well as family issues. Other problems encountered at the launch of the business include marketing, pricing, management, social, interpersonal, production, knowledge, and personal issues.

Constraints to women’s entry and effective performance in business identified in the literature relevant to Thailand include lack of access to capital, especially institutional capital, raw material problems, lack of skills and technology, lack of markets and low profitability (Chen, 1996; Tantiwiramanond, 1998; Finnegan and Danielsen, 1997). While Ismail and Joned (1998), has also pointed out that non-availability of capital and credit facilities was a major factor limiting women’s effective participation in business in Thailand, India, and elsewhere in Southeast Asia. She attributed this to the many bureaucratic procedures and complexities which women entrepreneurs cannot afford to undergo. Coupled with time constraints, women’s opportunities in business are greatly restricted (Moser, 1978). Other constraining factors such
as the legal system, the lack of equal access to education (sex stereotyping in post primary education and training) have also been reported (Ozcan, 1995).

It is, however, as mentioned in the beginning of this chapter, studies on female entrepreneurship in Thailand are very few. It is further noted that most of the studies have followed the environmental approach. Subsequently, a comprehensive analysis and empirical evidence of the critical factors that restrict women’s entry into business and those that adversely affect their performance are missing. It is my intention to fill this gap, therefore the analysis of the barriers to women’s entry and survival in business has addressed both the trait and the environmental approaches.

5.4 Hypotheses

This dissertation was mainly exploratory. To a limited extent, however, a statistically descriptive approach was employed. On the basis of the literature reviewed above, this section presents the hypotheses that were tested in the descriptive part of the research: They are as follows:

1. Women entrepreneurs with high levels of formal education and greater experience are more likely to embark on larger projects than those women entrepreneurs with lower formal education.

This hypothesis rests on the assumption that education contributes to general organizational, managerial and technical skills as well as to particular skills which affect the ability to undertake large projects. Education also facilitates access to important business information. Another assumption is that educated women will be more willing to take risks than uneducated women. This is because education encourages individual initiative, conceptual
thinking, conflicting ideas and unstructured problem solving.

2. Women’s participation in entrepreneurship will vary among ethnic groups.

This hypothesis relies on the findings by Obhasanond (1996) who observed a similar phenomenon among entrepreneurs in Thailand. The hypothesis also generally relies on results of studies on role models and family background of entrepreneurs which suggest a strong relationship between the presence of role models and the emergence of entrepreneurs (Hisrich and Brush, 1984; Matthews and Moser, 1995; Ito, 1983).

5.5 Methodology

As mentioned earlier, this dissertation based on a review of the existing literature of the subject. However, data collection for the profile of women entrepreneurs was obtained from a survey done by Obhasanond (1996), using a set of questionnaires. The respondents were asked about their personal and entrepreneurial characteristics such as types of enterprise, reasons for venturing into entrepreneurship, length of involvement in entrepreneurship, workers employed, business ownerships, previous job experience, and problems they faced at the start-up and growing stages etc.

The questionnaires were mailed to 30 Thai women entrepreneurs who were the members of the Department of Industrial Promotion were conveniently chosen. 20 respondents living in Bangkok while the other 10 were living in Chiangmai Province. Convenience sampling was employed because of the paucity of statistics on the target group. The sample chosen, however, only from the formal (registered) sector and it could, however, not totally be

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relied upon because its membership was, at least at the time of this research very small. In addition, the response of the respondents was rather poor, 26 were the business owners, the other four were not. Evidently, it has not been possible to analyzes the findings of the report in a scientific fashion. Thus, the method used in the following chapter is rather one of an anthropological approach, aimed at revealing aspects of women’s small-scale enterprise and their involvement of family, friends and social networks in their business practices. It elicits information about their personal profiles, the type of business, location of business, source of capital, performance measured in terms of gross sales turnovers, source of business information targets and goals of the entrepreneurs, obstacles to business, use of business income etc.

\footnote{Note on the survey: The findings of this survey have been included to provide some specific information about a small number of women entrepreneurs in Thailand so as to give some flavour to the country situation. It is not intended as a scientific survey of a representative sample.}
CHAPTER 6
Characteristics and Dynamics of Women Entrepreneurship in Thailand

6.1 Introduction

The main objective of this chapter is to present the findings which will hopefully contribute to a better understanding of the functioning and dynamics of women-owned small enterprises in Thailand. This entails a general assessment of the potential and performance of women’s small-scale businesses. The chapter also provides the findings that contribute to a better understanding of the environmental and behavioural factors which effects women’s entry into, and their survival (successes and failures) in business. Initially, the characteristics of women entrepreneurs are provided.\(^{42}\) This is followed by presentation of the characteristics of women-owned enterprises and their business profiles.

It is our contention that the findings of this study will lead to the identification of constraints facing women entrepreneurs and thus facilitate an identification of innovative and implementable strategies and approaches necessary for the promotion and strengthening of female entrepreneurship in Thailand.

6.2 Characteristics and Extent of Women’s Involvement in Small Business

As reported in chapter 4, women have become increasingly involved in income generating activities in Thailand in the 1980s and 1990s. This high participation rate of women

\(^{42}\) Even though there has been significant growth in female self-employment, most of what is known about the characteristics of entrepreneurs, their motivations, backgrounds, families, educational and occupational experiences, and problems, is based on studies of male entrepreneurs. This is not surprising since men make up the majority of people who start and own their own businesses. Interest in women entrepreneurs is a more recent phenomenon.
in business appears to convey a very promising picture of women entrepreneurship in the country. On the contrary, as the findings of this study will attempt to show, the situation is not that promising. More specifically, an examination of the characteristics of women entrepreneurs, the nature of their businesses, the performance and women's own entrepreneurial behaviour, suggest a gloomy picture.

6.2.1 Profiles of Women Entrepreneurs

The character of women entrepreneurs and the specific characteristics of local societies that encourage entrepreneurism are important if their behaviour is to be understood. These have been particularly discussed in the post-Fordist and flexibility debates. As Burrows (1991) argues, entrepreneurship is a concept as difficult to define as the entrepreneurial culture itself because it is a function of individual, situational and social variables. Entrepreneurship is also geographically uneven. Therefore, an understanding of women's entrepreneurial behaviour is necessary to identify the barriers to women entrepreneurs.

The position of women in the labour force has a social significance, indicating attitudes towards their roles in the Thai society. Recent changes are indicative of a growing liberalization in traditional views and ways of life. Women's participation in the work force is also directly related to the level of urbanization. In the present survey, the contradictions emerging out of the experiences of the following Thai women challenge us to search for alternative approaches to WED issues:

- Two Thai businesswomen have made the list of the world's 50 most powerful business women in World Business magazine. They were among 14 Asian women on the list.

- Hundreds of Thai women weaving silk in their houses, surrounded by larger and larger
piles of unsold cloth. Many of the beautiful crafts of Thailand are produced by individual and small groups of rural women to augment family incomes. But with little education and no business training, these women are unable to fully optimize their small enterprises.

