Women Entrepreneurship Development in Central Vietnam

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
The Government of Vietnam, committed to promote the integration of women into the national development process without discrimination, formulated in 1998, the National Plan of Action for the Advancement of Women.

Women entrepreneurship development forms an essential part of its policy as emphasised in Resolution 31/CP of the Council of the Government: “opportunities for women to improve their knowledge and skills through strengthening training, retraining and employment activities represent one of the major concerns of the state and government for years. The main idea is to strengthen training, organize and employ cadres and retrain them for better performance”.

Micro household businesses
36% of all manufacturing units in Vietnam, including the household enterprises, are food-manufacturing units. There are some 3,000 registered food-processing units in the country of which nearly half are rice mills owned by the State or co-operatives. The private food-processing enterprises are not yet extensively developed in Vietnam and are largely operating as micro-household level businesses throughout the country, mainly managed by women.

In Danang, Hue and Quang Nam provinces, a survey* conducted in 18 districts showed that there are 2,048 women entrepreneurs operating food-related enterprises. These women employed a total of 6,830 workers or an average of 3.9 workers per enterprise. In Ha Tinh, Quang Binh and Quang Tri provinces, the survey found that 3,896 women are involved in food selling and processing activities and employ 5,246 individuals. This means that each enterprise generates employment for 1.34 person.

It means that women have the potential to create employment in the countryside although in most cases they have a capital investment of less than VND 10 million. The survey showed also that women entrepreneurs in food processing in Central Vietnam have a mean age of 42.87 years, 90.5% are married, have dependants of more than 3 persons, 98.4% have never been employed, 75.5% have primary level as the highest educational attainment and 74.7% never had any type of business training.

Although most of the women have been in business for an average of 10 years, their enterprises have remained small. This is partly due to their lack of capacity to identify their training and technical advisory needs to improve their productivity, profitability and competitiveness. Further, there are hardly any training programmes addressing the food-processing sector.

Economic Empowerment of Women. A move out of poverty
UNIDO in support of the Government's Rural Industrial Development Programme and Women in Development and in cooperation with the Women Union established the "Entrepreneurship Development Programme for Women in Food Processing in Central Vietnam". A first phase of the programme was implemented in Quang Nam, Hue and Danang provinces between 2001 and 2005. A second phase is currently running in Ha Tinh, Quang Tri and Quang Binh provinces until 2007.

Home-based food processing business
The food processing sector has been selected because of its relatively high value added to agro-products and women's traditional engagement in home-based food processing business.

Women entrepreneurs in Danang, Hue and Quang Nam provinces produce different types of products utilizing available agricultural and aquatic resources. 56% of them produce products from rice such as rice noodles, rice paper, steamed rice cakes, rice flour, bread and 14.6% produce products from aquatic resources such as fish/sauce, fish and shrimp paste and dried fish. 11% produce products from beans such as soy, soy milk and soy beans paste. 5% produce confectionery products and 5% produce meat products.

The survey shows that in Ha Tinh, Quang Binh and Quang Tri provinces, 60.5% of the women make products from aquatic sources followed by women who make products from cereals (22.7%).

The aim of the programme is to contribute to poverty reduction through entrepreneurship development, with a focus on rural development and gender equality in rural areas. Supplementary sources of income are needed, in addition to agriculture which often does not ensure full-time employment to all family members, nor adequate household income.

Encouraging business initiatives
The essential elements in this Programme is to encourage the initiatives of rural women entrepreneurs and to enhance the human and local institutions' capacities required to foster entrepreneurial dynamism as well as increase productivity and competitiveness. The Programme focuses on strengthening the capacity of the Women's Union and local trainers in the six provinces selected to provide training and technical assistance to women entrepreneurs in small and micro-scale enterprises (MSEs).

Taking advantage of market opportunities
Business opportunities arise from markets and entrepreneurial capabilities. The is able to rural and women entrepreneurs to take advantage of market opportunities and to cope with growing competition.

