



**Asia-Pacific  
Economic Cooperation**

**Models for Supporting  
Women's Micro-Enterprise Development:  
Best Practices and Guidelines**

**Assessment and Recommendations from  
Phase III of a Four-Phase Study**

**APEC Small and Medium Enterprises Working Group  
March 2008**





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## Executive Summary

This report represents cumulative findings as of Phase III of a four-part project designed to support micro-enterprise growth through collaboration and international trade linkages in the APEC region. The project focuses particularly on meeting the needs of women micro-entrepreneurs in urban, rural and indigenous communities.

In Phase I<sup>1</sup> the research team developed a four-phase project to identify the most effective program and policy support models for micro-enterprises owned by women and indigenous peoples (Whiteduck, Peebles & Lever 2006a). Phase II<sup>2</sup> consisted of an extensive review of existing programs (other than micro-finance), and, through a consultative process, an assessment of the fundamental criteria to enable women's micro-enterprises to become sustainable, shift from domestic to international production or to become suppliers to larger-scale exporters within their own economies (Whiteduck, Peebles & Lever 2006b).

There have been many programs and models designed and implemented throughout the APEC region to assist in the development of micro-enterprises. Some are more successful than others, but there are still thousands of micro-enterprises not being captured by these programs. One of the purposes of this project has to been to identify what can be done to capture those micro-enterprises and assist in their sustainability. The team initially identified eight support models for micro-enterprise development for further investigation:

1. Facilitators
2. Aggregators (Business Pooling)
3. NGO Business and Fair Trade Organizations
4. E-Business and E-Communities
5. Catalogue Distribution
6. Equity Contributions
7. Franchises
8. Public Sector Policies and Programs

Based on multi-sectoral consultations (held in Viet Nam at the 2006 WLN Meeting and SME Working Group Meeting) with representatives from several APEC economies, the research team concluded that the most relevant business development models for micro-enterprises were the Facilitator, Catalogue Distribution and Public Sector Policies and Program models.

In Phase III of the project,<sup>3</sup> the research team conducted feasibility studies and targeted consultative workshops, in three representative economies (Chile, Canada and Viet Nam), on the three micro-enterprise models selected. Government institutions, civil society organizations, and the private sector collaborated to organize the workshops in all three economies.

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<sup>1</sup> Funded by the Canadian International Development Agency.

<sup>2</sup> Funded by Industry Canada.

<sup>3</sup> Funded by the APEC SME Working Group.

The main findings of the workshops confirmed that women's micro-enterprises face multiple challenges related to the size of their businesses, the location of their businesses, the nature of their products, various types of gender discrimination, and the dual role of women as family providers and caregivers in most APEC economies. The consultations highlighted a particular need for programs that address these challenges in specific ways:

- Result in actual trade activity and trading partnerships
- Focus on assisting small producers in finding and accessing opportunities to promote products, especially those made by indigenous women
- Foster collaboration between the private and civil society sectors, with the public sector playing a critical facilitation role as a cross-sector coordinator
- Provide a continuum of services that take into account the different stages of growth of micro-enterprises and the gender issues involved
- Recognize the need for and impact of networking
- Facilitate product pooling at the local, regional, and economy-wide levels, and provide access to product pooling venues
- Increase access to expertise in product design, business development advice and training, information on potential markets, market information and new technologies, and product distribution
- Provide legal and professional advice
- Address intellectual property issues and their impact on indigenous women
- Make links with affordable credit programs

The feasibility studies also confirmed that targeted supports for women-owned micro-enterprises need to meet minimum product, producer and program criteria. Through the consultations and feasibility studies, the research team developed and refined these criteria and formulated specific guidelines and recommendations for micro-enterprise support programs. The criteria, guidelines and recommendations are set out in Part III of this report. They require careful review and analysis to ensure a successful micro-enterprise development and support program.

In Phase IV of the project, the research team will develop pilot micro-enterprise support programs in APEC economies. By closely implementing the guidelines and criteria, and through building partnerships among the public and private sectors, civil society, and academic institutions, the research team hopes to offer APEC economies practical and tested models for successful micro-enterprise support throughout the region.