From the above example, scholars analyzing women entrepreneurs in Thailand face the problem, whatever inference, judgement or statement one may make about Thai women, the exact opposite would be equally true as well.

However, for the privileged few, many elite women enjoy many prominent positions in banking, academia and public administration due to opportunities offered by higher education. But their participation varies across sectors and regions. According to the 1990 census of population, 4.7% of scientific and technical professionals are women, only 3.7% of business owners in trade are women while they constitute 8% of top managerial and administration (Obhasanond, 1996). Thai women in urban areas have low levels of labour force participation although they have long been employed in agricultural work in rural areas. Gender segregation of jobs has blocked certain jobs to women. Machinery manufacturing and food stuffs wholesaling and consumer durable retailing are certainly among these sex-typed jobs which have been entirely dominated by males.

The characteristics of women entrepreneurs are summarized as follows:

Age: The women entrepreneurs interviewed (Obhasanond, 1996) were between the age of 28 and 50. On average, women entrepreneurs established their business around the age of thirty-seven. There are, however, differences depending on whether one was previously employed in the labour market or not. Those who were previously employed were the oldest (38 years old) while those who were unemployed were the youngest (25-27 years old).
findings of this study found that most entrepreneurs initiated businesses between the age of 25 and 55.\textsuperscript{43}

**Marital Status:** Business owners are mostly married, as social norms regard marriage as an important social identification. The occupation of female spouses is declared as a housewife (84.6 percent). As far as other female family members and relatives are concerned, there are low participation rates by women. The occupational status of the mother of the entrepreneur is housewife (75 percent). Other occupations are agriculture (18.5 percent), service and professional jobs (2.8 percent) and in manufacturing, mainly weaving (2.8 percent). Most of the entrepreneurs were found to be employing members of the extended family. The rate of agricultural employment of mothers indicates a rural family background for business owners. They constitute the first generation of rural migrants where rural values are partly maintained in the urban way of life.\textsuperscript{44}

With regard to education, female business owners are generally well educated, with the majority having at least a secondary education. Only a minority of 15.3 percent had not completed secondary school. Licuanan (1992) found most of the female entrepreneur in Southeast Asia comes from a middle class family and is not necessarily highly educated. For every entrepreneur who finished college, there is one who did not. One-third of them had a

\textsuperscript{43} Research by Devine (1994) showed that the mean age for self-employed men and women in the US was approximately 44 years. Women entrepreneurs who were previously in wage employment in Thailand appear to have entered into self-employment at an earlier age than their US counterparts probably of the ensuing insecurity in the labour market caused by declining real wages. The findings of this study are generally consistent with an earlier study by Ronstadt (1982) which found that most entrepreneurs initiated businesses between the age of 22 and 55.

\textsuperscript{44} National Statistical Office, 1990 Population and Housing Census: Whole Kingdom.
college degree.

6.2.2 Type of Women Entrepreneurs

About one-third of the women entrepreneurs had previous administrative experience (administrators, managers and secretaries). Other previous work experiences were in the fields of education, finance and public relations (26.7 percent), and business (15.2 percent). Only 14.3 percent had never been in wage employment.

(a) Part-Time Self Employed Women Who Are in Wage Employment

These are women who are in full-time employment; but will set up enterprises to supplement their low salaries. This is a very common phenomenon in Thailand. The structural adjustment measures have had great impact on households. Many families can no longer rely on wages. Most women, especially those in the civil service, are now found to be involved in business on part-time basis. It should be noted that most of the women activities in this category form part of the informal sector. The main aim is to support the family but they would not exit their full-time employment for fear of losing the security they get out of a monthly wage. In some cases, women in this category had abandoned a salaried job and went into full-time self-employment.

(b) Full Time Business Entrepreneurs

This group of women run their enterprises on full time basis. Two types of groups are found here:

(i) Those women Who Were Previously in Wage Employment and Resigned to Establish Business Ventures

For most women entrepreneurs, education was important in their upbringing, and it
continues to play a major role in helping them to cope with deficiencies in their business skills. Nearly 70 percent of the total number of women entrepreneurs who resigned from previous full time salaried jobs had bachelors degrees or post graduate qualifications; their parents, particularly their fathers, and their spouses are also well educated. This situation is typical of middle class families in which achievement and working hard to complete an education are emphasized. As it will be shown in subsequent sections these women were found to be generating higher sales turnovers than the other types of women entrepreneurs. Their level of education and contacts they might have made while in employment appear to have contributed to their good performance.

(ii) Women Entrepreneurs Who Never Had a Salaried Job

Although a formal education is not necessary for starting your own business, any education specifically related to the field of the venture is obviously an asset. Still, for those women with a liberal arts background, the lack of business knowledge and skills could be at a disadvantage since they may be more likely to lack the track records and credibility needed to obtain bank loans or credit from suppliers. This would clearly affect the operational costs of their enterprises. These women constituted 32 percent of the total number of women entrepreneurs interviewed (Obhasanond, 1996). Their level of education was lower than that of those women who were previously in wage employment. This indicates that for these women, business was the only option open to them in order to guarantee the livelihood of their families. This survival motive is also reflected in the performance of their enterprises. As a result, these group of women entrepreneurs (90 percent) start service-related business. This will result in smaller firms occurring, the average business turnover of this group was lower than the other
two groups mentioned above.

6.2.3 Parent Occupation and Family Background

The family backgrounds of women entrepreneurs tend to be similar in many respects. Occupation of parents of women entrepreneurs is pertinent for an understanding of entrepreneurship development in general. The majority are first-born children from a middle or upper-middle class family in which the father was self-employed. Most of these women see themselves as similar to their fathers in personality, but as having a closer relationship with their mothers. Also over half of the women owning their own businesses are presently married to men employed in professional or technical occupations and have, on average, two teenage children.

What are the implications of this kind of background for the woman who wants to be an entrepreneur? For those women who fit the profile, there are basically three implications.

(1) Being married and having a family frequently provides a support base, both emotionally and financially, from which to launch an endeavor. When the husband is professionally employed, the stress of relying on the new business for the family’s financial support is also relieved. Balancing the dual roles of family and a business can create an extremely stressful situation and requires not only superior organizational skills on the part of the women entrepreneur, but also a spouse who is encouraging and will help in managing a household. Cultural norms have encouraged men to divide their time among work, recreation, and family. For the women business owner or the career women, those time periods are seldom so distinct. Women often feel that even with a supportive and helpful spouse, it is their responsibility to organize for the household, family, and children. As a result, work and family
are often fitted into available fragments of time, during which the woman’s mind is never free from either concern. For the woman with the worries of her own business, with little time for recreation, this sense of fragmentation syndrome is often intensified (Hisrich and Brush, 1986).

(2) Having a father who was self-employed provides a strong inspiration for the entrepreneur.

(3) First-born children often become self-employed as they must learn at an early age to be assertive and independent. These characteristics are typical of both male and female entrepreneurs.

