

# Cambodia: Reducing the gender gap

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Women make a major contribution to the Cambodian economy, including by owning and managing the majority of businesses. Yet they face a number of particular barriers. Women are more likely to be illiterate and less likely to have completed primary and secondary education than men. This means they face greater challenges in business registration and obtaining and interpreting business regulations and information. Social norms can make it more difficult for women to interact with male government officials. Hence there may be a greater incentive for women-owned businesses to remain informal. Finally, women are time-poor because of obligations regarding the care of children and the elderly, and other household responsibilities.

## Female-owned businesses

Over 60% of businesses in Cambodia are owned by women, according to the National Institute of Statistics. However, these businesses tend to be small — more than 78% of women-owned businesses employ only one or two persons (including the owner). Only 28% of medium businesses (20 to 99 persons) and 13% of large businesses (100 or more persons) are owned by women.

Around two-thirds of women-owned businesses are in wholesale or retail trade. Nearly half of women-managed businesses are very small and informal, retailing goods from their home. Women may do this work to supplement their family's income and they can do this from home where they can fulfill other obligations.

## Business challenges faced by women

One of the main challenges faced by women is their relative time poverty compared with men. Social and cultural expectations are that women take care of the family home and children – even if they are also running a business. This reduces the time available for paid work, and also reduces mobility. It is not surprising that a large proportion of women's business operate from the residential home.

There are also cultural barriers to women accessing education and training, particularly technical or financial training. These are not seen as the domain of women. Often in Cambodia when development partners have offered training as part of their program, only men turn up, even where the training would be more relevant to the female family members involved in their business.

A lack of day care facilities (compounded by a culture unfamiliar with using such facilities) means that many women must take their children with them (to work or to training). This can restrict their ability to participate effectively.

Lower levels of literacy and education for women means that they face greater challenges in business registration and obtaining and interpreting business regulations and information. Social norms can also make it more difficult for women to interact with male government officials (and only 13% of all workers in public administration are female). Women are reportedly more easily intimidated into paying unofficial fees. Hence there may be a greater incentive for women-owned businesses to remain informal than male-

owned businesses. Women-owned businesses are four times less likely to be registered than male-owned establishments.

Finally, businesses with female top management are nearly twice as likely to face access to credit constraints than those with male top management.

## Reducing the gender gap

There is some support for women to help them overcome these challenges, such as provided by the Ministry of Women's Affairs (MOWA), the Cambodia Women Entrepreneurs Association, and the Cambodia Women's Business Federation. Having a separate ministry devoted to women has raised the status of gender issues, provides a channel through which women's issues can be raised, and enables development of a broad gender mainstreaming program. MOWA has an action plan designed to help the country speed up its progress in attaining Millennium Development Goals on gender equality. MOWA also operates women's development centers.

Development partners and NGOs are also active in supporting women's business. A business center for women opened in Phnom Penh in 2015: WECREATE. It provides an entrepreneurial community center for women to help them start or expand their business. It does this through mentoring, business and community connections, specialized training, access to markets and capital along with the technical tools and resources. Similarly, SHE Investments runs a six-month incubator for female entrepreneurs in Cambodia. It also holds workshops and provides training aimed at female micro entrepreneurs.

Suggestions for helping bridge the gender gap in Cambodian business include:

- Regulatory information should be easily accessible. Information sessions specifically targeted at women should be considered, taking into account their usually lower literacy and limited experience dealing with officials. Any sessions would also need to consider their requirements for childcare.
- Encourage the implementation of regulations with transparency.
- One reason why women-owned businesses remain informal is they do not have the connections and networks that men have to navigate the business environment. Government agencies should be encouraged to promote more women into decision-making positions.
- Business associations should be encouraged to welcome more female membership.
- Support the scaling-up of women's entrepreneurship centers.
- Women with skills training are much more likely to be in waged jobs. TVET policy and new programs should be open to women and women should be made aware of them.

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*Our report 'Unlocking the Potential of the Cambodian Private Sector' has been published [here](#). This study was carried out under the Mekong Business Initiative project — a regional technical assistance project funded by the Government of Australia and the Asian Development Bank. The report includes an examination of women's contribution to the Cambodian economy and specific barriers they face. This article is a summary of this part of the report.*