Rebuilding better

Assessment of women entrepreneurs' needs and available support services during COVID-19 in Malaysia, Philippines and Thailand

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Contents

List of figures

List of tables

List of boxes

Foreword

For women in the Asia–Pacific region, entrepreneurship constitutes an important source of employment. In 2020, around 17 per cent of the estimated 43 million employers in the region were women. Recognized increasingly as a key driver of economic growth, job creation and inclusive development, countries were expanding their investments in the largely untapped potential of women's entrepreneurship before the COVID-19 pandemic hit.

Since the COVID-19 outbreak, women entrepreneurs in the region have suffered disproportionate impact caused by the pandemic-related restrictions, compared with their male counterparts. Operating in the most vulnerable sectors and bearing the brunt when it comes to intensified childcare and domestic responsibilities, women entrepreneurs have seen pre-existing gender disparities in the business sector exacerbated. This includes less access to formal financial services, ICT equipment, networks and training, to name a few, which have affected women entrepreneurs' ability to respond adequately to the crisis.

Undoubtedly, the COVID-19 pandemic has highlighted the resilience of women entrepreneurs as they have adapted to the new situation. In the past 18 months, we have heard stories of women entrepreneurs who, against the odds, have managed to pivot their business models, altered production to cater for new demands and identified new sources of funding. Above all, we have heard stories of women entrepreneurs fighting to keep their business afloat to meet the needs of their family and to support their staff and local community.

As we move forward towards a post-COVID-19 world – although at the time of writing this still seems distant, supporting aspiring and existing women entrepreneurs in their trajectory towards recovery and ultimately growth should be an integral part of a gender-responsive and inclusive recovery. While this will help counter the gender-specific effects of the pandemic, it will also contribute to the creation of decent work for women and to the economic recovery of countries in the region.

This report serves to inform the Rebuilding Better: Fostering Business Resilience Post-COVID-19 Project to identify where it might have greatest impact in helping women-owned small businesses recover from the pandemic and to determine what are the needs of this target group are and how the project might help address these needs. The report is also a useful source of information for International Labour Organization constituents and other stakeholders in our effort to support women entrepreneurs and contribute to an inclusive, fair and human-centred recovery.

Graeme Buckley
Director

ILO Decent Work Technical Support Team for East and South-East Asia and the Pacific and ILO Country Office for Thailand, Cambodia and Lao People's Democratic Republic

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The report benefited from technical inputs and feedback from ILO colleagues Adriana Sierra Leal, Christian Viegelahn, Felix Weidenkaff, Joni Simpson, Lee Dong Eung and Virginia Rose Losada.

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Executive summary

The Rebuilding Better: Fostering Business Resilience Post-COVID-19 Project, funded by J.P. Morgan, is being implemented over 18 months (from January 2021 to June 2022) in three countries: Malaysia, the Philippines and Thailand. The project seeks to support women who own small businesses[1] that have been severely impacted by the COVID-19 pandemic by strengthening their access to training, finance and markets, while incorporating digitalization as a cross-cutting theme.

The project conducted an initial study from March to June 2021 to inform the project strategy and work plan. In short, the study, the results of which are presented in this report, had four major aims:

- define the sectoral foci of the project;
- narrow in on the most pressing needs of the targeted beneficiaries;
- map out the landscape of support services available to the targeted beneficiaries to fulfil those needs; and
- provide recommendations on how the Rebuilding Better Project can support the targeted beneficiaries in accessing the support services needed for their recovery and development.

The study based its findings on primary and secondary data. In addition to conducting desktop research, focus group discussions (FGDs) were organized online in May–June 2021 with 30 women entrepreneurs per country (90 in total), representing the beneficiary group targeted by the project. The project also conducted online interviews and consultations with 42 stakeholders.

Due to the focus of the project on the cities of Kuala Lumpur in Malaysia, Bangkok in Thailand and Manila and Cebu in the Philippines, the initial shortlisting of potential sectors for the project to target was driven by evidence of the presence of women entrepreneurs. Overall, the sector selection aligns with global trends that women are often found operating businesses and working in the service sector. The list of potential sectors that emerged from this exercise was then refined based on other criteria, principally COVID-19 impact on the sector. The summary of the major findings relative to the selected sectors is presented in the following tables.

Summary description of selected sectors in Malaysia

Sector	Summary description
Food and beverage services	The food and beverage service sector attracts many women-owned small businesses, mainly restaurant. The sector has been one of the fastest growing in the country and was further expected to grow steadily prior to the COVID-19 pandemic, especially in urban areas, given the growing middle class and increasing demand for dining out. The sector has been among the hardest hit by the pandemic and government measures to limit its spread. To cope, restaurants have turned to food delivery, which has dramatically increased, especially in urban areas. Due to the advent of the still ongoing third wave of COVID-19 infections in Malaysia, the sector is suffering greatly and is expected to take months, if not years, to recover fully.

1 The project defines a small business as one with 10–49 employees and a turnover of up to $1.5 million or total assets worth up to $1.2 million.

Sector	Summary description
Retail trade	The retail trade sector has one of the highest levels of women's entrepreneurship in Malaysia. The sector has been growing steadily in recent years and is increasingly modernizing as a result of strong competition and growing consumer demand, especially in urban areas. Although the sector has been relatively spared by the COVID-19 pandemic on aggregate, many small outlets are likely to have suffered greatly because of their low level of digitalization prior to the pandemic. As well, the already heavy pressure relative to business costs, such as rent and labour combined with government measures. Amid the third wave of COVID-19, consumer spending has slowed, jeopardizing sector recovery prospects.

Summary description of selected sectors in Thailand

Sector	Summary description
Food and beverage services	In recent years, the food and beverage service sector has been one of the largest and fastest-growing service sectors in the country and in Bangkok more specifically, propelled by increasing urbanization and a growing middle class. The sector, however, has been especially hard hit by the Government's measures to contain COVID-19, and many businesses have either closed up shop or are on the brink of doing so. Food delivery has served as a lifeline for countless businesses in the sector while digitalization trends such as online food delivery and social media advertising have taken a strong foothold, which is likely to outlast the pandemic. Though long term growth prospects are favourable, with COVID-19 cases having reached peaks mid-2021 in Thailand, the sector is unlikely to recover fully anytime soon.
Food manufacturing	The food manufacturing sector is of high economic importance in Bangkok and, more widely, in Thailand. It comprises a majority of small and medium-sized enterprises, although large enterprises are responsible for a substantial portion of sector output. The sector is on a steady growth trajectory, buoyed by stable export prospects and growing domestic consumer demand for manufactured food products, especially urban dwellers who are increasingly in search of convenient food options. The sector has seemingly been relatively spared by COVID-19. However, this is likely to mask heterogeneous outcomes, with smaller establishments typically being unable to cope with even small economic shocks.
Wellness	The wellness sector has been growing in importance in Thailand in recent years, supported by increased spending by tourists and government efforts to position the country as the wellness capital of Asia. The sector has one of the largest proportions of women-led businesses in Thailand, the majority of which are small day spas catering to locals. The COVID-19 pandemic has had a profound adverse impact on the sector, causing mandatory closures and adoption of strict prevention measures. Amid the third wave of the pandemic, prospects for recovery seem dim, at least for the foreseeable future.

Summary description of selected sectors in the Philippines

Sector	Summary description
Food and beverage services	The food and beverage service sector is one of the largest sectors in Manila and Cebu in terms of number of establishments. Driven by increased spending in food service outlets by the country's middle class, the sector has been growing exceptionally fast in recent years. However, the sector has been among the hardest hit as a result of the COVID-19 pandemic and measures to contain its spread. Many establishments have resorted to online food delivery to survive but this has not been able to cover business losses overall, notably due to high commissions taken by online food delivery platforms. Given the pandemic's continued and growing presence in 2021, the sector is unlikely to recover anytime soon, and will probably require months if not years to fully recover.
Food manufacturing	The food manufacturing sector is one of the largest manufacturing sectors in the Philippines, which caters mostly to domestic consumers, and is reportedly made up of a majority of women-owned micro, small and medium-sized enterprises (MSMEs). The sector has been propelled by a growing middle class and increasing urbanization as well as exports aided by its strategic geographical location in East Asia and its membership in free trade agreements. The COVID-19 pandemic has left the sector at a standstill, with adverse impacts having lingered into 2021 and forecasts suggesting that recovery is likely to be slow.
Fashion, design and handicrafts	The Philippines' fashion, design and handicrafts sector, which includes garment manufacturing and tailoring, had in the past been largely driven by exports and focused mostly on manufacturing for international firms that benefited from the country's cheap labour pool. In recent decades, the industry has been dwindling as international companies have shifted operations to other countries. However, the sector is still of high economic importance in the country, and it is increasingly moving towards higher value-added activities, with more and more local brands taking off. The pandemic has had an adverse impact on the sector as a result of reduced demand in trading partner countries, chiefly the United States.
Wellness	The wellness sector is of growing importance, with a majority of small-sized businesses. The sector has been hard-hit by the COVID-19 pandemic. However, it is also expected to benefit in the long run from heightened health consciousness brought about by the pandemic and to keep on its current growth path, buoyed by a growing population and growth in the wellness tourism segment, which is viewed as a key growth area.

The findings of the study highlight that most entrepreneurs, regardless of gender, have been impacted negatively by COVID-19 and that women entrepreneurs have been harder hit than male counterparts as a result of their concentration in hard-hit sectors as well as the typical characteristics of women-owned businesses. Operating typically smaller and younger establishments and with less access to business networks and support services (such as financial services because of less collateral) and with an increased unpaid care burden, women business owners have, in particular, struggled during the pandemic. Certain trends that have arisen as a result of COVID-19, chiefly shifts to e-commerce and business digitalization, are likely to have put women entrepreneurs at a disadvantage because they have typically lagged in terms of digitalization. At the same time, women entrepreneurs have demonstrated resilience by adapting to the situation over time and some have been able to increase demand for their products and services despite the ongoing crisis.

Women entrepreneurs across all three countries are now finding themselves in a difficult situation as the COVID-19 crisis continues, and there is uncertainty regarding when the situation will improve. The pandemic and associated spread prevention measures have caused challenges on many fronts, including reductions in demand, supply chain disruptions, increased operational costs and forced limited operational capacity. The cascading of COVID-19-related effects has ultimately caused severe financial difficulties for women entrepreneurs, who are experiencing cash flow issues and are uncertain of how long they can keep their business afloat.

To survive, most women entrepreneurs have reduced their workforce while adapting to the new normal by shifting their operations online, adopting new business strategies and finding arrangements with commercial partners (such as inputs suppliers and landlords) to secure deferred payments or even lower prices. For many, adapting to the new normal has been a great challenge, relative to business digitalization and e-commerce, which is an area where women entrepreneurs in focal countries have traditionally lagged. For women entrepreneurs, juggling work and unpaid care responsibilities at home has also constituted a major challenge, leaving many struggling with mental health issues.

Although a substantial portion of women entrepreneurs who participated in FGDs were found to have accessed financial support, it was in most cases considered temporary and insufficient. In effect, it appears that the financial support services that they accessed were mostly "risk-free" government financial assistance instruments: grants, tax exemptions or deferments, worker wage subsidies or utility subsidies. Few women accessed loans. The weak access to loans can be attributed to both difficulties in application (due to lack of collateral, lack of information on available services or complicated application procedures), limited availability of financial products adapted to their needs and unwillingness to take on debt in uncertain times. In evaluating demand for financial-related support services, the study found that the women entrepreneurs need more financial assistance from their government and that application procedures for such support needed to be made faster and less complicated. Additionally, some women expressed interest in gaining access to alternative sources of finance (equity-based financing, including funding from impact investors) and improving their fundraising ability generally, although this should be considered a financing option for the longer-term as opposed to short-term COVID-19 relief.

Regarding non-financial business support services, it appears that few women entrepreneurs in Malaysia and Thailand received any, while most women entrepreneurs in the Philippines received such services. The major reason mentioned across the three countries as to why non-financial support services were not accessed was lack of information on the existence of services suitable to the women's needs as well as uncertainty relative to what kind of services they needed. Support services in highest demand are digitalization related, for instance, training on social media analytics or e-commerce. Many women also want support relative to market access, such as training on using digital tools and online platforms as well as in establishing links with new business partners to make their offer more attractive or more visible. Beyond these, a range of thematic areas also appeared to be in demand, including support with financial management skills and occupational safety and health.

Across the three countries, few women entrepreneurs in the targeted sectors were found to have accessed women-specific support services. A few women entrepreneur support programmes have been put in place in response to the pandemic. Such women-specific support programmes remain however limited, and most of them target women-owned microenterprises exclusively. Among general entrepreneur-targeted support services, there appears to be few gender-sensitive support services on offer, with seemingly almost no targeting of women being conducted or any gender-related adaptations of services being adopted. In effect, women business owner with more advanced needs have little options for support in accessing financial and non-financial support services tailored to their needs as women entrepreneurs and as established businesses.

Based on the findings of the study, various recommendations for the Rebuilding Better Project emerged:

Cross-cutting recommendations

- Build up the capacity of government institutions and business development services providers to offer gender-sensitive services and better cater to and serve needs of women entrepreneurs.
- Support improved access to information among women entrepreneurs on available support services.
- Provide women entrepreneurs’ support that responds adequately to the unprecedented situation that they are finding themselves in.
- Provide opportunities for the sharing of experiences and learning among peers.

Access to training

- Facilitate access to intermediary and advanced digitalization skills development support.
- Facilitate access to leadership and confidence-building-related training.

Access to markets

- Support the establishment of cross-sector learning opportunities, business links and partnerships among project beneficiaries.
- Support access to export markets and the development of links with the tourism sector.

Access to finance

- Identify and promote options for women entrepreneurs who do not want to take on debt.
- Identify and promote opportunities to link financial support with non-financial support.

Abbreviations

ASEAN	Association of Southeast Asian Nations
CMCO	Conditional Movement Control Order, Malaysia
COVID-19	novel coronavirus
DTI	Department of Trade and Industry, Philippines
FGD	focus group discussion
MaGIC	Malaysian Global Innovation and Creativity Centre
MEDAC	Ministry of Entrepreneur Development and Cooperatives, Malaysia
MSME	micro, small and medium-sized enterprises
MSMED	Micro, Small and Medium Enterprise Development Council, Philippines
OECD	Organisation for Economic Co-operation and Development
OSMEP	Office of Small and Medium Enterprises Promotion, Thailand
SME	small and medium-sized enterprises
SME Bank	Small and Medium Enterprise Development Bank, Malaysia
SME Corp	SME Corporation Malaysia
TESDA	Technical Education and Skills Development Authority, Philippines

All $ references are to United States dollars.

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1 Introduction

1.1 Study objectives and structure

The Rebuilding Better: Fostering Business Resilience Post-COVID-19 Project, funded by J.P. Morgan, is being implemented over 18 months (from January 2021 to June 2022) in three countries: Malaysia, the Philippines and Thailand. The project seeks to support women-owned small businesses[2] that have been severely impacted by the COVID-19 pandemic by strengthening their access to training, finance and markets. It incorporates digitalization as a cross-cutting theme.

From March to June 2021, the project conducted an initial study to inform its strategy and work plan. Although women entrepreneurs across South-East Asia often face similar challenges, the COVID-19 pandemic has impacted them differently, depending on the sector in which they operate and their access to support services, which also differ from country to country. This study was thus conducted to identify where the Rebuilding Better Project might have greatest impact in helping women-owned small businesses recover from the pandemic-related impacts and to determine what the needs of this target group are and how the project might help address those needs. In short, the study, the results of which are presented in this report, had four major aims:

- define the sectoral foci of the project;
- narrow in on the most pressing needs of the target beneficiaries;
- map out the landscape of support services available to the targeted beneficiaries to fulfil these needs; and
- provide recommendations on how the Rebuilding Better Project can support the targeted beneficiaries in accessing the support services needed for their recovery and development.

2 The project defines a small business as one with 10–49 employees and a turnover of up to $1.5 million or total assets worth up to $1.2 million.

Following a brief overview of the study methodology in the next section, Chapter 2 provides a brief overview of the region and the countries and cities in the project as well as the situation of women's entrepreneurship in their country context. Chapter 3 presents the sector selection part of the study, which helps to illuminate the challenges confronting the targeted beneficiaries and the sector trends affecting them. Chapter 4 presents the business needs assessment and support services mapping part of the study. Chapter 5 concludes by providing action-oriented recommendations for the project to consider.

1.2 Study methodology

The study was carried out between March and June 2021 through a desk review and primary research.

The methodology for selecting the project's sector focus was guided by the International Labour Organization's (ILO) (2021a) Value Chain Development for Decent Work guide. To determine which sectors would be best suited for the project, these were evaluated against established criteria, which broadly fell within three major categories: (i) relevance to the target group; (ii) opportunity for recovery and growth; and (iii) feasibility of the project to drive change. Evaluation of sectors against the criteria was mainly based on the desk research and was then further informed by consultations with project stakeholders and key informant interviews.

The research process included collecting primary data to inform the business needs assessment and mapping of available support services. To assess the business needs of women entrepreneurs and better understand what type of support they had accessed prior to the COVID-19 pandemic and since its onset, focus group discussions (FGDs) were conducted online in May – June 2021 with 30 women entrepreneurs per country (90 in total). Project partners and postings in social media forums invited women to join. The research team collected information on business size, location and industry prior to the FGDs to ensure that the women entrepreneurs were representative of the beneficiary groups the project wanted to target. The FGDs lasted approximately 90 minutes and were conducted online via Zoom. The project also collected data through interviews and consultations with 42 organizations.[3] Given the relatively small sample of women entrepreneurs and key informants engaged in the research process, this study does not claim to be representative of the total population nor can the results be generalizable. But it provides a set of initial insights to guide the Rebuilding Better Project implementation.

Due to social distancing measures caused by COVID-19, data were captured remotely. This caused some challenges in setting appointments for consultation with stakeholders and to schedule FGDs with women entrepreneurs, which resulted in delays in the data collection process. Another challenge involved recruitment of women entrepreneurs to participate in the FGDs. This limitation was mitigated by the project team expanding the outreach channels to multiple social media groups and online platforms to engage more women entrepreneurs.

The research process was also limited by the lack of sex-disaggregated data and information pertaining specifically to women-owned small and medium-sized enterprises (SMEs). The latter was mitigated to some extent through the collection of primary data from women entrepreneurs in the FGDs, although it is recommended that greater institutional emphasis be placed in all three countries on improving the availability of sex-disaggregated data to better to identify and eliminate gender-based constraints and improve the enabling environment for women entrepreneurs.

3 For an overview of consulted organizations, see Annex II.

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2

Regional and country overview

2.1 Regional outlook

Female ownership[4] is relatively high and women entrepreneurs are growing in numbers across South-East Asia. In 2020, around 23 per cent, or 1.9 million, of employers in the region were women (ILO 2020a). However, research suggests that more could be done to address gender imbalances (ILO 2018a). In many countries, the lack of integration of women's entrepreneurship development and a gendered perspective in strategies and development plans for micro, small and medium-sized enterprises (MSMEs) can still be considered a policy gender gap (OECD 2017). Opportunities to offer support services on a gender-sensitive basis to cater to women entrepreneurs' needs – for example, by taking into consideration women's time constraints or schedule when designing support services – constitutes an opportunity to advance women's entrepreneurship development across South-East Asia.

Within the subregion, women tend to operate microenterprises, often in the informal local economy and focusing on a limited number of low-growth activities. While female entrepreneurial activity is relatively high, women entrepreneurs typically engage in early-stage entrepreneurial activity that does not last, rather than operating more established businesses (GEM 2016). ILO research in 2015 led to an estimated proportion of women entrepreneurs in Asia who generate additional jobs at only 24 per cent, highlighting untapped potential to create new jobs for the future (ILO 2015). The characteristics of women-owned businesses often cause them to be less resilient to the impact of market disruptions and economic shocks, as evidenced since the outbreak of the COVID-19 pandemic.

4 The project aims to apply the ISO/IWA 34 definition for women-owned business: "A business that is more than 50 per cent owned by one or more women, whose management and control lie with one or more women, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are not owned by women."

Constraining factors typically impeding women entrepreneurs in the subregion include social norms and attitudes that reinforce gender stereotypes and confine women to more traditional roles in society and in certain sectors and occupations. Among the challenges that women entrepreneurs experience are limited access to financial services, constraints to market access and access to training and education as well as legal and regulatory restrictions (OECD 2017). Many women business owners have been particularly at risk during the COVID-19 pandemic due to having lower levels of capitalization and because they typically are more reliant on self-financing (ILO 2020b). Considering that digitalization is a cross-cutting component for the Rebuilding Better Project, it is also important to highlight the gender gap in internet usage, which has been estimated at 11 per cent across South-East Asia (Iglesias 2020).

2.2 Malaysia

Women's entrepreneurship outlook

Presence and profile of women entrepreneurs in Malaysia

MSMEs[5] are omnipresent in Malaysia, with 907,065 of them spread across the country in 2015, making up 98.5 per cent of all enterprises. In 2018, they employed 66.2 per cent of the workforce and contributed 38.3 per cent of gross domestic product (GDP), which is decidedly small compared with their prevalence in the economy, although their contribution is growing (SME Info. n.d.a). Approximately 90 per cent of MSMEs are in services, primarily distributive trade (including wholesale and retail trade), which mostly concentrates in Kuala Lumpur (OECD 2018a).

In recent decades, women's entrepreneurship has increased in Malaysia, with many women starting their own business to achieve greater autonomy and freedom in adopting their own approach to work, to challenge themselves or following dissatisfaction with their previous job (Alam, Senik and Jani 2012; Usman, Buang and Yousaf 2007). In 2020, Malaysia was ranked 26th out of 58 countries in the Mastercard Index of Women Entrepreneurs – the sixth-highest ranking upper-middle-income country in the study, which evaluates how successfully individual economies are in advancing female entrepreneurship (MasterCard Foundation 2020). Women-owned businesses constituted 20.6 per cent of the total SMEs in 2015 (SME Info. n.d.a). Women's labour force participation was also significantly lower than men's in 2019, at 55.6 per cent versus 80.8 per cent (DOSM 2019a). Approximately 93.7 per cent of all women-owned enterprises have fewer than ten employees, while only 10,599 of them had between ten and 50 employees in 2015 (DOSM 2016).

Women entrepreneurs in Malaysia face numerous challenges,[6] as evidenced by the fact that business performance among them is lower than for men and that most women-owned businesses are typically smaller than men-owned businesses (Isa et al. 2018; Mohamad and Bakar 2017). This comes as a result of weaker access to support services, financial services and unsupportive rules and norms, such as social pressure to comply with traditional gender roles (access to support services is covered more in-depth in Chapter 4) (Ilhaamie et al. 2014; Subramaniam, Arumugam and Akeel 2014). Previous studies pointed to how cultural norms have been perceived as a major restricting factor for women entrepreneurs in Malaysia because they dictate what business spheres women can participate in and how they are expected to operate their business (The Asia Foundation 2017). Women in Malaysia are burdened with the primary responsibility of child care and household work, infringing ultimately on time available to allocate to other activities. And they often lack family support to start and operate a business (Isa et al. 2018; Teoh 2014).

5 In Malaysia, two criteria – sales turnover and number of full-time employees – are used to define MSMEs (if a business fulfils criterion in two sizes of operation, then it will be classified in the smaller size of the two). Microenterprises across all sectors are defined as enterprises with sales turnover of less than 300,000 ringgit OR with fewer than five full-time employees. The definition of SME differs depending on the sector. Small enterprises are defined as enterprises with sales turnover of 300 ringgit to 15 million ringgit OR 5–75 employees in manufacturing sectors; and as enterprises with sales turnover of 300,000 ringgit to 3 million ringgit OR 5–30 employees in services and other sectors. Medium-sized enterprises in the manufacturing sector are defined as those with sales turnover from 15 million ringgit to 50 million ringgit OR 75–200 employees; and as enterprises with sales turnover from 3 million ringgit to 20 million ringgit OR 30–75 employees in services and other sectors. See https://www.smecorp.gov.my/images/garis-panduan/2020/Guideline_SME_Definition_updated_Sept_2020.pdf.

6 See Mohamad and Bakar (2017) for an overview of some of the academic literature on women's entrepreneurship in Malaysia.

Women's entrepreneurship policy

Since the late 1990s, the Malaysian Government has seen supporting SMEs as a policy priority (box 1). Increasing women's entrepreneurship has been rising up the Government's agenda in recent years. In 2011, the Government established a national target of reaching 30 per cent women-owned SMEs (Ilhaamie 2014). It has since introduced several women-focused entrepreneurship policies and support programmes (Isa et al. 2018) and has done so on a regular basis – Malaysia's annual government budget includes allocations for programmes targeting women entrepreneurs specifically (OECD 2017). Strategic documents and gender focal points in government agencies have enabled the Government to employ a multi-stakeholder, coordinated approach. However, consultations with study informants and secondary data indicates that there appears to be no government agency in charge of coordinating women's entrepreneurship development policy among different agencies (OECD 2017). While the Ministry for Women, Family and Community Development is explicitly tasked to support women, they mainly serve low-income women and provide assistance to home-based and informal micro businesses as a strategy to improve livelihoods (Abdul Mutalib et al. 2015). In addition, various non-specifically women-focused agencies have, to a certain degree, integrated gender considerations in their programming or even developed and implemented women's entrepreneurship development-support programmes, such as SME Corporation Malaysia (SME Corp), the Malaysia Digital Economy Corporation, Small and Medium Enterprise Development Bank (SME Bank), the People's Trust Council and Amanah Ikhtiar Malaysia, among others (Isa et al. 2021). In the case of SME Corp, for instance, the government agency regularly organizes meetings and dialogues with women entrepreneur associations to solicit their inputs on issues (OECD 2017; SME Corp n.d.a).

Barriers common to women entrepreneurs are being addressed to a degree by government agencies via business skills training, market access facilitation and special financing schemes (OECD 2017), many of which are viewed as key to women entrepreneurs' business success (Subramaniam, Arumugam and Akeel 2014). In 2018, according to its own estimates, the Government spent approximately 2.3 billion Malaysian ringgit (approximately $500,000) on women entrepreneurs (SME Corp 2019). Although women's entrepreneurship development is a prioritized topic for the Government, it is important to recognize that there are still opportunities to improve in this area, especially considering that most support services appear to be provided on a gender-neutral rather than gender-responsive basis. Government support for women's entrepreneurship is largely through the inclusion of women entrepreneurs in SME-support programmes open to women and men, with some initiatives directly targeting women entrepreneurs. However, in 2015, the number of entrepreneurship programmes specifically geared towards women[7] was found to be relatively few, and many of them were found to not properly respond to the needs of women entrepreneurs. It was also found that many of these programmes had not been systematically reviewed and evaluated (Abdul Mutalib et al. 2015).

Informants in this study reported that women have accessed and benefited equally from support services offered by the Government and training programmes provided by agencies under the Ministry of Entrepreneur Development and Cooperatives (MEDAC), such as SME Corp. However, these targeted policy measures tended to focus on women subsistence entrepreneurship and micro entrepreneurs (OECD 2017). In effect, there has been less emphasis on providing targeted support for women entrepreneurs to continue their growth journey into higher value-added activities and sectors or to support their business expansion, which arguably may, to some extent, explain why women entrepreneurs in Malaysia are primarily found in the micro segment.