## **PART 1: INTRODUCTION AND BACKGROUND**

This report represents the work of Phase III of a four-phase project intended to foster increased support for micro-enterprise growth through international trade linkages in the APEC region. The report has three main sections. The first provides background on the project and summarizes the results of Phases I and II. The second describes the findings from consultative workshops held with women's micro-enterprises in Canada, Chile and Viet Nam in Phase III. The third section offers detailed criteria and guidelines for implementing three micro-enterprise support models. This report is to be disseminated to the ministries of commerce and women's ministries, business associations, NGOs working with micro-enterprises, and academic institutions in APEC economies.

### **A. Introduction**

In Acapulco in 2003, at the 9th Meeting of APEC Ministers Responsible for Small and Medium Enterprises (SMEs), the SME Ministers recognized that attention to micro-enterprises promotes progress towards APEC objectives, including gender equity, economic growth, poverty alleviation and the overarching goal of shared prosperity.

The Micro-Enterprises Sub-Group of the SME Working Group emphasized that micro-financing was crucial for the expansion of micro-enterprises. However, it also determined that "work programs and operational projects must be designed to address the unique policy issues facing micro-enterprises to facilitate their participation in the formal market system, enable them to develop on a sustainable basis, and become the groundwork of economic development in the region" (Micro-Enterprises Sub-Group 2003, p. 2).

The Micro-Enterprises Sub-Group's Action Plan set out some criteria for development programs created by APEC economies and fora. The following is a summary:

- Facilitate micro-enterprises' support for and participation in the formal economic system, and by doing so, maintain a comparative advantage in tradable goods and services produced within the formal sector.
- Strengthen local and community-based development by sharing best practices and experiences in micro-enterprise development policy and implementation among APEC economies.
- Develop the entrepreneurial capacities and economic participation of women as a significant group active within the micro-enterprise sector.
- Strengthen the links between APEC economies and other organizations, including micro-finance institutions, universities, colleges and philanthropic foundations to address micro-enterprise development in APEC.

In Santiago in 2004, at APEC's Committee on Trade and Investment (CTI) Seminar (Supporting Women Exporters), a member of APEC's Women Leaders Network (WLN), Heather Gibb from the North-South Institute, presented research findings from a study she had initiated (Gibb 2004). The following is a summary of the CTI's related recommendations for APEC, based on the results of this research:

- Trade-Related Capacity-Building (TRCB) initiatives could support small producers by requiring that large project contractors involve small producers, including women producers and their organizations, as partners in and beneficiaries of TRCB projects.
- The Trade Facilitation Action Plan should include specific components targeting small producers, including women and organizations that work with marginalized women, to assist in identifying, designing and evaluating interventions.
- The Trade Facilitation Action Plan should use sex-disaggregated data on employment, business ownership, and export interests and activities of small producers to identify the distribution of cost savings achieved by exporters as a result of the Plan.
- The Intellectual Property Rights Experts Group could broaden its discussion of IPR to include intellectual property issues for folklore and artisan products and protection of intellectual property rights held by a group.
- The Market Access Group could address harmonization to HS standards (harmonized system of standards) for handicrafts.
- TRCB initiatives for the private sector on trade rules should be inclusive of services suppliers as well as goods producers. This may involve capacity-building for government officials and negotiators in their own service sectors, as well as assistance for private sector organizations in supporting emerging women-owned service suppliers.
- The APEC Finance Ministers process should address concerns about policy and biases in financial systems that disadvantage women and the organizations that support women micro-producers, including fair trade organizations, in accessing institutional sources of credit efficiently and in amounts sufficient to support participation in international trade.

## **B. Project Background**

The WLN has been working to develop policy supports to foster growth among women-owned micro-enterprises and to support indigenous women small producers in the Asia-Pacific region since the mid-1990s. Issues related to this theme have been discussed every year at annual WLN meetings, with certain themes and challenges emerging each year. In recent years, the WLN

has begun to shift from policy development to implementation to find ways to generate more active program support.

In 2006, the SME Working Group supported the initiative of three members of the Canadian WLN (the research team) to undertake activities intended to better understand the challenges and opportunities facing women-owned micro-producers. The initiative also sought to discover how best to create market opportunities, income and growth for these women using the extensive network the WLN has created with the more than 4,000 women who have attended meetings since 1996.

In Phases I<sup>4</sup> and II,<sup>5</sup> the research team developed a four-phase project to assess program and policy support models for micro-enterprises owned by women and indigenous peoples and identify the most effective models. The idea was to undertake an extensive review of existing programs and then, through a consultative process, determine what micro-enterprises need in order to be able to shift from domestic to international production or to become suppliers to larger-scale exporters in their own economies (Whiteduck, Peebles & Lever 2006a).