6.3 Characteristics of Women’s Enterprises

A study on the nature of the female entrepreneur and her enterprise is pertinent to the understanding of factors that affect women’s entry and survival in business. This section presents our findings on the nature of women’s enterprises.

6.3.1 Ownership Patterns

With regard to the relationship between women entrepreneurs and business, 80 percent of women were proprietors and at the same time, participated in management. Only 20 percent of the firms were owned by the family. In business partnership there are more cases of male-female combinations. In addition, there are some cases of limited partnership where husbands, daughter and sisters are declared as business partners. Therefore, the highly personalized nature of labour relations in small business brings another factor into play for the employment of the family members. Most of them were too small to justify ownership by more than one proprietor. The enterprises were also too small to justify hired labour. The number of employees in the businesses ranged between zero and five.
6.3.2 Ownership Structure and Ethnicity

In the study of Romijn and Kwanta (1991), ethnicity appeared greatly to influence entry into entrepreneurship. Ethnicity reflects differences in social structure and child-rearing practices which subsequently condition a individual’s attitude toward risks and hence participation in business. Ethnicity, therefore, influences social and occupational mobility. 45

The existence of a clear boundary of work and specialization of businesses according to the ethnic origin could not be identified in this study. However, the ethnic origin and religion of an entrepreneur plays an important role in small business relations. Business relations are often reinforced by these sectarian affiliations. First, they have a unifying function on social networks of businesses in the local market. Second, they are a part of the employer-employee relationship. It is impossible to bring a comprehensive and systematic coverage of ethnic and religious elements due to difficulty of collecting this kind of information.

However, the business success of overseas Chinese throughout much of Southeast Asia provides a good case study from which answers might be sought to the question posed in this issue. Are the values of the Chinese more inclined to generate high levels of entrepreneurial drive and dynamism than those of the other societies and cultures in the region? Chinese business success is often invoked in support of such claims, as are the performance records of other East Asian countries with a “Confucian” or “non-Confucian” cultural heritage. However,

45 In the study of Romijn and Kwanta, their sample as a whole showed that 45.6% of entrepreneurs were pure Thai, and 26.7% were pure Chinese. Then there was 26.7% mixed Thai-Chinese, and 1.0% others. However, the ethnic Thai were over represented in two new sectors - artificial flower making and jewellery, where they had a share of 80.8% and 76.6% respectively, whereas the pure Chinese were heavily into electronics in which they took a 64% share.
“the Confucian values hypothesis,” sometimes invoked to explain growth rates and economic
dynamism, can be accepted only with strict qualifications.

In the case of Southeast Asian Chinese it is certainly true that a higher proportion of
them have been more entrepreneurial in their business activities than the indigenous
populations. Value systems among the latter are less commercially oriented, be Thai, Malay, or
Vietnamese. Just why indigenous populations might not have been as inclined toward
commercial activities as the Chinese is a question too complex to delve into here; my primary
concern here is with entrepreneurial women in Thailand.

6.3.3 Size of Businesses

In Thailand, we found that most women’s small-scale enterprises, especially micro-
enterprises, are located in the informal sector, either because government regulations accept
businesses below a certain size or because these enterprises intentionally evade government
regulations. One may even regard the informal sector as composed primarily of micro-
enterprises, and this has led to a tendency to equate one with the other.

More than 70 percent of the women started their projects at home but presently 55
percent operated away from their home (in a workshop specially built for the project). The
number of women who operated within their homes had declined since some of them had to
operate away from home to accommodate the increase in production. The ability to operate
their micro-enterprise within the vicinity of their homes enabled the women to integrate their
work with their domestic responsibilities. Such a situation does not interfere with their
domestic responsibilities.
6.3.4 Location of Women's Enterprises

Location of an enterprise is one among pertinent strategic decisions an entrepreneur has to make. This is because a good location is one of the business volume generating factors, other things being equal.

Some women operate businesses with fixed locations, such as coffee-shops, restaurants, retail stores selling foods from fish to cosmetics to dolls or Thai silk fabric, and a variety of service businesses, e.g. beauty parlors, custom dress making shops, pawn-shops, the funeral gift service, inns and hotels. One elite woman ran a popular school of cooking Thai food to tourists (at the Oriental Hotel) with her daughter, while others headed printing firms, real estate and rental businesses, and a souvenir shop.

Other women maintain "mobile" businesses. They have no regular place of business for customers to visit; instead they move about the city (usually by motorcyle) calling at the homes and businesses of acquaintances. They sell a wide range of products and services: cosmetics, life and health insurance, books, sets of fine china, sewing machines and food products. Some women rent stalls or space on the sidewalk, others spread their wares on straw matting on the edge of the street, they are in the traditional of vendors and hawkers, selling goods such as fruits, fish, and vegetables. In Bangkok, a space a few feet square on the sidewalk rents for the equivalent of $4-5 a month, and the vendor is subject to removal by market authorities if she is found to be blocking foot traffic through the market area. They typically support several family members, working either alone or with children or other relatives.

6.3.5 Financing Business Start-ups and Working Capital

In order to start these businesses, women save or borrow money. Some savings come
from part-time jobs or sales of handicraft items. When borrowing capital to begin a business, women usually approach consanguineal relatives, especially siblings. This is one feature that distinguishes these businesses from family businesses. When a woman approaches her husband's relatives for starting capital, they would set her up in business on the basis of her membership in the family. The business would then be considered a family business, even if her husband never participated in running it.

Bank loans are not readily available to women. It is well known that they were turned down by several banks when they tried to borrow to start a business. The problems identified are diverse. The lack of security was rated as the highest. This is because financial institutions in Thailand routinize loans with security rather than credit loans. Women experience more serious hardships with financial institutions because women have less security in their own name, although a lack of security applies to most of small and medium firms. In spite of the fact that some women had experience in family businesses, and even though they had potential customers lined up, the bankers told them that because they were women they could not be expected to be sufficiently knowledgeable or committed to make a business succeed.

As a matter of fact, most women entrepreneurs lack experience in finance, considering it their weakest business skill. This lack of experience and confidence in negotiating financial matters leaves potential lenders doubtful about whether the business will succeed. Experience and confidence in dealing with money, plus a well-organized business plan with clearly defined goals and objectives, are musts for a women entrepreneur seeking outside capital.

6.3.6 Recruitment Behaviour

There is a significant relationship between the family and shop-keeping in Thailand. In
the absence of a strong connection between the patriarchal family and landholding which existed in China, family continuity is related to inheritance in shopkeeping. Children very often appear to expect to continue to maintain the family business, whether they are female or male.

One feature of the predominant family business pattern among Chinese in Thailand is residence on the second and/or third floor above the shop. This enables the wife and often the children to work in the family shop downstairs. The family functions in a sense as a vocational training institution for the children who will eventually take over the business.

In the majority of small businesses (55%) family members, (mostly the extended family members) provided unpaid labour inputs, and to a very limited extent paid labour. This was mainly common with those women who were doing business on part-time basis and those full time business women who had never been in wage employment.