Although there are women-focused support programmes available, accessing information about them is not an easy task. The SMEinfo Portal, managed by SME Corp, serves as a one-stop online information gateway for entrepreneurs to access information on financing, training and government initiatives and support programmes for entrepreneurs and SMEs. But it is not possible to filter among them and access information about all relevant women-focused support programmes as reported by OECD 2017) and also stated by study informants.

7 A list of government SME development support programmes can be found at https://www.smeinfo.com.my/development-programmes.

▶ **Box 1. Malaysia SME policy overview**

Since the 1997–98 Asian financial crisis, support for SME growth and competitiveness has become a high priority in the country, viewed as key to augment the country's income status. Accordingly, the Government has developed a strong MSME-focused institutional framework, including via establishing the National Entrepreneur and SME Development Council, which serves as a centralized policy coordination and strategy-setting mechanism, as well as via the establishment of a dedicated Ministry of Entrepreneur Development and Cooperatives in 2018 (ADB 2020a). Under the overall direction of these institutions, the Government has implemented more than 200 SME-support programmes[a] and policies (OECD 2018a). Efforts are further guided by, among other policy instruments[b], the National Entrepreneurship Policy 2030 (DKN 2030) launched in 2019 to build an entrepreneurship culture and create a holistic entrepreneurial ecosystem in the country (ADB 2020a; MEDAC 2019: SME Corp n.d.b). DKN 2030 emphasizes the development of an inclusive entrepreneurial ecosystem with a strategic thrust to provide targeted support to vulnerable groups, including women.

Note: [a]For list of ministries and agencies and their respective number of SME development support programmes, see SME Info. n.d.b [b]For a list of Malaysian MSME-related policies and regulations and an outline of their content, see p. 156 of ADB 2020.

Impact of COVID-19 in Malaysia and the Government's response

The COVID-19 pandemic's impacts and the Malaysian Government's measures to contain its spread within the country have had a significant effect on the economy, which contracted by 5.6 per cent and experienced an 11 per cent decrease in working hours in 2020 (ILO 2021b). While there is little data on how this has impacted women entrepreneurs in particular, it has been hard felt among SMEs, with a large majority reporting large drops in business within the first week of the Movement Control Order of travel restrictions that was imposed in March 2020 (*Malay Mail.* 2020). The reduced demand for goods and services, supply chain disruptions and social distancing measures have all taken a severe toll.

In response to the pandemic, the Government adopted a large number of economic stimulus measures[8] to help businesses weather the impacts of the pandemic. The Prihatin economic stimulus package[9] first unveiled in March 2020 proved key to SME survival during and following the first wave, providing cash flow assistance and various cost-alleviation measures in the form of deferred tax and social security payments (ILO 2020c). With the pandemic seemingly under control by mid-2020, recovery in 2021 seemed somewhat within reach. However, rising case numbers eventually required the instatement of a second Movement Control Order in January 2021 and a third one in May 2021 to contain the new outbreaks (box 2). The Government has responded to these new waves by allocating additional funding to COVID-19 relief and economic stimulus programmes, which have enabled many SMEs to stay afloat (*Free Malaysia Today* 2021). Nonetheless, considering the compounding adverse effects of more than a year of disruptions and the fact that the outbreak remains uncontained (at the time of writing), the prospect of recovery seems far off. This is especially the case for women entrepreneurs, many of whom have accessed little government support despite being among the most severely affected, according to COVID-19 impact surveys (ADB 2020b).

8 For lists of the Government's COVID response measures, see https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang--en/index.htm, https://www.worldbank.org/en/data/interactive/2020/04/14/map-of-sme-support-measures-in-response-to-covid-19 and https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19.

9 See SME Corp (n.d.c) for an overview (in Malay) of the Prihatin economic stimulus package unveiled on 27 March 2020.

▶ **Box 2. Timeline of COVID-19 restrictions in Malaysia**

The first Movement Control Order (MCO) was instated in March 2020. On 4 May 2020, under the Conditional Movement Control Order (CMCO), most businesses were allowed to reopen. On 10 June 2020, under the Recovery Movement Control Order, most restrictions on domestic activities and movement were lifted. In September 2020, the CMCO was reinstated, while in January 2021, further restrictions were enacted as MCO 2.0 was imposed in various states, including Kuala Lumpur. On 5 March 2021, restrictions were somewhat relaxed again under the CMCO, where it extended until 14 April. On 5 May 2021, the MCO 3.0 was enacted, in Kuala Lumpur, under which most business activities were allowed to operate but social gatherings were banned, schools closed and interstate travel was not allowed.

2.3 Thailand

Women's entrepreneurship outlook

Presence and profile of women entrepreneurs in Thailand

In 2019, there were more than 3 million MSMEs in Thailand, which accounted for 99.5 per cent of all enterprises in the country.[10] Most of them were micro enterprises (at 84.8 per cent), followed by small enterprises (at 13.3 per cent) and medium-sized enterprises (at 1.4 per cent) (OSMEP 2020). The total value of MSME GDP in 2019 was 5.96 trillion Thai baht, equivalent to 35.3 per cent of national GDP. The total number of MSME employees was 12,060,369, equivalent to 69.48 per cent of employment in the country.

Despite a dearth of data on the topic, Thailand is a country where the rate of participation of women-owned enterprises is reportedly relatively high (illustrated by the fact that approximately 60 per cent of women in the workforce in 2013 were self-employed) (OECD 2017). For example, World Bank Enterprise Surveys conducted in 2016 found that approximately 33.4 per cent of firms had women as majority owners, while 64.4 per cent had women with a minority stake in ownership (World Bank 2016a). Data from the Office of Small and Medium Enterprises Promotion (OSMEP) suggest that most micro entrepreneurs are women. This translates into an overall rate of women ownership of at least 40 per cent, considering that more than 80 per cent of enterprises are microenterprises (OSMEP 2020). Other data, however, suggest that women ownership is much lower. According to the 2020 MasterCard Index of Women Entrepreneurs, women business owners make up only 23.7 per cent of all business owners in Thailand (MasterCard Foundation 2020). Recent research also suggests that women's entrepreneurship rates have been declining in recent years, with the rate of established female business owners decreasing by more than half, from 29.5 per cent in 2012 to 13.9 per cent of the female population in 2017 (GEM 2019). Looking at it from a more granular level, the World Bank Enterprise Survey findings indicate that rates of women ownership of enterprises is rather stable across different business sizes, with majority ownership hovering around 30–40 per cent among SMEs. Geographically, however, it appears that Bangkok has a relatively low rate of women majority ownership (at 18.8 per cent), compared to the South and the North of Thailand, where it is closer to 40 per cent (World Bank 2016a).

In 2020, Thailand ranked 14th out of 58 countries in the 2020 MasterCard Index of Women Entrepreneurs – the highest ranked upper-middle-income country in the study, which evaluates how successfully individual economies are in advancing female entrepreneurship (MasterCard Foundation 2020). The high ranking partly reflects the extent of women entrepreneurial activity and representation of women as business leaders in the country. However, this is not to say that entrepreneurship conditions in the country are ideal for women entrepreneurs. Thai SMEs in general still face a number of challenges, weak access to finance, underdeveloped government SME-support programmes and policies, burdensome regulation and bureaucratic procedures (GEM 2020), which is also acknowledged in the MasterCard

10 In Thailand, the definition of the project may encompass both small and medium enterprises in trade and services sectors, which are defined as: Small Enterprises. annual revenue of more than 1.8 million baht, but not more than 50 million baht; and employment of more than five employees but not more than 30 employees. and medium enterprises. annual revenue of more than 50 million baht, but not more than 300 million baht; and employment of more than 30 employees, but not more than 100 employees). In the manufacturing sector, small enterprises are defined as having an annual revenue of more than 1.8 million baht but not more than 100 million baht, and employment of more than 5 employees but not more than 50 employees (OSMEP n.d.a).

ranking. Looking at women-owned businesses, it appears that the large majority of them is informal, with approximately 61 per cent of all women start-ups and young businesses (between three and 42 months old) being informal and not registered. This proportion climbs to 66 per cent among established women-owned businesses (more than 42 months old) (GEM 2019). Another concerning factor is the less than 10 per cent rate of female-established businesses in Greater Bangkok, compared with 20 per cent for male counterparts (ibid.).

Women's entrepreneurship policy

Supporting SMEs is a policy priority of the Thai Government, which has put in place various policy frameworks (box 3). According to Organisation for Economic Co-operation (OECD) research in 2017, the Government has adopted gender-responsive budgeting, and several of its agencies have adopted gender mainstreaming strategies, resulting in the emergence of various women's entrepreneurship development-support programmes (OECD 2017).

However, there appears to be significant gaps in the support. The SME development strategy does not include references to women or point to policy actions in their favour, although OSMEP has indicated plans to draft a strategy on how to promote women's entrepreneurship and was recently mandated to collect sex-disaggregated data. Additionally, while there are gender focal points in more than a hundred government departments and agencies, there is no women's entrepreneurship development focal point who has an overarching coordination role. The closest agency that might be likened to such a role is the Office of Women's Affairs and Family Development (under the Ministry of Social Development and Human Security), which is the focal point for the ASEAN Women Entrepreneurs Network and the Thai liaison body for women's entrepreneurship at the ASEAN level. Social dialogue with women entrepreneurs is another area that appears to be weak; the OECD research also indicated there are no formal mechanisms to ensure participation of women entrepreneurs in policy dialogue.

▶ Box 3. Thailand's SME policy overview

The body responsible for formulating SME policy in Thailand is the National Board of Small and Medium Enterprises Promotion. The chief body responsible for coordinating implementation of SME policy is the Office of Small and Medium Enterprises Promotion (OSMEP), which also acts as the secretariat for the National Board of SMEs Promotion. In addition to policy elaboration, the OSMEP is responsible for formulating action plans for SME development (with implementing agencies and stakeholders), disbursing the integrated budget, coordinating interventions across different agencies and monitoring and evaluating their implementation of SME action plans (OECD 2018b). Over the years, Thailand has developed various policy frameworks relevant to SMEs,* including national strategic development frameworks. The country's long-term development framework, the National Strategy (2017–2036) refers to a range of SME-specific policies and support programmes that will contribute to the overarching goal of achieving high-income status and hence help the country avoid the middle-income trap. These include policies to facilitate improved access to finance, develop linkages between multinational corporations and SMEs and measures to support the development of SMEs in the digital economy (OECD 2018b). The country is implementing its 12th National Economic and Social Development Plan (2017–2021), which mentions SMEs in numerous places and emphasizes their importance to the economy and the need to help them upgrade, especially via digital innovation. Thailand also has SME-specific policy frameworks, including the SME Promotion Master Plan (2017–2021) (OSMEP n.d.b) and the SME Act (OSMEP n.d.a). In its fourth SME Master Plan, the Government increased efforts to integrate findings of studies regarding the needs of target groups, and it emphasizes business development services and better integration of private sector providers. The Master Plan includes an action plan, measurable targets (including the overarching objective of having SMEs contribute 50 per cent of GDP by 2021) and a clear time frame (OECD 2018b). The SME Act, promulgated in 2000 and amended in 2018, sets major aspects of the Government's SME-related institutional framework.

Note: *For an overview of Thailand's SME policy, see www.adb.org/sites/default/files/publication/646146/asia-sme-monitor-2020-volume-1.pdf.

Impact of COVID-19 and the Government's response

Thailand was swift in its response to prevent the spread of the pandemic (box 4)[11] and was rather effective in doing so throughout 2020. But the economic impact has been significant, with estimates suggesting the country's GDP contracted by 6.1 per cent while working hours decreased by around 4 per cent in 2020, one of the worst performances across South-East Asia (ILO 2021b). This downturn can be attributed partly to the lockdowns and social distancing rules that have diminished access to public places as well as to the importance of the tourism industry to the economy, which reportedly contracted by approximately 70 per cent in 2020 as a result of tight travel restrictions (OECD 2020a). It also can be attributed to value chain disruptions and lower demand for intermediate products, such as electronic components, and end products, such as garments, resulting from the COVID-19 impacts in trading partner countries (ibid.). Many sectors had partly recovered from the pandemic's impacts following the first and second waves, particularly some manufacturing sectors, with exports rebounding rather strongly (*Bangkok Post* 2021a).

However, there is still a long way to go to reach pre-pandemic economic output levels. The current third wave of COVID-19 cases in the country, relatively slow vaccine acquisition and roll-out (despite plans to have more than 70 per cent of the population vaccinated by the end of 2021 (IMF n.d.) and an uncertain reopening of the country to foreign visitors all seemingly will further delay Thailand's full recovery. The Government's response to the economic impacts of COVID-19 has been considerable,12 with fiscal and non-fiscal support measures totalling more than 12 per cent of GDP as of October 2020, putting it at the top of the list among East Asian countries. Support to SMEs has focused on easing access to finance through soft loans, restructuring and tax relief (World Bank 2021).

▶ Box 4. Timeline of COVID-19 restrictions in Thailand

A state of emergency was instituted on 26 March 2020 and extended until the end of July 2021, with a gradual reopening taking place over this period (as of August 2020, certain non-Thai visitors were allowed to enter the country) due to the exceptionally low infection rates in the country (only 4,246 infections had been recorded in the country as of mid-December 2020) (IMF 2021). Infection rates nevertheless spiked in two consecutive waves, starting in December 2020 and then in April 2021. More than half a million new cases were reported between April and August 2021 (WHO n.d.). The increased caseload remained relatively minimal during the wave of December 2020 and thus the loosening of restrictions, relative to entry in the country, that was already under way continued. Given the severity of the wave of April 2021, restrictions were re-imposed, including the closing of parks, gyms, cinemas and day-care centres in Bangkok, the epicentre of the new surge in cases. Nationally, there were partial travel restrictions, increased mandatory travel quarantine periods and mask-wearing mandates in public spaces. On 28 June, additional restrictions were imposed in Bangkok and surrounding areas, including a ban on restaurant dine-in, gatherings of more than 20 people and closure of construction sites (IMF 2021).

11 For a chronological timeline of measures destined to curb the spread of the pandemic, see The Asia Foundation (2020).
12 For lists of the Government's COVID-29 response measures, see https://www.worldbank.org/en/data/interactive/2020/04/14/map-of-sme-support-measures-in-response-to-covid-19 and https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#M.

2.4 Philippines

Women's entrepreneurship outlook

Presence and profile of women entrepreneurs in the Philippines

According to the 2019 List of Establishments of the Philippine Statistics Authority, there were 1,000,506 business enterprises operating in the country, of which 995,745 (99.5 per cent) were MSMEs and 4,761 (0.5 per cent) were large enterprises (per national definitions).[13] Microenterprises constituted 89 per cent (891,044) of all MSME establishments, followed by small enterprises, at 10 per cent (99,936) and medium-sized enterprises, at 0.5 per cent (4,765) (DTI n.d.a). The monitoring of women's socioeconomic status and advancement appears to be quite advanced (ADB 2018; PSA 2016; PCW 2015; Punongbayan and Araullo 2014). But despite efforts to develop numerous indicators (PCW 2019) to monitor women's economic empowerment and women's entrepreneurship policy in the Philippines, there seems to be little data collected on either topic (PIDS 2015). Looking at the prevalence of women's enterprise ownership, this study unearthed various conflicting data points. According to the Department of Trade and Industry, women owners comprise more than half of registered businesses (DTI 2013).

Surveys conducted during the pandemic seem to support this, with more than half of MSMEs surveyed (56.1 per cent) reporting they had a female head (ADB 2021). Research conducted in 2017, however, suggests that there were approximately 28,000 female-owned SMEs in the country (which, at the time, represented 24 per cent of SMEs nationwide) (University of Sydney 2017). Survey data from the World Bank collected in 2015 seems to support this ballpark figure, with 31.5 per cent of firms surveyed having female majority ownership (World Bank 2015). In any case, it appears that the proportion of women-owned enterprises has been increasing substantially, with more than 50 per cent of enterprises registering themselves in 2015 and 2016 as female-owned (sex of owner was added as a mandatory field in the registration form beginning in 2014) (PSA 2016).

In looking at the nature of their participation in the economy, women entrepreneurs appear to be mostly present at the lower ends of the enterprise size spectrum. In the 2003 Census of Philippine Business and Industry, 91.8 per cent of business establishments were microenterprises, and women accounted for 95 per cent of them (DTI 2013). The findings from recent COVID-19 impact surveys suggest female ownership decreases significantly with size, which is also aligned with global trends and points to significant barriers for women to grow their businesses (ADB 2021). Although more women start their own business than men, women-owned enterprises seem to struggle to keep their business afloat and to mature over time, with male-owned businesses typically represent the majority of older, established businesses (OECD 2017). This reflects the fact that women entrepreneurs typically face higher barriers in accessing support services (DTI 2013), have lower capital (due to barriers to asset ownership (ADB 2018) and lack social preparation and technical skills for entrepreneurship (PIDS 2015). Anecdotal data also suggest that women majority-owned firms may face additional barriers to export because such firms seem to be much less export-oriented, with only 9.5 per cent deriving more than 10 per cent of sales from exports, compared with 67.2 per cent of firms with female minority ownership (World Bank 2019). Additionally, many women entrepreneurs cite family time management as the leading hindrance to running their business (DTI 2013), which has likely increased in recent years because unpaid care responsibilities have been increasing among women generally, even prior to the pandemic (PSA 2016).

13 In the Philippines, two criteria are used to classify firm size. The Philippines Statistics Authority (PSA) uses the number of employees as the defining criterion, while the Small and Medium Enterprises Development Council uses size of assets as the defining criterion. The PSA classification states that a microenterprise is a firm with one to nine employees, a small enterprise is a firm with 10–99 employees, and a medium-sized enterprise is a firm with 100–199 employees (ADB 2021). On the other hand, the SME Development Council, which bases its definition on the Magna Carta for Micro, Small and Medium Enterprises, states that microenterprises are defined as enterprises with assets, inclusive of those arising from loans but exclusive of land, worth up to 3,000,000 pesos; small enterprises as those with assets between 3,000,001 pesos and 15,000,000 pesos; and medium enterprises as those with assets between 15,000,001 pesos and 1,000,000,000 pesos (PCW n.d.).

▶ Box 5. Philippine SME Policy

The Magna Carta for Micro, Small and Medium Enterprises, passed in 1991, is one of the most important pieces of SME policy legislation in the Philippines. It created the SME Development Council (now MSME Development Council) and the Small Business Guarantee and Finance Corp, which later merged with another government entity and became the Small Business Corporation, the largest provider of MSME financing in the Philippines, although it mostly focuses on microenterprises (OECD 2018c). The Magna Carta does not make specific reference to the inclusion of women MSMEs, although it does require government agencies to submit periodic reports on gender responsiveness (OECD 2017). Other important policy instruments relevant to SMEs include the Micro, Small and Medium Enterprise Development Plan (2017–2022). Renewed every five years, it aims to increase the contribution of MSMEs as drivers of inclusive economic growth through improved access to finance, technologies and markets[a]. The Philippines is also the only South-East Asian country that has a law on support for women-owned enterprises[b] but the law is considered too narrow by women advocacy groups even though it is recognized as a positive signal regarding the need to specifically support women entrepreneurs (OECD 2017). The MSME Development Council is responsible for formulating SME policy, and its mandate also includes the formulation of women's entrepreneurship policy and related research (OECD 2017). The main body responsible for implementing and coordinating implementation of SME policies is the Bureau of MSME Development within the Department of Trade and Industry. Following the Go Negosyo Act, the Government established business support centres, Negosyo Centres, across the country to function as the main policy tool supporting SMEs. The Negosyo Centres provide aspiring entrepreneurs and SME owners access to entrepreneurial training and mentoring programmes, among others. Most of its offering focuses on support tailored to the needs of microenterprises, in line with the Government's vision to leverage SME policy as a tool for poverty reduction (OECD 2018c). The Go Negosyo Act makes explicit statements about the mandate of MSME support centres to provide women entrepreneurs with access to information, support, training and credit facilities (OECD 2017).

Note: [a]For a list of SME-relevant policies, see ADB 2020a. [b]"An Act Providing Assistance to Women Engaging in Micro and Cottage Business Enterprises, and for Other Purposes", Republic Act No.7882 0f 1995, https://www.dti.gov.ph/resources/laws-and-policies/msme/.

Women's entrepreneurship policy

The Philippines has a long history of conducting SME policy (box 5), and the country is among the top performers in the region in terms of advancing women's entrepreneurship (OECD 2017. In 2020, the Philippines was ranked 16th out of 58 countries in the Mastercard Index of Women Entrepreneurs – the highest ranked "Lower Middle Income" country in the study – which evaluates how successfully individual economies are in advancing female entrepreneurship (MasterCard Foundation 2020). It stands out regionally in terms of national budget allocations for programmes to support women's entrepreneurship and women-owned SMEs (OECD 2017). Women's entrepreneurship is mentioned across several national strategies, including the Gender Equality and Women Empowerment Plan (2019–2025). The Magna Carta of Women is one of the major policy instruments supporting women's economic empowerment in the Philippines, emphasizing equal access to financial and non-financial support services as well as social protection and mandating government entities to allocate 5 per cent of their annual budgets to gender and development programmes (PCW n.d.a). Although this constitutes a significant policy development that puts the Philippines ahead of most countries in the region, the implementation of legislation supporting women's entrepreneurship development has remained low (PCW 2014).

The Philippine Commission on Women, which constitutes the strongest national women's entrepreneurship development focal point and policy coordination institution among all ASEAN States, is responsible for implementing the Magna Carta of Women (OECD 2017). However, the Commission also indicated that its focus is mainly on women's initiatives more generally rather than women entrepreneurs. In effect, various government agencies, such as the Department of Trade and Industry, which is the major government provider of support services to SMEs, have more actively promoted women's entrepreneurship development. These efforts have been supported by gender mainstreaming strategies. For example, more than 18,000 government officials with the Department of Trade and Industry and other programme delivery agent received gender mainstreaming training over a five-year period with the support of the Commission on Women and the United States-funded Great Women Project14 (OECD 2017). Most government agencies, including the Commission on Women, appear to be targeting low-income women in micro entrepreneurship activities, leaving women-owned small businesses without much targeted support (OECD 2017).

To better understand gender disparities and ultimately address them to improve the gender responsiveness of its policy, the Government has in recent years made efforts to improve the collection of gender statistics, beginning with the establishment of the Interagency Committee on Gender Statistics in 2014. The Committee is composed of various agencies, including the Commission on Women and the Department of Trade and Industry (PSA 2016). The Government also has made efforts to include women's organizations in SME policy-making bodies. For instance, it restructured the MSME Development Council to add a representative from the Commission on Women and recognized women's councils, including the Women's Business Council of the Philippines, as official consultative bodies (OECD 2017).

Impact of COVID-19 and the Government's response

The Philippines has been one of the worst affected countries in Asia by the COVID-19 pandemic, with GDP having shrunk by 9.5 per cent in 2020. It is the worst yearly GDP growth rate the country has experienced since 1947 (*Nikkei Asia* 2021). During 2020, the country saw an almost 14 per cent decrease in working hours (ILO 2021b). This came as a result of harsh quarantine and social distancing restrictions enacted by the Government (box 6), which took a severe toll on domestic consumer spending. Trade between the country's different islands and with other countries was also severely disrupted. As per ILO estimates, a quarter of total employment is likely to be disrupted by the impact of COVID-19, which translates to approximately 10.9 million workers, with women accounting for 38 per cent of the jobs at risk (ILO 2020d).

To counter the adverse economic impacts of the COVID-19 pandemic and associated restrictions, the Government adopted several economic stimulus measures (World Bank 2020). Most of this support was provided through stimulus packages approved under the Bayanihan to Heal as One Act (Bayanihan 1) and the Bayanihan to Recover as One Act (Bayanihan 2), which provided support to individuals and businesses alike (*F&B Report* 2021).

▶ Box 6. Timeline of COVID-19 restrictions in the Philippines

On 8 March 2020, following the first cases of local transmission of COVID-19 being observed, a state of public health emergency was declared. On 12 March, the entire Metro Manila was placed on "community quarantine", with travel to and from the area suspended from March 15 to April 14 2020. On 16 March, the whole island of Luzon was placed under enhanced community quarantine, in which strict home quarantine was enforced and only essential industries allowed to continue operating on-site. By mid-May, Metro Manila and Cebu City were placed on modified enhanced community quarantine, maintaining strict home quarantines but allowed some industries to reopen in a limited capacity. In September 2020, the "state of calamity" was extended for a year, leaving the status quo unchanged until circumstances dictated otherwise.[a] Having somewhat reduced COVID-19 case numbers towards the close of 2020, infection rates remained significant and took off again in March 2021, after which strict quarantine measures were reimposed in Metro Manila. As of then, the country had the longest COVID-19 lockdowns in the world. As of early August 2021, enhanced community quarantine had been reimposed in Metro Manila.[b]

Source: [a]Business Inquirer 2021d; [b]ABS-CBN News 2021.

14 For overviews of the achievements of this project, see USAID 2016 and ESCAP 2017.

3

Sector selection

3.1 Objectives, methodology and structure

The primary objective of the sector selection exercise was to help the project identify and better understand its sector foci for each of the geographical areas where it operates. Before this study was conducted, the project had already defined a wide sectoral scope, agreed upon with the donor, J.P. Morgan: the manufacturing, services and retail trade sectors, which this study thus helps further narrow.

The methodology for the sector selection was guided by the ILO's *Value Chain Development for Decent Work* (ILO 2021a). To determine which sectors would be best suited for the project, they were evaluated against criteria that broadly fell within three major categories: (i) relevance to the target group; (ii) opportunity for recovery and growth; and (iii) feasibility of the project to drive change (see box 7 for all criteria). Evaluation of sectors against the criteria was mainly based on desk research and then further informed by consultations with project stakeholders and key informant interviews.

Evidence of the sector presence of the target group drove the initial shortlisting of sectors. Given the narrow geographical scope of the project in each country and the specificity of the target group (women-owned small businesses), it became a core imperative to ensure that the project could reach enough target beneficiaries through the sector approach. In the case of Malaysia, this process was rather straightforward, due to the existence of sector data on women ownership of enterprises disaggregated by enterprise size. In the Philippines and Thailand, however, data on women ownership of enterprises are much scarcer, which rendered the process more cumbersome and warranted use of other criteria, including the vulnerability of sectors to COVID-19, to narrow down the list of potential focal sectors.

The selection of sectors to be targeted by the project following the initial shortlisting was then further informed by available data relevant to all of the sector selection criteria and inputs from project stakeholders. In the following sections, the selection process is outlined, together with research relevant to the applied criteria, serving as a rapid market overview of the various sectors under consideration that can be used for programme development and subsequent market research. While the listed criteria served as guidance for the sector selection, data and information pertaining to some of the criteria were limited.

▶ **Box 7. Criteria for sector selection (see Annex II)**

Overarching criteria 1: Relevance to the target group

- presence of women small business owners and nature of their participation in the sector; and
- existence of barriers for women entrepreneurs in the sector and availability of potential solutions.