A number of the strategies and micro-enterprise support policy and program models in place in several APEC economies are already having some success in targeting both the informal sector and high-knowledge micro-enterprises, in particular those owned by women and indigenous peoples. The research team felt that these strategies, if documented more fully, could provide a set of best practices and policy and program guidelines. Such guidelines would help APEC economies develop economy-wide or regional programs to help small producers achieve greater efficiency and increase their competitiveness, either by increasing their access to international trade or by applying lessons learned from successful international trade practices to a wider local market.

In Phase II, through a consultative process, the research team selected, from a range of policy and program support models, those that lend themselves to operating effectively in both developing and developed economies (Whiteduck, Peebles & Lever 2006b). Micro-enterprises, particularly those owned or operated by women, face many of the same growth challenges regardless of the size or stage of development of the economy in which they are located. The process for selecting models made particular note of the issues facing indigenous micro-enterprises and women-owned micro-enterprises based in rural areas.

With those phases complete, in Phase III,<sup>6</sup> the research team examined the strategies and policy/program models identified in Phase II in depth, identifying those likely to be most effective in product expansion for micro-enterprises. The research team conducted a feasibility study and developed

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<sup>4</sup> Funded by the Canadian International Development Agency.

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<sup>6</sup> Funded by the SME Working Group.

guidelines for APEC economies on how best to set up micro-enterprise support programs. This method went beyond the traditional approach of simply documenting best practices to actually developing guidelines and a “toolbox” for implementing them, based on the results of solid, field-based

#### **Principal Activities in Each Phase**

In Phase I, the research team reviewed best practices in micro-enterprise development policies and programs. In Phase II, they held workshops and consultations to assist in the selection of the three models most relevant to both developing and developed economies in the APEC region. The Phase III feasibility study in three APEC economies resulted in detailed set of recommendations guidelines. In Phase IV, the research team will develop and test a micro-enterprise development model.

feasibility studies. The ultimate goal is that the guidelines will serve as a means to support the growth of women’s micro-enterprises through increasing international trade links within this sector.

In Phase IV,<sup>7</sup> using the guidelines, the research team plans to establish pilot programs in various APEC economies. In addition, the research team plans to collaborate with WLN teams in establishing an international trading network of micro-enterprises and small producers for women and indigenous peoples.

#### **Objectives**

1. Increase APEC’s knowledge and understanding of successful strategies to support growth for micro- and small-scale entrepreneurs in developing and developed economies, with a particular emphasis on increasing international trade linkages, to inform the development of future micro-enterprise support programming and policy.
2. Identify the micro-enterprise support models likely to be most effective in fostering increased growth for micro-enterprises, increased international trade, and effective micro-enterprise network development, and determine which models would be most effective in a range of economic contexts.
3. Based on the most successful models, provide APEC economies with a set of detailed guidelines for establishing micro-enterprise growth policies and programs, with a particular emphasis on women’s micro-enterprises, indigenous micro-enterprises and rural micro-enterprises.

The research team projected the following primary outcomes from this project:

- Increased awareness of effective policy and program support models to support micro-enterprises
- Successful engagement in international trade among businesswomen’s organizations, women entrepreneurs, NGOs that support micro-

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<sup>7</sup> Funding to be arranged.

enterprises, women's ministries in APEC economies, and the SME Working Group and Micro-Enterprises Sub-Group

- Increased awareness, among APEC bodies and member economies, of the potential of micro-enterprises to successfully engage in international trade, along with support approaches that can increase this potential
- Increased support, from key stakeholders in the APEC region, for micro-enterprise support programs with an international trade focus
- Increased access for APEC bodies, governments, business associations, research institutions and businesses to guidelines on how to establish policies and programs that will foster micro-enterprise growth through increased international trade linkages

A further outcome arose as the project progressed. The research team found that the three feasibility study workshops led to strong interest among the governments and micro-enterprise participants in taking follow-up action and in forming an international micro-enterprise-focused trade network and support program.

The models also offered opportunities for the research team to make linkages with the 2010 Olympic Games to be hosted in Vancouver, Canada. The potential for micro-enterprises owned by women and indigenous peoples to supply items to some of the purchasing programs was raised in discussions with purchasers. The catalogue model is an excellent means for promoting women's products through this event.

The research team's discussions with parties in non-APEC economies have also generated substantial interest, since virtually every economy (whether developed or developing) has a micro-enterprise sector trying to grow and achieve the same outcomes.