6.3.7 Sectoral Choice of Activities and Concentration

An examination of the choice of business activities by women entrepreneurs is pertinent to the understanding of women's entrepreneurial behaviour. This is necessary if barriers to female entrepreneurship are to be identified.

In this finding, women were found to concentrate on activities with the following characteristics:

(i) Easy to Enter

Women were found to operate on activities with lower barriers to entry; that is, activities, which require little capital investment and those that do not require a unique business premise. Most of the activities could be undertaken around the home.

(ii) Highly Competing Ventures Offering Highly Competing Goods or Services
Women have tended to concentrate on activities that produce and/or sell goods and/or services in a perfectly competitive market structure where there are many sellers selling identical goods and services. In such a market structure, sellers become price takers rather than price setters. Women operating such businesses have no pricing freedom and therefore no competitive price advantage.

(iii) Service Values and Low Added Value Activities

Women were also found to patronize service-oriented and low value added activities such as hair salons, boutiques, bar and restaurants business, tailoring, small-scale retail business, etc.

In all these areas, fashionable boutiques are an acceptable if not prestigious occupation of middle-and upper-class women who work outside the home. Smaller tailoring establishments may be owned by either Chinese men or women. The major exception to this picture is the boutiques owned by upper- or middle class women. These boutiques are typically operated as an avocation rather than as a principal means of support of a woman and family. They may even entail large sums of capital investment, with no necessary relation to the rate of return on investment. Another shop keepers opened a bookstore as an extension of her library training, and employ several workers in their shops.

There are some important indications of the growing integration of local markets into the global economy. Few women have started to move into non-traditional activities such as import/export, printing, medium-scale manufacturing, etc. However, since women have tended to concentrate in highly competing business activities, their market shares are inevitably low. This has led to low profitability thus limiting their opportunities for vertical growth and
expansion. As a result women's enterprises have remained small in size. By comparison, men have tended to venture into activities with higher value added potential such as construction firms, real estate development, high-tech manufacturing, etc. Therefore, there are distinct gendered differences in business activities.

More specifically, women's income generating activities have been found to be gender-typed. Even the few women who were engaged in less traditionally female related activities such as export/import and medium scale manufacturing businesses were concentrated in areas such as food processing, food export and textile manufacturing.  

6.3.8 Reinvestment

Reinvestment was not very common among the women entrepreneurs. When asked about the use of business income generated. Over 50 percent of the entrepreneurs reported to spend their income on household demands. Often, there was no distinction between business sales turnover and profit. Sales turnovers were treated as profits. In many cases also women were not charging for the labour spent in their business.

46 Changes in production have transformed the work that women once did at home, like food preparation or clothing manufacturing, to work for pay in the market place.
CHAPTER 7
Female Entrepreneurship:
Growth Potential and Critical Constraints

7.1 Introduction

The review of the characteristics of women entrepreneurs and of their enterprises in Chapter 6 clearly suggests that several environmental and socio-cultural conditions prevent women from fully developing their entrepreneurial potential thus underplaying their contribution to employment and economic growth. The purpose of this chapter is to amplify the way gender has affected women’s entrepreneurial behaviour. It will be argued that gender seriously affects individual strategic choices in business. Section one of this chapter presents the growth potential and dynamics of women owned small enterprises while in section two the critical constraints are highlighted.

7.2 Growth Potential and Dynamics of Female Entrepreneurship

It is argued here that gender has had a serious impact on the strategic choices and performance of women-owned small scale businesses. This is clearly manifested in the following entrepreneurial behaviours of women.

7.2.1 Financing and Investment Patterns

In the absence of institutional finance, women appear to be contented with personal and family savings as major source of finance. Invariably, reinvestment of profits is remote in view of the pressure for immediate consumption. More specifically, the need to guarantee the survival of the family and that of the household appears to be the major priority when it comes to use of earned income. Therefore, it can be explained why women’s small scale enterprises
have remained small in size.

7.2.2 Sectoral Concentration and Location of Women-Owned Enterprises

The choice of business activities operated by women entrepreneurs is shaped by household-centered decisions. Household-centered pressures (multiple roles) have, further, influenced the location of women's small-scale enterprises. In order to minimize conflicts between their multiple roles women have tended to locate their economic market activities close to home thus limiting their choice of businesses. These pressures have forced women to invest in gender activities and those which are stereotyped, easy to enter and highly competing business activities. Inevitably, investment has been on horizontally growing sectors rather than on those activities with vertical growth potential. Thus, women have not exploited entrepreneurial behaviour and have not contributed to the development of new innovations (products) and new markets, which are key factors to effective entrepreneurship. To the extent that the above is true, women's enterprises have remained small in size.

7.2.3 Growth Strategies of Women Entrepreneurs

The need to guarantee the survival of the household has forced women to spread the business risks by investing in multiple portfolios. This diversification strategy is, however, still based on household-centered considerations, thus limiting women's capability to explore and invest in high growth potential activities. Household-centered decisions have also limited women's ability to explore profitable markets. This behaviour has invariably not led to effective development of entrepreneurship among the women.

7.2.4 Labour

The extended family phenomenon has been exploited by women as source of labour for
their businesses, regardless of the quality of the labour. The primary reason is not just to make use of the cheap labour but also to enable every member of the household make some economic contributions to the family. By so doing, however, women entrepreneurs have often forgone quality labour thus rendering their business entities unproductive or less productive or uncompetitive.

7.2.5 Part Time Versus Full Time Operations

Because of multiple roles, women are often forced to engage in business on part-time basis. Given their multiple roles also, women have been forced to choose and operate those business activities that are compatible with their reproductive roles in the household. For security purposes and in order to guarantee the survival of the household, a significant number of women entrepreneurs are still maintaining salaried jobs in the formal labour market. In view of the above women entrepreneurs’ labour contribution in business has not been efficient. This has negatively affected entrepreneurship development among women.

The above analysis of women’s entrepreneurial behaviour and the description presented in the previous chapter has enabled us to identify two main areas which are of critical importance for the development of female entrepreneurship in Thailand. The first revolves around the conditions or factors that prevent women from effective participation in entrepreneurship, rather those factors which have prevented and which continue to prevent women from participating in high growth economic activities. The second area of concern revolve around the issue of promotion of female entrepreneurship in the light of the critical constraints identified. These issues are the subject matter of the remaining part of this chapter.
7.3 Critical Constraints to Female Entrepreneurship

The above analysis of women’s entrepreneurial behaviour and the functioning of their enterprises clearly suggests that there must be fundamental constraints to the development of female entrepreneurship in Thailand. Put differently, women’s entrepreneurial behaviour must be understood in the context of the critical factors that have influenced this behaviour and that have subsequently negatively affected their performance in business. In this section the critical constraints are highlighted and presented. The constraints which are basically environmental are socio-cultural and economic factors.

7.3.1 The Social and Cultural Environment

The findings of this study, especially as far as women’s entrepreneurial behaviour is concerned, suggest that cultural values, traditions and norms have greatly affected women’s participation in entrepreneurship. More specifically, the society’s constructions of what constitutes male and female roles and responsibilities, behaviour and values, which have resulted into distinct gender division of labour in society, have also been manifested in the dynamics and development of female entrepreneurship in Thailand.