Overarching criteria 2: Opportunity for recovery and growth

- potential for recovery and growth and opportunities for women-owned small enterprises post COVID-19 in the sector; and
- impact of the COVID-19 pandemic on the sector and opportunities for women-owned businesses operating in the sector to recover.

Overarching criteria 3: Feasibility of programme intervention

- availability and capacity of market actors (providing services related to access to training, finance and markets);
- donor programmes presence and influence; and
- government initiatives and policies.

3.2 Malaysia – Kuala Lumpur

Shortlisting of sectors

As noted, the initial list of sectors to consider was driven by evidence of the sectoral presence of the target group. In the case of Malaysia, this was rather easy due to the recently detailed sector-level data.[15] According to the Department of Statistics Malaysia, in 2015, there were only five subsectors falling within the project's predefined scope, with more than 1,000 formal women-owned small businesses[16] across Malaysia (table 1):

- wholesale and retail trade services
- food and beverage services
- professional, scientific and technical services
- personal services and other activities
- manufacturing

▶ **Table 1. Women's ownership of SMEs in select subsectors, 2015**

Sector	SMEs	%	Micro	%	Small	%	Medium	%
Services	173 323	100	153 482	88.6	18 970	10.9	871	0.5
Wholesale and retail trade	81 736	100	73 940	90.5	7 338	9.0	458	0.6
Professional, scientific and technical services	4 110	100	2 586	62.9	1 466	35.7	58	1.4
Food and beverage service	55 378	100	49 152	88.8	6 153	11.1	73	0.1
Personal services and other activities	12 899	100	11 831	91.7	1 031	8.0	37	0.3
Manufacturing	9 519	100	7 660	80.5	1 790	18.8	69	0.7

Source: DOSM 2016.

15 The definition of small businesses used by the project and the one used in Malaysia are not the same. Nevertheless, given that data are available for medium-sized enterprises and if included, the whole spectrum of enterprises falling under the project's definition is covered, this definitional discrepancy did not hamper the longlisting process. Due to the small proportion of medium-sized enterprises as a percentage of all MSMEs, they could even be disregarded in most cases.

16 The definition of small enterprises implied here is that of Malaysia, which uses the lower threshold of five employees instead of ten, which is what the project uses.

This list of five sectors was then further refined based on considerations relating to the likelihood of reaching enough of the targeted beneficiaries in the focal sector and adequately responding to their needs, which led to the exclusion of "professional, scientific and technical services", "personal services and other activities" and "manufacturing". All three sector categories include an array of activities, suggesting that businesses within them are likely to have been affected differently by the COVID-19 pandemic and require different types of support. "Professional, scientific and technical services", for instance, includes activities as diverse as accounting, architecture and veterinary services, among others, while manufacturing includes the manufacture of foods, textiles, metals, electronics, rubber, plastics, etc. [17]

This left only food and beverage service and wholesale and retail trade as potential sectors of focus for the project. Considering the significantly larger number of retail trade establishments (approximately 75 per cent overall) in the wholesale and retail trade subsector and the typically smaller size of women-owned businesses, an assumption was made that most potential target beneficiaries would be found in the retail trade sector. Although related, wholesale and retail trade represented distinct activities and business challenges. This motivated the exclusion of wholesale trade. The presence of the target group in the remaining two sectors (food and beverage and retail trade) still represented a small number of potential target beneficiaries in the Kuala Lumpur metropolitan area (even though it was the most in terms of the country). It was decided that the project would target both. Food and beverage service and retail trade are typically business-to-consumer service sectors. Thus, although they have been affected differently and to different degrees by the COVID-19 pandemic, it seemed likely that they would not require vastly different types of support, which further made the case for targeting both of them.

The next section presents an overview of the sectors structured along the lines of the project's pre-established sector selection criteria, which can inform the development of interventions by the project.

Food and beverage service

Criteria 1: Relevance to the target group

According to data from the Department of Statistics Malaysia, there were 3,830 women-owned formal food and beverage businesses in Kuala Lumpur in 2015. Assuming the size of these establishments more or less followed the same proportion as at the national level, where approximately 11 per cent were small businesses, then it could be inferred that there were around 400 women-owned food and beverage small businesses that year, which is likely to have grown since.

The food and beverage sector includes a variety of businesses, including full-service restaurants, fast food restaurants, cafes, food stalls, food courts, eat-in bakeries, pubs and bars. The large majority of business establishments in the sector are independent restaurants (not franchises or part of a chain). Most women entrepreneurs operate micro restaurant establishments. In looking deeper at food service businesses, most of them offer Asian cuisine, with Chinese restaurants dominating the mid-and high-end restaurants. Malay, Indian, Japanese, Indonesian and Thai restaurants, on the other hand, dominate the local restaurant scene. Almost all food service businesses strive to be 100 per cent halal (even for non-meat-based food products) and source halal-certified ingredients to help tap into the approximately 60 per cent of the population that is Muslim. It appears that the Government and private sector have marketed halal standards as a benchmark for quality, hygiene and safety (USDA 2018).

Criteria 2: Opportunity for recovery and growth

Prior to the COVID-19 pandemic, food and beverage service was one of the fastest-growing sectors in the country, driven by a growing tourism industry and increased consumer spending – among Malaysia's middle- and upper-income consumers, who represent approximately half of the population, and among the young and educated, who traditionally enjoy eating out. As shown in table 2, the value of gross output of the sector almost doubled between 2010 and 2015, while it grew by another 30 per cent between 2015 and 2017. With purchasing power steadily rising overall in Malaysia, especially among the rapidly growing urbanized population, demand in the future for food and beverage service appeared to be bright (USDA 2020a and 2017).

17 "Manufacture of food products" had the most women-owned small businesses of all manufacturing sectors, with 447 in Malaysia in 2015, followed by manufacturers of wearing apparel, at 168 in Malaysia in 2015.

▶ Table 2. Principal statistics of Malaysia's food and beverage service sector, 2010, 2015 and 2017 (thousands ringgit)

Year	Value of gross output (thousands ringgit)	Value of intermediate input (thousands ringgit)	Value added (thousands ringgit)	Total number of persons engaged	Salaries and wages paid (thousands ringgit)	Value of fixed assets (thousands ringgit)
2017	82 774 911	47 540 689	35 234 222	958 803	12 222 315	10 802 449
2015	66 385 624	38 412 749	27 972 875	891 616	9 651 152	9 533 532
2010	37 325 562	20 897 915	16 427 647	645 743	4 934 840	3 955 784

Source: DOSM 2019c.

The sector, however, has been one of the most adversely affected by the COVID-19 pandemic. The Government's lockdown measures to prevent the spread of the virus have mandated the closure or limited operation of restaurants and the like. To cope with the pandemic, restaurants at least have turned to food delivery, which has dramatically increased in urban areas over the course of the pandemic (USDA 2020a) and reinforced the digitalization trends among food service outlets that were already under way (box 8).

▶ Box 8. New trends reinforced by the COVID-19 pandemic in Malaysia

The COVID-19 pandemic has reinforced various trends already under way prior to the pandemic. As a result of growing demand among consumers and increasingly intense competition, in recent years, many food service outlets have expanded their presence online, on social media, and launched promotions and advertising campaigns with the aim to secure and expand their market share. Additionally, demand for fast, convenient and affordable dining options have been steadily rising, while demand for healthy and organic products has also risen (USDA 2020a and 2017).

Criteria 3: Feasibility of project to drive change

Prior to the COVID-19 pandemic, the Government had reduced subsidies that had boosted the industry. It then imposed a 6 per cent goods and service tax in 2015 that rendered price-sensitive consumers cautious about spending (USDA 2017). The Government also implemented various measures to support development of the country's food and beverage service sector. The Government promotes Malaysia as a "food paradise" in its global tourism campaigns (Tourism Malaysia n.d.a), while it has advanced halal food as a key dimension of Islamic tourism promotion (Tourism Malaysia n.d.b; Henderson 2016). In 2019, with private sector partners, the Government launched Growth Malaysia, an initiative seeking to support 100,000 restaurants with business digitalization by 2020 (*Digital News Asia* 2019). The Government's policy regarding the status of restaurants as essential services has been inconsistent, especially after the first COVID-19 wave in 2020, which led to frustration among business owners (*Free Malaysia Today* 2020).


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Retail trade services

Criteria 1: Relevance to the target group

Data on women-ownership at the level of Kuala Lumpur for the retail trade sector are lacking. The presence of the target group in the sector was determined via off-the-cuff calculations suggesting that, in 2015, there were approximately 1,200 formal women-owned, small retail trade businesses in Kuala Lumpur.[18] In looking at the activities making up retail trade, "retail sale in non-specialized stores with food, beverages, and tobacco" was the largest retail subsector in Malaysia in 2018, representing approximately 26 per cent of all retail establishments. This was followed by "retail sale of other goods in specialized stores (clothing, footwear, pharma, cosmetic and toiletries)", which represented approximately 21 per cent (MYCC 2020).

Although large-scale retail outlets have proliferated since the end of the 1990s following market entry of large transnational retail businesses, small-scale retail outlets still dominate the sector. Food retail, the largest retail subsector in Malaysia (which reached $26 billion in sales in 2019 (USDA 2020b)), remains highly fragmented and dominated by small, mainly family-run retailers. They represent more than half of all food retail businesses. Many of these have tended to grow beyond micro-level businesses: In cities, many have upgraded to the mini-market concept by trying to compete against supermarkets and hypermarkets catering to multiple ethnic groups (as opposed to the ethnicity-specific targeting of many traditional small shops).

Criteria 2: Opportunity for recovery and growth

The retail trade sector is one of the largest sectors in Malaysia, with total sales value amounting to 459.9 billion ringgit in 2018 (*Business Today* 2020). The sector has been growing at a phenomenal pace in recent years, especially in urban areas. In Kuala Lumpur from 2013 to 2018, gross output and value added of the sector nearly doubled (table 3). This growth has been especially pronounced among small format stores, increasingly favoured by Malaysian consumers. In the grocery segment, consumers want to save time on shopping, which led to negative growth among hypermarkets in 2019 (MYCC 2020). However, consumer preferences are becoming increasingly sophisticated and in demand of more modern retail options, where branding, quality, convenience and product diversity are present (Batra and Anand 2017). Small and traditional retail stores have suffered from much competition from chains and large outlets, which have pushed out many independent small retail businesses (Kaliappan et al. 2008) unable to compete with more sophisticated forms of marketing, operational practices, sourcing strategies (Dales, Coe and Hess 2019) and e-commerce offerings (box 9). Indeed, prior to the pandemic, performance of small retail outlets was found to be positively related to marketing strategy as well as e-retailing (Batra and Anand 2017). Attracting local labour has also constituted a major challenge for small retailers as most locals are not interested in pursuing a career in retail. In response, large retailers have set up self-service payment terminals. With a cost of up to 80,000 ringgit per terminal, small retail outlets typically cannot afford it (MYCC 2020).

18 In 2018, according to the Department of Statistics Malaysia, there were 78,922 women-owned retail businesses out of a 91,043 in the wholesale and retail subsector; or 320,000 if men-owned businesses are included. So, approximately 25 per cent are women-owned. In 2018, approximately 40,000 of around 320,000 retail trade businesses were small businesses, which translates to a ratio of about 12.5 per cent. If we assume a conservative 10 per cent ratio, that would mean that around 4,683 of the total 46,832 retail trade businesses in Kuala Lumpur are small, and assuming 25 per cent of them are women-owned, then approximately 1,200 businesses fit within the definition.

▶ Table 3. Principal statistics of the retail trade sector, by state and Kuala Lumpur, 2013 and 2018 (thousands ringgit)

Retail trade sector	2018	2013
Number of establishments	46 832	38 389
Sales value of goods and services	135 214 576	81 642 752
Cost of goods sold	85 054 585	49 104 987
Value of gross output	60 135 902	33 057 328
Value of intermediate input	21 458 675	12 202 489
Value added	38 677 227	20 854 839
Total number of persons engaged during December or last pay period	208 726	202 926
Salaries and wages paid	8 977 772	5 683 064
Value of fixed assets owned at the end of the year	18 751 469	8 563 443

Source: DOSM, 2019d.

▶ Box 9. E-commerce in Malaysia's retail trade sector

Prior to the COVID-19 pandemic, e-commerce was prevalent among urbanites in Kuala Lumpur, and especially appealing to professional married couples aged 25–40 years old. Use of e-commerce has expanded to the wider population – as of 2020, it was estimated that almost 50 per cent of Malaysia's population had shopped online (MYCC 2020), while mobile phone payment has been growing steadily in recent years in the retail trade sector as a whole (USDA 2020b). During the pandemic, development of e-commerce among retail businesses has skyrocketed. Many large outlets have set up their own e-commerce channels, while smaller retail trade businesses without their own e-commerce and delivery outfits typically resort to online websites including Lazada, 11street and MilkADeal, or partnerships with e-hailing providers, such as Uber or GrabCar (USDA 2018).

Since the onset of the pandemic, the retail trade sector has undergone significant changes. Based on monthly sales data published by the Department of Statistics Malaysia, it seems the retail sector somewhat recovered to normal output levels by the end of 2020. There was a large dip in April 2020, but almost all retail trade subsectors have since recuperated. After the Movement Control Order was again imposed in January 2021, the retail trade sector has ventured back into negative growth territory, with sales down 2.7 per cent in January 2021 from the previous year (USDA 2018). It is likely that overall sector recovery in 2020 masks many heterogeneous outcomes among businesses involved in the sector. Considering the rapid development of e-commerce platforms, digital payment systems and product delivery services as a result of COVID-19, the businesses that have taken advantage of these developments have likely gained significant advantage over those that have not been as tech-savvy. Prior to the pandemic, an estimated 7 per cent of small-scale retail trade businesses had an online distribution channel. For the others, not having this capacity likely has significantly impaired their ability to adapt to the changing business environment under COVID-19 and the Movement Control Orders (MYCC 2020). Women-owned businesses, which have traditionally lagged behind their male counterparts relative to digitalization in Malaysia, are likely to be on the losing end of sector reshuffling developments.

Criteria 3: Feasibility of project to drive change

Since the early 2000s, the Malaysian Government has put in place various regulatory measures[19] impacting the retail trade sector. These have aimed at protecting domestic, traditional and small-scale retailers from large transnational retail corporations vying for market share, in the grocery segment (Dales, Coe and Hess 2019). In 2011, the Government pegged the wholesale and retail trade sector as one of 12 national key economic areas considered a driver of domestic consumption and economic growth (USDA 2018). This further ramped up government efforts to support the retail sector development, this time via a Small Retailers Transformation Program (TUKAR) to facilitate the modernization of 5,000 traditional sundry shops nationwide by 2020, as well as through the setting up of a small-scale state-organized supply system providing goods to smaller traders at controlled prices. While these measures supported the survival of many small retail outlets, the gap between large and small retailers in terms of pace and extent of modernization is still deepening, especially in the grocery segment (Dales, Coe and Hess 2019). To further support modernization, in 2019 and with private sector partners, the Government launched Growth Malaysia, an initiative seeking to support offline retailers with business digitalization (Digital News *Asia* 2019). Recognizing the importance of e-commerce going forward, government initiatives under the National E-Commerce Strategic Roadmap, developed by the Ministry of International Trade and Industry and the Malaysia Digital Economy Corporation, will be pivotal in increasing e-commerce adoption, with a variety of measures being considered (MYCC 2020). In any case, various challenges in the regulatory environment likely to hamper the prospects of small retail outlets remain, including frequent increases to the minimum wage, which disproportionately impacts small businesses, and the introduction of a digital sales tax effective since January 2020, which has likely affected prices of online software, website hosting and cloud storage services (MYCC 2020).

3.3 Thailand – Bangkok

Shortlisting of sectors

As previously mentioned, the initial longlisting of sectors was intended to be driven by evidence of the target group's sector presence. In Thailand, however, and given the absence of definitive data, this criterion could only be judged based on estimations whose potential inaccuracy warranted a conservative approach. In effect, unless data suggested women's involvement was minimal, all sectors falling within the project scope with large numbers of small businesses were considered – keeping in mind that small and medium-sized businesses made up approximately 13 per cent and 1 per cent, respectively, of all Thai businesses in 2019 (OSMEP 2020). This cast the net too wide, so various other criteria were also used to further refine the longlist of sectors, including COVID-19 impact, sector gross output, sector value added and heterogeneity of businesses in the sector (which ultimately bears an impact on the ability of the project to fulfil support needs of all target beneficiaries). This led to the selection of eight potential sectors for consideration:

- retail trade
- food and beverage service
- personal services for wellness
- office administrative and support activities
- garment manufacturing
- food manufacturing
- jewellery, bijouterie and related articles manufacturing
- furniture manufacturing.

Following consultations with project stakeholders, including the Employers Confederation of Thailand and the OSMEP, the ILO excluded a number of these sectors. Furniture manufacturing was excluded because it is reportedly male-dominated; garment manufacturing and jewellery, bijouterie and related articles of manufacturing because they are reportedly dominated by very large and very small establishments; and retail trade, as the major challenges affecting small businesses in the sector relates to competition with larger outlets, which falls outside of the mandate and sphere of influence of the project.

19 For an in-depth look at the rules and regulations and government players impacting the retail trade sector as of 2020, see MYCC (2020), sections 2.3.7 and 8.1.2.

This left only three sectors: food manufacturing, food and beverage service and personal services for wellness. Considering the uncertainty surrounding the number of women-owned small businesses in these sectors, it was decided that the project would target all three. The next section summarizes the findings from that work, structured along the lines of the project's pre-established sector-selection criteria, which can serve to inform the development of interventions by the project.

Food manufacturing

Criteria 1: Relevance to the target group

Manufacturing of food products was the third-largest manufacturing sector in Bangkok in 2017 in terms of number of establishments, with a total of 2,724 in Bangkok and another 3,650 in the Bangkok vicinity (for a total of 6,374). Most food processors are small to medium-sized[20] and predominantly serve the domestic market. However, there are many medium-to-large food processors that produce higher-value products for domestic and export markets (USDA 2021b). For an order of magnitude, the packaged food industry in Thailand remains highly fragmented, with the top-ten companies controlling only about one third of the sales value (USDA 2021b). The food manufacturing sector is traditionally a sector with a high level of women's entrepreneurship, which was confirmed by project stakeholders.

Based on data from the 2017 national census, the activities of smaller establishments seem to be mostly within the "manufacture of other food products" category, which made up the majority of food manufacturing establishments that year (4,002 in metro Bangkok) and had an average of 21 employees per establishment. Larger establishments, on the other hand, dominated the large export-oriented food manufacturing subsectors, such as meat and fish processing. One particular subsector, which has been growing significantly in recent years (European Commission 2020) and where there are many small establishments is the bakery product subsector.21 There were 1,256 establishments with an average of 21.2 employees per establishment in 2017.

Criteria 2: Opportunity for recovery and growth

The food manufacturing and processing industry is among the largest and fastest-growing industries in Thailand, representing nearly 15 per cent of all manufacturing output. It is buoyed by a strong agriculture sector that supplies it with more than 80 per cent of raw materials required at competitive prices (BOI n.d.c). It is already well-developed and recognized for its quality control and standards, which enable export of processed food products worth more than $19 billion in 2020 (59 per cent of the country's total food exports) (USDA 2021b). Domestically, the food and beverage industry is one of the biggest retail segments in Thailand, which has been driven by the country's overall economic growth, rising disposable incomes among the middle class and a trend towards urbanization, with urban Thais exhibiting greater willingness to pay for premium and convenient food products (box 10) (USDA 2021b). Additionally, Traditional food imports such as snack foods, sauces and other processed foods that are relatively inexpensive but which have high freight costs are increasingly being substituted by local production (USDA 2021b).

The food manufacturing sector seemingly suffered a contraction partly as a result of COVID-19, as evidenced by a decrease of 5.6 per cent in Thai processed food exports in 2020 from 2019 (USDA 2021b) as well as a reduction of the Manufacturing Production Index of the sector (base 2016) from 107.8 in 2019 to 101.2 in 2020 (BoT 2021). However, overall, as of June 2020, food and beverage manufacturers had been among the least affected, compared to other sectors of the economy (UNIDO 2020). In fact, prospects going forward looked rather positive, with estimates suggesting that food and beverage exports would reach $35 billion in 2021, a growth of 7.1 per cent (USDA 2021b).

20 According to national census data, an estimated 80.9 per cent of food manufacturing business in Bangkok and 64.2 per cent in the Bangkok vicinity in 2017 had less than 10 million baht in registered capital, while 9.6 per cent and 24.4 per cent in Bangkok and its vicinity, respectively, had between 10 million and 99 million baht in registered capital.

21 For an in-depth yet potentially somewhat outdated look at the bakery subsector, see Business Opportunities Study in Thai Bakery Sector, which was conducted in 2013 by Larive International on behalf of the Dutch Embassy in Bangkok.

The pandemic has also further reinforced pre-existing consumer trends, especially among urbanites, with a rising demand for convenient ready-to-eat meals (including bakery products), healthy food products (whose domestic consumption was valued at 5.3 billion in 2016, with a 6.7 per cent growth rate (BOI n.d.c) and food delivery (USDA 2021b). With the rapid growth of e-commerce precipitated by COVID-19, the food retail segment is evolving due to increased working from home and an increasingly tech-adept population. Consumers are spending more at convenience stores, supermarkets and online through e-commerce platforms and also making purchases more cautiously and mainly only on necessities, in addition to increased uptake of quick and convenient food.

▶ Box 10. Convenience and environmental friendliness are on the rise among Thai consumers

Opportunities in Thailand's food manufacturing sector continue to grow as domestic sales of processed foods rise due to a major shift in consumption patterns towards convenience food items, such as ready-to-eat meals (which has exhibited double digit growth*), bakery products and snacks. This shift is especially pronounced among urban dwellers who have less time for food preparation due to longer working hours and busy lifestyles (USDA 2021b). A large proportion of urban dwellers are also reportedly willing to pay extra for food and beverage products that are committed to reducing plastic and food waste as an increasing number become aware of environmental issues (USDA 2021c).

Note: *BOI n.d.c

Criteria 3: Feasibility of project to drive change

The Thai Government considers the food industry a priority sector and as one of ten growth engines, in-line with the Thailand 4.0 economic model. The Government created a food-optimized industrial park – Food Innopolis (BOI n.d.c) – in Pathum Thani Province, on the outskirts of Metro Bangkok. To further enhance competitiveness, the Ministry of Labour also launched a strategic framework and road map for 2018–2022 aimed at the health service and food industries (BOI n.d.c).

Considering the size of the sector and the many opportunities it offers, the Government has shown interest in supporting strategic sub-segments of the sector, such as the rapidly growing healthy foods segment, with a mix of tax incentives and support for research. Additionally, considering the country's close proximity with markets holding large Muslim populations, the Government previously had prioritized halal foods in a five-year plan (2016–2020), with the aim of positioning Thailand among the top-five halal product exporters worldwide (BOI n.d.c).

Food and beverage service

Criteria 1: Relevance to the target group

In 2016, there were 54,315 food and beverage service businesses in Bangkok and an additional 26,930 in Bangkok's vicinity (which includes Samut Prakan, Nonthaburi, Pathum Thani, Nakhon Pathom, Samut Sakon provinces), making for a total of 81,245 food and beverage service businesses in the metropolitan region (NSO n.d.a). Many of these businesses are micro and small in scale: In 2018, 323,957 out of 329,514 businesses engaged in food and beverage service activities nationally had fewer than 16 employees, translating into a 98 per cent ratio (NSO n.d.a). When evaluating the sector presence of the target group, the data suggested that food and beverage service is traditionally a sector with relatively high women ownership, which was confirmed in the case of Thailand by industry stakeholders.

Based on the 2013 Business Trade and Services Survey in Bangkok, 30,417 of the 35,377 businesses in food and beverage service activities at the time were restaurant activity providers, which represented approximately 86 per cent of the total (the rest were event catering and beverage-serving activities). Within the restaurant segment,[22] quick-service restaurants (or fast food establishments)

22 For an in-depth analysis of the Thai food and beverage service sector, including of different market segments, see USDA 2020.

make up around 10 per cent of all establishments in the country and are steadily growing at a rate of 8–10 per cent per year; full-service restaurants account for 10 per cent of the market; and small restaurants for 80 per cent (USDA 2020e).

Criteria 2: Opportunity for recovery and growth

Prior to the COVID-19 pandemic, the sector had one of the highest growth rates of all sectors across Thailand, expanding at around 4–5 per cent annually over the past few years. This has been largely fuelled by growth of the urban population and its demand for convenience, which has pushed up spending on dining out and food delivery. In Bangkok, the population reportedly spends more than 40 per cent of disposable income on dining out. As a result of growing demand and relatively low barriers to entry, the number of establishments has proliferated (with many setting up shop in malls), and competition has been extremely high, especially in Bangkok (USDA 2020e). Tech-savvy entrepreneurs have also been increasingly finding ways to merge technology with food, offering innovative restaurant recommendations and delivery apps (BOI n.d.c). Thailand's booming tourism industry has been a significant factor of growth, with roughly 15 per cent of tourism spending typically in restaurants (USDA 2020e).

Since the pandemic, however, food and beverage service has been one of the most severely impacted sectors due to the temporary lockdowns, curfews, the closure of venues considered to contain high-propagation risks (including food and beverage establishments) and continued restrictions on travel, which have significantly reduced tourism. Real Gross Domestic Product Growth on Production Side of "accommodation and food service activities" was -36.6 per cent for 2020 (YoY) and -17.2 per cent for the period January-September 2021 (YoY), indicating continued contraction in 2021 (NESDC 2021). From March to May 2020, restaurants reportedly ran at 20–30 per cent capacity, while dine-in services were prohibited (USDA 2020g). As of mid-2020, according to the Thai Restaurant Business Association, approximately 10–15 per cent of restaurant business operators, especially medium- to large-sized businesses, were expected to exit the industry by the end of 2020 (USDA 2020g). Many businesses have managed to squeeze out subsistence income via food delivery (box 11).

Despite the impacts of the pandemic, experts suggested that the long-term outlook for the restaurant sector remains positive, albeit evidently with a slower growth pace expected and conditional on Thailand's ability to manage the pandemic as successfully as it has so far. Thailand has a strong food culture, and increasing urbanization is only likely to further strengthen the food and beverage service sector in the long run (USDA 2020g).

▶ Box 11. Food delivery amid the pandemic in Thailand

To cope with the pandemic, food delivery – which was exempted from COVID-19 measures – soared, with experts estimating they totalled more than $1.1 billion in 2020, representing a 17 per cent growth rate – significantly higher than previous growth of around 8–10 per cent since 2017 (USDA 2020f). This growth was especially pronounced during lockdowns, with delivery sales having more than doubled during the first lockdown period in 2020, compared with the same period in 2019 (USDA 2020f). Growth has been especially strong relative to online food delivery orders, which grew more from 2019 to mid-2020 than between 2012 and 2018, and are estimated to total more than 20 million orders in Bangkok alone in 2020 (USDA 2020). According to the Office of Small and Medium Enterprises Promotion (n.d.b), the shift online has been so successful that the most lucrative online business since the pandemic has been restaurants, which, pre-pandemic, used to derive approximately 15 per cent revenue from online food delivery (USDA 2021f). However, this has not been enough to offset the loss of dine-in sales (USDA 2020f). In any case, digitalization has an increasingly important role, with social media advertising and online delivery having become a must for most restaurants to survive. As a result of the pandemic, previous niche demand for healthy and environment-friendly food and beverage options has significantly increased (USDA 2021c).

