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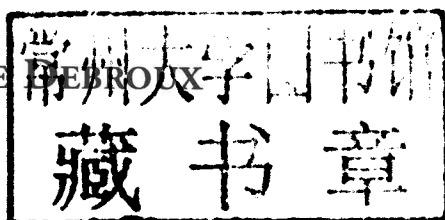
Philippe Debroux



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Female Entrepreneurship in East and South-East Asia: Opportunities and challenges

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Chandos Publishing is an imprint of Woodhead Publishing Limited

Woodhead Publishing Limited
Abington Hall
Granta Park
Great Abington
Cambridge CB21 6AH
UK
www.woodheadpublishing.com

First published in 2010

ISBN: 978 1 84334 398 1

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British Library Cataloguing-in-Publication Data.

A catalogue record for this book is available from the British Library.

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Typeset in the UK by Concerto.

Printed in the UK and USA.

Female Entrepreneurship in East and South-East Asia

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Philippe Debroux is a Belgian citizen who has lived in Japan since the 1970s. He has a PhD in applied economics from the Free University of Brussels and holds a MBA degree from INSEAD (France). He worked in several Belgian and Japanese companies before beginning his academic career in the mid-1980s.

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His research focuses on development in human resource management, innovation and entrepreneurship in Japan and other East and South-East Asian countries. Since the beginning of this decade he has concentrated more specifically on a project on female entrepreneurship, starting with Japan and extending to the other Asian countries covered in this book. His intention in the following years is to pursue his research on female entrepreneurship in these four countries while extending it to India (west Bengal) and China (Shanghai and Guangzhou areas).

His main recent publications include *Asia's Turning Point* (John Wiley & Sons), co-authored with Ivan Tselichtchev, and *Innovation in Japan* (Routledge), co-edited with Keith Jackson.

Acknowledgements

Sincere thanks are owed to all the numerous people who supported this book in different ways. First and foremost, I have incurred a great debt of gratitude to all the entrepreneurs who agreed to share their experience and devote some of their precious time to my project. Then I have benefited much from the contacts with private and public organizations in the four countries. They provided very valuable information, and helped me to correct a number of my preconceptions and have a balanced understanding of the issues. I would also like to thank Soka University for funding this project, and numerous colleagues for their support and encouragement.

List of acronyms

ADB	Asian Development Bank
APEC	Asia-Pacific Economic Cooperation
B2B	business to business
B2C	business to consumer
B2G	business to government
CEDAW	UN Convention on the Elimination of All Forms of Discrimination against Women
EEA	Equal Employment Opportunity Act (Korea)
EEOA	Equal Employment Opportunity Act (Japan)
FDI	foreign direct investment
FEM	Federation of Women Entrepreneurs Association Malaysia
GDI	Gender-related Development Index
GDP	gross domestic product
GEM	Global Entrepreneurship Monitor
HRM	human resources management
ICT	information and communication technologies
IFC	International Finance Corporation
ILO	International Labour Organization
IPO	initial public offer

KIBWA	Korean IT Business Women's Association
KOVWA	Korean Venture Business Women's Association
KWEA	Korean Women Entrepreneurs Association
LDP	Liberal Democratic Party (Japan)
MBA	master of business administration
MBO	management by objective
MCA	Malaysian-Chinese Association
MIT	Massachusetts Institute of Technology
MOGE	Ministry of Gender Equality (Korea)
NAWEM	National Association of Women Entrepreneurs of Malaysia
NCWO	National Council of Women Organisations Malaysia
NEP	New Economic Policy (Malaysia)
NPO	non-profit organization
OECD	Organisation for Economic Co-operation and Development
OTC	over-the-counter
R&D	research and development
SMBA	Small and Medium Business Association (Korea)
SMEs	small and medium-sized enterprises
SMIDEC	Small and Medium Industries Development Corporation (Malaysia)
SOE	state-owned enterprise
SOHO	small office, home office
TEA	total entrepreneurial activity
UMNO	United Malays National Organization
VWU	Vietnam Women's Union
YWCA	Young Women's Christian Association

Preface

To date, studies of gender and economic development in Asia have considered women mostly as economic agents in labor markets. But Asian women are not only laborers in the fields and factory workers. They are also producers, entrepreneurs and investors. Entrepreneurship, and more specifically female entrepreneurship as both concept and activity, has been growing in importance in Asia since the mid-1990s, with an acceleration at the beginning of this decade.¹ But the image and idea people have of female entrepreneurs in Asia are generally, first, that there are very few of them; and second, that they are mainly in the informal or formal micro-sector, producing relatively low-added-value goods and unsophisticated traditional services. Women's entrepreneurial ventures have an image of limited projects complementing male entrepreneurs' activities and having small economic significance. This overall image reflects the perception that people have of Asian women at work. Institutional and socio-cultural obstacles are perceived as impeding the development of female entrepreneurship, just as they limit the economic activities of women in general terms.