7.3.1.1 The Gender-Based Division of Labour

It has been well documented elsewhere that the patriarchal gender biases are the root causes of the gender-based household and social division of labour in most societies. Within the social and power relations and the resultant gender division of labour lies the basis for the general marginalization and subordination of women. Through the gender based household and societal division of labour, women have been assigned such tasks as child rearing, taking care of the old and the sick, taking care of the household by undertaking household chores
(reproductive) as well as productive activities. Women have undertaken these multiple roles without leisure time, supportive technology and adequate income. This has subsequently resulted into unequal work burdens, between men and women, to the disadvantage of women. As the findings of this study suggest, women’s multiple roles and this overwork have greatly affected their ability to exploit more profitable economy/business opportunities. In order not to compromise their reproductive and productive roles women have been found to venture into those activities that can be done around the home thus limiting their choices in respect of strategic business decisions and operations. In order to guarantee the survival and sustenance of the household, women have been found to spread their risks over a number of business portfolios thus rendering them unable to exploit the advantages of specialization. The need to sustain the household has also rendered reinvestment of earned profits a rare occurrence in view of the pressure for immediate consumption.

Given their multiple roles also, women entrepreneurs have been found to exploit the extended family phenomenon as a source of labour at the expense of quality labour. Women’s multiple roles have, therefore, greatly shaped women’s entrepreneurial decisions and behaviour, to their disadvantage, in respect of location of business, recruitment practices, choice of enterprises undertaken, growth strategies, reinvestment decisions and marketing strategies.47

Furthermore, apart from causing women’s overwork, the subordination of women also entails unequal access to household and societal economic resources. This has particular

47 Marketing is a common problem to small-scale entrepreneurs. This problem was more serious among women since their mobility was limited because of transportation difficulties. More than half of the women entrepreneurs indicated that the market for their products was limited and that competition was great. There were also many women who had no transportation to market their produce.
reference to resources such as land and other immovable property. The primary reason for such unequal treatment at both household and society levels is the treatment of women as minors or as appendages who must derive their social and economic rights from either their spouses or their male relatives. To the extent that women do not own immovable property (which serves as collateral for credit from formal financial institutions) their access to credit is restricted. A study conducted by Obhasanond (1996) shows that, eleven out of thirty women entrepreneurs interviewed had obtained a loan from formal financial institutions. But another study, Masud and Paim (1999) shows that in Malaysia, only two out of one hundred thirty-six rural women entrepreneurs had applied for a loan from the Agricultural Bank.

The situation is further compounded by women’s inability to save due to immediate household consumption needs. Coupled with the low returns from their businesses, the vicious circle of low income - low saving - low investment is invariably maintained. Lack of access to resources has negatively affected woman’s entrepreneurial behaviour, both in respect of the choice of undertakings and their marketing strategies. Given low incomes, women entrepreneurs have ventured into easy to enter (activities requiring low capital outlays) kind of activities which in most cases are prone to lateral expansions thus earning the investor very little income due to low turnovers. The low incomes have further restricted women’s ability to employ effective marketing strategies in order to promote the sale of their products. Investment to exploit market niches and to advertise the products is not possible under this situation. Given their low incomes also, women entrepreneurs cannot afford modern technologies (Ozcan, 1995). Therefore, women generally started small businesses in the service and retail sectors requiring limited use of technology and little initial capital.
The societal gender prejudices and stereotypes have further contributed to women’s low access to formal credit. From the finding of Ismail and Joned, it is confirmed that some women entrepreneurs reported this to be a major constraint. The problems encountered by women entrepreneurs categorized into problems at the start-up stage and the growing stage. For both stages, finance-related difficulties were cited as women’s greatest problem. The most critical start-up problems are difficulties in finding labour, obtaining financing, competing with others, establishing credibility, and coping with high business costs. Other problems encountered at the launch of the business include marketing, pricing management, social, interpersonal, production, knowledge, and personal issues. After the launch of the business, women entrepreneurs needing to compete for limited resources could be at a disadvantage since they may be more likely to lack the track records and credibility needed to obtain bank loans or credit from suppliers. This would clearly affect the operational costs of their enterprises.

7.3.1.2 Reinforcing Factors

The gender social and power relations that exist in Thailand, as well as in other Southeast Asian countries, have been reinforced by the plural legal systems and other forms of controls and socialization. These conditions have been used to ensure the continued subordination of women and the performance of their prescribed roles. These have engendered women’s unequal participation in important spheres such as education and decision making positions.

The customary, religious and modern statutory and common laws often overlap and contradict each other. These types of legal systems have not only tended to reinforce the subordination of women but have also affected women’s economic and social position in
society especially with respect to ownership and inheritance of property. This lack of equal
government, not only to economic opportunities but also to personal development.

Education is one of the primary forms of socialization which engender the development
of various competencies including entrepreneurship. Despite its importance, many Asian
societies, including Thailand have, due to the same household based and societal gender biases
and stereotypes, not considered girls' education to be as important as boys' education. The
main reason is that girls are expected to be dependant on a man (a male relative or spouse).
These cultural norms and values have greatly affected women's access to basic and further
education thus engendering high illiteracy rates among the women. Deprivation of education
and training limits women's potential. Illiterate women tend to have low self-esteem and very
little self-confidence in public, while substandard living conditions, particularly malnourishment
during early life, contribute to the suppression of their intellectual development.48

The resultant gender gap in education has further been compounded by the post-primary
school curricula in Thailand which has for a long time been gender stereotyped. Specifically,
women who proceed to further studies are channeled into fields which do not involve the
inculcation of significant technological or managerial skills. They are invariably directed to
traditionally gender-stereotyped fields such as cookery, tailoring and domestic science, while
men are led to technically-based subjects such as engineering, crafts and carpentry. It is quite
obvious that the feminine subjects, where women are found to specialize, are not compatible

48 Similarly, traditional Thai culture, partly rooted in the Buddhist concept of the accumulation
of merit and the Law of Karma, encourages Thai women, particularly those living in rural areas, to view
men as their superiors. Women see themselves as disadvantaged and less worthy.

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with the new global technological demands.

This phenomenon together with their unequal access to education and training has worked against women in terms of their ability to enter into and perform effectively in business. The result is what we have seen in this study: Women have overwhelmingly concentrated in gender-typed, low turnover, service-oriented type of activities. Their lack of education is a real draw back. However, there are many examples of Thai women with low education who have managed to succeed in business. Also, this barrier is likely to decline with the policy of compulsory education at the primary school level. In respect of training, women tend to prefer gender stereotyped training, such as craft production, tailors and seamstresses, dressmaking and hairdressing, etc., even if there are opportunities available for training in other areas. As a result, women end up in low productivity and low value-added types of undertakings (Obhasanond, 1996).