Criteria 3: Feasibility of project to drive change

The Thai Government has, since the early 2000s, supported promotion of Thai food across the world, through its Global Thai programme (Medium 2020). These promotion efforts, aimed at increasing export and tourism revenue, have been led by many different government agencies and have adopted many forms, such as loans offered to Thai nationals hoping to open restaurants abroad, investing in training of chefs or even developing new recipes (VICE 2018).The Government has been rather successful with this strategy of "gastrodiplomacy", which has helped the country to become a booming tourism hub and the cultural powerhouse of South-East Asia (Medium 2020).


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Wellness service

Criteria 1: Relevance to the target group

In 2017, there were more than 20,000 wellness businesses in Thailand, many of which were managed by women. The sector encompasses a range of businesses, from luxury hotel spas and large chains catering to foreign tourists to small street-side day spas. Many of the clients are locals, which accounts for the majority of businesses in the sector (*Bangkok Post* 2020).

Criteria 2: Opportunity for recovery and growth

Thailand's wellness sector, which generated expenditures of 376 billion Thai baht in 2017 (*Bangkok Post* 2020), has been growing steadily since the late 1990s (reportedly at a pace of 8 per cent annually prior to pandemic (*Nikkei Asia* 2020b). This growth has been supported by increasing foreign visitors (*Bangkok Post* 2020) and the Government's efforts to cement the position of Thailand as the wellness capital of Asia by strengthening industry quality standards, training, certification schemes and regulations (MOH n.d.).

The coronavirus pandemic and associated mandatory closures during lockdowns, huge losses in foreign tourist customers and social distancing and hygiene measures have hit the sector extremely hard, causing more than 140,000 of its workers to seek unemployment assistance following the first wave of COVID-19 infections (*Bangkok Post* 2020). Because the spread of COVID-19 remained mostly under control in the country, wellness businesses were able to operate over the remainder of 2020, albeit under stringent prevention measures at limited capacity. On 26 April 2021, however, wellness establishments in Bangkok were forced to close again amid the third wave of the pandemic (Thai News 2021). Considering that competition prior to COVID-19 was already high, many establishments are likely to have shuttered completely or are on the verge of doing so as a result of the pandemic.

Criteria 3: Feasibility of project to drive change

The high degree of private sector organization into associations has substantially aided the development of Thailand's wellness sector and wellness tourism, especially via coordinated training and marketing efforts. Various wellness associations offer services to wellness sector businesses, including the Thai Massage Association, the Federation of Thai Spa and Wellness and the Thai Medical Wellness Tourism Association. The Thai Spa Association, for instance, works to promote the sector and ensure high standards in staff training, spa management and equipment. It offers members educational and training opportunities, access to information, networking opportunities, spa visits and excursions, plans for spa accreditation and a "seal of approval" that offers recognition of best practice adoption (ADB 2020c). There are also various companies that offer sector-specific consultancy services to spa businesses (Goco Hospitality 2020).

The Government's efforts to support wellness sector development have been effective in setting up industrial standards and supporting vocational training (MOH n.d.). Beyond these efforts, the Government has focused on the wellness tourism segment, recognizing it as a high-value tourism segment and accordingly making it a tourism sector priority (Oxford Business Group n.d.). The Governor of the Tourism Authority of Thailand even set a new goal for the country: aiming for it to become a global medical and wellness destination by 2024 (*Prestige* 2020). In this context, the Tourism Authority has supported advertising of more than 40 spa and wellness resorts in the country, launched a sector strategy and various sector marketing campaigns and promoted wellness tourism packages (ADB 2020c).

3.4 Philippines – Manila and Cebu

Shortlisting of sectors

As previously mentioned, the initial longlisting of sectors was intended to be driven by evidence of the sector presence of the target group. In the case of the Philippines, however, as with Thailand, there is a lack of definitive data on this matter. This criterion could only be judged based on estimations whose potential inaccuracy warranted a conservative approach. In effect, unless data suggested women's involvement was minimal, all sectors falling within the project scope with large numbers of small businesses in the project's target areas (Manila and Cebu) were considered. This was determined largely based on information from the Census of Philippine Business and Industry (PSA 2018), which provided information on many establishments per sector and per region.

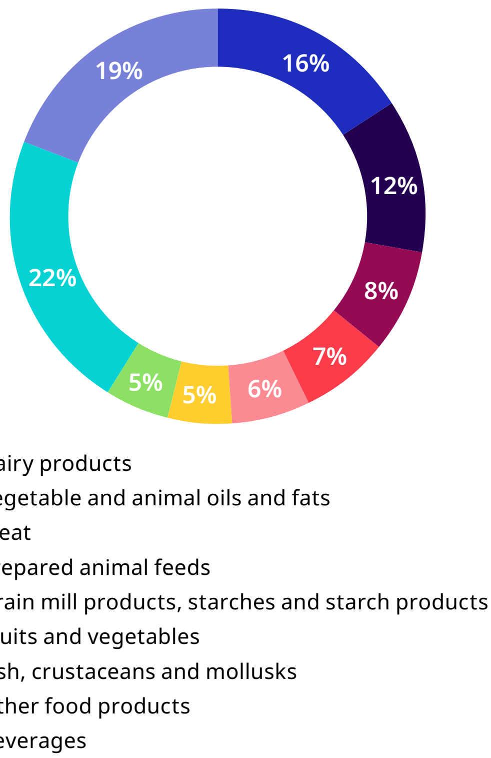
This of course cast the net too wide. Various other criteria were also used to further refine the longlist of sectors. Ultimately, four sectors were selected: wellness; food manufacturing; food and beverage service; and handicrafts, fashion and design. They were selected in light of the large number of small businesses, high levels of women's entrepreneurship, relatively high homogeneity of business activities (which bears an impact on the ability of the project to fulfil support needs of all targeted beneficiaries), high impact of COVID-19 on small businesses and economic importance of the sector.

Food manufacturing

Criteria 1: Relevance to the target group

In 2018, there were 4,636 manufacturing businesses in the National Capital Region and 2,347 in Central Visayas, (PSA 2018), making it one of the largest subsectors of their respective economies. Food manufacturing businesses account for a large share of all manufacturing businesses in the Philippines, with the Census of Philippine Business and Industry putting that figure at approximately 37 per cent (PSA 2018). More recent United Nations research (UNIDO, ILO and UN Women 2021) suggests it could be as high as 54 per cent and 70 per cent of which is reportedly women-owned. While there are large companies involved in the industry, the majority of food processors registered under the Philippine Food and Drug Administration as of 2018 were micro to medium-sized businesses (USDA 2020c). Food manufacturing business are typically involved in a range of segments, with dairy products being the largest subsector and wheat-based products, such as bakery products, having become increasingly popular in recent years (figure 1) (USDA 2021a).

▶ Figure 1. Major segments in the food and beverage processing industry



Source: USDA, 2021a.

Criteria 2: Opportunity for recovery and growth

Around 90 per cent of food manufacturing production in the Philippines is consumed domestically, with the majority of products emanating from the industry ending up sold to consumers in domestic retail outlets. The Philippines' strong and growing base of middle-income consumers and a highly urbanized young population with increasingly sophisticated tastes and growing access to modern supermarkets has been fuelling the sector's growth (USDA 2021a). In 2019, the sector's gross value-added output was $35.8 billion, up 6 per cent from 2018, and 39 per cent from five years previous (USDA 2020d).

In 2020, however, the food manufacturing sector contracted, despite the designation of food manufacturing as an essential industry. And as of January 2021, capacity utilization rates were still falling. The sector has been somewhat spared, compared with other sectors, buoyed by household consumption of food and non-alcoholic beverages that is up 5.3 per cent year-over-year in the fourth quarter of 2020 (USDA 2021a) due to lockdown measures fuelling demand for pantry items, snack foods, products with extended shelf life and premium products (USDA 2021a).

In 2021, the food manufacturing sector is expected to remain relatively stagnant, with forecasts suggesting it will grow between 0 and 3 per cent. It is a marked decrease, compared with its long-term 6 per cent average (USDA 2021a). In any case, in the long term, the Philippines, and more specifically, Manila and Cebu, are exceptionally well positioned to benefit from further development of the sector. Indeed, both cities constitute the chief sea ports, respectively, for Luzon and the Visayas regions.[23] Manila is located strategically in the region because it is four hours by air or six days by cargo vessel to all the major sea ports in East and South-East Asia. As quality and efficiency of production grow, exports to the region are thus expected to grow, further propelled by the country's participation in various free trade agreements (USDA 2019). However, to take full advantage of these assets, there is a need to upgrade processing, storage and transportation infrastructure.

Criteria 3: Feasibility of the project to drive change

The food manufacturing sector is a relatively highly regulated sector (PIDS 2018), whose importance has long been recognized by the Government, which included it as a priority sector for development in its 2014–2025 manufacturing industry road map (PIDS 2014) and even developed road maps for various agro-processing subsectors, such as fruits, condiments or cacao (Government of Philippines n.d. a, b, c). The Government also intended for the food manufacturing industry to be a beneficiary of the flagship Shared Service Facilities Project through facilitated access to improved technologies (DTI n.d.b).

The importance of the sector for women entrepreneurs specifically has also been recognized within the donor community, such as by the joint UNIDO, ILO and UN Women programme, Unlocking Opportunities to Build a Better Normal: Toward Gender Responsive and Resilient MSMEs in the Manufacturing and Support Industries in the Philippines, which chose it as its focus and is currently active.

Food and beverage service

Criteria 1: Relevance to the target group

At the national level, there were 44,487 registered accommodation and food service establishments in 2018,[24] 75.2 per cent of which were restaurants and mobile food service providers, while 7.9 per cent were beverage service providers and 1.9 per cent were event catering and other food service businesses. In the project's target regions, 9,706 establishments in this category were in the National Capital Region and 3,963 in the Central Visayas (USDA 2020d). The sector is traditionally home to many women entrepreneurs, as confirmed by project stakeholders. Food and beverage service covers a variety of establishments, including restaurants, fast food chains, cafeterias, food service in hotels, kiosks, cafés, bars and catering services. As of 2019, 67 per cent of establishments were reportedly independent operators, while the market share of chain establishments has been growing between 1 and 2 per cent annually (USDA 2020d).

23 Domestic inter-island shipping among the country's 7,000 islands is expensive and cold-chain facilities and observation can be limited (USDA 2020d).

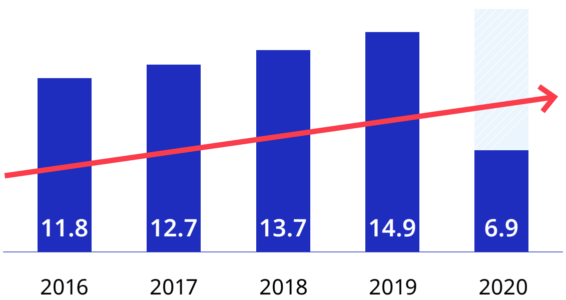
24 Research suggests that there were actually closer to 95,000 food service establishments in the Philippines in 2019 (USDA 2020).

Criteria 2: Opportunity for recovery and growth

Driven by the country's growing middle class (of more than 20 million people), an eager-to-spend millennial generation as well as increasing urbanization, food service sector sales rose to approximately $15 billion in 2019 in the Philippines. In recent years, the sector's growth in urbanized areas has been further propelled by the proliferation of food service outlets in shopping malls – Metro Manila alone has more than 150 medium- to large-sized shopping malls, with more malls currently under construction (USDA 2020d). Additionally, worsening traffic situations in Manila are pushing up workers' time in transit and leading them to purchase cooked meals or eat out instead of preparing food at home.

Although initial estimates suggested the sector would grow by another 8–10 per cent, bringing sales up to $16 billion, the COVID-19 pandemic caused the sector to contract by more than 30 per cent in 2020 (figure 2), in large part due to the strict lockdowns, curfews and other restrictions most of the year. Food service providers that still remain in operation have generally shifted to online delivery platforms, such as Foodpanda and GrabFood, and cashless payment platforms, such as GCash and PayMaya, while also searching for innovative ways to attract customers and increase sales via increased creativity in dishes or social media advertising campaigns (*F&B Report* 2021). Food service operators also have been required to retrofit their establishments to comply with health and safety measures (USDA 2020d).

▶ Figure 2. Philippine food service sector estimated sales for 2016–19 and forecasted sales for 2020 (billions of dollars)



Source: USDA 2020d.

With the pandemic's continued presence in 2021, the sector is unlikely to recover anytime soon. Experts are even suggesting that it will take at least six months for the sector to bounce back once the pandemic ends. In terms of the future outlook of the industry, niche markets and trends, including higher demand for plant-based food, are increasingly emerging in the market. And digitalization has become a must for restaurant businesses to advertise their offering and transact with customers. As per ILO research (2020), young women operating in the food and beverage service industry are likely to be more heavily impacted by COVID-19.

Criteria 3: Feasibility of project to drive change

During the pandemic, the Government has recognized the impacts felt by food and beverage service businesses and engaged in various efforts to mitigate them. Recognizing the issue of food order cancellations via online delivery platforms and the burden this exerts on restaurant businesses, the Government introduced a bill to penalize the cancellation of orders. Additionally, it supported the safe reopening of dine-in restaurants by publishing occupational safety and health guidelines (*F&B Report* 2020a).

Fashion, design and handicrafts

Criteria 1: Relevance to the target group

According to the Census of Philippine Business and Industry, there were 1,957 businesses involved in the fashion and design sector[25] in 2018, a slight uptick from the 1,920 in 2017. A decrease in wearing apparel businesses (from 1,019 to 880 in 2018) was offset by an increase in custom tailoring and dressmaking (599 to 790 businesses).[26] According to the World Bank Enterprise Survey findings, garment manufacturing had one of the highest rates of enterprises with women majority ownership in the Philippines, at 37 per cent. Handicrafts is also an important sector with high levels of women's entrepreneurship in Cebu and surrounding areas according to consultation with study informants.

25 Here, the project's definition of fashion manufacturing encompasses different Philippine Standard Industrial Classification categories: the manufacture of wearing apparel; custom tailoring and dressmaking; the manufacture of footwear; tanning and dressing of leather and the manufacture of luggage and handbags; and the manufacture of knitted and crocheted apparel. Textile manufacturing categories were excluded.

26 See https://psa.gov.ph/manufacturing/aspbi-id/160272.

The fashion and design sector largely consists of subsectors with high average employment per establishment: at 195 employees for the manufacture of "knitted and crocheted apparel"; 221 employees for "tanning and dressing of leather and the manufacture of luggage and handbag"; and 113 employees for "wearing apparel (excluding fur apparel)" (PSA 2018). However, this obscures a more contrasted reality, with the garment industry comprising mostly subcontractors (at 61 per cent), which includes home workers and small contractors to garment exporters (BOI 2016) as well as some large establishments that skew the numbers upwards. Custom tailoring and dressmaking, on the other hand, consists almost exclusively of MSMEs, as suggested by an average of nine employees per establishment (PSA 2018). The fashion manufacturing sector is likely to hold many small businesses that fall within the project's definition.

Criteria 2: Opportunity for recovery and growth

According to the BOI (2016), the garment sector in the Philippines has been steadily declining since the mid-1990s. It has been a gradual decline rather than instantaneous, with the country's position as a global exporter of apparel declining only 6 per cent between 2007 and 2014 (Duke University 2016). The sector retains high economic importance, considering its size (in 2016, garment exports amounted to $1.22 billion), the number of people it employs as well as the more than 100 million domestic consumers the country holds, all of which demand clothing and other fashion accessories. Various stakeholders, but particularly the Government, still view the sector as a priority and believe the country's emerging fashion design scene and its textile industry will revive the industry and enable the emergence of a holistic fashion and design sector with growth coming at all levels of the value chain (Invest Philippines Taiwan 2019).

The COVID-19 pandemic has not spared the fashion and design sector, with domestic consumers curbing their spending on non-essential items and with demand from leading buyers in Western markets having fallen. As of September 2020, more than 20,000 job cuts were expected among the 112,000 workers employed by member companies of the Confederation of Wearable Exporters of the Philippines as a result of reduced orders from American buyers, which make up around 75 per cent of orders (*Nikkei Asia* 2020a). Beyond reduced demand, fashion sector businesses have been impacted by supply chain disruptions affecting access to imported intermediary inputs (ILO 2020e). To cope with the reduced demand amid the pandemic, many fashion industry businesses have shifted to the production of personal protective equipment.

Looking ahead, prospects for the country are likely to significantly improve. As vaccination efforts ramp up in trading partner countries, demand for garment exports is likely to rise again. Additionally, the current crisis in Myanmar has led many international brands that had set up operations in the country to exit, which is leading to new opportunities in the region, including a revival in the Philippines (*Manila Bulletin* 2021a).

Criteria 3: Feasibility of the project to drive change

Despite negative growth of the industry, the Philippines' Department of Trade and Industry still views the garments and textiles industry as holding high potential, considering the size of the domestic market and the conclusion of trade agreements that have enabled valuable market access to export markets, such as Japan, Europe and the United States (Invest Philippines Taiwan 2019). To provide clear strategic direction to its sector revival efforts, the Government developed a Textile–Garment Industry Roadmap 2020–2029 with various strategic priority investments. It aims to increase exports by 12 per cent yearly and to make the Philippines one of the top-ten players in the worldwide garments and textiles sector (Philstar 2019). A key aspect of the sector's growth is expected to come from the increased use of natural and indigenous fibres (such as pineapple, silk, abaca, banana and jusi), some of which are already being used to manufacture local uniforms (PTRI 2020). The Government has invested in research to support sector development through the Philippine Textile Research Institute (ibid.).

Wellness service

Criteria 1: Relevance to the target group

In 2018, according to the Census of Philippines Business and Industry, there were 2,393 registered "other services activities" establishments in the National Capital Region and 1,602 in the Central Visayas. Of them, approximately 60 per cent were personal services for wellness establishments, which encompasses beauty salons and spas and which had an average of eight employees per establishment (PSA 2018), suggesting a majority of micro and small-sized businesses. While the industry is greater in size in the National Capital Region, several of the country's top resort and spa destinations can be found in the Central Visayas region, including in Cebu (Visit South East Asia n.d.).

The wellness industry is one that is globally led by women entrepreneurs (Forbes 2019). Women entrepreneur involvement has been recognized in the Philippines by development cooperation organizations, including the United States Agency for International Development (ICMA 2020). Women entrepreneur excellence has also been recognized in the industry, reflected in the various entrepreneurship awards to women in the sector, such as for the development and integration of healthy spa food products in the wellness experience (*Manila Bulletin* 2019; Go Negosyo 2017).

Criteria 2: Opportunity for recovery and growth

The health and wellness sector has been hard hit by the COVID-19 pandemic, impacting stand-alone and mall-based day spas especially harsh when consumers chose to stay home (*Business Inquirer* 2021a) and personal care industries were prohibited from operating under the Enhanced Community Quarantine orders (*F&B Report* 2020b). Not only have spas been affected by reduced demand due to the quarantine and capacity restrictions, they have suffered from the restrictions on the treatments they are allowed to provide and have incurred costs related to additional safety protocols (which actually were developed by industry stakeholders) (*Business Inquirer* 2021a).

Demand for wellness services in the country has been increasing in recent years, driven by a relatively rapid increase of the country's population and increasing life expectancy as well as a growing tourism industry (DOLE 2012), which accounted for approximately a third of revenue of health and wellness sector establishments before the pandemic (DoH 2021). Amid the COVID-19 pandemic, concerns for personal health and well-being have significantly increased, making the industry even more relevant (Business Inquirer 2021a) and likely stimulating future demand as well as speeding up the sector's recovery, according to the Department of Tourism (*Philstar* 2020).

Criteria 3: Feasibility of project to drive change

The Government has supported the development of health and wellness tourism in the country since the mid-2000s (DOH 2021). Significant gaps remain due to the siloed efforts of different government agencies as well as the lack of concrete and reliable data (DOH. n.d.), despite efforts the to fill this gap (Beta Entrepreneurship 2016). One initiative is the creation of an interagency National Technical Working Group for Philippine Medical Travel and Wellness Tourism Program in 2013, chaired by the Departments of Health and Tourism and responsible for developing an industry road map and efforts to create a National Policy Framework (DOH 2021). Health and wellness tourism is one of ten products identified under the National Tourism Development Plan 2016–2022 (*Philstar* 2020).

Industry stakeholders are also active in sector promotion and other sector development efforts. Industry stakeholders submitted spa and wellness safety protocols to the Departments of Health and Tourism, which were approved, indicating that effective sector-level coordination exists (*Business Inquirer* 2021a). They have also supported the promotion of health tourism, especially *hilot*, the country's famous touch therapy (DOFA 2018).

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4

Demand and supply: The needs of women entrepreneurs and access to available support services

4.1 Methodology, objectives and structure

In addition to identifying focal sectors for project intervention, this study assessed the needs of the targeted beneficiaries in the context of the COVID-19 pandemic and mapped out women entrepreneurs' access to available support services, especially gender-sensitive support services. This information will help the project determine how its support might be best tailored to suit the specific needs of targeted beneficiaries during this time of crisis as well as help to better understand the strengths and weaknesses in the current SME support service ecosystem. The desk research, key informant interviews and focus group discussions for this were conducted in April–June 2021.

The findings of this exercise are presented for each country, starting with Malaysia in section 4.2, Thailand in section 4.3 and the Philippines in section 4.4. Each country-specific section is structured in a similar manner and provides insights into:

- COVID-19 impact on the targeted beneficiaries and the coping mechanisms they have adopted in response to the pandemic;
- availability of, access to and demand for financial support services before and since the pandemic; and
- availability of, access to and demand for non-financial support services before and since the pandemic.

4.2 Malaysia

Impact of the COVID-19 pandemic on women entrepreneurs and their coping mechanisms

Women-owned small businesses have been among the most severely affected by the COVID-19 pandemic, even more so than their male counterparts according to various COVID-19 impact surveys (ADB 2020b). This is partly as a result of their limited access to support services in addition to heightened unpaid care duties resulting from stay-at-home orders. As noted previously, food and beverage service providers have been among the most harshly affected businesses in Malaysia; targeted beneficiaries confirmed the sector is still under extreme stress. Businesses in the retail trade sector have also reported being strongly impacted by the COVID-19 pandemic due to reduced consumer spending on non-essential goods and the need to move operations online, which many targeted beneficiaries have had trouble doing. As of May 2021, targeted beneficiaries indicated it would take at least a year for their businesses to recover from the crisis, although the exact time frame remains hard to predict, given the uncertainty of the situation.

Overall, some of the most pressing challenges for women entrepreneurs who participated in the FGDs conducted by the Rebuilding Better Project in May–June 2021 included managing the lack of an adequate cashflow and financial liquidity while also trying to cover high fixed costs and other expenses. Women entrepreneurs were also struggling as a result of limited knowledge in the area of digital marketing and e-commerce as sales moved online. Women entrepreneurs in both targeted sectors cited mental health issues as one of their primary challenges, caused by the stress of running a business while also caring for family and tending to household needs, as unpaid care duties had increased significantly during the pandemic. In the food and beverage sector, many women entrepreneurs reported saturated markets as a primary challenge, which resulted from many Malaysians' entry into the market to derive an alternative source of income amid the pandemic. The following sections expand on these challenges.

Financial impact

As of mid-2020, cashflow, liquidity, delays in receivables and declines in revenue as a result of weaker demand all constituted major challenges for SMEs, according to studies conducted by The Asia Foundation (2021) and the consulting firm Ernst & Young (2020). Additionally, the need for many businesses to upgrade their technology systems exerted an increased financial burden. Small enterprises were among the most financially affected. This is likely because most of them lacked sufficient savings to deal with various fixed costs, such as rent,[27] which already constituted a major challenge prior to the pandemic. Many entrepreneurs have reported challenges in repaying back loans since the COVID-19 outbreak. To cope, the majority of businesses have resorted to cost-cutting measures, especially downsizing their business, freezing hiring and cutting staff or adjusting wages, while many have also paid extra attention to cashflow management. Some have also managed to secure discounts from suppliers (The Asia Foundation 2021; Ernst & Young 2020).

Women entrepreneurs who participated in the FGDs still reported (as of June 2021) large decreases in sales, particularly retail businesses selling non-essential products such as apparel because consumers have reduced spending to save money and restaurants due to the reduction of dine-in business and cancellation of catering orders. Several FGD participants reported how sales in the first few months of the pandemic dropped from 80 per cent to 100 per cent, although they had since increased because the women entrepreneurs had adjusted to the new situation.

In parallel, generally speaking, many entrepreneurs still reported major challenges relative to adequately managing costs and expenses and in paying salaries and rent while maintaining a positive cashflow. This is also due to the need to cover new expenses, including for personal protective equipment and COVID-19 tests for staff. Costs of supplies and raw ingredients were reported to also have increased during the pandemic, particularly for women entrepreneurs operating small businesses in the food and beverage sector. Most of the coping strategies implemented by SMEs in mid-2020 have remained in place among the targeted beneficiaries.

27 Previous research suggests that even before the advent of COVID-19, retail trade businesses, especially small and medium-sized retailers, struggled with high operational costs and rent, which typically represent 20 per cent of the cost of doing business and constitutes a potential source of a large increase upon rental contract renewal (MYCC 2020).

Supply chain

With the announcement of the Movement Control Order by the Government in March 2020, many shipping ports were ordered to shut down to prevent the spread of COVID-19, which resulted in halted or delayed shipments to and from Malaysia. Targeted beneficiaries who sourced raw ingredients and materials from overseas were forced to source from local suppliers that were typically either more costly or less reliable.

As of mid-2020, many SMEs encountered major supply chain challenges over the course of the pandemic, delays in fulfilling orders and deliveries. SMEs involved in international trade were also affected because the cost of shipping outside of Malaysia has increased due to a decrease in shipment. To cope, many businesses attempted to expand their supplier base and build up inventory and orders in advance (Ernst & Young 2020). As of May 2021, supply chain disruptions had remained an issue for the targeted beneficiaries (especially with overseas suppliers), causing some to not have enough inventory or necessary raw materials. Women entrepreneurs in the retail trade sector have also faced problems with distribution under the Movement Control Order, with many having had to recruit more stockists and agents to distribute products.