## **C. Small- and Micro-Business Environment in APEC Economies**

### **Small- and Micro-Business Contribution to APEC Economies**

The micro-enterprise sector has the potential to generate enormous economic gains and increased employment for women. Their families, communities and economies would benefit from realizing that potential: in most APEC economies, small and micro-enterprises generate a significant number of jobs. In Canada, for example, 49% of the population work for small or micro-enterprises.

APEC data from 2000 indicated that there were about 49 million non-agricultural SMEs and micro-enterprises in the region, half of them in China and Indonesia (SME Working Group 2003). In the region as a whole, this category accounted for about 95% of all enterprises and employed approximately 80% of the workforce. It is important to note that 35% of

APEC's SMEs are owned by women. The percentage is even higher in the micro-enterprise sector. In both rural and urban areas, SMEs and micro-enterprises are the largest source of employment and net new jobs, especially for women and youth (SME Working Group 2002).

Recent research has shown that small companies with access to wider local and international markets grow faster and that a healthy SME sector is correlated with healthier economies (Peebles 2004). Micro-enterprises are more numerous than SMEs and make up approximately three-quarters of all enterprises in the APEC region. Micro-enterprises are also more important in terms of employment in the less-industrialized economies (SME Working Group 2003).

### **Challenges Facing Micro-Enterprises**

Micro-enterprises in general face significant business development and growth challenges. In most economies, micro-enterprises in both the formal and informal sectors find that their growth is hindered by limited access or lack of access to affordable credit, markets beyond the immediate area, new technologies, supplies and materials, domestic and international business networks, and information. Quality control is inconsistent and staff are few.

Despite the economic importance of micro-enterprises, most economies tend to focus their business support programs on SMEs and large enterprises. Many existing micro-enterprise support programs concentrate on providing micro-credit and some technical advice, designed to help these enterprises operate at a survival level and within a very limited local market. Most are not oriented toward larger-scale growth or toward accessing wider or international markets. There is a general perception that micro-enterprises have little capacity for or interest in growth, and there is a tendency to think of them as consisting mainly of street merchants or small cottage-craft producers.

Although many micro-enterprises replace employment and are only a means of earning income at a survival level, this is usually not the case. Micro-enterprises offer a wide range of products and services, and the development of international trade links is a viable means of fostering micro-enterprise growth. There is a need to develop micro-enterprise support programs that address what is required to assist micro-enterprises development through to accessing larger local markets and international markets.

Micro-enterprises operating in the informal market encounter the challenges inherent in working within an unregulated market. They may pay little or no taxes, but they are not readily able to benefit from government support services for small businesses or from the protection the law affords formal businesses. In many locations, they are subject to paying bribes and suffer intimidation, the consequences of corruption and usurious financing terms.

Another challenge facing micro-enterprises, one that has received little attention, is production overcapacity in specific products in a given economy.



A high number of producers make identical or similar products, creating fierce competition and saturating local markets. Developing export capacity can offer immense potential for these businesses by relieving pressure from the oversupply of products in the domestic market—what may be overproduced or oversold in one market may represent a unique product in another.

Increased access to information and knowledge of practices proven to enhance the production capabilities of micro-enterprises is crucial to creating business expansion opportunities. There is a need for a better understanding of the mechanisms contributing to micro-enterprise growth in general. In particular, there is a need to understand the participation of women as small-scale producers and suppliers in both the formal and informal sectors.

### **Challenges Facing Women's Micro-Enterprises**

Micro-enterprises owned by women, and indigenous women in particular, face even greater challenges at all levels. Often, these are related to gender discrimination, racism and marginalization—all of which can add to limitations on market access and growth.

Isolation is a further challenge. Even in a highly developed economy such as Canada's, many women are isolated by sheer distance, a severe climate during the winter or both. In addition, in most economies, women work in the productive sector while also carrying prime responsibility for the care of their families. This can limit the time they have available to support the growth of their businesses and hinder their ability to travel to seek new markets. Many women compensate for these dual demands on their time by sleeping less and/or by eliminating any recreational time in their days or evenings. Both can lead to burn-out or decreased productivity over time.

Women's micro-enterprises also often need land and other key resources and increased access to new technology and innovation. They require networks that enable them to expand their range of products and services and a policy and cultural environment that supports and promotes women in particular. Support programs that engage women by offering scale-appropriate solutions to assist them in entering trade arenas are also needed.