MSEs create a large number of non-farm employment and income opportunities in relatively poorly developed areas and require small capital and market sophistication in marketing and technical skills.

MSEs are also the backbone for the development of the private sector throughout the country, forming the foundation for the national economy and social development at the grassroots.

Methodology of the Programme
- Baseline survey to identify the characteristics of women's businesses and products.
- Training needs assessment (TNA) workshops.
- Entrepreneurial development, business management and technology training package.
- Training of trainers (TOT).
- Formation of self-help entrepreneurial groups.
- Creation of rural resource centres (RRC).
- Lease purchase programme.
Training needs assessment (TNA) workshops

The project focuses on capacity building through training and therefore training needs assessment (TNA) workshops are conducted to identify the technical and managerial training needs of food processing women entrepreneurs. In the process, opportunities for the organization of self-help entrepreneurial groups are identified. This is also a way to disseminate information on the project to food processing women.

The project trained Women Union staff on how to assess training needs of women entrepreneurs. This network conducted TNA of women entrepreneurs, the result of which was the foundation for developing the training strategy, training manual and the promotion of self-help entrepreneurial groups.

Women want to improve their know-how

The TNA workshops revealed that the three most important training needs of women entrepreneurs were in the technical areas:
> how to choose good raw materials
> how to make products last longer
> how to improve hygiene in product processing
> how to sell products more successfully
> how to reduce operating costs and make more profit
> how to apply for a loan

In consideration of the multiple roles women play in the family, they were also asked about their availability to attend the training programme. Therefore, the training hours were adapted to their availability.

Entrepreneurial development and technology training package

In order to improve the productivity and competitiveness of the women entrepreneurs, the training was designed with an overall theme: "make more money in your food processing business".

The package emphasized what the women entrepreneurs must know in the most practical sense and within their present capacities how to improve their businesses so that they can increase their income.

Training modules

The Competitive Marketing Module includes topics such as: consumer demand, product value and product differentiation, selling skills, product packaging, market trends, competitor analysis and developing competitive marketing strategies.

The Technology and Production Module teaches the women entrepreneurs how to grade and choose their raw materials, how to properly store them and preserve their raw materials. They are provided information on the types of equipment to improve product quality and reduce their work load. They are taught the basic principles of Hazard Analysis Critical Control Point (HACCP), Good Manufacturing Practices and Food Safety to maintain their quality standards.

The Finance Module teaches the women entrepreneurs how to better manage their business finances.

The training modules are stand-alone and can be conducted without the necessity of attending the other modules. Moreover, separate sessions were held on the role of the Vietnamese women entrepreneurs and the need for family support. Their spouses were invited to join the discussions.

Make More Money

In keeping with the availability of the women entrepreneurs, training was usually conducted for 2 hours per day 2 or 3 times a week in the communities. The training programmes were therefore spread over a period of more than 1 month per module.

After each module, the entrepreneurs were provided handbooks for their reference on marketing management, financial management, and on technology and production related to their specific product group, e.g. fish sauce, rice paper, lotus bakery, processed meat, rice noodles and dried fish.
Training of Trainers (TOT)

The project established a cadre of management and technology trainers from Women Union and other institutions who underwent a one-month training of trainers (TOT) to build local capacity in providing training to women entrepreneurs. The objective was to impart the basic principles in teaching adults and in conducting the modules in the most practical and simplest manner. Field visits were made for women entrepreneurs to gain exposure and practical exercises were conducted.

All the trainers had sessions on the problems of the target group, practiced teaching and shared their experience in training women entrepreneurs before they were accredited as trainers of the project. The trainers were exposed to the businesses of women entrepreneurs to learn about their difficulties and to evaluate their real situation. As a result, trainers were able to adapt the training programme to the women entrepreneurs' needs.

Training contents

> “Getting Started” introduced adult learning principles and participatory methodologies that the trainer could use while conducting the training programme. This module also provided the trainers the background on the project and a discussion on the roles that they are expected to play in the project.