Business operations

Since the pandemic, SMEs, including the targeted beneficiaries, have had to change their business and marketing strategies to cope with the impacts. Generally, as a result of cutting staff levels and remote working, many have experienced delays in completing tasks and projects. Many women entrepreneurs have attempted to enhance their remote working approaches with technical and connectivity improvements. In the retail trade sector, while some have delayed the launch of new products, others have ventured into the sale of new products to suit new trends, such as gift baskets and face masks, some of which were sourced from low-income women. Several women entrepreneurs involved in physical retail, which is considered non-essential services, were forced to either partially cease operations or shut down completely, with many still having to cover the cost of fixed assets, such as rent and utilities. More ambitious expansion plans, such as expansion into hypermarkets, have been halted, while generally a lack of knowledge on how to expand was considered to be a major barrier. In the food and beverage service sector, the market appears to be extremely saturated, rendering it difficult for targeted beneficiaries to differentiate themselves and adequately brand their business. Some food service providers have downsized their menus, cutting down costs and adapted them to suit customer needs for "daily type" meals (rice-based meals). Some women entrepreneurs have developed closer partnerships with delivery partners to expand food distribution, for instance, in the Klang Valley to align with the Movement Control Order.

Occupational safety and health

In terms of COVID-19 impacts related to occupational safety and health, most women entrepreneurs participating in the FGDs reported having suffered due to high levels of stress and anxiety since the beginning of the pandemic. Rather than seeking external support to cope, they have preferred to keep silent about their struggles for fear of judgment from others. Increased stress levels and anxiety are reportedly partly caused by the restriction of movement by the Government, which has increased the burden of domestic and household chores. This is especially apparent among the women entrepreneurs with children to care for. Some women have difficulty managing a business while ensuring their children are present in virtual classes, with many reporting that they are not able to receive additional household support from family members or through the hire of a domestic worker or nanny due to the travel restrictions imposed by the Government. The lack of household support means that women entrepreneurs are unable to prioritize their business needs, which is crucial for ensuring the survivability of their business. The uncertainty of the situation in the country is also a huge cause of concern because most women entrepreneurs struggle to plan ahead, not only for the business but for household needs. Women entrepreneurs are also feeling pressure to keep staff safe and healthy during the pandemic to be another factor causing additional stress.

To keep themselves and staff safe and healthy, women entrepreneurs have adopted new occupational safety and health practices, such as disinfecting areas and wearing personal protective equipment. Some also reported regularly testing staff to ensure they have not caught the virus. In the FGDs, several respondents said that they found it challenging to know if they were aligning with recommendations and practices or how to do so eventually when they return to work.

Digitalization

Since the COVID-19 outbreak, many businesses have had to rely more on information and communication technology (ICT) to work from home and engage in the e-commerce and digital marketing as well as even to simply engage with customers (Ernst & Young 2020), given social distancing measures. This has been a major challenge for SMEs due to their lack of familiarity with business digitalization (The Asia Foundation 2021), and even more so among women-owned SMEs because of their typically weaker digital skills (Isa et al. 2021). Following the first wave of the pandemic, many SMEs reported not having the adequate tools and skills to digitalize (only a small minority considered they had adequate technology and systems in place). Many of them have attempted to upgrade their ICT systems as a result. ICT infrastructure also remains the source of many problems among SMEs, which have trouble with online connectivity and its cost (Ernst & Young 2020).

Although a large majority of businesses had increased their online presence and focused on selling online since the pandemic outbreak, as of May 2021 they were still facing major challenges. These challenges were relative to digital marketing, website development, social media strategy, product photography and editing as well as lack of experience in selling online and in engaging targeted clients. Heightened competition as a result of digitalization was cited as a major concern. In the retail sector, most targeted beneficiaries did not have any presence online prior to the COVID-19 pandemic. Nevertheless, most have shifted online, posting daily on social media platforms and selling products via online marketplaces, such as Lazada and Shopee, instead of via their brick-and-mortar stores. Some reported challenges relative to new client acquisition, which was considered more difficult than via physical meet-ups. In the food and beverage service sector, women entrepreneurs have increased their presence on social media, where they have aimed to differentiate via branding and regular postings, advertising and resorting to influencers (albeit with mixed results). Some have even created a website for their business and, through it have automated orders. However, many have had difficulties, given their lack of digital skills and inability to find and/or to hire talent with digital skills. Many of them still are not familiar with social media analytics and algorithms, video and photo editing software and digital marketing generally.

Supply and demand of financial support services

Context

Access to finance among MSMEs grew significantly in recent years (the share of SME financing in total business financing grew from 43.8 per cent in 2015 to 50.7 per cent in 2017. It was supported with sustained government efforts to boost financial sector development as well as direct support to SMEs through loans, guarantees and refinancing schemes (see discussion further on) (OECD 2018a). Nevertheless, although access to finance among MSMEs has also been supported by the increasing availability of alternative funding opportunities[28] via digital financial services and dedicated stock markets for SMEs, the pace of growth in MSME access to finance had been decelerating prior to the COVID-19 pandemic (ADB 2020a).

Access to finance is especially weak among women-owned SMEs, compared with their male counterparts (Mohamad and Bakar 2017). Factors constraining women entrepreneurs' access to finance include inability to meet collateral requirements, provide financial records and complete loan applications as well as scepticism of some financial institutions towards women-owned businesses in Malaysia (Tanusia, Marthandan and Subramaniam 2016.). Several government financial support programmes targeting women

28 For more information on alternative sources of finance in ASEAN, especially angel funding, venture capital investment, social impact investment and equity crowdfunding, see ASEAN 2017.

entrepreneurs were available prior to the pandemic, but most government and private sector financial services remained gender-neutral.

Supply of financial support services

In Malaysia, banks[29] and, in particular, development finance institutions constitute the main source of SME and women's entrepreneurship development financing. Supporting SME access to finance has constituted the prime axis of the Malaysian Government's SME development policy, while financial inclusion has constituted an important objective, reflected in the financial inclusion strategy (2011–2020) of Bank Negara Malaysia, the country's Central Bank (ADB 2020a). SME financing makes up the bulk of the SME development-related government budget (at 88.3 per cent in 2017), the majority of which is channelled via a host of financial and SME-focused government bodies.

Loan guarantee schemes are provided via the state-owned Credit Guarantee Corporation, which also manages ImSME, the first SME online financing and loan referral platform, and through state-owned company Syarikat Jaminan Pembiayaan Perniagaan to a lesser extent. SME Corp and the SME Bank provide a variety of financial support services, including loan refinancing schemes, co-investment support and various financial grants, while AIM and TEKUN Nasional offer microfinancing to individuals and small-scale businesses. A number of government financial support programmes have targeted women-owned enterprises in recent years to address women entrepreneurs' limited access to finance. SME Bank, for instance, launched a Women Entrepreneurs Financing Programme in 2015, with total funding of around $45 million designed exclusively to be accessed by sustainable women-owned SMEs (in operation for more than two years) in need of working capital or financing to acquire fixed assets (OECD 2017). However, the majority of the Government's financing programmes appear to have been targeted at women-owned microenterprises, which make up the majority of women-owned enterprises in the country (various support programmes specifically target at enterprises owned by the large ethnic group Bumiputera) (OECD 2018a).

The Government has developed numerous financial support programmes (Mynef n.d.): They include grants to cover payment of wages and other operational costs, investment support programmes (for investment in digital equipment, for example), loan guarantee schemes incentivizing bank lending, loan repayment schemes and deferred tax and social security payment measures, among others. Some of them targeted women entrepreneurs. The support programmes have been channelled via a number of government institutions already involved in the provision of SME financial services, including Bank Negara Malaysia (n.d.), the SME Bank, Credit Guarantee Corporation, Syarikat Jaminan Pembiayaan Perniagaan and Malaysia Digital Economy Corporation, as well as several partner financial institutions, including Bank Simpanan Nasional and Bank Rakyat.

Demand and access since the pandemic

As of mid-2020, many SMEs reported having received a 3,000 ringgit special grant under the Prihatin stimulus package, wage subsidy support (recent reports suggesting that this enabled a large majority of SMEs to avoid cutting staff levels (Free Malaysia Today 2021)) and support via a moratorium on bank loans (Ernst & Young 2020). In the FGDs conducted with women entrepreneurs in May–June 2021, approximately half of them reported that they had accessed financial support during the COVID-19 pandemic. This included loans and grants from a variety of providers, including PENJANA, PUNB loan, the Human Resource Development Corporation, Mara, Maybank, SME Corp and MEDAC (some were waiting for their application to be processed) to support them with cashflow, equipment purchases and wage payments. While this support has been helpful, in most cases it was considered to be insufficient to keep the business afloat by covering fixed costs. Other support from which women entrepreneurs have benefited included the loan moratorium enacted by the Government at the beginning of the COVID-19 pandemic. Beyond this, many women also noted receiving financial support from family members and benefiting from the payment deferment from suppliers and proprietors, although this was considered too short for their business.

29 According to data from the IMF Financial Access Survey, https://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C), Malaysia had 42 commercial banks and 13 "other deposit takers" in 2019.

As of May–June 2021, many of the challenges the SMEs were experiencing following the first wave of the pandemic had remained. Major challenges mentioned by the women entrepreneurs in terms of accessing private sector financial services, including bank loans and other non-government grants, involved processes considered too tedious and requiring too much documentation, criteria to access funds being too stringent and the lack of awareness of financial support available or where to find information. Many of the targeted beneficiaries also mentioned preferring to rely on their own finances rather than taking a loan at an uncertain time. A few women entrepreneurs who did apply for non-governmental financial support or had their applications rejected because their business was either too small or the financial sheet did not show potential growth (during COVID-19).

Several women entrepreneurs were also hesitant to apply to access any financial support, including both governmental support and private sector financial services because they were not certain whether their business qualified or because they did not know what kind of support their business needed and had weak knowledge on fundraising. The women entrepreneurs also mentioned that they usually only apply for financial support if it has been validated by a peer. Most women entrepreneurs had not accessed external funding prior to the COVID-19 pandemic but relied on their own finances to start and grow their business over time.

By summer 2020, financial relief constituted the major type of support that SMEs needed, particularly loan relief, tax reductions and grant assistance, to help with cashflow, the payment of wages and to upgrade their technology to address connectivity. Female SME owners reportedly also mentioned childcare assistance as a core concern (Ernst & Young 2020). During the FGDs conducted by the Rebuilding Better Project, many of the targeted beneficiaries reported that they still need financial assistance to cover fixed assets, such as wages, rents and bills, purchase new machinery and equipment and to support future expansion of their business (new retail outlets, for instance) and their existing workforce.

Supply and demand of non-financial support services

Context

Women entrepreneurs in Malaysia typically suffer from weaker access to business support services (Mohamad and Bakar 2017). Some services, such as expert advice for guidance or information resources, are typically not perceived as having any major barrier (Alam, Senak and Jani 2012). Problematic access instead has related to entrepreneurship skills (box 12) and digitalization, if only because women entrepreneurs have typically lagged behind their male counterparts on such dimensions, which are crucial to business success. Women entrepreneurs have also been at a disadvantage in terms of access to support due to their typically weaker business networks (Usman, Buang and Yousaf 2007). Although, there are many women entrepreneur associations in Malaysia (see the next section), which are considered key to business growth and success. Domestic care obligations, which disproportionately affect women, have resulted in women entrepreneurs in Malaysia reporting challenges relative to balancing work and family life, which has further curbed their access to services. Many women entrepreneurs have also reported experiencing discrimination, reflected in difficulties finding locations to set up their business (Subramaniam, Arumugam and Akeel 2014).

▶ Box 12. Business skills and acumen among women entrepreneurs in Malaysia

The majority of women entrepreneurs in Malaysia start a business having had prior work experience while only a small percentage inherit their business from the family or start it straight away upon entering the labour market (Alam, Senik and Jani 2021). Nevertheless, as a result of limited access to training on management and skills upgrading, many women still lack the entrepreneurial skills key to business success (Tanusia, Marthandan and Subramaniam 2016). Human capital, including industry know-how, relevant skills and competencies, including proactiveness and risk-taking, and work experience were found to be the prime determinants of business success among women entrepreneurs in Malaysia (Basit, Sze Wong and Sethumadhavan 2020) and lack thereof being the major barrier to business success (Subramaniam., Arumugam and Akeel 2014; Mahmood and Hanafi 2013). In terms of attitudes and aspirations, most women entrepreneurs in Malaysia aspire to increase the size of their business and set up another business (acquisition of other businesses and franchising is also an aspiration for a small group of women. However, many of them lack strategic orientation and long-term vision to achieve their goals, while many women also suffer from high stress (Alam, Senik and Jani 2012).

Digital transformation has been happening at a fast pace in recent years, with more than half of Malaysia's small businesses having reportedly generated more than 10 per cent of their sales online prior to the pandemic in 2019 (Digital News Asia 2020b). Weak digitalization skills have, however, constituted a key challenge for many SMEs, especially women-owned SMEs, which has prevented many of them from marketing and expanding their business to the best of their ability – especially via e-commerce (box 13) – and limited their access to business management software. Even among those SMEs that have made the digital leap, most are only making use of basic digital tools, while few are achieving "advanced digitalization" (Consultancy.asia 2020). Weak enabling conditions for the development of the digital economy remain, including ongoing tensions between data protection and its legitimate use for commercial purposes, a highly concentrated telecoms market that contributes to high prices, weak digital skills education and workforce training programmes and weak professional networks among digital entrepreneurs (World Bank 2018).

▶ Box 13. Level of digitalization among women-owned SMEs in Malaysia

ICT usage, especially basic usage, was found to be quite high among women entrepreneurs in Malaysia and to be used for a variety of functions (Isa et al. 2021). In 2015, already more than half (56.3 per cent) of women-owned businesses in Malaysia used ICT, compared with the rate of 73.5 per cent overall (DOSM 2019b). Connectivity, however, has been another story. In 2015, approximately 41.1 per cent of women-owned businesses in the country used the internet (compared with 61.5 per cent overall (DOSM 2019b)), while only 14.7 per cent had a web presence that they used for business (compared with 18 per cent overall). In the food and beverage service sector, only 27.1 per cent of women-owned businesses used ICT, 11 per cent used internet and 2 per cent had a web presence. In wholesale and retail trade, 66 per cent of women-owned businesses used ICT, while internet use amounted to 49.5 per cent and web presence amounted to 24.1 per cent (DOSM 2016). Few small brick-and-mortar stores were reported to use online channels for distribution prior to COVID-19 (MYCC 2020).

▶ Box 14. E-commerce in Malaysia

E-commerce has been growing steadily in recent years in Malaysia and rapidly transforming the SME landscape, even though it remained relatively small in scale prior to the pandemic (ADB 2020a). Cash continues to be the major medium of payment (World Bank 2018). Income through e-commerce transactions have been growing at approximately 6 per cent yearly, reaching 447.8 billion ringgit in 2017, compared with 398.2 billion ringgit in 2015. This has been supported by the increasing number of business establishments using the internet to do business, while computer and internet usage among the general population has also been increasing steadily. In 2018, 70 per cent of the population in Malaysia used computers, while 81.2 per cent used the internet. In urban areas, use is prevalent across almost the entire population; for instance, 97.8 per cent of households in Putrajaya territory had access to a computer, while 99.6 per cent had access to the internet.

Source: Consultancy.asia, 2020.

Supply of non-financial support services

There are numerous providers of non-financial support services in Malaysia, various women-focused organizations, business membership organizations and government agencies (box 15). Women entrepreneurs' associations, which are prevalent in Malaysia, compared with other countries of ASEAN, are active in the provision of non-financial support services to women-owned SMEs and mentoring support (OECD 2017). The Malaysian Government, however, is the most important provider of assistance to SMEs overall, offering services supporting capacity-building, information access, community- and network-building, mentoring and coaching, among other types of support, channelled through an array of agencies. The Government also reportedly provides business development services facilitation and co-financing options through SME Corp, the PUNB financial institution, the Facilitation Fund and the Malaysian Technology Development Corporation, with 60 per cent typically provided by the agency in question and 40 per cent by entrepreneurs. There is a plan to introduce a Business Development Voucher Programme that would provide matching grants to assist entrepreneurs to modernize their facilities, explore new markets and improve their business processes. The SME Masterplan 2012–2020 and the 11th Malaysia Plan (2016–2020) have provided a strategic framework for business development services support (OECD 2018a).

Some of the Government's programmes have targeted women entrepreneurs. In certain cases, the Government even developed programmes

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with both non-financial and financial support services, for instance, in the case of the Women Entrepreneurs Financing Programme, launched in 2015, through which loans are made available by SME Bank. Training is provided via the Centre for Entrepreneurship Development and Research, which is the training, consultancy and research arm of SME Bank (OECD 2017). However, the majority of initiatives targeting women overall and with entrepreneurship training initiatives still appear to be focused on developing entrepreneurial capacity of women at the bottom of the pyramid. Only a few focus on women with higher human and social capital and already established enterprises (ibid.).

▶ Box 15. Stakeholders providing non-financial support services to SMEs

Major government agencies: SME Corp formulates and coordinates the implementation of SME development programmes and also operates more than 40 training centres across Malaysia. Various other agencies and ministries are also involved in the development and implementation of business development services, such as the Malaysian Global Innovation and Creativity Centre (MaGIC),[a] SME Bank and its the Centre for Entrepreneurship Development and Research, the Malaysia Digital Economy Corporation,[b] the Ministry of Human Resources,[c] the Ministry of Science, Technology and Innovation[d] and the National Institute of Entrepreneurship.

Major women-organizations and business membership organizations:[e] Malaysia has various women-focused business membership organizations, including the Federation of Women Entrepreneurs Association Malaysia, the National Association of Women Entrepreneurs of Malaysia, the Women Entrepreneur Network Association and Persatuan Usahawan Wanita Bumiputera. There are also various business membership organizations involved in the provision of non-financial support services to women-owned SMEs. The Malay Chamber of Commerce, which is Malaysia's largest association of enterprises, represents members' interest in business and trade domestically and internationally and has a women's wing (Abdul Mutalib et al. 2015). The SME Association of Malaysia, which comprises a million SMEs, provides various support services tailored to SMEs related to skills development and organizes exhibitions, business networking events and awards, including the annual SME Women Entrepreneur Awards. Several women-focused organizations have been active in supporting women-owned SME digitalization, including Gorgeous Geeks and the e-Entrepreneurs Women Association.

Source: [a]See https://www.mymagic.my/; [b]see https://mdec.my/; csee https://www.mohr.gov.my/index.php/en/; dsee https://www.mosti.gov.my/web/; eA list of business membership organizations operating in Malaysia is https://www.smeinfo.com.my/institutional-support.

▶ Box 16. Government support for digitalization in Malaysia

Recognizing the importance of digital transformation for the economy and increasing demand for digital adoption, government agencies in Malaysia have ramped up efforts to support the digitalization of businesses. Malaysia Digital Economy Corporation, the Malaysian Global Innovation and Creativity Centre (MaGIC) and the Cradle to Investment Programme are at the helm of the digital entrepreneurship ecosystem and government efforts (World Bank 2018). The Government also set up a legal framework and various policies to support digital development. These include the Electronic Commerce Act of 2006, which serves as the legal framework for e-commerce; the Payment Systems Act of 2003, which provides regulations on e-payment; and the Consumer Protection (Electronic Trade Transactions) Regulations of 2012, which cover consumer protection issues. The Government established a National E-commerce Council, comprising 25 agencies and ministries to design and implement a National E-commerce Strategic Roadmap that was then launched in 2016 (OECD 2018a), which supports the national agenda for the digital economy. One of its targets is to see 50 per cent of MSMEs enter the international e-commerce arena and ensure they are able to keep pace with the latest digital developments (ADB 2020a). The 12th Malaysia Plan includes the Malaysia Digital Economy Blueprint (MyDigital), which outlines the country's way forward in becoming a regional leader in the digital economy.[a] The Government has also supported the development of productive agglomerations linked to the digital economy (MDEC n.d.), such as the Multimedia Super Corridor; Cyberjaya, a science park on the outskirts of Kuala Lumpur with ambitions to become the Silicon Valley of Malaysia;[b] and the Digital Free Trade Zone, positioning Malaysia as a regional hub for e-commerce logistics through the development of Aeropolis, attached to the Kuala Lumpur Airport (OECD 2018a).

Source: [a]The Edge Markets 2021; [b]Digital News Asia, 2020a.

Since onset of the COVID-19 pandemic, the Government has invested in various skills development support programmes. Several of the programmes seem to cater to SMEs (SME Info. n.d.c), including the SME Development programme provided by PENJANA HRD Corp (n.d.), which offers training courses targeted at SME owners and their employees. It appears that many pre-existing support programmes are still available, albeit often under new delivery modalities. There are various digital-focused non-financial support services available, including the digital capacity-building 100 Go Digital programme under Malaysia Digital Economy Corporation (n.d.); the Malaysian Global Innovation and Creativity Centre's (MaGIC) (n.d.) Digital Business Academy, which offers online learning modules; and the MaGIC-sponsored webinars on digitalization-related topics. The Micro Entrepreneurs Business Development Programme (BizMe) provides business technical guidance and training programmes, especially in marketing, labelling and packaging; the Women Netpreneur Programme implemented by SME Corp (n.d.c) in collaboration with Gorgeous Geeks Malaysia (n.d.) supports women entrepreneur digitalization; the Women Entrepreneurship Association Malaysia's support programmes, such as Mentoring Women for Global Business and Entrepreneur Emergency Room 360. Various programmes target Bumiputera entrepreneurs, such as the capacity-building programmes offered by Bank Pembangunan Malaysia and SME Bank worth 800 million ringgit and by DanaKemakmuran Bumiputera, worth 1.3 billion ringgit.

There are two major centres through which SMEs, including women-owned SMEs, can access information for their business development: the SME Info online platform and the SME Corp's SME Hub (formerly One Referral Centre). SME Info is a one-stop, web-based portal that provides information on finance, advisory services, trainings, networking opportunities and other development options provided by the Government and the private sector. The website provides detailed information on starting a business, business management, growth, expansion and winding up business (SME Info n.d.b). SME Corp's SME Hub provides relevant information online and offline, including on how and where to get support depending on the business size, level of development and sector-specific needs.

Demand and access since the pandemic

Only a small proportion of the targeted beneficiaries reported having received non-financial support services. In the retail trade sector, targeted beneficiaries mentioned accessing mentoring support through the Women Entrepreneurship Association Malaysia, support from online platforms such as Poptron to promote products for free as well as support from delivery businesses like Foodpanda to promote products. In the food and beverage service sector, many targeted beneficiaries also received capacity-building support oriented towards improving digitalization and entrepreneurship skills. Support relative to e-commerce and digitalization skills has included Shopee classes provided by the government agency Mara, social media courses by the Human Resource Development Corporation and PENJANA HRD Corp and free classes on photoshoot and editing found online. Access to free software through the Malaysia Digital Economy Corporation's E-Usahawan programme was also cited. Entrepreneurship skills development support has included business strategy classes provided by the Human Resource Development Corporation, mentoring programmes offered via SEED (an Australian group) and to social entrepreneurs by EVPN.

Targeted beneficiaries who did not access any non-financial services mentioned not being aware of the services directed towards their needs (as small businesses), not knowing where to look (not knowing which government agencies provided such services or where to find suitable mentors) and being unsure of whether they would qualify for assistance due to barriers hindering them from accessing the services. Additionally, several women entrepreneurs said they felt they did not need any service or they were not aware of how they might benefit from it.

In the FGDs, women entrepreneurs indicated they were interested in more training opportunities on such topics as financial management and financial literacy so that they could better understand the financial health of their business and to determine potential areas of improvement. Digital skills support, relative to digital marketing, is in high demand among all the targeted beneficiaries, who asked for skills training, including digital skills. For retail sector businesses, the FGD respondents also mentioned regular marketing skills training as well as negotiation and sales training. Generally, most of the respondents expressed a need to improve their skills as well as those of their staff.

The targeted beneficiaries also expressed interest in more peer support and networking events with other women entrepreneurs to exchange knowledge and information and to support each other's businesses. Networking events were highlighted as useful to identify new suppliers and customers as well as other partners and to identify new market opportunities. Several of the women highlighted the importance of industry expertise and connecting with others from the same industry. Women entrepreneurs also indicated interest in mentoring opportunities and to get guidance from experienced women leaders and business owners, particularly with relevant industry experience. A few FGD respondents also asked for mental health support. Several women entrepreneurs also asked for a single platform where they can access information about financial and non-financial support services for women entrepreneurs in Malaysia, including financial services (such as credit options and grants), training programmes, workshops and other services.

In terms of preferred training modalities, the women entrepreneurs indicated they are interested in bespoke and interactive sessions that cover topics based on their needs. Given that women entrepreneurs have limited time, it is important that trainings be announced well in advance and, if it is an extended programme, that the time scheduling is consistent. For instance, it was proposed that trainings be announced at least one month in advance or that a training programme is scheduled on a biweekly basis, with the dates determined before the start of the programme. The women entrepreneurs also expressed that they want training sessions to be short and focused, generally one-hour online sessions.

4.3 Thailand

Impact of the COVID-19 pandemic on women entrepreneurs and their coping mechanisms

With less inventory, a smaller client base, fewer cash reserves and limited credit options in general, women-led SMEs in Thailand were among the first to face disruption caused by the COVID-19 crisis and will encounter significant hurdles returning to business as usual (UN Women 2020). Following the first wave, businesses in Bangkok were among the most harshly affected by the pandemic due to inability to operate and fewer customers (The Asia Foundation 2020).

The women entrepreneurs in the FGDs reported that their biggest challenge at that time was their cash flow situation because of the major drop in sales. They have continued to cover fixed costs and other business-related expenses. Most of them had tried to pivot their business during the pandemic and to identify alternative opportunities to generate cash flow. However, the shift had proven to be challenging for some of them due to lack of skills relative to e-commerce, online marketing and content creation. Several respondents were concerned about the high competition in the online market or were selling products or services that were not suitable for virtual settings. Other challenges include insufficient information regarding the COVID-19 situation, lack of clarity on COVID-19 measures announced by the Government, concerns on how to maintain health and safety of staff, lack of information on business opportunities and mental health issues and the difficulty maintaining positive thinking to stay resilient during the pandemic. When asked about the future for their business, the women entrepreneurs found it hard to predict, given the uncertainty of COVID-19. Nonetheless, a majority of the FGD participants stated that it will take a long time for their business to fully recover.

Financial impact

In the industrial sectors as of June 2020, small and low-tech firms had suffered the most from the COVID-19 crisis and containment measures. Demand reduction had the greatest impact (UNIDO 2020): 70 per cent of micro and small manufacturing businesses were making half or less of their pre-COVID-19 revenue. Manufacturing businesses were faring only slightly better than tourism businesses, with a majority reporting earning less than half of their pre-COVD-19 revenue and just 12 per cent were back to their pre-COVID-19 level (The Asia Foundation 2020). The biggest issue affecting businesses in manufacturing following the first wave of the pandemic was lack of working capital or cash flow, which was caused mainly by reduced sales as a result of reduced demand or by shortage of inputs caused by value chain and logistics disruptions. In response, more than half of the small and medium-sized manufacturing businesses had sought a new loan from a commercial bank, while more than half also reportedly focused on reducing operating costs as a coping measure (UNIDO 2020).

The most pressing challenge for all women entrepreneurs participating in the FGDs in Thailand was their cash flow; the women entrepreneurs reported a substantial loss of income. Due to the government restrictions, lack of tourists, Thai customers with less purchasing power and fewer people visiting public spaces, the women-owned businesses have seen a huge drop in sales in the past year. The uncertainty of the situation makes it impossible to plan financially, and many women reported they do not have enough cash to last another lockdown. Some expressed a need for financial support to manage fixed costs and keep their operations going. One women entrepreneur said she had already overdrawn her bank account.