A particular challenge for women's micro-enterprises in many economies is that women are generally poorer than men and have fewer assets. Therefore, they have less collateral to offer in order to obtain business loans. Also, in some economies, married women are not allowed to borrow money in their own names and must have their husbands' signatures on loan agreements.

There is limited understanding of the reality that women may operate and grow their businesses very differently from the way men do. Often, women support other women-owned micro-enterprises, creating a kind of web by bartering products and services. This is particularly the case during the initial start-up stage and early years of growth. On the surface, it may appear that they are not growing their businesses. In fact, they are conserving resources.

Recent studies have shown that women operating small enterprises often exhibit particular characteristics:

- Demonstrate strong commitment to the local community, particularly in sourcing and employment
- Operate as the centre of their business organization, with teams and working groups emanating from that central position, rather than as the top tier of a rigid hierarchical structure
- Guide their businesses with a vision encompassing their private and business lives, constantly striving to develop sustainable business with manageable growth rather than overtrading or aiming for immediate high growth
- Focus on the personal relationship aspects of business contacts that support long-term ambitions (including high turnover and profitability)
- Develop contacts through active networking, which they perceive as a rich business resource
- Grow their business through a range of relationship alliances, which frequently enable the creation of more businesses and trade, resulting in slower growth (as measured traditionally by increased number of employees), but generally fostering much more sustainable growth (Muir 2002)
- During early stages of development, generally respond best to receiving advice and mentoring from other women entrepreneurs (Muir 2002)

Micro-enterprise support programs that target women need to take these factors and approaches to business operation into account.

Indigenous women face even greater challenges. Many of their micro-enterprises are located in isolated rural areas, and this adds distribution difficulties to the list of obstacles to growing their businesses. They are sometimes stereotyped and may have limited abilities to innovate and promote their culturally based products, which are often in demand. When they have a product or service that is in demand, they worry about cultural appropriation, and tend not to develop products further, resulting in fewer links and access to markets. Years of discrimination may also have eroded their self-confidence, resulting in hesitancy to take risks or make public presentations. Many women who operate micro-enterprises face issues arising from poverty, but for indigenous women, the problems are even greater.

#### **D. Phase I Findings: Best Practices in Micro-Enterprise Support Programs**

The best practices review found that an ideal micro-enterprise support program needs to include the following elements:

- A review of the economy's legal and regulatory frameworks to determine if they have the same impact on micro-enterprises as they have on SMEs, including an analysis of the gender-related impacts of relevant laws and regulations
- Based on the results of a legal/regulatory framework review, a program to support policy changes to help create a positive growth environment for micro-enterprises
- Access to
  - business development advice and training
  - information on potential markets
  - expertise on product design
  - product pooling venues
  - service centres (for example, the possibility of renting office space for a few hours to meet with clients in a major city)
  - communications technology (videoconferencing, Internet, etc.)
  - financing for product/service development and business expansion
  - legal and other professional advice
- Links with affordable credit programs

In essence, micro-enterprise support program should provide for a one-stop service centre. Such centres can be set up in a physical location or they can be Internet-based, depending on the local circumstances and Internet accessibility and cost. They could also be established as a collaborative partnership involving the public and private sectors as well as civil society organizations and academic institutions, with each body providing the service in which it has the most expertise.

The best practices review also found that the greatest potential for opportunities to expand support for women's micro-enterprises is likely to be found in business sectors experiencing high growth, such as tourism, and in traditional small-production enterprises such as arts and crafts. There is also great potential in expanding support for trade and exporting and for the new and fast-developing service sectors like services for small businesses. The concept of tying new support to major events is also extremely promising. Formalizing the informal micro-enterprise sector and procurement measures are opportunities for the public sector, in particular, to expand support for the micro-enterprise sector.

The review identified eight key micro-enterprise support models with the potential to take into account the challenges and patterns common to micro-enterprises:

1. Facilitators
2. Aggregators (Business Pooling)
3. NGO Business and Fair Trade Organizations

4. E-Business and E-Communities
5. Catalogue Distribution
6. Equity Contributions
7. Franchises
8. Public Sector Policies and Programs

Some of the models are actually subsets of three main categories: facilitators, aggregators and public policy measures (eg, catalogue distribution is a form of aggregation; equity contributions are a form of public sector facilitation).

The following summaries highlight the key characteristics of each model.