7.3.2 The Economic and Policy Environment

We can trace the participation of women in modern businesses from the period of women’s involvement in the co-operative movement in the 1950s and 1960s. Mandeson (1980) reports the proliferation of co-operatives established by “women for women” to meet their credit needs. The establishment of these organizations reflects the inaccessibility to credit and loan facilities which were faced by women entrepreneurs, and the potential involvement of women in entrepreneurship in the decades ahead.

This section examines the degree of recognition, practical use, and effectiveness of existing government policies in helping business activities by women. Existing policies fall into five areas and include financial assistance, tax favours, technical assistance, marketing
assistance, and other assistance.

Based on the findings of this study, I believe that the government needs to intervene in the following areas with regard to financial assistance. The government needs to diversify funds and to expand the range of beneficiary by loosening qualifications required because the recognition level on financial assistance is quite high. Regarding the tax favours and technical assistance, when nearly half of the entrepreneurs acknowledged that they did not know much about them, the information was found to be useful in order to increase awareness of government policies.

However, it should be stressed that terms such as “women” or “women entrepreneurs” for that sake, are not uniform categories or homogeneous entities. There can be very fundamental differences between women entrepreneurs, such as level of poverty or wealth; skills level; educational and literacy level; experience of work or business; age; family commitments and family support and so on. Existing gender relations interact with other dominant structures of social hierarchy such as class, caste and race, and these interactions vary over time and space. Women’s interests and needs are reflected in multiple identities according to the interaction of the above structures.
8.1 Summary

Thailand's rapid economic development since the mid-1980s has opened the country to a full range of international influences on its economy, society and culture. The phenomenon of openness to globalization trends, in combination with government policies, has created opportunities for women to overcome poverty, gain access to education, participate in new and expanding labour markets, improve their own and their families' health and venture into public life and higher levels of decision-making. But rapid socio-economic changes have also led to more imbalance and contradictions in the everyday life of Thai women and their families.

Therefore, particular attention is continued to be paid to women in the development process. There is a special concern about Thai women involved in the small-scale enterprise and the significance of this sector for Thailand's future social and economic development. The growth of women in small business in large numbers but without the economic impact relative to those numbers is not an isolated phenomenon. It is a reflection of women's contemporary position on two not unrelated continuum. The first continuum has afforded women the opportunities to gain education, commercial work experience and skills and provided the societal freedoms in which to use them. The other persists with a broad range of economic and social barriers and obstacles that, notwithstanding the gains that women have made, continue to keep women in an economic underclass. Key among the barriers and obstacles for self-
employed women is access to finance.

We have become more and more aware of women social spaces existing in many societies whose boundaries are very diverse, which very often dwindle in the course of socio-economic change. These spaces are defined through division of labour, responsibilities and productive activities, as well as through social institutions. The interesting point would be to follow how they are linked to the overall system, how is difference maintained, how can and do women nevertheless claim equity in society and the political system. Women need to understand the political development process and how the decision-making process affects their lives today and in the future.

The gendered social and power relations have also led to unequal access to decision making positions to the disadvantage of women. This factor has partly contributed to the existence of gender-blind economic, industrial and small-scale industry policies that have not supported the promotion of female entrepreneurship. This has generally meant that a half of the Thai population has been prevented from realizing their full productive potential.

Women's intensive involvement in unproductive ventures and reproductive roles has meant a gross misallocation of human resources in the economy. This phenomenon has further been responsible for the feminization found in both the formal and non-informal sectors of the economy in Thailand, and hence the feminization of poverty. Unless strategies to reduce the aforementioned barriers are designed and introduced, women's qualitative participation in entrepreneurship will be building up a critical mass of innovative women entrepreneurs. It is our contention that until such time when women entrepreneurs become a critical mass, both qualitatively and quantitatively, their socialization will continue to have a negative impact on
their ability to venture and operate high growth potential and hence large scale business activities.

The promotion of female entrepreneurship will, however, require that both the strategic and practical needs of women be addressed. It has been well documented elsewhere that the measures and programmes that have so far been adopted by the government and NGOs and the past WID approaches have tended to address only manifestations or the gendered conditions are stop gap or safety net measurers. It has been well argued in the literature that such measures cannot lead to women’s empowerment in the longer terms (Mbughuni, 1994, Mhone, 1995).

In order to empower women, intervention solutions should focus on the inputs viz, education, culture, ideology and communication. Efforts should also be made to address the structural needs that focus on the reorientation of the economic structure and generally the creation of an enabling legal environment. In other words, WED should be seen as a means towards achieving economic empowerment for women, ultimately leading towards a more holistic empowerment of women at the social, political and economic levels.

8.2 Strategies to Promote Women’s Effective Participation in Entrepreneurship

Before we highlight on strategies that are required to promote female entrepreneurship, we would like to define the strategic and practical needs of women in general terms, and then relate them to the needs of women entrepreneurs. The need to distinguish between the strategic and the practical needs of women arises because women’s problems are hierarchical (Mhone, 1995).

According to Mhone, strategic needs of women are defined as those “aspects of women’s disadvantaged and vulnerable status that are determined by fairly stable social
relationships deeply embedded into the socio-economic fabric of the societies. Such relationships are related to the household, communal and social division of labour based on gender.” The strategic needs of women in this sense “concern the need to resolve the unequal nature of such a division of labour in so far as it places women in a disadvantaged and vulnerable status both absolutely and relative to men” (Mhone, 1995: 4). The strategic needs of women may also encompass the alleviation of the multiple roles of women in respect of domestic labour and child care, increasing women’s access to strategic resources such as land and other immovable property as well as increasing their access to credit. The design of any venture financing mechanism should be tailored to participants’ backgrounds, types of business to be financed and their stage of development.

By contrast, the practical needs of women relate to the short term (immediate) needs of women. More specifically, practical needs of women are those needs that address the gendered conditions (manifestations) brought out by the prevailing gender-based division of labour in society (Rutashobya, 1998).

Sustainable promotion and development of female entrepreneurship will require that both strategic and practical needs of women entrepreneur be addressed. An identification of the strategic and practical needs of women entrepreneurs would require a focus on the major areas where women’s entrepreneurial behaviour was found to have worked against enterprise growth and expansion. The major anti-entrepreneurial behaviours were, as observed earlier, found in the areas of new business creation, recruitment, choice of activity, growth strategies and reinvestment of profits. Any intervention would thus require to tackle the imbalance observed in respect of women’s practices in these areas. Put differently, strategic solutions needed are
those that will influence women's investment patterns, their use of business income, recruitment practices, choice of sectoral activity, as well as their growth strategies with a view to enabling them to shift into high value-added and high growth potential businesses.

This recommendation again rests on the common conclusion that entrepreneurship is not a biological trait and therefore it needs to be developed. As earlier on presented in the literature, even proponents of the trait theory accept that entrepreneurial behaviour is related to one's childhood and then moulded by personal experiences in later adult life. The significant influence of ethnicity and education on women entrepreneurship reported in the findings of this study appears to support this conclusion. This finding further appears to be consistent with Gibb's (1990) study which concluded that entrepreneurship competencies may be developed by training and education. The presence of a conducive economic, legal and social environment is again a matter of necessity towards the development of entrepreneurship. It is in the light of the above analysis that the following strategic and practical solutions to the needs of women entrepreneurs are recommended.