This perception is both right and wrong. The numbers of businesses created and managed by women in the four countries selected in this book, Japan, South Korea (Korea hereinafter), Malaysia and Vietnam, are steadily growing. Mead and Liedholm² wondered why women-owned companies are disproportionately concentrated in low-return activities. In fact, women entrepreneurs were never a cohesive group of self-identified or readily identifiable actors anywhere. Evidence shows that women entrepreneurs (admittedly still a small number of them) enter into traditionally male-dominated fields, increasingly blurring the gender-based definition of specific sectors and products deemed appropriate to female entrepreneurial activities. Be it in developed Japan or developing Vietnam, women's entrepreneurship strategies are not

inevitably 'low growth'.³ Not all women entrepreneurs are risk averse or invest primarily in social networks. There are businesswomen creating large corporations, or willing to do so, all over the place. They use venture capital, have a high-growth strategy and manage companies already listed or aiming to stock exchange listing. Some Japanese women entrepreneurs, pioneers of internet-related communication, have become significant employers, investors and important opinion leaders; in Malaysia and Vietnam, through women's organizations some entrepreneurs are politically influential in their communities and national politics. Moreover, in those two countries women's organizations play an important grassroots role to reinforce female entrepreneurship; likewise, in Korea women's organizations are closely involved in the ambitious projects of their government to promote women's interests and create business opportunities.

But it is true that most women-owned businesses, be it by design or by necessity, are still small and operate in traditional sectors. It is also true that obstacles of different natures hinder their development. All categories of women entrepreneurs exist in the four countries despite the differences in stages of economic development. From Japan to Vietnam, it goes from high fliers to people willing to manage comfortably small businesses of modest size and little development, down to necessity entrepreneurs struggling at the bottom of the pyramid. But businesses created with modest ambitions may eventually grow fast, and struggling 'necessity'-type businesses sometimes turn out to be dynamic and innovative concerns. Innovation does not come necessarily from high-technology-related businesses. In view of demographic changes and lifestyle diversification, traditional fields are transforming themselves and some become attractive, high-growth, innovative markets. The widely varying nature, scope and objectives of activities, as well as the motivations and obstacles women entrepreneurs face, reflect the constantly changing institutional and socio-cultural context in which they operate, and also the evolution of the entrepreneurs themselves in their economic and familial environments.

It could be argued that women's involvement in today's Asian societies and economies as entrepreneurs is a kind of revival of the past. There are differences arising from changes in the institutional setting, new actors in the field, new rules of competition and new forms of organization of production and communication means. But entrepreneurial endeavors by women in these four countries are not something completely new. They have always existed in one form or another. What is occurring now is a new avatar emerging in our globalized world. It develops in a new

environment with the same mixture of dynamism and enthusiasm, but also ambiguities, misunderstandings and contradictions coming from the differences between perceptions, reality and ideals present in societies and markets that women entrepreneurs have always had to confront in the past.

The four countries are very different in those respects. Large variances are also observed in economic structure, business and innovation systems, demography, natural resources endowment and socio-cultural environment. But although they are unique in many ways, historical events and current socio-economic evolution justify aggregate analysis. The countries share many historical, cultural and social features that affected the development of women as unpaid labor, employees, self-employed or entrepreneurs. The interplay of (often common) history, culture and policy and their dynamic effects on female entrepreneurship in each country still impact it and contribute to transcend the differences. It is precisely because they exhibit a large array of different characteristics and are at different stages of economic development while also sharing a large common experience in many respects that they have been selected.

Wars and other conflicts have profoundly affected the political and socio-economic landscapes in Asia, influencing women's position in society. The Second World War in Japan and colonial era and Cold War-related conflicts in Korea, Malaysia and Vietnam affected many institutions, including socio-cultural norms and business systems. Japan became a democratic country with women given equal political and economic rights. Korea and Vietnam had to fight civil and proxy wars that left them in comparable circumstances, with analogous challenges to rebuild economies and societies that impacted on women's social and economic position. After its independence in 1957, Malaysia had to fight against a communist insurgency until the 1970s. Internal ethnic conflicts that led to bloody riots between Malay people and members of the Chinese minority at the end of the 1960s induced a reconsideration of industrial and business policy that until now has a direct influence on male and female entrepreneurship development in Malaysia. In Vietnam and Malaysia the wars and their aftermath enhanced the status of women in society. This brought some of them into influential jobs and also injected new ideas, for instance the importance of voluntary organizations and the role group activities could play in their professional lives.

At the level of society and economy, the importance of female entrepreneurship is recognized and women themselves share similar

needs and aspirations in respect of their careers and roles in society. In all four countries there are interrogations on the respective roles of the market and the state, the impact that information and communication technologies (ICT) could have on women entrepreneurs, and the linkage between economic development, empowerment and equality. As in other parts of the world, the development of female entrepreneurship induces a complex debate on the place of women in society, as economic agents but also as key members of their families, their communities and their countries. To some extent it could be said that female social and economic activities are now placed at the center (or much closer to the center than before) of societal and economic transformation. Their still-hesitant progress means they are at the nexus of the fears, interrogations and hopes of the whole society in which they operate. In the future female entrepreneurship could well develop economically and find its place in society. It would contribute to the offer on the market through innovative products, services and management practices, and create jobs while remaining inconsequential in the evolution of gender relationships. But through their actions, even if modest for the time being, women entrepreneurs in the four countries could maybe eventually have deeper societal effects. They could put in question traditional societal values regarding gender relationships, in being perhaps the vectors of emerging new types of business and social relationships.

Notes

1. Dana, L.P. (2007) *Asian Models of Entrepreneurship: From the Indian Union and the Kingdom of Nepal to the Japanese Archipelago*. Hackensack, NJ: World Scientific.
2. Mead, D.C. and Liedholm, C. (1998) 'The dynamics of micro and small enterprises in developing countries', *World Development*, 26(1): 61–74.
3. Downing, J. (1990) *Gender and the Growth and Dynamics of Microenterprises*, Gemini Publications Series. Washington, DC: Development Alternatives.

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