### **1. Facilitators**

These intermediaries work with micro-enterprises to seek opportunities in the marketplace and identify ways to facilitate cooperative activities for women to assist them in growing their small production businesses or expanding their products. Facilitators also work with the small producers to assist them in getting their products ready for distribution. This includes identifying and developing markets for specific products and implementing distribution vehicles such as catalogues.

The facilitator role is especially important to micro-enterprises because it includes development activity focusing on the export and market access needs of very small producers who may be marginalized or in too remote a location to be able to afford the costs associated with market development. The development role distinguishes this activity from the market development services offered by businesses well positioned and better equipped to address the interests of larger producers. Facilitators balance demand with the capacity of micro-producers, which is temporarily limited as they learn the market development process and gain enhanced capacity.

For the facilitator model to be effective, the private and public sectors must play a coordinated role in market entry and preparations. The model also requires a wider engagement of industry, sector councils, and women's networks. An advantage of the model is that there is a built-in quality-control element and some degree of product standardization is offered, along with control of production according to the extent of market entry and the addition of new suppliers as market share increases

### **2. Aggregators (Business Pooling)**

This approach identifies businesses, products and services that are very similar in design, quality, and market identification, and brings them together under one common product offering in the marketplace. Aggregators work with small producers to fill orders. They set standards and quality control procedures and processes, typically dealing in one product area (rarely in the services sector).

Aggregators serve a broker function, with a two-way function that requires wholesale and retail contacts and proven efficiency in delivery systems. They develop links in and into market channels and serve as coordination centres to ensure distribution of specific products. Typically, they offer specialty items. The aggregator model relies heavily on technology to facilitate the process.

### ***3. Non-Government Organizations (NGOs) and Fair Trade Organizations***

These organizations help minimize risk for marginalized producers by providing marketing services and business development services specifically targeted for them. They also focus on ensuring that these producers are fairly paid for their work. NGOs identify the market for the micro-enterprise products and take responsibility for product design, marketing, and distribution.

NGOs also train specific vulnerable groups to make products that the NGO sells and exports, sub-contracting production work to micro-enterprises and assisting the target group in setting up home-based micro-enterprises. NGOs often provide other training and services related to life skills to their sub-contractors. All profits from the sale of products produced by the sub-contractors are reinvested in the NGO's programming.

### ***4. E-Business and E-Communities***

Online fora connect participants and stakeholders to share information and best practices, forge market and trade development links, and enable feedback through dynamic platforms, video clips, webcasting, videoconferencing, and other technology tools. This model includes Internet-based fora or businesses assisting producers in making significant economic gains by connecting them with potential distributors and customers.

There are services to facilitate online activity for communities and individuals and help develop and organize knowledge through online discussions and chat groups. Individuals can link to virtual trade missions (such as the Virtual Aboriginal Trade Show). Some service providers offer turnkey sites and provide the listing know-how needed to offer products and services on line. This model requires connectivity and Internet access, along with technical assistance.

### ***5. Catalogue Distribution***

Product offerings are compiled in hard-copy or virtual format, enabling an entrepreneur to offer an assortment of products in the marketplace targeted at a specific type of consumer. A catalogue can offer one item or numerous items and is thus a scalable model. Producing a catalogue may require harmonization by specific product categories. Production and publication facilities are required, but a catalogue can be on line, which reduces publication costs. Catalogues can be business-to-business or business-to-consumer. Products can be consolidated with other offerings from other catalogues. The initial launch carries potentially high costs.

## **6. Equity Contributions**

This is a more conventional approach to business start-ups and expansions. The micro-enterprise receives entrepreneur-directed assistance in the form of loans and grants, accompanied by technical expertise and advice. This form of financial assistance is generally obtained from government and economic development programs or from other institutionally based developers. Businesses receive a percentage of start-up or expansions costs, and the entrepreneur's contributions can include "sweat equity." Equity contributions can be combined with other loan products to further finance the business.

## **7. Franchises**

Through a licensing system, the owner (franchiser or licensor) of a product or service permits the granting of a license to others (franchisees) to market products or services within a defined territory, following the guidelines established by the licensor. It is a ready-made business with an established brand, product or service. New owner franchise disclosure documents must present all material facts about the business, operations and franchise ownership conditions prior to the franchise purchase.

Usually, suppliers have been identified for the franchisee, but there is room to add to stock from outside the franchise product range. Franchisers provide the necessary business training. The franchisee is required to make an ongoing purchase of shares and pay franchise fees. The business also requires significant cash flow financing. Current models require significant start-up capital, but could be adapted for micro-enterprise start-ups.