> “Introductory Module” showed the trainers how to set the tone of their training programmes with the women entrepreneurs. Training objectives were established and there was a general discussion on the role of the women entrepreneur and family support.

> “Marketing Your Products Successfully” showed the trainers how to teach women entrepreneurs to market more competitively.

> “Production and Technology” provided the participants guidance on how to teach the women entrepreneurs to produce better products and to improve their productivity.

> “Managing Your Finances” showed the trainers how to teach women entrepreneurs to manage their finances better.

A training guide on the “Make More Money in Your Food Processing Business” series was developed to be used by the trainers. Women’s Union and government agencies in conducting the live training modules. Technology training guides were prepared, including a general one and a series of others on specific products, such as rice noodle, rice paper, bakery, fish sauce, tofu, processed meat and dried fish.

Self-help entrepreneurial groups

The project built the capacity of women entrepreneurs to address their common constraints by working together. They were encouraged to form their self-help entrepreneurial groups as the entry point for the project in providing training courses to women entrepreneurs.

The women entrepreneurs usually operate outside of an occupational village where there is a high concentration of households involved in the same kind of production activity. The women, however, are not organized to benefit from support mechanisms by working together. As a group, the women are able to implement activities that will improve their businesses, which alone, they will not be able to do, or will face difficulties in implementing.

Group activities included:

> Joint marketing of products including attending trade fairs
> Joint purchasing of raw materials
> Sharing of common machines
> Access to technical and management training
> Group lending

The project trained Women Union staff in facilitating and organizing self-help entrepreneurial groups. Some 108 self-help entrepreneurial groups were formed with a total membership of more than 1,938 women entrepreneurs. The self-help groups are implementing joint activities including establishing their own revolving fund, purchasing raw material, joint marketing and sharing common equipment.

Groups were trained, inter alia, on:

> How to formulate their articles of association
> How to conduct their meetings
> How to plan group projects
> How to effectively communicate with each other
> How to solve group conflicts

The Women Union staff was provided training courses on setting up self-help groups and on leadership to guide them on managing those groups. The formation of self-help groups helped the Women Union to provide services more cost-effectively and to easily mobilize them for advocacy such as securing loans, renting land from the People’s Committee and registering a group label.

Rural resource centres created

The project assisted the Women Union to establish rural resource centres (RRCs) to further build the capacity in providing sustainable training programmes to women entrepreneurs in food processing. The RRCs are situated in the Vocational Training Centres of the Women Union, providing training programmes to women entrepreneurs on food processing as well as information to improve their businesses. Training programmes in the RRCs are conducted on a cost recovery basis.

Lease purchase programme

The project linked the trained women entrepreneurs to existing credit institutions. It also established a lease purchase programme to provide access to machines and equipment to improve the quality of their products as well as to increase their productivity.
Trained women experiences

Most of the beneficiaries of the project have rapidly noticed improvements after attending the various courses and implementing what they had been taught. Some of them tell their stories here.

Increased sales

Mrs. Nguyen Thi Thu started her business selling soya milk in 1992. She brought her raw materials for grinding, processed the soya milk according to a recipe that the boiling was enough, packed it in plastic bags and had monthly sales of 15-20 liters per day with sales of VND 1,500,000/month. Her product, if refrigerated, lasted for 2 days. This was her daily entrepreneurial life until she joined the Hoa Thuan Soybean Milk Self-help group organized by Women Union Danang.

As a result of her training by the project, Mrs. Thu changed her packaging to plastic bottles. Now, she knows how to select good raw materials. She sees to it that the desired temperature of 95 degrees C in boiling for 15 minutes is reached to achieve good quality soya milk. She had adjusted her price structure. She keeps an account of her expenses and is able to calculate her profits. Thanks to the changes, her business has improved. Her product is of better quality and has a shelf life of 7 days when refrigerated. More people are now buying her product inspite of the growing competition. This translates to daily sales of 50 liters (VND 3,000,000/month) and a monthly profit of VND 1,500,000.

