

Asia losing \$89bn a year by failing to recognise women's economic worth

Shamim Adam

2013-10-07

FOR entrepreneurs like Rusmala Dewi from Palembang on the Indonesian island of Sumatra, the need to earn money for the family means they don't even finish secondary education. Dewi left school at 14 because her parents could no longer afford the fees. With about \$20 in capital, she started making hand-woven Indonesian brocades called songket, completing about one a month.

"When I started my business, I didn't know how to sell my songket, how to make new designs and colours, how to prepare a financial report," said Dewi, now 37. "In my experience building the business, I realized how important it is to get more and better education."

It took her 14 years to write her first financial account, after reading a library book on the subject. The report helped her get bank funds at cheaper interest rates. The lender also provided guidance and encouraged her to showcase her products at exhibitions. Now her company, Nirmala Songket, employs 150 people and has exhibited her gold- and silver-threaded fabrics abroad. Social restraints are another problem. When Le Thu Phuong, 24, rejected a Vietnamese government job earlier this year to join a Hanoi-based educational startup, her mother wouldn't speak to her for a month. "If we were in the same room, my mother would communicate with me only through my sister," Phuong said. "A job in the government is seen as stable even though I would have earned less than I'm getting now."

Asia's inability to tap the potential of educated women is like a "self-inflicted wound," said Simon Ogus, chief executive officer of Hong Kong-based consultancy firm DSGAsia Ltd. He said the region's inadequate structures for child- and elderly care also sap the contribution of educated Asian women.

Some governments are trying to be more supportive by increasing access to finance. Vietnam, Laos and Indonesia have implemented land reforms that would allow women more property rights that can be used as collateral for loans, ADB's Lateef said. India's government said in February it would create the country's first bank exclusively for women, with 10 billion rupees (\$160 million) in initial capital. Lenders such as the Philippines' Rizal Commercial Banking Corp. have set up programs to boost loans to women. Government assistance helped Noranis Ayu Nordin, 40, quit her Malaysian civil service job in August to open a 700-square foot bakery and cafe in Cyberjaya near the capital, Kuala Lumpur. The divorced mother of four read books on business planning and tapped a government loan of 50,000 ringgit (\$15,340) to achieve her dream.

“There are a lot of places now you can get help to start your business,” said Noranis, who has hired five women to help her bake and decorate birthday cakes, tiramisu and pastries. “You just have to fill out the forms.” In Thailand, a 2010 study by MasterCard Worldwide showed small- and medium-sized enterprises owned by women have an average annual growth rate of more than seven times that of male-run counterparts.

Still, even in the only Southeast Asian nation with a female leader, discrimination remains. Thailand was ranked 66 out of 148 countries in gender inequality, worse than Vietnam and China.

In Thailand, only the head of the household can buy land and married women need their husband’s consent for some legal transactions, according to the Paris-based Organisation for Economic Cooperation and Development. Filipino wives often need a spouse’s signature on loan documents, according to the ADB.

“Everybody asks me if I’m married and have kids, because that’s what they expect,” said Hien Dao, 39, the female founder and chief executive officer at Golden Path Academics Vietnam Co., which helps Vietnamese students prepare for entry into U.S. universities. “They think that a woman like me should be having kids and looking after her husband — what am I doing running a business?”