## **8. Public Policy Measures**

Government-driven measures are designed to achieve specific, targeted impacts or to reach critical objectives in business activity. Government-supported policies or programs can encourage growth in the private sector and engage the established private sector in playing a significant role. The services and programs offered are fairly diverse (such as a set-aside policy for women-owned businesses and subsidies for participation in international trade fairs).

Policies vary from economy to economy and even within regions of one economy. Some initiatives are delivered through specific government agencies and others can be delivered through a variety of agencies, such as small business development offices, women's offices, trade offices, and others. Effective public policy and programming requires awareness, take-up, and feedback mechanisms to ensure that the objectives are being addressed.

## **F. Phase II Findings: Consultations on Micro-Enterprise Support Models**

Following the collection, analysis and documentation of best practices to support the development of women's micro-enterprises, the research team organized a workshop on the main models identified. Held during the WLN Meeting in Ha Noi in September 2006, the purpose of the workshop was to obtain feedback from WLN participants from all economies. Appendix 2 provides details of the workshop.

### **Objectives of the Workshop**

- Increase the fund of information and knowledge regarding practices proven to enhance the production capabilities of small enterprises.
- Identify crucial business expansion opportunities by developing a better understanding of the current participation by women as producers and suppliers in the informal economy and within the small business sector generally.
- Begin to determine which clusters of products and services in various economies provide the best opportunities and potential to expand trade and distribution activity.
- Begin defining the interventions and practical measures necessary to implement an optimal combination of best practices that can later be tested in pilot projects.

The research team also made presentations and held discussions at the APEC Micro-Enterprises Sub-Group meeting in Ha Noi in 2006 and the SME Working Group meeting in Tasmania in 2007. Presentations at the second CTI Seminar on Women Exporters also focused on important developments in micro-enterprise support strategies, such as the One Village, One Product seminars and the local culture and crafts models of Chinese Taipei.

By the end of the consultative process, the research team had held discussions with over 280 women at the WLN meeting, 50 male and female participants at the Micro-Enterprise Sub-Group and SME Working Group meetings, and over 100 male and female participants at the CTI seminar.

The stakeholders expressed a strong desire to see the project result in actual trade activity and trading partnerships. They felt that the models should focus on assisting small producers in finding and accessing opportunities. There was a high level of interest in forming a WLN-based trade group, with particular focus on promoting products made by indigenous women in APEC economies.

Stakeholders suggested that the aggregator models and e-communities model offered the most direct prospects for fostering actual trade activity. They also saw growth facilitation as critical. The public sector most often provides this service, usually in collaboration with the private and civil society

sectors. NGO participation and support was also considered critical to the success of all of the models, but the stakeholders emphasized the public sector's critical facilitation role as a cross-sector coordinator.

The models presented in the workshop addressed micro-enterprises that were almost ready to export, but there is a need for a continuum of support services at every stage of micro-enterprise development, from start-up to expansion, including programs and policies geared to each stage and to various types of micro-enterprises. Ideally, the continuum would begin with micro-financing and related business training to foster stable micro-enterprise start-ups and end with diverse programs to support export-focused micro-enterprises and the growth of micro-enterprises using export or export-linked domestic trade as a base.

NGOs need to be engaged in the development of support models, and the models should include support for contacts and associations with other economies and other business associations. Support program development also needs to include global chain analysis as some value chains lead to dead ends. Therefore producers need information on the global picture before they select a sector for a business start-up or invest in expanding their existing businesses. Models also need to take into account the gender issues involved, including the fact that gender stereotypes limit productivity and are a significant hindrance to trade.

Feedback from participants in the second CTI Seminar on Women Exporters affirmed that programs characterized by a focus on actively identifying and supporting women exporters and by support from governments were the most successful. It was generally agreed that great opportunities exist in this area and that many economies would welcome the opportunity to work together on them. This interest was further confirmed when ten economies expressed interest in participating in Phase III of the project.



## **PART II: PHASE III FEASIBILITY WORKSHOPS**

### **A. Methodology**

Given the resources available and the qualitative nature of the research, the project did not encompass a wide-scale statistics-gathering process. Instead, the research methodology focused on holding consultations with a representative sample of women's micro-enterprises and businesswomen's associations.