Business expansion

Mrs. Ho Thi Chinh used to sell soup with fish cake and noodles as main ingredients. This was the family’s main source of income but earnings hardly met family expenses. Then she realized she might earn more if she would cook the fish cakes herself. In 2001, she started to make her own fish cakes, her business was good, her sales steadily climbed, selling VND 45,000,000 a month with profits of VND 3,000,000. Her customers were all from Danang.

In October 2003 Women Union Danang invited her to join a self-help group in Tam Thuan Ward. She decided to join seeing it as an opportunity to further improve and receive training on management, finance and technology. Her involvement in the project contributed to making her good business even better.

As a result, she modernized her production packaging, developed and registered her product label, and improved on the hygiene. She keeps a diary account of her expenses and sales and is able to calculate her profits. She has opened a bank account. She learned from the training that boxer is an additive to the fish cake in toxic and is not good for the consumers. She now uses polyphosphates as taught in the training, which gives her confidence on the safety of her product. She expanded her market. Her products are being sold by dealers from Quang Binh, Hoi An, Hue and even as far as Laos.

Thanks to the changes she made in her business, her current monthly sales are VND 60,000,000 and net profit is VND 5,000,000. This is a 33% increase in sales and a 67% increase in profits.

A traditional rice paper village revived

In Huong Hoa, a rural village located 10 km away from Hue city, in Thu Thuan Hue province, production of rice paper had been the traditional activity for many generations. 25 families used to earn their living by producing rice paper for confectionary businesses in Hue - making a special regional product called “Ho xung”. Until the “Flying Home” rice paper factory was set up near the village. The factory quickly dominated the market, and Huong Hoa lost almost all of its clients.

The project linked the group, through Women Union, with Bank for Social Policy and 12 members of the group obtained loans between VND 3 million and 5 million (US$200-300) which recovered the working capital spent during the unemployed period. Business started again in confidence. Efforts were made in tapping dealers at Dong Ba market and others who related rice paper to the market segment identified. With skills and confidence gained after the training, the groups had very positive responses from the customers.

“The marketing training and consultation was really helpful to me. I feel confident after the training. Now I know how to persuade people to buy my products, and have an awareness of the needs of clients and the importance to meet those needs”, said Ms Nguyen Thi Dung, one member of this group.

“I have a lot of clients now. Before I could only sell 500 pieces of rice paper per day, now I almost doubled, my income now is even higher than before when I made rice paper for confectionary”, she says.

The project linked the group, through Women Union, with Bank for Social Policy and 12 members of the group obtained loans between VND 3 million and 5 million (US$200-300) which recovered the working capital spent during the unemployed period. Business started again in confidence. Efforts were made in tapping dealers at Dong Ba market and others who related rice paper to the market segment identified. With skills and confidence gained after the training, the groups had very positive responses from the customers.

“The marketing training and consultation was really helpful to me. I feel confident after the training. Now I know how to persuade people to buy my products, and have an awareness of the needs of clients and the importance to meet those needs”, said Ms Nguyen Thi Dung, one member of this group.

“I have a lot of clients now. Before I could only sell 500 pieces of rice paper per day, now I almost doubled, my income now is even higher than before when I made rice paper for confectionary”, she says.
Project impact

Since 2001, the project was able to build the Women Union’s capacity to directly and indirectly assist 2,220 women entrepreneurs, formed 106 self-help entrepreneurial groups and to establish a cadre of 110 trainers from Women Union and other institutions. As a result of the project interventions many women entrepreneurs have improved their productivity and competitiveness.

A Business Review of the first phase was conducted for 233 women entrepreneurs.
- 72% reported increase in their monthly sales and profits.
- 75% of the women entrepreneurs have improved their packaging and identified their niche markets.
- 82% of the women entrepreneurs reported longer product shelf life as a result of improved production process, food hygiene and safety.