8.2.1 Addressing the Strategic Needs of Women Entrepreneurs

One of the strategic solutions to the needs of women entrepreneurs is the creation of a support structure and enabling legal environment that would facilitate women's access to resources. Access to resources would enable women to venture into high growth potential activities and markets. Adequate resources will also support women's ability to promote and advertise their products to various potential market segments and to acquire profitable market niches. At the moment that is not possible since to win a market niche requires a lot of investment into activities such as market intelligence and market prospecting. Women can
greatly realize their business potential if they are assisted in these areas.

To ensure equal access to resources, the government must work towards the rationalization of the dual legal system especially as they relate to inheritance, marriage, property ownership, commercial codes and the like. Specifically, policy makers should give priority to the enhancement of women’s access to land by reforming the conflicting customary and the modern (code law) land tenure laws. The government can also guarantee access to resources by women by providing a support structure that will increase their access to credit.

Women also require to be assisted to improve the productivity and competitiveness of their businesses. To increase their productivity and competitiveness they need to put some of the business income back into enterprise. This practice will guarantee specialization and hence profitability and sustainable vertical growth in the long run. This is currently not possible given the need for immediate consumption and the kind of activities women patronize.

As alluded to earlier, women’s multiple roles and early socialization which have conditioned women entrepreneurs to adopt household-centered business strategies rather than the business-centered strategies have negatively affected their investment choices and growth strategies. Government and Non-Governmental programmes to conscientious women entrepreneurs to move away from stereotypic business activities are required.

Furthermore, special social and family support structure is required to re-orient women’s entrepreneurial behaviour from their current preoccupation in low profitability ventures to high growth ventures. This support can be private as well as public. Private support entails family support that will ensure redistribution of responsibilities in the family. Public support, on the other hand, will require the government and other social partners such as the NGOs, employers
and community-based organizations to facilitate the formalization of the provision of services such as children’s day care centers, rehabilitation centers etc. that help to relieve women of their multiple roles. The aim should be to shift some of the reproductive burdens of women to the society or community to enhance women’s participation in business on full time basis. The involvement of the government, NGOs and other partners in the provision of such services will ensure that these services are socialized and provided on a sustainable basis.

To support the above, a change in attitude at the level of the family and the society is required. This requires the government and other development partners to step up gender sensitization, that inculcates a new attitude especially towards redistribution of responsibilities at family and society levels. The media should also be mobilized to portray the entrepreneurial role of women and eventually supporting a redefinition of societal and family gender roles.

The government, NGOs, donors in collaboration with women’s organization should develop programmes to encourage girls to move away from stereotyped subjects and courses into more technical, flexible and competitive subjects and courses that will ensure upward mobility and productivity. The government and donors should sponsor more girls into vocational and technical education schools to enable them to acquire technical skills.

Programmes to train women entrepreneurs in skills that are relevant to new competitive domestic and international markets such as management and marketing should be developed and implemented by institutions of higher learning. The government and other social partners further need to promote special apprenticeship programmes that would encourage an inculcation of technical skills by women. Currently, such programmes are not common among women probably because of the nature of the activities undertaken by women entrepreneurs.
Generally, a gender-biased curricula should immediately cease. The above strategic solution, however, need to be complemented by structural solutions in the form of a conducive macroeconomic policy. For a long time macro-economic policies in Thailand have produced incentives in support of the formal sector. Innovative government policies that would promote those activities where women are found to operate are called for urgently. Specifically, gender sensitive industrial and small-scale industry policies are required to support the promotion of female entrepreneurship.

8.2.2 Practical Solutions

There has been a good attempt, in past efforts, to address the practical needs of women. These efforts are, however, not enough. Government, NGOs, donor agencies and other community based groups should step up efforts to design interventions that address the welfare conditions to women as they relate to their participation in entrepreneurship.

Women’s multiple roles should be addressed by the establishment of children’s day care facilities and redistribution of responsibilities at family level. This will ensure that women have enough time for their enterprises.

Women’s inability to generate high incomes should be addressed by designing and implementing special programmes to increase their access to credit, access to raw materials and other inputs, access to markets as well as marketing assistance. The government, the NGOs, donors and private sector organizations should support such programmes. For example, the Department of Export Promotion under the Ministry of Commerce operating a permanent showroom, as well as organizing occasional trade fairs and exhibitions to display industrial products. They also provide an export information and advisory service, and organize a buyer-
seller forum, as well as a series of trade mission. The same organizations could organize specialized trade fairs for women entrepreneurs to display their products. Donors should, through the Board of External Trade, sponsor women entrepreneurs to participate in foreign and international trade fairs. This will ensure that women entrepreneurs’ products penetrate foreign markets.

Donors could also be requested to support special programme within the Chamber of Commerce, Industry and Agriculture to support trade missions and market intelligence by women entrepreneurs. Special counselling services for women entrepreneurs should be initiated by NGOs and Management Training Institutions and supported by donors who have special interest in small-scale business development.

The government, NGOs and donors should support women’s co-operative initiatives that facilitate collective purchase of inputs and collective marketing and distribution of their products and services. Sound women’s co-operatives can solve women’s problems of inadequate resources.

8.3 Institutional Support Mechanism

Institutional backing to ensure the main streaming of gender concerns into all policy and programmes in all sectors is a matter of necessity - if women’s strategic needs are to be met in the long run. Additionally, institutional support mechanism that ensure commitment to the development of small scale business sector where women are found to operate is needed if female entrepreneurship is to be promoted and strengthened. This section briefly outlines this institutional mechanism as it operates in Thailand.

Government’s commitment to the promotion of gender equality in Thailand is
exemplified in the creation of a special task force of experts from public, private and academic
circles to formulate a detailed 20 year Women’s Development Plan 1982-2001 (Van Esterik,
2000). The Plan comprehensively sets out the objectives relating to women’s basic needs,
freedom of choice in determining their lives and participation in socio-economic and political
activities, and has fixed quantitative targets for women’s development in the areas of health,
education, employment, public administration, politics and law.

A wide array of organizations and individuals at the governmental and non-governmental
levels are involved in women’s development in Thailand. At the political level, there is a 17
member Parliamentary Standing Committee on Youth, Women and the Elderly Affairs to
follow up on the related government’s activities. At the governmental level, the National
Commission on Women’s Affairs (NCWA), set up in March 1989, is mandated to develop
policies and plans, provide advice and recommendations, to the Prime Minister on the need for
new legislation for promoting women’s development, to act as a central coordinating agency
between the government and non-governmental sectors and to oversee women-related matters

In addition, several government departments are also directly involved in various aspects
of women’s development: Community Development Department; Department of Non-formal
Education; Department of Health; Department of Agricultural Extension; and the Department
of Labour Skill Development. These departments have contributed to women’s development by
organizing worthwhile programmes and creating awareness about women’s problems and
issues.