While some businesses, particularly in the food and beverage service sectors, have been able to pivot their business to, for example, food delivery, several women entrepreneurs reported up to an 80 per cent drop in sales. As a result, some of them were forced to temporarily close down, retrench staff or asked their staff to take temporary leave. Due to their poor cash flow situation, the women are struggling to cover fixed costs, including rent and salary for their staff. Some businesses reported an increase in costs during the pandemic. For example, the entrepreneurs have experienced increased costs related to logistics and freight as well as occupational health and safety requirements, including medical checks for staff and personal protective equipment.

Supply chain

As of June 2020 in the industrial sectors, the shortage of inputs, including raw materials, was reported to be the second-biggest problem for firms regardless of integration in a global value chain (companies sourcing inputs domestically also reported this being their second-greatest challenge). Other impacts of COVID-19 on the targeted beneficiaries reported during the FGDs include the disruption of supply chains. A few women entrepreneurs reported they had to find new suppliers during the pandemic. This was primarily due to the temporary closure of ports disrupting and delaying international shipping and the ensuing price increases. Longer shipping time also caused some issues with inventory management because the women entrepreneurs could not distribute or ship products, ultimately resulting in full warehouses. Compared with, for example, the Malaysian entrepreneurs, the Thai women did not report any challenges to accessing raw materials during the crisis.

Business operations

Most women entrepreneurs have attempted to pivot their business during the pandemic and to identify alternative opportunities to generate cash flow. While this primarily linked to businesses diverting to online markets, some women entrepreneurs in the food manufacturing sector focused their efforts more on business-to-business sales because it was supposedly a more viable sales strategy during the pandemic. In the food and beverage sector, some respondents developed new menus that were better suited to sell online or reduced the number of items offered. A few of the respondents reported they had to close operations temporarily on different occasions. One of the entrepreneurs who currently had suspended her staff and put her business on halt was concerned that she might have to retrain all staff when she resumes operations again. Several other women reported using time available to upskill and train staff. Expansion plans had been forced to be postponed for several women entrepreneurs for the time being, given the uncertainty of the future and other pressing needs including unpaid care duties.

Occupational safety and health

Several women in the FGDs talked of mental health issues. Symptoms were mainly anxiety and high stress levels caused by increased domestic and care work while struggling trying to keep a business afloat, safety concerns and due to the uncertainty of the pandemic and inability to foresee and plan for the future. One women entrepreneur said it put a lot of pressure on her at the moment to manage being a mother and being a business owner and help her child during online classes. During such a situation, it is hard to maintain positive thinking and to stay resilient, she explained.

Another pressing issue for women entrepreneurs links to the safety and health of themselves as well as their staff. Many women expressed concerns that they had to suspend or lay off staff during the crisis and reportedly had done everything in their power to keep their staff employed. In terms of new occupational safety and health practices during the crisis, FGD respondents said they had introduced new measures to sterilize surfaces and for staff to clean and wash regularly. Face masks and other personal protective equipment had been purchased and were now used. Women entrepreneurs highlighted that it was difficult to train staff in this area and to prevent employees from risky behaviours.

▶ Box 17. Food delivery amid the pandemic

Mobile-based delivery services, such as Line Man, GrabFood, Foodpanda, and Get Food (Gojek), have been especially popular in Thailand, with an estimated 88.5 per cent of consumers surveyed ordering food online via one of these applications in 2020. Commission rates, varying from 20 to 30 per cent of order revenues, however, have pushed many restaurants to expand online and handle their own deliveries as a means to avoid these costs. Overall, an estimated 62.9 per cent of consumers ordered food directly from a restaurant's channel (websites or applications), and 13.1 per cent ordered through a direct message to a restaurant's Facebook or Instagram. In any case, from consumers' perspectives, delivery costs are typically also considered high if there are no promotions offered, which curbs the phenomenal growth of this segment, especially outside of lockdown periods. Overall, strong delivery sales growth, the introduction of new marketing initiatives and new technologies to accommodate the surge in demand have helped alleviate the adverse impact of the pandemic on food sales to a certain degree.

Source: USDA 2020f.

In all the FGDs, it was clearly expressed that women entrepreneurs want support in this area as well as for the Government to proceed with the vaccination of Thai nationals to ensure their safety and health but also to build confidence of entrepreneurs and consumers.

Digitalization

In its survey on business adaptation to the pandemic, OSMEP found that the majority of the more than 2,700 entrepreneurs who responded were shifting focus to online promotion. However, the survey findings showed that 61.4 per cent of MSMEs did not have an online sales channel. The survey also revealed that 79.3 per cent of MSMEs accepted online payments (bank transfer, Prompt Pay or others). The MSMEs' top sales channel were Facebook, Line application and a website (OSMEP n.d.b).

In the FGDs, most women entrepreneurs indicated they had attempted to pivot their business during the pandemic and to identify alternative opportunities to generate cash flow. Businesses across the targeted sectors had attempted to establish a stronger online presence by creating more online content, including promotions, participating in virtual consultations and taking online classes, while also selling products (from skincare to gym equipment) online. The shift has proven to be challenging for some women. Most of the women participating in the FGDs reported having difficulty learning new skills and engaging clients to create sales because they were inexperienced with e-commerce, online marketing and content creation. Many were concerned about high competition in the online market where they have less capacity and budget to invest in a specialized team. In addition to these challenges, some services (particularly in the wellness sector) were not suitable for virtual settings, so they could only wait for the Government to reopen businesses.

Supply and demand of financial support services

Context

Thailand has a healthy financial sector. But more than half of the Thai SMEs, especially women-owned SMEs, lack adequate access to finance (IFC, 2019). Prior to the COVID-19 pandemic, the most pressing need of SMEs in Thailand was access to funding (GEM 2020). World Bank Enterprise Survey findings suggest that, in 2016, only 15 per cent of firms in Thailand resorted to financial services offered by banks, with the large majority simply not applying to loans and more than 40 per cent of the small enterprises that did had their loan applications rejected (World Bank 2016b). Weak access is largely explained by high collateral requirements as well as complicated lending procedures (OECD 2017) and lack of information on available financial services, including on government-supported funding opportunities (GEM 2020).

Access is especially weak among women entrepreneurs, as illustrated by the fact that, according to the World Bank Enterprise Survey findings, firms with a top manager who is female face much higher collateral requirements on the large majority of loans (at 93.9 per cent), averaging 334.1 per cent of the loan against 184.4 per cent when the top manager is male (World Bank 2016a). Even microfinancing, which is the type of financing that is most accessible to women entrepreneurs, is generally out of reach for many women (OECD 2017). Nevertheless, it should be noted that there do not appear to be any gender-discriminating criteria putting women borrowers at a disadvantage.

Overall, the finance gender gap in Thailand is estimated at 760.8 billion baht (approximately $25 billion), accounting for 61 per cent of the overall MSME finance gap in the country (IFC in *Bangkok Post* 2019). While some government financial support programmes targeting women entrepreneurs were available prior to the pandemic, most financial services remained gender-neutral.

Supply of financial support services

In Thailand, banks[30] and development finance institutions constitute the main source of SME financing, while the non-bank finance industry is small and has a limited role in meeting the MSME financing demand (ADB 2020a). The Government has in recent years made efforts to stimulate SME access to finance mainly via support for dedicated credit lines, credit guarantees and loans, such as provided through the Small and Medium Enterprise Development Bank of Thailand (SME Bank) and the Thai Credit Guarantee Corporation (OECD 2018b). This support has been critical to improving access, providing concessional loans and other financial services tailored to SME needs. However, this has not managed to counter the overall slowing of the Thai credit market, especially when it comes to credit to SMEs (ADB 2020a). There appear to be numerous gaps in terms of financial instruments specifically targeted towards women-owned SMEs. OECD (2017) research did not manage to identify any special initiatives or loan products for women entrepreneurs offered by commercial banks nor any by SME Bank or any other government financing support programme. Virtually none were unearthed over the course of this research either. The Thai Women Empowerment Fund, established in 2012 and only partially focused on women's entrepreneurship, was the closest example found (OECD 2017). The fund, worth 7.7 billion baht overall, provides low-interest or zero-interest loans for investment in women's development and in networks that address women's issues (ASEAN SME Academy n.d.b). Development cooperation actors have also contributed to the advent of financial instruments targeting women SMEs, including the International Finance Corporation's gender-bond initiative that launched in 2019 in Thailand (IFC 2019).

30 According to data from the IMF Financial Access Survey. https://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C, Thailand had 30 commercial banks and 55 "other deposit takers" in 2019.

Looking further at government-backed financial support services and actors, government credit guarantee schemes aimed at supporting commercial bank lending are mainly provided by the Thai Credit Guarantee Corporation, which provided nearly 400,000 guarantees amounting to 67.5 billion baht in total between its establishment in 1992 and January 2018 (OECD 2018b). The Credit Guarantee Corporation focuses on three SME segments: innovation SMEs, micro enterprises and SMEs interested in investing in special economic zones (ASEAN SME Academy n.d.b). The SME Bank and the Export-Import Bank of Thailand (EXIM Thailand) are the main providers of direct government financing (OECD 2018). The SME Bank has 300,000 customers and 95 branches (ADB 2020a). The bank, whose mission is to promote SMEs via financial services, does not cater specifically to women entrepreneurs but it offers various financial services available to them, including loans and credit guarantees (ASEAN SME Academy n.d.b). It has been innovative in advancing financial services delivery via an app that covers mobile credit and financial services (ADB 2020a). EXIM Thailand offers short-term and long-term credit, in both local and foreign currency. Its various programmes targeted at SMEs include its EXIM Instant Credit Super Value, announced in 2017, which supports firms in obtaining product certification (OECD 2018b). Other government financial support programmes include the Venture Capital Fund for SMEs, backed by the OSMEP, which supports SMEs with high business potential in certain industries, including food and herbs as well as tourism and spa services (ASEAN SME Academy n.d.b).

Since the COVID-19 pandemic, access to financial support *independently provided* by banking institutions has been challenging for many SMEs, given their higher risk of default in the current economic context. The Government has implemented various COVID-19-related economic stimulus measures destined to stimulate access to finance and ultimately ease SMEs' working capital constraints and help them to adapt to the new situation. Three stimulus packages were issued during the first wave of the pandemic in March and April of 2020, totalling more than $30 billion equivalent. Major financial-related support measures have included soft loans for SMEs (with interest rates at 2 per cent or 3 per cent, depending on the scheme, applicable for the first couple of years after issuing the loan and up to a certain amount, and with a six-month grace period with 0 per cent interest); tax exemptions (related to digital investments); and a debt moratorium for SMEs with credit lines not exceeding 100 million baht (ASEAN Briefing 2020).

In light of the new COVID-19 outbreaks in the country and rising case numbers globally since the end of 2020 and the corresponding containment measures, the Thai Government re-issued various COVID-19 stimulus measures in March 2021. It aimed to address limitations of the existing 500-billion-baht soft loan measure by expanding the pool of eligible borrowers to include new borrowers, raise credit limits, lengthen loan tenors and amend interest rates to better support business recovery. It also included tweaks to existing support programmes, including a scheme worth 250 billion baht that allows maximum debt guarantee coverage from the Thai Credit Guarantee Corporation of 40 per cent of the value of the credit line offered to a commercial borrower, up from 30 per cent earlier. It raised the budget allocated to these measures, with 250 billion baht dedicated to soft loans provided by the Central Bank and another 100 billion baht for asset warehousing to assist debtors who are unable to repay loans (*Bangkok Post* 2021b). Following the country's greatest outbreak yet, with more than 130,000 cases since April 2020, the Government approved another set of stimulus measures (albeit focused on support to consumers and workers rather than businesses) worth 85.5 billion baht, and another one a month later, worth 140 billion baht ($4.5 billion), in June 2021 (Bloomberg 2021). Other measures to ease SMEs' access to finance have since been considered, including the possibility to allow SMEs to place purchase orders or invoices as loan collateral, a move expected to help approximately 100,000 SMEs nationwide (*Bangkok Post* 2021c).

Demand and access since the pandemic

According to the Federation of Thai Industries, SMEs, especially those in the restaurant and manufacturing sectors, have found it difficult to obtain loans from commercial banks amid the third wave of the COVID-19 pandemic, despite government measures to support lending to SMEs. Commercial banks are reportedly reluctant to issue loans because they worry about a slow recovery among SMEs.

Among the FGD participants, approximately half of the women entrepreneurs reported receiving financial support over the course of the pandemic. None of the support received was through services targeted specifically at women entrepreneurs, however. Several of the women referred to it as temporary and only available during the first lockdown (during the ongoing third lockdown in May 2021, the Government announced it might discount utility bills, but women entrepreneurs were not aware if this had been implemented).

Government support received included tax assistance, reduction on company's social security contribution (from 5 to 0.5 per cent) and assistance that covers 40 per cent of two to three months of staff salary and social security. The women entrepreneurs had also been supported through rent reductions offered by landlords and deferment of loans from the SME Development Bank and the Government Savings Bank. A few women also received financial support from family members.

Their main reason for not accessing support was lack of information on available services and service providers. There seems to be no clear communication from the Government on who to contact for support and for clarification on government measures on COVID-19. Several women said they did not know which support services were available, including government and non-government support, and where to request information about such services. Some of the women entrepreneurs indicated that the Government had been slow in providing subsidies to eligible businesses. While it took around three months to process applications, they also found the system was complicated and that it was time-consuming to apply for support.

Some of the respondents indicated that they preferred to rely on their own finances and to adjust to the situation by reducing expenditure to the extent possible, which was a preference quite common among women entrepreneurs prior to COVID-19 in Thailand as well as elsewhere. Most of the women expressed an unwillingness to take on debt at this point and to make use of some of the credit and soft loan options available to SMEs during the crisis. Reasons given included known difficulties getting a loan for a small business that does not have a high volume of sales and income, uncertainty when it comes to the future of their business and how taking on debt might just cause more problems for them in the longer term.

In terms of demand for financial services, a majority of the FGD respondents indicated they want additional support from the Thai Government, which should offer further subsidies and tax exemptions to SMEs to maintain their current employees, cover other monthly fixed costs or compensate for loss of income. If businesses are forced to close down or lose their staff, several women agreed it would take longer to recover. A few respondents also asked for faster and easier application processes to access government support.

In addition, women entrepreneurs are interested in raising funds and attracting investors, such as angel investors who might be interested in their business. Support preferred includes sessions to pitch or prepare for pitching their business to potential investors in the future and to prepare documents for this process.

Supply and demand of non-financial support services

Context

Many women entrepreneurs in Thailand suffer from weak access to non-financial support services, in part due to their weak business networks (only 30.9 per cent of women entrepreneurs reportedly know other entrepreneurs who had started a business) (ILO 2018b. This is especially problematic because many entrepreneurs in Thailand lack basic knowledge about entrepreneurship, business administration and domestic and international markets as well as soft skills of hard work, efficiency and commitment to their enterprises due to limited school-based entrepreneurship education and support programmes (GEM 2020). Although women entrepreneurs have exceptionally higher education levels than the average female population in Thailand,[31] they still have slightly lower education levels on average than their male counterparts, with 51 per cent having no higher education, compared with 47 per cent for male entrepreneurs (GEM 2020). Moreover, women entrepreneurs in the country tend to have lower confidence in their entrepreneurial skills than their

31 In 2014, less than 40 per cent of the whole female population had completed secondary education, while less than 20 per cent had completed tertiary education, according to OECD 2017.

male counterparts and to experience greater fear of failure, which deter them from investing and innovating in their business (ILO 2018b).

The country has witnessed a digital revolution in recent years that is affecting processes, activities and transactions across almost every sector. Approximately 17 per cent of GDP derived from the digital economy in 2018, but there are expectations that this will grow to 25 per cent by 2027 (BOI 2019). However, adoption of digital tools and e-commerce has been relatively weak among small enterprises (box 18). There appears to be hardly any gender-specific data on business digitalization in Thailand. Previous research suggests that gender differences relative to technology adoption in the country are somewhat small, confined mostly to high-tech innovations and seemingly only present among well-established businesses (no significant differences were found among newly established businesses) (Shukla, Guelich and Arntzen 2015).

Another important trend on the technological front already in motion prior to the pandemic is the advent of the fourth industrial revolution, including increased automation. Thailand is rather well placed to take advantage of automation and robotics in industry, with many of its major industries, including food manufacturing, already constituting significant customers of industrial robots. Forecasts suggested that from 2018 to 2022, the share of manufacturers adopting automation would increase from 30 per cent to 50 per cent (BOI n.d.d), which could put women entrepreneurs at a disadvantage, considering their weaker adoption of high-tech.

▶ Box 18. Levels of digitalization among Thai SMEs

In Thailand, the level of digitalization of enterprises is strongly associated with size. In 2019, among, small businesses with between 11 and 15 workers, 72.7 per cent used computers (in Bangkok, this amounted to 88.9 per cent), 71.1 per cent used the internet, 28.7 per cent had a website that they used, 13.5 per cent made purchases via the internet and 10.3 per cent made sales via the internet. Looking at the higher end of the small enterprise spectrum, among those with 31–50 workers, 91.1 per cent used computers (this amounted to 99.1 per cent in Bangkok), 89.1 per cent used the internet, 49.4 per cent had a website that they used, 27.2 per cent made purchases via the internet and 21.7 per cent made sales via the internet. Many businesses that access the internet do so to get information from government organizations and to interact with them, while only a small proportion use it to access e-learning. Use of ICT also depends on the sector, with less than 50 per cent of businesses in Bangkok in the trade, services and manufacturing sectors using computers. For construction as well as land transport and storage, this amounted to more than 80 per cent.

Source: NSO n.d.b

Supply of non-financial support services

There are numerous providers of non-financial support services in Thailand, such as business membership organizations and government agencies, that offer their services to SMEs generally and in some cases to women entrepreneurs specifically (box 19). Nevertheless, it appears that there are few support programmes offering gender-responsive business development services tailored to women entrepreneurs. Among the few programmes that exist, most are quite small in scale and, as in many other ASEAN countries, priority is given to developing the entrepreneurial capacity of women at the bottom of the pyramid as a poverty-reduction and livelihood vehicle. Few, if any, programmes provide more advanced gender-sensitive training. OECD research in 2017, for instance, found no evidence of business counselling and advice focused on women entrepreneurs or any training in business management or mentoring programmes for women entrepreneurs either (OECD 2017). Such bottom-of-the-pyramid support seems to be equally the focus of donor support programmes and local civil society organizations.

▶ Box 19. Stakeholders providing non-financial support services to SMEs

Government agencies: The Office of Small and Medium Enterprises Promotion (OSMEP) and the Department of Industrial Promotion are in charge of the business development support policy. OSMEP provides support to SMEs principally via its SME One-Stop Service centres operating nationwide on issues covering access to finance, upgrading standards of products and services, technology and innovation, and marketing. The Department of Industrial Promotion offers a list of private sector providers that can support SMEs, but co-financing is not available for business development support (OECD 2018b). Other relevant agencies include the Department of Skills and Development, housed in the Ministry of Labour, which leads and promotes labour skills development; the Office of Women's Affairs and Family Development, which promotes gender equality and which supports other public and private sector entities promoting women's economic potential; and the Board of Investment, which invests significantly in skills development institutions and provides information to investors through its One-Stop One-Shop centre in Bangkok (BOI n.d.a). It should also be noted that various Specialized Financial Institutions (SFIs), which are state-owned enterprises, also provide advisory support on business planning and operations. The Financial Consumer Protection Center (FCC), which is a part of the Bank of Thailand, also notably handles complaints regarding financial products and services, and offers financial literacy training.

Major women's organizations and business membership organizations: Women entrepreneur associations are active in providing entrepreneurship and start-up training opportunities for women. The Federation of Business and Professional Women's Association of Thailand, established in 1964, has chapters throughout the country and provides various support services (including related to financial literacy (BPW n.d.) through networking, mentoring and advocacy initiatives. Women Professionals and Entrepreneurs Thailand, started in 2012 as an all-female support and social group for professionals, entrepreneurs and artists in Bangkok that hosts private networking events and runs seminars, classes and tutorials (OECD 2017). Other major providers of business development support include the Thai Chamber of Commerce, which is the largest business network in Thailand, channelling such support through its Member Development Centres, which offer one-stop services for MSME members (OECD 2018b). The Association for the Promotion of Thai SMEs has branches throughout the country, including in Bangkok, and offers training programmes for small enterprises, organizes product exhibitions, engages in business matching between provinces and among members and informs SMEs about programmes offered by other organizations, such as the SME Bank. The Thai Business Incubators and Science Parks Association serves as an incubator for new entrepreneurs to be successful in business and provides business suggestions, training workshops and support from government agencies and the private sector. The Global Entrepreneurship Thailand is an entrepreneurship hub comprising community leaders, entrepreneurs and partner organizations for the purpose of inspiring people – men and women – to launch and grow scalable start-ups and businesses. It runs a Thailand Women's Entrepreneurship initiative and organizing events, activities and mentoring opportunities to equip women entrepreneurs with the tools and skills they need to expand their business.

Thailand's digital economy is growing fast with support from various government agencies and policy frameworks, such as Digital Thailand and Thailand 4.0 (box 20), as well as a multitude of start-up accelerators and incubators (BOI n.d.b). The Government has invested heavily in digital skills and digital economy development, as have some development cooperation actors, such as the United Nations Conference on Trade and Development, which developed an e-Trade for Women eMasterclass that targets women founders of businesses using e-commerce and digital platforms as part of their business strategy (UNCTAD 2020).

▶ Box 20. Thailand 4.0 and government support for digitalization

The Thai Government's economic vision for the country, Thailand 4.0, is to transform the economy into an "innovation-driven economy" to achieve upper-income status and to enable sustainable growth and development (Thailand Business News 2016). Thailand 4.0 highlights various sectors, including food manufacturing, as engines for growth. It also emphasizes digitalization (considered key to support future industries), innovation and e-commerce (BOI n.d.b). In line with its policy objectives, the Government has made substantial effort to address the shortage of IT-related skilled labour (ILO 2019). It has implemented various support programmes, such as the Digital Skill Development Academy, launched by the Ministry of Labour, to oversee digital skills development of the Thai workforce. It has pledged to work with the private sector to create a healthy digital labour ecosystem through on-the-job training (Open Gov Asia 2021). Several other training programmes have been developed to this end, including the Ministry of Labour's Skills Development for Technological Changes in Manufacturing and Service Sector programme. It has provided training to more than 5,000 workers on technology. The Increasing Workforce Potential for Thailand 4.0 programme has provided training to more than 14,000 workers and SMEs in high-growth industries (OECD 2020b). The Ministry of Labour and Ministry of Higher Education, Science, Research and Innovation have also promoted several skills development programmes (particularly online learning) in collaboration with the private sector including on e-commerce, online marketing and content creation including via mentoring programmes for women entrepreneurs (Bangkokbiz News 2021; BoT n.d.). The Government has also carried out large-scale ICT initiatives targeting women. The Research Center of Communication and Knowledge Development has provided digital literacy training to more than 100,000 marginalized women and girls across Thailand, and there is an increasing number of IT promotion programmes in local communities. The Research Centre's platform trains marginalized home-based workers (many of whom are micro entrepreneurs) on the use of ICT to enhance their local businesses and to trade online through e-commerce solutions (OECD 2020b). Despite the significant efforts by the Government to support digitalization in business, it appears that most of these efforts are workforce-focused training programmes.

Demand and access since the pandemic

A majority of women entrepreneurs who participated in the FGDs reported having not accessed non-financial support during COVID-19. Among those who did, none reported having received support targeted at women entrepreneurs. For those who had received non-financial support, most had received it from peers or their business network. For example, one women entrepreneur had a customer who made a promotion video for her. Approximately 13 per cent of the women entrepreneurs had received non-financial support from an institution or external organization. This included support from the Department of Industrial Promotion, the National Technology Institute (which offered support with a 50 per cent reduced rate consulting fee), and support from the Thai Chamber of Commerce, which had offered advisory support at a trade event. One woman entrepreneur had joined a course offered by the Department of Business Promotion in collaboration with Thammasat University.

For those who did not receive support during the COVID-19 pandemic, most said they did not know what support existed nor whom they should approach to apply. One women entrepreneur mentioned she did not feel she needed support. Another woman said she had been offered training; but it was not suitable to her interests and needs. All respondents who participated in the FGDs indicated they had never received non-financial support prior to COVID-19, indicating that they relied on themselves prior to the crisis. A few said this was mainly because they learned to do business by doing or by searching for information on, for example, YouTube or Google, and because they were not aware of available and suitable services.

Women entrepreneurs in the FGDs expressed interest in more information from the Government on planned measures so they are better able to plan for recovery. The type of information requested included clear policies and guidelines from the Government on the COVID-19 situation and measures relevant to their business. This would allow business owners to see the direction of the industry and to plan accordingly. The women entrepreneurs also expressed interest in capacity-building support and training. This included support on topics related to digitalization, such as e-commerce, online marketing, social media content creation and search engine optimization, to improve their online visibility. Training on financial management, financial literacy and other topics that can help women entrepreneurs with their cash flow situation is considered needed. The women were also interested in training on negotiation skills and to learn more about exporting to international markets. They also wanted support to be able to ensure the health and safety of staff during the pandemic as well as information on measures required to reduce safety risks as they prepare for reopening.

In terms of training modalities, the women indicated they are not interested in standardized courses but want support that is customized, such as coaching or mentoring to address their specific needs and which includes an element of handholding over time. They prefer interactive workshops and virtual events as well as videos and online content that is easily accessible and that can be used to inspire and empower women entrepreneurs. Women entrepreneurs also want opportunities to network with other peers, to get business exposure, attract partnership and to be linked to new markets and suppliers. They suggested something once a month online (through support group meetings to share business information and emotional support, for example) and that groups also could meet twice a year in person. Networking with other women entrepreneurs would create opportunities to exchange information and to co-market each other's brands and products. Related to this, several women entrepreneurs also asked for support that could expose them to new business models and ideas on how to expand or pivot their current business.

4.4 Philippines

Impact of the COVID-19 pandemic on women entrepreneurs and their coping mechanisms

Various surveys were conducted following the first wave of the COVID-19 pandemic to assess its economic impacts on enterprises in the Philippines (ADB 2021). The pandemic has led to a widespread decrease in demand and disruptions among business partners, which have had ripple effects across supply chains (Investing in Women 2020). As expected due to decreased sales coupled with unavoidable fixed costs (such as rent and wages), small enterprise owners cited cash flow as a top concern. Additionally, many were concerned with supply chain disruptions, inability to pay back previously incurred loans and the general decline in domestic demand. It was also found that during the first month of the lockdown, most MSMEs had retained their staff. However, shortly thereafter, many enterprises, especially those in the manufacturing and services sectors, began laying off staff (69.4 per cent and 67.3 per cent, respectively). For workers who remained on the payroll, the large majority had their work hours reduced (ADB 2021).