Living standards improved

The introduction of adapted technologies have improved their production capacity and contributed to the protection of the environment. The project played a remarkable role in improving food safety, as 100% of the women entrepreneurs trained no longer use borax in production.

Through the training programmes, livelihood of occupation-al villages threatened by large factories has been revived.

The project has also paved the way for some women entrepreneurs to grow from their household operations to a ready type of operation.

Members of the self-help groups have found value in working together. 100% found benefits in joining and working with self-help groups.

As a result of the above improvements, 67% of the women entrepreneurs said that they had improved their living standards. They now have money to provide their children better living conditions such as paying for tuition fees, better food and clothes, better home facilities such as video, minibuses and improving their workshops or building toilets.

Self-confidence developed

The project was able to reinforce family support in the businesses of women entrepreneurs. Children shared household chores while their mothers were attending training courses and husbands participated in building the technical demonstration of the stoves.

The women entrepreneurs gained more self-confidence from the training programmes and from membership in the self-help groups.

All these have brought positive results not only in the businesses of the women entrepreneurs but also in their relationship and decision-making within the family.

Lessons learned

- Group training is an effective means of technical assistance for household women entrepreneurs. 100% of the women who joined the project’s training programme said that they felt better more confident after being trained. Besides having a relevant and practical training manual, commitment of trainers, use of adult learning methodologies and having training schedules suitable to women entrepreneurs’ needs, are very important in making training successful.

- Good and timely technical, administrative and financial support is necessary for effective field project implementation.

- Field visits and meeting with successful women entrepreneurs in the same field have been found to be a strong motivation for the women entrepreneurs in making changes. Such opportunities should be created mid-way so that the project has ample time to provide proper follow-up and consultation with the women entrepreneurs who want to develop further.

- Management and staff of Women’s Union are very committed to helping women entrepreneurs. They have the field network to reach out to them. Good partnership can be forged with Women Union by maintaining transparency, open communication and involving them in project planning and implementation.

- Women Union staff and group leaders play a critical role in how the self-help group functions. Higher attendance in meetings, better performance in group activities and group spirit have been achieved in groups with strong motivation from Women Union and active group leaders.

- A methodology for developing women entrepreneurship has been tested and proven by UNIDO and Women’s Union.

- A large number of women entrepreneurs in the rural areas are waiting to benefit from similar projects.
Acknowledgements

THE BELGIAN GOVERNMENT AND UNDP/JAPANESE GOVERNMENT for funding the Phase I of the project, which has been conducted between 2001 and 2005 in Danang, Hue and Quang Nam provinces.

And THE FINNISH GOVERNMENT for funding the Phase II of the project which is currently conducted in Ha Tinh, Quang Tri and Quang Binh provinces until 2007.

Contact:
Da Nang Women Union
2 Phan Chau Trinh - Da Nang
Vietnam
Tel. (+84) 561 181049

Ha Tinh Women Union
71 Phan Dinh Phung – Ha Tinh
Vietnam
Tel. (+84) 393 656030

Quang Tri Women Union
11 Hai Ba Trung - Dong Ha
Vietnam
Tel. (+84) 563 652560

Truoc Thien Hue Women Union
12 Dong Da - Hue
Vietnam
Tel. (+84) 564 820691

Quang Binh Women Union
6 Tran Phu - Dong Hoi
Vietnam
Tel. (+84) 562 822461

UNIDO, Vienna
Ms. T. Ulusay de Groot
Project Manager
Tel. (+43-1) 26228 3359
 TUlusay-de-groot@unido.org

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Small and Medium Enterprises Branch
Programme Development and Technical Cooperation Division
Vienna International Centre, P.O. Box 300, A-1400 Vienna, Austria
Telephone (+43-1) 26228 4026 or 4501, Fax (+43-1) 26228 6842
E-mail unido@unido.org, Internet: http://www.unido.org