Besides the government agencies, a large and growing number of non-governmental
organizations are engaged in activities for advancing the status of women and their
development. These organizations include The National Council of Women of Thailand (NCWT) which was established in 1956 and has been under the Royal Patronage of Her Majesty the Queen since May 5, 1961; the Association for the Promotion of the Status of Women (1973-6); Friends of Women (1980); Foundation for Women; The Gender and Development Research Institute; and the Gender Watch Group. The National Council of Women serves as a coordinating body for many organizations operating at the provisional level (Van Esterik, 2000).

The objectives of the various governmental and non-governmental organizations do not differ significantly since all of them are inspired by similar ideals and principles to promote the status of Thai women. However, both groups face certain problems. The governmental organizations are mainly constrained by bureaucratic problems, i.e., time, manpower and other resources. Although non-governmental organizations have greater flexibility, project activities are reported to be disrupted by irregular funding, and the long-term sustainability of these organizations is a very serious issue (Van Esterik, 2000).

Thai women and indeed the Thai Women's Movement embraced the linkages between women and development, and later gender and development with enthusiasm. Thai Women’s

49 The current wave of interest in ‘women’s problems’ emerged as part of the democratic movement of the mid-1970s (1973-6). During this period, the Women’s Status Promotion Group was formed. However, the democracy movement was by no means an outpouring of support for women or a recognition of gender imbalances in Thai society.

50 For example, Women’s Information Center (1984), and EMPOWER (1986) were all influenced by the international feminist movement, although they address Thai concerns and operate according to Thai standards of practice. NGOs, including women’s groups are viewed as threatening by the government and must be registered. Groups like EMPOWER that form around specific concerns such as prostitution tend to keep their mandates narrow and select their venues of confrontation with care.
groups have participated in international women’s organizations, with enthusiasm, participating in Thai branches of Zonta (1971), Soroptimist (1974), Business and Professional Women’s Association (1964), and Promoting Business for Women Association (1974), sending Thai delegates to UN women’s conferences, and participating actively in field trips within Asia and elsewhere, particularly those connected with business and commerce. Their diplomatic and courteous demeanor make Thai leaders of women’s groups - particularly elite women’s groups - ideal candidates for participating in international forums. The head of the Asia/Pacific Regional planning committee for the Conference for Women in Beijing and the head of the NGO forum were both Thai women (Van Esterik, 1999).

Private sector efforts have led to the establishment of numerous organizations to assist women entrepreneurs. For example, in the northeast, the Appropriate Technology Association (ATA) has been helping silk weavers. The Small Business and Handicraft Promotion Project (SBHPP) of Chiangmai University has assisted cotton and silk weavers upgrade the quality of their textiles and fabrics. The Thai Rural Reconstruction and Management (TRRM) which has credit facilities for poor urban women helps in marketing the products of rural entrepreneurs (Jongeward, 2001).\(^{51}\)

Despite the recorded success in few areas, these institutions lack sufficient resources and human capital to achieve the desired objectives. In some cases this can be attributed to a

\(^{51}\) NGOs within the Network worked many years on the social and political issues of organizing women’s groups. When they began to establish community businesses, they faced problems related to a lack of expertise in business management. Over a ten-year period they solved many problems by acquiring experience and skills in management and administration. Currently, NGOs have lack a knowledge about product design and marketing and they want consultants in product development to help the weaving groups.
lack of awareness about women’s concerns and an insensitivity towards gender issues. Also not much has been done to promote the productive potential of women entrepreneurs. Government’s policies and programmes geared towards the promotion of the small-scale business sector (where most women are concentrated), and in particular the Ministry of Industry and the Board of Investment have jointly established a “sub-committee on Supporting Industry Development” involved in SME development policy of 1992, have been gender blind. The establishment of the Association of Small-Scale Industries (ASSI) in 1980, had a total of 331 members, only 71 were female of which 48 were in Bangkok, have not addressed the strategic and practical needs of women entrepreneurs.

To promote female entrepreneurship these institutions should design and implement comprehensive programmes that would ensure participation by business people of both sexes. In other words, they need to design and implement programmes that are gender sensitive. One of the ways to guarantee gender sensitive programmes is the integration of women in decision making process of these institutions. The economic empowerment of women through WED needs to give substantial emphasis to the development of women’s bargaining power at all levels, as well as a highlighting a perspective that ensures the breakdown of limiting gender stereotypes and recognizes the importance of women’s agency.

The above analysis calls for a gender-sensitive small scale industrial policy and an institutional support mechanism that is more responsive to the strategic and practical needs of women entrepreneurs. However, it is worth remembering that without a clear understanding of

52 Women comprise 22% of the membership of the Association of Small-Scale Industries (ASSI). Only 21% of entrepreneurs trained by Dept. of Industrial Promotion were women.
the macro, meso and micro contexts, such support activities could at best be misguided or even futile. To be truly effective, WED needs to be placed in the context of critical and relevant gender issues on all levels - from the micro to the macro level. It should be noted that there is no guarantee that “women only” programmes are necessarily sensitive to gender issues and, rather than promoting equality of opportunity, they may lead to reinforcement of gender bias and perpetuation of women’s disempowerment (Finnegan and Danielsen, 1997).

Finally, the government should support a structure that would periodically review, evaluate and monitor programmes that are geared towards gender equality. This is not being done at the moment. Most of the policies are not backed up by concrete implementation programmes with clear target deadlines. This has rendered monitoring of the policies very difficult.

8.4 Future Research

The current trend suggests that the small business sector is going to attract and create jobs for many more people in Thailand. This means that the economy’s ability to innovate, diversify and grow will inevitably come from this sector. It is, therefore, pertinent that women are encouraged to participate and compete as entrepreneurs. Although the sample in this study was quite small, the study has been able to explore a number of issues that require further

53 The macro environment comprised of many interconnecting structures and dynamics, including: laws and regulation, the economy, human capital resource, technology, international trade, etc. The meso and institutional sphere included a large number of organizations involved in providing support services to entrepreneurs. These various meso level organization can be classified based on the particular focus of the organization included government and non-governmental organizations, private sector, donors, etc. The micro sphere involve women experience an unequal power relationship with men, inequalities in the distribution of tasks, in access to and control over resources, as well as intra household bargaining power, etc.
Future research should seek to investigate into the factors that affect growth of women's businesses. Longitudinal data may reveal a trend in constraints to female entrepreneurship which is beyond the scope of this study. Such study will provide a clearer picture of the factors that influence women’s entrepreneurial performance. A combination of survey and case study methods should be employed. The findings of such a study should assist various actors to focus their efforts on the growth factors.

In addition, gender-specific research on the appropriateness of existing services should be conducted. Reliable data and researches should be produced in order to bring out adequate policy measures and defend them. Many conferences proclaimed clearly and repeatedly that policy makers face a real challenge in finding appropriate ways to encourage the collection and standardization of data at national and international level, and to broaden our understanding of women's entrepreneurship in order to increase the overall effectiveness of SME policies.
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