Surveys also found that women-led MSMEs were more harshly affected than men-led MSMEs, as illustrated by the relatively larger drops in sales and revenue, reductions in workforce and suspended monthly wage payments. Women-led MSMEs in the National Capital Region and in manufacturing and food services have been hit especially hard (ADB 2020b). Most women-owned businesses who participated in the FGDs (as of May 2021) suggested it would take more than one year for them to recover, with only a small minority indicating they might recover in less than a year. Drops in revenues were considered a major challenge across the board. Government regulation inconsistency was cited as a major frustration, with the constant opening and closing of businesses taking a large toll, both on revenues and on logistics for daily business operations.

Financial impact

Following the first wave of the pandemic, women-led MSMEs faced more serious effects of the pandemic and lockdown than men in terms of decreased sales – the number of women with no sales due to business closures was nearly 10 per cent higher for them than their male counterparts. Nearly half of small enterprises were estimated to have no revenue in March 2020 due to business closures (35.8 per cent of medium-sized enterprises), while those that did operate during the lockdown had drops in revenue of approximately 40 per cent (ADB 2021). Working capital shortages were found to be most pronounced among small enterprises, with close to a quarter reportedly having had no cash or savings following the first wave. Half of manufacturing MSMEs and 37 per cent of services MSMEs said their funds would run out in a month (ADB 2021).

The majority of FGD participants indicated their revenues had decreased substantially due to lower demand and increased costs associated with operating under the new normal and the social distancing measures and quarantine restrictions, which have forced businesses to close down in-person business or operate under limited capacity. For food and beverage service businesses, many have been able to shift to online food delivery to sustain some level of revenue. However, this has made a large dent in profits due to the use of third-party delivery apps, which charge 25–30 per cent commission, the need to purchase delivery packaging and downward pressure on prices due to competition with entrepreneurs without brick-and-mortar expenses. The social distancing measures, beyond their impact on dine-in business, have resulted in other lost market opportunities, including the disappearance of the large-event catering market. FGD participants in the wellness and personal services sector highlighted restrictions on the number of patients allowed on business premises as well as limits to the types of services allowed.

Supply chain

Although previous COVID-19 impact survey findings noted supply chain disruptions as a source of problems for MSMEs, few FGD participants explicitly mentioned this as a key issue.


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Business operations

To respond to the new prevailing conditions, most FGD participants indicated they had shifted their business operations in one way or another. In addition to increasing their presence online (discussed further on), the targeted beneficiaries indicated they had altered their service offering or developed new products to generate new revenue streams where regular business operations could not. In the wellness and personal services sector, for instance, participants indicated having pivoted from salon service to home service or partnering with a new company to open a restaurant at the spa. For fashion and handicrafts businesses, one woman mentioned accepting orders where alteration and repair was included, while before the pandemic this was not an option. Food and beverage service providers also mentioned adapting by selling food beyond restaurant premises (during boat tours, for instance), selling Zoom cocktail kits and selling niche food products directly to customers (Mexican groceries). Overall, the challenging conditions have led many to try out new business models and experiment with new business partners and investors.

Occupational safety and health

The work–life balance has become a major challenge for women business owners and workers who need to be present at their workplace while facing increased responsibilities at home due to online schooling. Challenges with being on-site due to increased responsibilities at home has also made it difficult for many women to keep their employees motivated. The participants indicated suffering from loss of self-confidence and self-esteem as a result of decreased economic independence. They also indicated feeling pressure to be "beacons of hope", to maintain optimism while facing difficulties and to accept that it is okay to feel overwhelmed by their current situation. The FGD participants also highlighted increased operating costs associated with having to invest in personal protective equipment, air purifiers, antigen test kits for staff and other infection-risk management investments.

Digitalization

Most of the FGD participants indicated increasing their presence online and using online sales channels. Food and beverage service providers widely used third-party online food delivery platforms to expand their distribution. Among the fashion and handicrafts businesses, some women entrepreneurs had attempted to shift towards exporting products online after local purchasing power and demand had dropped. It has been successful to a certain extent.

However, the transition to online selling has been a challenge for many women because of their low level of digital skills coupled with inability to afford skilled staff to support this transition. Those with a limited presence online before the pandemic had to learn from scratch, which entailed a steep learning curve. Differentiation has been quite challenging because the online offering is saturated. Most of the women suggested they did not have sufficient funds or know-how to adequately invest in marketing and consumer outreach.

Supply and demand of financial support services

Context

The Philippines has a moderately developed financial sector, which scores high on indicators relative to bank soundness but low relative to the legal and institutional framework for extending credit as well as venture capital availability (OECD 2018c). The country's financial gender gap has been closing in recent years, and it has even been reversed to the point where the Philippines became the country with the largest financial gender gap in favour of women on the planet (AFI-Global 2017), even though nearly 60 per cent of women in the country still do not have a bank account (IFC 2021). The driving force behind this reversal has been growth in microfinance (ADB 2018), which is the most common form of finance used by women entrepreneurs in the country (OECD 2017). But part of it can also be explained by the fact that women are traditionally in charge of budgeting and managing finances in the household (AFI-Global 2017). Overall, access to financing remains a major and common barrier confronting women entrepreneurs (and MSMEs in the country generally (ADB 2020a)). This relates to complicated lending procedures (OECD 2017) as well as high collateral requirements, which average 114.5 per cent of the value of the loan for small enterprises and 191.2 per cent for medium-sized enterprises (OECD 2018c). With little access to formal finance, a significant number of women-owned SMEs in the Philippines (reportedly more than 45 per cent) rely on loans from family and friends (ESCAP 2017).

Supply of financial support services

Banks[32] and development finance institutions constitute the main source of SME financing in the Philippines. The non-bank finance industry (represented mainly by microfinance institutions) remains small in scale yet vital for many MSMEs. The share of MSME credit to total bank credit has fallen to less than 10 per cent since 2013 (ADB 2020a). Recognizing the low levels of lending to MSMEs, the Government has attempted to strengthen MSME access to finance through various instruments, such as mandatory lending schemes (box 21), interest rate subsidies provided to commercial banks, credit guarantee schemes and direct SME financing (OECD 2018c). Government credit guarantees are provided through the Philippine Guarantee Corporation, created in 2019 and merging five anterior government guarantee corporations (since then, the SB Corp no longer provides new credit guarantees) (ADB 2020a). Direct government financing schemes targeting SMEs are provided by SB Corp, which is the largest provider of SME financing in the country, as well as the Development Bank of the Philippines and the Philippines Export-Import Agency (OECD 2018c).

32 According to data from the IMF Financial Access Survey, https://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C, there were 30 commercial banks in the Philippines in 2019.

▶ Box 21. Mandatory lending schemes in the Philippines

The 1991 Magna Carta for Micro, Small and Medium Enterprises obligated lending institutions to allocate at least 8 per cent of their total loan portfolio to MSEs. However, compliance with this obligation decreased after 2011, to the point where lending to MSEs represented only 2.8 per cent of loans in 2019 (ADB 2020a). This obligation is now expired, but other mandatory lending schemes still exist. The Philippines Innovation Act, enacted in 2019, stipulated a new mandatory lending scheme for innovation activities – obligating financial institutions to put aside at least 4 per cent of their loanable funds for innovation development credit (ADB 2020a). The Government has further sought to strengthen women's access to finance by instituting legal provisions obligating public financial institutions to, under certain conditions, give priority financial assistance to women entrepreneurs and NGOs supporting women's entrepreneurship. It has also instituted an overall provision mandating allocation of at least 5 per cent of funds of government financial institutions for women's access to loans. However, as with its wider SME-mandated financing efforts, these provisions appear to be not well implemented (OECD 2017).

Although the majority of government SME financing programmes do not target women specifically, a large proportion, albeit still a minority of the targeted beneficiaries, are reportedly women business owners (OECD 2017; WomenBIZ 2015). Some women-specific support programmes have emerged over the years. This includes the Inclusive Lending for Aspiring Women Entrepreneurs Business Loans Programme of the Development Bank of the Philippines, which had provided loan funds worth 367 million Philippine pesos to 49 women-owned enterprises from 2015 to March 2016 (ibid.). The Government has also instituted credit guarantee schemes to support women entrepreneurs' access to finance (OECD 2017). Some gender-specific financial products emerged as a result of donor support, including the International Finance Corporation-supported Women's Enterprise Loan Programme launched in 2012 and provided by the Rizal Commercial and Banking Company, which offers loans to start-ups as well as women-owned businesses in operation for more than three years (ibid.).

Since the onset of the COVID-19 pandemic, the Government has adopted a number of measures to ensure the financial health and survival of enterprises, including reducing bank capital requirements, instituting loan repayment grace periods, loan restructuring, providing interest rate subsidies and ramping up government lending and credit guarantee schemes (World Bank 2020). Most of this support has been provided through stimulus packages approved under the Bayanihan to Heal as One Act (Bayanihan 1) and the Bayanihan to Recover as One Act (Bayanihan 2) (*F&B Report* 2021). Under Bayanihan 2, worth an estimated 165 billion pesos in total (*Business Inquirer* 2021b), 10 billion pesos were allocated to the COVID-19 Assistance to Restart Enterprises (CARES) lending programme for affected micro and small enterprises; 18.5 billion pesos to Landbank and 6 billion pesos to the Development Bank of the Philippines for the provision of soft loans; and 5 billion pesos to the Philippine Guarantee Corporation for its credit guarantee programme (*F&B Report* 2020c).

It appears that there have been various issues with access to support among those in need. Following the first wave, most enterprises were reportedly unable to raise even small amounts of cash to survive, whether from financial service providers (less than 10 per cent of small enterprises accessed financial services) or from family and friends (ADB 2021). Women-led MSMEs were found to had more difficulty in raising enough working capital through formal financial services than their male counterparts, partly due to the lack of women owning immovable assets and hence inability to post collateral (ADB 2021). One of the reasons underpinning inadequate access despite the existence of sizeable support programmes has been challenges related to spending of government support funds, such as approval of loan applications (observed under both Bayanihan 1 (F&B Report 2020d) and Bayanihan 2). Slow delivery ultimately led to the extension of Bayanihan 2, from the end of 2020 until 30 June 2020 (Business Inquirer 2021b), while, as of 18 May 2021, 61 billion pesos had not been utilized by implementing agencies (Manila

Bulletin 2021b). As of June 2021, 18 billion pesos remained unspent (Explore ABS-CBN 2021). Given the ongoing need for financial support measures across the economy, the House of Representatives recently approved the 401 billion peso Bayanihan to Arise as One bill (Bayanihan 3) (PNA 2021).

Demand and access since the pandemic

The FGD participants indicated receiving some financial resources and accessing COVID-19 financial relief measures, including government subsidies for staff wages and government-backed loans provided by SB Corp. The women also indicated receiving financial support from friends and family after their personal savings had been depleted. Additionally, many of the FGD participants indicated having, especially in the early stages of the pandemic, benefited from deferments and discounts from suppliers and on rent but that this support had become harder to negotiate in the second year of the pandemic. Financial support services have also been accessed via online platforms, such as Shopify.

The women considered the difficulty in applying for government financial support a challenge due to the large number of forms that had to be completed. Uncertainty relative to reception of this support was also a major concern because, as some women mentioned, the programme they had applied to ran out of funds, which meant the business had to assume payment of wages that were difficult to afford. The amount of paperwork required to apply for commercial loans and difficulties in proving credit worthiness were also considered major challenges, especially considering that loan requirements have reportedly not lowered since the start of the pandemic. A general lack of access to information about women-specific financial support programmes was noted during the FGDs.

Following the first wave of the pandemic, assistance aimed at diminishing the financial burden was the most desired among MSMEs, with measures such as tax relief or deferred tax payments, subsidies or cash transfers, loan refinancing, credit guarantees and assistance to pay wages being among the most desired measures (ADB 2021). Many of the FGD participants indicated they still (as of May 2021) needed support to access financing while also demonstrating wariness in taking on a loan that they would have to pay back in an uncertain business environment. The types of financial support most in demand were those that entailed virtually no risk, such as government cash grants, tax subsidies and funding through impact investor networks. Women who were still considering taking on a commercial loan expressed the need for lower interest rates and longer repayment windows, reflecting the current environment's uncertainty. They also expressed a need for improved information and communication campaigns by banks that would render the application process less daunting and the need to make it easier to prove you are a worthy borrower. Coaching on how to renegotiate loans was equally in demand. The women cited support specific to women-owned businesses from both commercial banks and the Government. Guidance on how to make the best use of additional capital injections was also mentioned.

Supply and demand of non-financial support services

Context

The Philippines has in recent years consistently ranked among the most gender-equal countries on the planet and as the most gender-equal Asian nation. Women in the Philippines are typically better educated than men, as illustrated by longer average schooling (DTI n.d.c) as well as higher financial literacy levels (ADB 2018). Higher education levels among women are also observed among entrepreneurs, although a larger percentage of men entrepreneurs have post-secondary level education. Yet, women entrepreneurs have lower growth expectations than male counterparts as well as a greater fear of failure (ESCAP 2017).

Women entrepreneurs thus still require significant support to improve their competitiveness through non-financial support services. Women entrepreneurs, especially at the smaller end of the enterprise size spectrum, face limited access to business development services, technology, training and information (PCW 2012). Women face various disparities, including unpaid care and domestic labour constraints, which reduce their labour force participation and pose a major challenge to those in employment (Oxfam Philippines, 2021).

One area in which women entrepreneurs have traditionally faced challenges is business digitalization. There is an observed gender disparity when it comes to access to ICT for productive use (in business), but this is mostly reflected in rural areas, whereas in cities it is less pronounced (APCICT 2019). In recent research, women-owned business were found using social media platforms such as Facebook, Instagram or WhatsApp to sell their inventory (IFC 2021). Women-owned businesses were also typically less familiar with more advanced e-commerce practices.

Supply of non-financial support services

Various government agencies and business membership organizations are involved in the provision of non-financial support services to SMEs (box 22), including training, mentoring, business advice and information sharing. There is a range of awards and business-plan competitions sponsored by public and private sector actors as well as academic institutions (OECD 2018c). In general, it appears that although the majority of SME support programmes target women- and men-led enterprises indiscriminately, there are various programmes specifically targeting women or at least explicitly inclusive of women. This is in part attributable to the Magna Carta of Women, which calls on government support entities to ensure availability of services to potential and existing women entrepreneurs (PCW n.d.b), and the 2013 Go Negosyo Act, which also mandates Negosyo Centers to be inclusive of women participants in the delivery of their programmes and services (OECD 2017). As previously mentioned, the Magna Carta states that government entities are to allocate 5 per cent of their annual budget for gender and development programmes and activities (PCW n.d.a). However, as in other ASEAN countries, most initiatives specifically supporting the entrepreneurial capacity of women focus on women at the bottom of the pyramid, while few focus on women with higher human and social capital (OECD 2017), which is also in line with the Government's broader vision of leveraging SME policy as a poverty-reduction vehicle (OECD 2018c).

▶ Box 22. Stakeholders providing non-financial support services to SMEs in the Philippines

Government agencies: The Department of Trade and Industry (DTI) and the Micro, Small and Medium Enterprise Development (MSMED) Council are the main policy-making bodies that cover business development services. The DTI is also the Government's major provider of non-financial support services, most of which are advertised on the DTI website. Its main service provision channel is the nationwide network of Negosyo Centres, which provide assistance on a range of topics, including business registration, access to markets, digital marketing and market information (OECD 2018c). The DTI also has a training arm, the Philippine Trade Training Center – Global MSME Academy (PTTC-GMEA), which offers comprehensive training and capacity-building programmes to MSMEs, including on business digitalization. Other agencies are also involved in the provision of non-financial support services. The Technical Education and Skills Development Authority (TESDA), which is an agency of the Department of Labour and Employment, is a major provider of vocational and entrepreneurship skills training. TESDA also has a Women's Center branch, which has various women specific support programmes. The Department of Science and Technology offers support programmes aimed at facilitating technology adoption (PTTC n.d.), such as the Small Enterprise Technology Upgrading Program (DTI 2016). The Philippine Commission on Women constitutes the Government's women's entrepreneurship development focal point, and it ensures the development of institutional capabilities for gender mainstreaming in government agencies (OECD 2017), including the DTI (OECD 2018c).

▶ **Box 22 (cont.)**

Major women organizations and business membership organizations: The Philippines has various strongly driven and well-integrated women organizations. This includes women business membership organizations, including the Philippine Business Coalition for Women Empowerment and member organizations Philwen and the Women's Business Council of the Philippines (WomenBizPH). WomenBizPH includes 30 active members representing the country's top women business leaders and entrepreneurs (ASEAN SME Academcy n.d.c). On many occasions, these women's organizations have supported the development of women-focused donor programmes (OECD 2018c). The Philippines Economic Network consists of six leading women business groups. Several NGOs are also active in the provision of support services specifically for women on a range of issues, including mentorship and financial literacy training (OECD 2017). One example is Business and Professional Women–Makati, which provides support programmes targeting women for financial literacy entrepreneurs and acts as a platform for exchange and cooperation (OECD 2017). Another is Spark! Philippines, which aims to improve access to resources and the strategic participation of women in support programmes and is involved in the provision of mentorship opportunities to young women entrepreneurs (ASEAN SME Academy n.d.c).

The Government has established one-stop Women's Enterprise Development Desks in a number of local government units that deliver comprehensive business development services. However, these primarily cater to women micro entrepreneurs and thus exclude some women-led businesses (OECD 2017). Other support programmes include the Mentor ME programme, provided by several Negosyo Centres, which focuses on mentoring and weekly coaching of micro and small enterprises to help scale up their business, while the SME Roving Academy programme provides entrepreneurs with continuous learning on setting up and stepping up their operations and improving their competitiveness (OECD 2018c). The Shared Service Facilities project is a major component of the Department of Trade and Industry's MSME Development Programme and aims to improve the competitiveness of MSMEs by providing them with technology and skills development support.

Looking at specific thematic support areas, one area in which women participation has been noted as lower is in international trade expositions, despite measures to encourage their inclusion and the fact that many women entrepreneurs access the Department of Trade and Industry's export promotion services (OECD 2017). One area where many women support programmes have focused over the years is financial literacy, which has been supported by the Government through integration of financial education in the school curriculum and community-based training initiatives (OECD 2017).

The Government has also partnered with donor programmes, such as the Great Women Project, which built up the capacity of financial literacy trainers and developed a training manual for their use (OECD 2017). Another area that has received growing attention in light of the pandemic is ICT skills (box 23) (APCICT 2019).

Box 23. Government support for digitalization

Since the 2000s, the Philippine Government has legislated on e-commerce* through the Electronic Commerce Act of 2000 (RA 8792) (and its implementing rules and regulations, the Access Devices Regulation Act of 1998 (RA 8484) and amendments to the Consumer Act of the Philippines intended to include provision on e-commerce (OECD 2018c). The Government has also fashioned various government entities to focus on e-commerce and business digitalization, including an e-commerce task force in the Micro, Small and Medium Enterprise Development Council and an e-commerce office in the Department of Trade and Industry that was institutionalized in 2009 to formulate policies and guidelines that support e-commerce and to conduct monitoring and evaluation of the implementation of e-commerce policies. The latter launched the Philippine E-Commerce Roadmap 2016–2020, which aimed to have e-commerce contribute 25 per cent of GDP by 2020 (OECD 2018c).

Efforts to improve SME access to e-commerce are executed through various general support programmes. This includes the SME Roving Academy and specific programmes offered through agencies, including the Philippine Trade Training Center or the Department of Science and Technology, which hosts the online marketing hub OneSTore for products made through the SETUP programme (OECD 2018c). The Government has also carried out large-scale ICT initiatives specifically targeting women, while the Philippine Commission on Women and the National Economic Development Authority have produced guidelines for stakeholders on the design of gender-inclusive and responsive ICT programmes (OECD 2017). Specific programmes that have targeted women ICT skills include the Great Women ICT platform, which is a mobile application launched in 2015 by the Philippine Commission on Women, the Department of Trade and Industry, BPW Makati and the ECHOsi Foundation. It enables women entrepreneurs and their associations to utilise digital technology to grow their businesses.

Since onset of the COVID-19 pandemic, business digitalization support has increased substantially among private sector providers, sponsored by e-commerce platforms such as Lazada and among government agencies. The Department of Trade and Industry offers the CTRL+biz Reboot Now! Package, which supports business via a host of webinars on e-commerce and business digital transformation (DTI n.d.d) and which received overwhelmingly positive reception from beneficiaries (We Empower). The Department of Trade and Industry (n.d.d) further provides information on the stakeholder landscape, explaining what providers of e-commerce and digital-related services provide.

Note: *A comprehensive list of relevant rules and regulations can be found at https://ecommerce.dti.gov.ph/related-laws-policy-issuance/.

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Beyond the Government, there are also various NGOs and foundations involved in the provision of non-financial support services as well as private service providers that contribute to a healthy SME support ecosystem (OECD 2018c). The Bayan Academy (n.d.) is among the most important providers of support for social enterprise development and education. It has various SME-relevant services, including an online hub launched to support at least 500 MSMEs during the COVID-19 pandemic, with training delivered through workshops and webinars (Business Inquirer 2021c). The Small Enterprises Research and Development Foundation (SERDEF) (n.d.) supports small businesses through its website, which constitutes a resource hub and offers information on business management and strategy. Gawang Pinay Digital Store is an online marketplace for women-led enterprises in partnership with UnionBank Global Linker.

There is a growing start-up scene (more than 300 start-ups as of 2017, most of which emerged over the past decade), supported by more than 20 incubators and accelerators, more than 30 co-working spaces, more than 20 venture capitalists and more than 30 angel investors (PWC 2017). The number of women-owned businesses these providers encompass is nevertheless small because of focus on high value-added sectors such as IT, process management and tech industries (OECD 2018c). The number of companies in these industries is relatively small, and women-led enterprises have traditionally been in the minority. Looking generally at private service providers, it is likely that fee-based services are typically out of the financial reach of most women enterprises, considering their small scale and low purchasing power and the fact that the Government does not provide monetary support or vouchers for business development (OECD 2017). Previous research did not find evidence of any women-specific business incubators, although the need for such might not be so great, given the adequate access of women entrepreneurs to generic incubator programmes (OECD 2021).

There are also various sector-specific support services available, such as for the food and beverage services sector (Toastlab n.d.) provided by a range of stakeholders (USDA 2021a). Other notable mentions include the ECHOsi Foundation, which is a social enterprise retail store that focuses on fair trade and environment-friendly artisanal products made by local communities and which supports small producers by helping them develop products, add value to them (through packaging) and target specialty markets (ASEAN SME Academy n.d.c). The Philippine Trade Training Center provides webinar pods specifically dedicated to the food production and processing industries regarding certifications that support market access (PTTC n.d.).

Demand and access since the pandemic

The overwhelming majority of the FGD participants indicated having received non-financial support services, principally counselling and advisory support provided via peer support groups. It also has involved online training from an array of service providers on topics ranging from business digitalization to how to negotiate with landlords and suppliers. The Entrepreneurs Organization network support group (a membership-based organization) constitutes a key provider, offering webinars two to three times per week to keep members updated on changing market trends and help them improve their skills (relative to social media) as well as enabling sharing of experiences and information and acting as a great source of emotional support and confidence-building. More informal and spontaneous support groups have emerged and consolidated, including the Resto PH Group on Viber and Facebook Messenger, which has conducted webinars, provided information about changing government requirements and acted as a marketplace for resale of equipment among food and beverage service businesses. The Better Filipinas safe space is another example, starting as a small initiative of four women entrepreneurs that now has more than a thousand followers on Instagram and provides support to Filipinas to deal with anxiety and stress, including through yoga and meditation courses.

Businesses in the fashion, design and handicrafts sector appear to be those that received the most "formal" support services, including from the ASEAN Wise accelerator programme hosted by Angels of Impact investors, which specifically targeted women entrepreneurs to recover from the pandemic by facilitating matching with global expert coaches on such topics as financial management, digital sales, marketing or venture capital. The Department of Trade and Industry's online courses were also cited as being useful in building skills while waiting for the pandemic to end.

Women entrepreneurs who had not accessed services during the pandemic indicated that the main reason was lack of information on available services and service providers. Uncertainty whether services were suitable to them and whether they were eligible to access offered support were additional factors that constrained them from connecting with government and non-government support, which explains why many entrepreneurs resorted to searching for information online on their own through YouTube or relied on themselves and their own knowledge.

Following the first wave of the pandemic, business development and advisory services, as well as mentoring and business literacy programmes, constituted the primary demands from MSMEs (ADB 2021). Women-led MSMEs had a higher demand for mentoring and business literacy support from the Government, compared with men-led MSMEs (ADB 2020b). Regardless of sector, the FGD participants asked for more training on digitalization and e-commerce. In the discussions, the women entrepreneurs indicated they still need support on how to establish and upgrade their online presence to ensure customers can easily order and access products, on how to bypass costly third-party apps (online food delivery apps that charge high commissions, for example), on social media analytics to better understand which customers to target and how, and on how to use business management software generally.

Many of the FGD participants also expressed the need for support to secure access to new markets and reach new customer segments. Women with food and beverage businesses mentioned a need for support in reaching business clients, for instance, to develop the Zoom Box industry to provide corporate lunch boxes or happy-hour kits, and more broadly to establish closer links with meetings, incentives, conferences and exhibitions industry groups. Women with wellness sector businesses suggested they could benefit from enhanced links with tourism businesses, such as travel agent networks that could bring in new customers.

When asked about other potential areas of support that could be offered, the participants suggested training on leadership, executive coaching on how to lead during a crisis, training on how to motivate staff and training on how to promote a growth mindset. Skills training on marketing and branding (how to build customer loyalty and brand awareness) was also in demand, especially for fashion and handicrafts businesses. The women highlighted the need to better promote local traditions and cultural heritage to buyers and to increase attractiveness of integrating these activities among youth. General business management training was also in demand.

When discussing preferred modalities of support services, the participants noted a need for more gender-specific support groups because they could serve as a valuable vehicle for delivery of support services and an opportunity to meet like-minded women entrepreneurs as a source of support and to share learnings and expand perspectives. In line with the request to access new markets, the women suggested that these groups could be cross-sectoral, which might bring forth fruitful business collaborations, for example, the opening of a restaurant at a spa. Women with fashion and handicrafts businesses also said they already had well-established peer networks but that learning from other industries would be very useful and that being part of a long-term women-led network or organization was of interest. The participants indicated that they are busy and that support should therefore be well targeted to their needs and that they are not looking for more generic Zoom meetings. Monthly check-ins were mentioned as a potential frequency of support.


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Conclusions and recommendations

5.1 Summary of findings

Based on the findings of this study, it is clear that a large number of women entrepreneurs have been heavily impacted by the COVID-19 pandemic across all three countries and sectors covered (table 4). This comes as a result of their high concentration in hard-hit sectors such as food and beverage service or the wellness sector, in which establishments have been forced to close or limit their operations due to their nature as high risk. Other sectors in which women entrepreneurs are heavily concentrated, such as food manufacturing and fashion, design, handicrafts and retail trade, although not as adversely affected, have suffered decreases in demand as spending on non-essential items has decreased both domestically and in export markets.

Table 4. Rebuilding Better project priority sectors

	Malaysia	Thailand	Philippines
Retail trade	▲		
Food and beverage service	▲	▲	▲
Health and wellness		▲	▲
Food manufacturing		▲	▲
Fashion and design			▲

Beyond their vulnerability resulting from their concentration in hard-hit sectors, women entrepreneurs have also typically been harder hit than their male counterparts irrespective of industry, as observed in various COVID-19 impact surveys findings. While there are no definitive data explaining this, women entrepreneurs have likely been hit disproportionately hard as a result of operating typically smaller and younger establishments as well as having weaker business networks, less access to support services (financial services because of less collateral) and increased unpaid care responsibilities falling upon them. Certain trends that have arisen as a result of the pandemic, chiefly a shift to e-commerce and business digitalization, are likely to have put women entrepreneurs at a disadvantage because they typically have lagged in terms of digitalization.

Women entrepreneurs across all three countries are now finding themselves in a difficult situation as the COVID-19 crisis continues and there is uncertainty regarding when the situation will improve. The pandemic and associated spread-prevention measures have created challenges on many fronts, including reductions in demand, supply chain disruptions, increased operational costs (due to adoption of COVID-19 prevention measures on business premises) and forced limited operational capacity (due to limited numbers of workers allowed at the workplace). The cascading of COVID-19-related effects have ultimately caused severe financial difficulties for women entrepreneurs, who are experiencing cash flow issues and are uncertain of how long they can keep their business afloat.

To survive, most women entrepreneurs have reduced their workforce while adapting to the new normal by shifting their operations online, adopting new business strategies and making arrangements with commercial partners (such as inputs suppliers and landlords) to secure deferred payments or even lower prices. For many of them, adapting to the new normal has been a great challenge due to the realities of business digitalization and e-commerce and an enterprises survival. For women entrepreneurs, juggling work and unpaid care responsibilities at home has also constituted a major challenge, leaving many struggling with mental health issues. It appears that, although they have been among the most affected enterprises, the needs for support of women-owned small businesses amid the pandemic are not being met to a sufficient degree across the three countries.

When it comes to financial support services, as reflected in the COVID-19 impact survey findings as well as in the FGDs conducted by the Rebuilding Better Project, a substantial portion of women entrepreneurs were found to have accessed financial support (in Malaysia and Thailand where they represented half or more of the FGD participants). This support, however, was in most cases considered temporary and insufficient. In effect, it appears that the financial support services that they accessed were mostly "risk-free" government financial assistance instruments, such as grants, tax exemptions or deferments, worker wage subsidies or utility subsidies. Few women accessed loans, in which case the cash injection would have been greater and longer lasting. This limited access to loans, including soft loans offered through government-supported programmes, can be attributed to both difficulties in gaining access (due to lack of collateral, lack of information on available services or complicated application procedures) or even simply due to unwillingness to take on a loan amid uncertain times. In evaluating the demand for financial-related support services, women in the FGDs suggested that they need more financial assistance from their government and that application procedures for such support need to be made faster and less complicated. Additionally, some women expressed interest in gaining access to equity-based financing, including funding from impact investors, and in improving their fundraising ability, although this should be considered a financing option for the longer-term as opposed to short-term COVID-19 relief. As noted, few women desire access to loans, even with a small or no interest rate.

Regarding non-financial support services, it appears that few women entrepreneurs in Malaysia and Thailand in the targeted sectors received any, while most women entrepreneurs in the Philippines received such services. For those who received such support services in Malaysia, they were mostly delivered by government organizations and centred around building digitalization and, to a lesser extent, entrepreneurial skills. In Thailand, they were mostly delivered through business networks and, in some cases, by government institutions, taking the form of business advisory support. For the Philippines, non-financial support services, principally counselling and advisory support, were provided via informal peer support groups, while online training was delivered via an array of service providers on topics ranging from business digitalization to how to negotiate with landlords and suppliers.

The major reason that the women entrepreneurs cited across the three countries as to why non-financial support services were not accessed was lack of information on the existence of services suitable to their needs as well as uncertainty relative to what kind of services they needed. Among the women who did not access such services, many resorted to self-learning via YouTube videos and other online information platforms. In evaluating demand for non-financial support services, it appears that the types of services in highest demand are digitalization related, for instance, training on social media analytics or e-commerce. Many women also want support relative to market access, for instance, training on customer targeting and acquisition (in many cases, using digital tools and online platforms), as well as in establishing links with new business partners to make their offer more attractive or more visible (for example, wellness sector businesses enhancing links with travel agent networks). A range of thematic areas is in demand, including support with financial management skills (cash-flow management), general business skills and support relative to occupational safety and health (such as how to keep the workplace safe for workers or customers or even how to deal with stress).

In any case, across the three countries and regarding both financial and non-financial support services, few women entrepreneurs in the targeted sectors reported accessing women-specific support services. A few women entrepreneur-specific support programmes have been put in place in response to the pandemic in Malaysia, where there are various government-sponsored financial support instruments specifically for women entrepreneurs. However, the magnitude of such women-specific support programmes remains limited, and most of them target women-owned microenterprises exclusively, whose needs differ substantially from more established businesses, including the small businesses targeted by the Rebuilding Better Project. The focus on bottom-of-the-pyramid women entrepreneurs appears to be equally the focus of donor-support programmes and local civil society organizations as that of a government, with the majority of services centred around access to microfinance or small loans as well as the development of basic entrepreneurship and basic financial literacy skills. Among general entrepreneur-targeted support services, there appears to be few gender-sensitive support services on offer, with seemingly almost no targeting of women or any gender-related adaptations of services of any kind being adopted. In effect, women businesses with more advanced needs have few options for support in accessing financial and non-financial support services tailored to their needs as women entrepreneurs *and* as somewhat established businesses.

5.2 Recommendations

Cross-cutting recommendations

Based on the findings presented in this study as well as inputs relative to previous support programmes and demand among the targeted beneficiaries, the following recommendations for support delivered by the Rebuilding Better Project across all targeted sectors and locations emerged.

- **Build up the capacity of government institutions and business development service providers to offer gender-sensitive services and better cater to and serve the needs of women entrepreneurs.**

  The study makes clear that there is little support and information available that is developed specifically for women entrepreneurs and that addresses the special barriers that they have encountered. The Rebuilding Better Project should make sure that support and materials provided are gender-sensitive and build up the capacity of partners engaged through the project to better deliver services tailored to the needs of women entrepreneurs. The Rebuilding Better Project might consider offering the WE Check tool,[33] an institutional self-assessment tool that guides organizations providing financial and non-financial business support to conduct a systematic self-assessment of the extent to which they target and serve women entrepreneurs as a means to improve their performance and enhance their impact and sustainability.

33 For more information about the ILO WE-Check, see https://www.ilo.org/empent/areas/womens-entrepreneurship-development-wed/capacity-building/WCMS_762156/lang--en/index.htm.

- **Support improved access to information among women entrepreneurs on available support services.**

  Across all three focal countries, inaccessible information on available support services and their suitability to targeted beneficiaries' needs was cited as a dominant barrier to accessing the support services. Thus, beyond supporting the development of gender-sensitive support services, which may constitute a longer-term objective potentially not achievable within the project time frame, the Rebuilding Better Project may, in the first stage, simply aim towards supporting improved outreach to women entrepreneurs among support service providers of their existing offer. This includes sharing testaments highlighting the satisfaction of other women-led businesses with certain services, which may also encourage uptake. It may also potentially support the set-up or strengthening of information platforms or centres providing information on women entrepreneur-relevant support services.

- **Provide women entrepreneurs support that responds adequately to the unprecedented situation that they are finding themselves in.**

  Building on the previous recommendation, the Rebuilding Better Project should, during the implementation phase, take into consideration the needs of women entrepreneurs who are occupied with competing priorities and do not have time to participate in long training programmes or other activities. The project should also ensure the provision of gender-sensitive services, taking into consideration in particular the increased unpaid care and domestic work burden that was already disproportionally impacting women before the outbreak of the COVID-19 pandemic.

  For the Rebuilding Better Project to assist women entrepreneurs in their recovery from the effects of the pandemic and to help them build up their business resilience, it must offer services with innovative approaches to attract the interest of targeted women rather than rely on conventional support that is not tailored for this exceptional crisis setting. This includes responding to women entrepreneurs' demand for services that are flexible and not too time-consuming and that is addressing their specific needs and challenges. The project should further aim to make information and knowledge accessible through different channels, such as videos, tutorials and interactive sessions with experts and other women entrepreneurs.

- **Provide opportunities for sharing of experiences and learning insights among peers.**

  Given how women entrepreneurs are struggling to stay motivated during this time and that many of them expressed interest in meeting with other peers to explore new partnerships, sell products and exchange learnings – as well as to access a space where they can share and find motivation, the Rebuilding Better Project should make this a primary modality for providing support to women entrepreneurs. The peer model is expected to facilitate learnings between women entrepreneurs as well as ensure that women have access to supportive peers who motivate and inspire each other. By recognizing that everyone has experiences, knowledge and insights relevant to share, this model can also be empowering for women entrepreneurs.

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Areas of support

It is suggested that beneficiaries of the project participate to a certain extent in the definition of programme-delivery modalities and in defining specific areas where they believe they require support. However, to support the targeted beneficiaries to withstand the effects of the COVID-19 pandemic, recover to their pre-pandemic operation levels and ultimately grow beyond, there are specific needs for support across thematic areas, mainly access to training, access to markets and access to finance.

Access to training

Given their traditionally limited access to training, which was confirmed through the FGDs, the need for training of women entrepreneurs covers a range of topics. However, a couple areas appear to be key to achieve the objectives of the project and warrant special attention.

- **Facilitate access to intermediary and advanced digitalization skills development support.**

  The COVID-19 pandemic has precipitated numerous industries to enter the digital era, rendering digital capabilities key to competitive advantage. Based on the findings of this study, it seems clear that women entrepreneurs specifically require support to enhance their digital capabilities, given that they typically have lagged on this front and that few, if any, women have accessed gender-sensitive digitalization training. Basic digitalization skills support appears to be somewhat readily available and, even women entrepreneurs who have not accessed such support appear to have increased their skills on this front through self-learning. The gap in digitalization support appears to be most pronounced relative to intermediary and advanced digitalization, which is where the project should thus focus its efforts.

- **Facilitate access to leadership and confidence-building-related training.**

  Previous research and the project's own FGDs have shown that women entrepreneurs in the focal countries are significantly risk-averse, that they typically fear failure more than their male counterparts and that many have been struggling with mental health issues during COVID-19. Here, it appears that it is thus not only important to support women entrepreneurs to develop their skills but also to improve the perception of their own skills and to help them re-evaluate their fear of failure and build confidence around and their ability to lead their business through the pandemic.

Access to markets

As shown in this study, improving access to markets is a primary demand among the targeted beneficiaries, given the limited level of demand they are experiencing. Support for improving digitalization skills is expected to partly address this imperative by ultimately supporting improved customer targeting and outreach as well as improved use of e-commerce channels. However, other areas of support also can help further this objective.

- **Support the establishment of cross-sector learning opportunities, business links and partnerships among project beneficiaries within and across the three countries.**

  One major avenue through which businesses, including the targeted beneficiaries, have adapted during the pandemic is through improved links with suppliers (to secure better terms of trade, for instance) and buyers, including other women entrepreneurs. Another major avenue has been through the development of new products and services, including some combining products and services from different sectors (such as restaurants offering takeaway or on-site healthy food options in wellness establishments), which has helped to open up new markets and boost sales. The project's selected sectors in each of the three countries for instance include those for which substantial links exist (between food manufacturing and food and beverage service, which can be a significant customer of the former) or where the potential to establish new links is high (healthy food manufacturing and wellness). It is suggested that the project consider setting up specific learning and exchange clusters between sectors, should there be interest by targeted beneficiaries in such an exercise.[34] Here, cross-country clusters might be considered. However, at least initially, it is suggested that these remain within national boundaries, considering the short length of the project, potential language and other barriers, as well as decreased potential for emergence of business links across the countries. In any case, the establishment of such a cluster could facilitate the development or strengthening of business links as well as offer cross-sector learning opportunities, which may benefit beneficiaries by helping them gain perspective on the challenges and industry dynamics prevalent among their counterparts, which may be potential buyers or suppliers of one another. Single sector clusters would also constitute an opportunity for the targeted beneficiaries to strengthen horizontal links, for instance, towards building up capacity to supply to larger buyers or to buy in bulk to secure lower prices in addition to serving as a learning platform among peers.

- **Support access to export markets and the development of links with the tourism sector.**

  Several of the project's targeted sectors, such as food manufacturing, fashion, design and handicrafts and, arguably, retail trade either already depend upon export markets as a major source of demand or hold potential to grow due to export demand. Nevertheless, targeted beneficiaries appear to have limited access to export markets, likely even less so than their male counterparts in light of women entrepreneurs traditionally exporting less than male entrepreneurs do and because of the presence of larger businesses specialized in serving export markets. There might be significant potential to enhance export opportunities of the targeted beneficiaries. Similarly, several selected sectors also depend on spending by tourists, such as food and beverage service and wellness, for which they represent significant sources of revenue. The project might consider supporting greater integration of the targeted beneficiaries into organized tourism circuits as well as the targeting of products at tourists. In light of the current situation of tourism markets, this might not be viable within the duration of the project.

Access to finance

Access to finance appears to be a key need of the target beneficiaries, who have been surviving on limited cash inflow thus far and struggling to cover fixed costs, such as wages and rent. In supporting the survival and recovery of target beneficiaries, supporting improved access to finance appears to be essential and helping them scale up from microfinancing to bank financing. However, any support provided needs to be adapted to their specific needs and preferences so that they are more likely to be onboarded by the target beneficiaries and delivered by financial service providers.

- **Identify and promote options for women entrepreneurs who do not want to take on debt.**

  Women entrepreneurs are usually more reluctant to take on debt than their male peers. With the COVID-19 crisis, few of them have been willing to take out a loan to cover fixed costs and keep their business afloat. The project should work to increase the understanding of debt among women entrepreneurs and suitable risk mitigation strategies. While the project should work to assist women entrepreneurs who are interested in soft loans provided by their government during the pandemic, it should also prioritize other types of assistance. This includes making information about other financial support more accessible to women entrepreneurs, actively look for alternative sources of funds accessible to women entrepreneurs and assisting them in accessing these as well as advocating for other types of financial support to be made available to SMEs in the three countries to help them manage the impact of the pandemic.

34 Here, the project may, for instance, consider a "food sector" cluster bringing together retail trade, food retail and food and beverage providers in Malaysia and food and beverage and food manufacturing in both Thailand and the Philippines. Another cluster that might be considered is health and wellness or environment-friendly products, which could bring together food manufacturing, food and beverage service and wellness sector beneficiaries.

- **Identify and promote opportunities to link financial support with non-financial business support.**

  Women entrepreneurs appear to be particularly averse to the risks involved with debt, while lenders across the three focal countries appear to be significantly averse to the risks involved with offering financial services to small businesses in the current situation. Nonetheless, studies have shown that women-owned SMEs typically have lower default rates and that they are more likely to make productive investments with financial proceeds (*Bangkok Post* 2019). This can be supported via coupling of financial services with non-financial services, such as training on financial management and general business management. It is suggested that the project explore opportunities for replicating such coupling of financial and non-financial services specifically targeted at women entrepreneurs, in partnership with both public and private sector providers.

Country- and sector-specific opportunities

The needs for support for the targeted beneficiaries and opportunities to address them are in many cases similar, as evident in these recommendations. However, there also appears to be various country and sector specificities, including market dynamics and opportunities that, to the extent possible considering available project resources and competing priorities, should be taken into account and leveraged in delivering support to target beneficiaries.

Malaysia

- **Leverage data on women's entrepreneurship:** In Malaysia, the availability of precise (albeit somewhat outdated) data on women entrepreneurs' presence in specific sectors and in specific geographic areas constitutes a significant opportunity for the project. This information could be leveraged to advocate for the development of sector-specific support services by the Government or even private sector service providers who would acquire a concrete idea of the market for a given tailored service and its viability, hence eliminating a large portion of the risk associated with piloting such services.

- **Leverage past government appetite to support the food and beverage service sector:** The food and beverage service sector has, in recent years, been the subject of significant government tourism promotion efforts as well as significant efforts to kick-start digital transformation via Growth Malaysia, which sought to support 100,000 restaurants with business digitalization. The project should be especially attentive to the appetite of government institutions as potential partners of the project to support the food and beverage sector and seek to build upon the momentum of prior efforts and current support programmes, with a focus on tourism development and beyond.

- **Support improved digitalization, marketing and labour acquisition and retention in the retail trade sector:** In Malaysia's retail trade sector, smaller outlets are being pushed out by more modern retail outlets that typically offer higher-quality products, product diversity, branding, convenience and e-commerce platforms through which customers can make purchases and have products delivered to their doorstep. There appears to be a need to support targeted beneficiaries in the retail trade sector with modernization via improved digitalization and/or by supporting them to develop their niche potential and target specific customers. Another area that has constituted a great challenge for smaller retail outlets has been their particular vulnerability to shortages in labour, which have been addressed partly in larger outlets through automation, given their financial capabilities. It is suggested that the project potentially deliver training specifically on labour acquisition and labour retention to target beneficiaries in Malaysia's retail sector.

Thailand

- **Support development of digitalization skills:** Thailand was found to have the weakest digitalization-related support (of the three countries). There appears to be significant opportunity to fill this gap, which can and should be acted upon by the Rebuilding Better Project, potentially by showcasing results of digitalization support programmes offered in Malaysia and the Philippines to relevant Thai government institutions.

- **Explore the potential relative to supporting food manufacturing sector businesses with new product development:** New product development and diversification of offerings has thus far constituted a key avenue for coping with the COVID-19 pandemic across industries. Moreover, traditional food imports, such as snacks, sauces and other relatively inexpensive processed food, are increasingly being substituted by local production, while consumer preferences have increasingly been shifting during the COVID-19 pandemic towards convenient, healthy and environment-friendly foods. Thus, it is suggested that the project evaluate whether there is demand among targeted beneficiaries for new product development as well as a market for it, and if so, support them to access relevant training and other relevant support services to develop new food products and get them to market.

Philippines

- **Support access among women entrepreneurs to export markets**: Data suggest that women-owned businesses in the Philippines tend to be much less export-oriented. Nevertheless, targeted beneficiaries appear to be especially well positioned to take advantage of export opportunities due to the country being party to various free trade agreements as well as the strategic location of Manila and Cebu. Indeed, both Manila and Cebu are the principal sea ports of the islands of Luzon and the Visayas, respectively, while Manila is strategically located in South-East Asia, given its proximity with all major sea ports in the region. The project could explore the interest of government agencies, like the Department of Trade and Industry, to develop women-specific export facilitation services, building on its existing offering as well as enhancing opportunities for the participation of women in international trade expositions, which has been found to be an area where women participation has remained low. Such interventions could be developed for those in the food manufacturing and fashion, design and handicrafts sector, but even for those in wellness and food and beverage, which rely to a certain extent on tourist revenue and which thus might benefit from improved links with international customers.
- **Leverage the government mandate to support women entrepreneurs' improved access to information on available support services:** Negosyo Centres across the Philippines act as a government one-stop shop for a large array of SME support services. Yet, based on the FDGs, it appears that one of the major barriers to access support services is limited access to information about them and uncertainty relative to their suitability to the targeted beneficiaries' needs. While government entities are mandated by the Magna Carta of Women to allocate 5 per cent of their annual budget to gender and development programmes, prior research suggests that implementation of legislation supporting women's entrepreneurship development has in the past remained low. Leveraging this government mandate as well as the Go Negosyo Act's explicit prescription to Negosyo Centres to cater to women entrepreneurs' needs, the project could work with these centres to further enhance its one-stop shop function and provide more information to women entrepreneurs on available support services. The project could do this by supporting Negosyo Centres to become intermediaries for support services relevant to women entrepreneurs offered across government agencies. It could then also support these centres in further disseminating this information to women entrepreneurs.

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Annex I: Sector selection criteria

Criteria	Guiding research questions	Potential Indicators (key indicators in bold)
Overarching criteria 1: Relevance to the target group		
1. Presence of women small business owners and nature of their participation in the sector	▶ To what extent are women-owned small enterprises present in the sector? ▶ At what stage of the value chain are these enterprises mostly involved? ▶ How much value do they capture or add through their activities?	▶ **Share and number of women-owned small businesses[35] active in the sector** ▶ Share and number of women active in the sector
2. Existence of barriers for women entrepreneurs and availability of potential solutions	▶ What is the nature and extent of the major barriers women-owned small enterprises face in the sector? ▶ Are solutions for them to overcome these barriers available to them? ▶ Do they benefit from equal access to support services such as finance or training or to business networks?	▶ **Type and level of barriers** ▶ **Availability of and access to solutions women-owned small enterprises (compared with other small enterprises)** ▶ Women's access to and control of resources and assets
Overarching criteria 2: Opportunity for recovery and growth		
3. Potential for growth opportunities for women-owned small enterprises post-COVID-19	▶ What is the size of the sector in terms of economic output and employment? ▶ What has been the growth pattern of the sector pre-COVID-19 and what have been the drivers of this growth? ▶ Does the sector have any competitive advantage positioning it clearly for growth post-COVID 19? ▶ What is the forecasted impact of sector growth on job creation and job quality? ▶ What is the potential for increased value addition and productivity improvements? ▶ What is the forecasted impact of the fourth industrial revolution on the sector in terms of value addition and impact on employment? ▶ What is the potential for women-owned small enterprises to benefit from sector growth?	▶ **Volume of economic output and share (%) of GDP and growth over time** pre-COVID (time frame TBD) ▶ Number of persons (M/F) employed (including self-employed) in the sector and growth over time (timeframe TBD) ▶ **Number and size (workers) of small businesses, including for women-owned small businesses,** in the sector chain, both formal and informal ▶ Available labour force (size, skills and education) ▶ Occupational safety and health risks; incidence of work accidents (including specific to women) ▶ Environmental risks associated with sector growth

35 Small businesses are defined as businesses with 10–49 employees and a turnover of up to $1.5 million or total assets worth up to $1.2 million.

Criteria	Guiding research questions	Potential Indicators (key indicators in bold)
4. Impact of the COVID-19 pandemic and opportunities for women-owned businesses operating in the sector to recover	▶ How severe has been the impact of the COVID-19 pandemic on the sector? ▶ How have women-owned small enterprises been affected by the pandemic? ▶ How have businesses shifted their operations to cope with the impact of the pandemic? (such as change in core business activities) ▶ To what extent has the sector recovered? And women-owned small enterprises specifically? ▶ What are the main barriers impeding the sector's ability to recover? And women-owned small enterprises specifically?	▶ **Change in (%) volume of production and sales (time frame TBD) and stabilizing patterns** ▶ Impact on cash flow and financial liquidity ▶ Business continuity for women-owned businesses during COVID-19 (temporary and permanent closures)
Overarching criteria 3: Feasibility of programme intervention		
5. Availability and capacity of market actors (providing services related to access to training, finance and markets) to change	▶ What are the current support services (related to training, finance, market access and digitalization) on offer in the sector? Who is providing them? And who is using them? ▶ Do women-owned small enterprises have equal access to these services and are they using them at the same rate? ▶ Have relevant support service providers in any way adapted their service offering to women-owned small enterprises? ▶ What are the incentives and capacities of support service providers to improve and extend their service offering to women entrepreneurs? ▶ What are the key barriers preventing them from doing so? ▶ Is the project adequately positioned to help address these barriers?	▶ Estimation of number of providers the sector and scale of their support ▶ Estimation of number of recipients of support services ▶ Level of tailoring of services to women-owned small enterprises and list of tailored services (exclusive access, preferential access, women-owned small enterprises targeting, etc.)

Criteria	Guiding research questions	Potential Indicators (key indicators in bold)
6. Donor programmes presence and influence	▶ Are there other similar donor programmes (focusing on COVID-19 recovery, business development services programmes, women-owned small and medium-sized enterprise, digitalization) active in the focal sector and area? ▶ Are these distorting the market system in any particular way or susceptible to impacting project objectives? ▶ Is there potential for and are they open to coordination? ▶ Is the project comparatively adequately positioned to address the major challenges that women-owned small enterprises are facing in the sector?	▶ Relevant donor programmes, scope and scale ▶ Absence and existence of conflicting intervention strategies ▶ Comparative advantage of ILO in the sector
7. Government initiatives and policies	▶ Are there any significant political trends affecting the sector that can be leveraged or that would pose a particular risk for intervening? ▶ What are the relevant policies and government programmes influencing the sector and how are these taking into account (or not) gender considerations? ▶ Are they causing any significant distortions in the market?	▶ Relevant sectoral policies and regulations in place ▶ Relevant government programmes

Annex II: Consulted organizations

Malaysia

Futures Females
Malaysia Digital Economy Corporation
Malaysian Employers Federation
Malaysian Global Innovation and Creativity Centre
Malaysian Trades Union Congress
Ministry of Entrepreneur Development and Cooperatives
Ministry of Human Resources
Ministry of Women, Family and Community Development
National Association of Women Entrepreneurs of Malaysia
SME Corp
Women Entrepreneur Network Association Malaysia
Women of Will
Women's Aid Organization

Philippines

Bayan Academy
BDO Unibank, Inc
Beacon Fund
Department of Trade and Industry Philippines
Development Bank of the Philippines
Employers Confederation of the Philippines
Miriam College School of Entrepreneurship
Philippine Business Coalition of Women Empowerment
Philippine Women's Economic Network
Philippine Commission Women
SB Corp
Women Business Council

Regional

Aspen Network of Development Entrepreneurs
United Nations Development Programme
United Nations Economic and Social Commission for Asia and the Pacific
United Nations Entity for Gender Equality and the Empowerment of Women
ASEAN Women Entrepreneurs Network

Thailand

Bangkok University
Bank of Thailand
Connecting Founders
Employers' Confederation of Thailand
Federation of Business and Professional Women of Thailand
Kenan Foundation Asia
International Finance Corporation
Ministry of Labour
Thai Bankers Association
Thailand Board of Investment
Office of Small and Medium Enterprises Promotion
Yunus Institute

Rebuilding better: Assessment of women entrepreneurs' needs and available support services during COVID-19 in Malaysia, Philippines and Thailand

This report was prepared for the Rebuilding Better: Fostering Business Resilience Post-COVID-19 Project, supported by J.P. Morgan, in early 2021 to inform the project strategy and work plan. The report summarizes findings from a study of primary and secondary data, including focus group discussions organized online with women entrepreneurs in Malaysia, Philippines and Thailand.

The findings of the study highlight that most entrepreneurs, regardless of gender, have been impacted negatively by COVID-19. Operating typically smaller and younger establishments and with less access to business networks and support services and with an increased unpaid care burden, women business owners have struggled during the pandemic. They also have demonstrated resilience by adapting to the situation over time. Focusing on assessing the needs of women entrepreneurs and available support services during COVID-19 in targeted countries, the study found that financial support accessed by women entrepreneurs has in most cases been temporary and insufficient. Women entrepreneurs have also in many cases been lacking information on the existence of both financial and non-financial business support services suitable to their needs. Building on the study findings, a set of recommendations on how the Rebuilding Better Project can support women entrepreneurs in accessing the support services needed for their recovery and development are presented in the report.

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