In each economy selected for the study, local sponsors and hosts endeavoured to invite a cross-section of women from two main target groups (see "Target Groups," below). The participants themselves confirmed that their circumstances were representative of the micro-enterprise environment in their areas. Based on this information, combined with the researchers' years of experience in this field and their on-site observations, the research team was satisfied that the participants were a representative sample in each case and that the research findings could be reasonably extrapolated to the women's micro-enterprise sector as a whole.

The research team organized each workshop in collaboration with the public sector, a civil society or a combination of the two. The host organization in each economy invited a representative sample of women micro-entrepreneurs and other stakeholders to participate.

To facilitate the discussion, the research team gave a presentation on the three micro-enterprise support models selected and then asked each participant to fill out a questionnaire in the form of a checklist (see Appendix 4). After this self-assessment exercise, the participants discussed their needs and how the models could assist them.

The self-assessment checklist is one of the tools the research team is recommending as a means of assessing the growth potential and export readiness of micro-enterprises. This particular assessment tool focuses on micro-enterprises that produce products for sale. A similar assessment tool is also needed for service-oriented micro-enterprises, and the checklist would need some adaptation to fit the needs of the service sector.

### **Target Participants**

Target participants for the feasibility study fell into two main categories. The first was women operating micro-enterprises with the potential to become export-oriented if they could access the right program supports or if their governments created an enabling policy environment. These included small-scale producers with a wide range of products and services to offer—particularly in the handicraft and tourism sectors, but also in the service sector. It also included business-woman with a good track-record of generating innovative technologies, products and services.

The second target group was women operating micro-enterprises with great potential for growth at the domestic level. This group, to realize its potential, would need to link up with and become suppliers to a range of larger businesses already involved in export as suppliers of products or services.

### **Selection of Economies**

Through the consultative process, the research team established that the following ten economies had a strong interest in participating in Phase III feasibility study:

- Australia
- Canada
- Chile
- Malaysia
- New Zealand
- The Philippines
- Chinese Taipei
- Thailand
- The United States
- Viet Nam

The following selection criteria were used to narrow these ten economies to three:

1. The government and/or women's business associations are available and willing to help organize the sessions.
2. The three economies include developing and developed economies.
3. Access is available to a range of women's micro-enterprises from urban and rural areas, and micro-enterprises owned by indigenous women are represented.
4. Business support programs exist that follow the facilitator, catalogue distribution and public sector policies and programs models.
5. Organizations for women micro-entrepreneurs exist, they are actively seeking access to information, sharing, and networking, and they are interested in establishing actual trade activity through an international trade network and the application of these support models.
6. Women are looking for coaching that generates business start-ups, leaders and champions who will form the nucleus of business activity.
7. Cooperatives exist that are working with women's micro-enterprises.
8. There are thematic possibilities or special events with the potential to tie in with the models.
9. There is a good level of public sector support for micro-enterprises.

On this basis, the research team selected Canada, Chile and Viet Nam to participate in the feasibility studies. However, other APEC economies are not precluded from involvement in possible follow-up to this project, particularly the development of an international trading network of women's micro-enterprises.

### **Selection of Three Support Models**

In addition to the consultations at APEC fora in Viet Nam in 2006, the research team held consultations at the WLN 2007 meeting in Australia. Based on these consultations, and on ongoing feedback from WLN members in diverse economies and from other APEC stakeholders, the research team concluded that the micro-enterprise support models to be selected for the feasibility studies needed to have a core group of characteristics:

1. Include practical mechanisms are included that enable the promotion of trade, requiring the least amount of investment, time, and start-up costs from women and a simplified approach to action.
2. Provide an easily workable solution to generate activity.
3. Sustain networks with the least difficulty, cost and technical requirements.
4. Provide opportunities to link products around common or connecting product features to increase their market access and distribution and lend themselves to a thematic approach, tie-in to an event, or other approaches that enable women to aggregate their products as a means of getting their products to market.
5. Enhance the ability of micro-enterprises to cluster and connect by increasing their access to Internet-based information on how to organize and network women-made products for distribution.
6. Offer flexibility of scale, so that the large numbers of micro-enterprises without significant production capacity can participate.
7. Initially promote non-perishable products. Agriculture-related products tend to require more complex processes to produce, market and distribute. This does not preclude support for this type of product, but it will require a longer-term approach and greater input from facilitators.
8. Promote the facilitation of growth (most likely through the public sector in collaboration with the private sector and civil societies).
9. Involve contribution from multiple sectors, including the private sector (SMEs), NGOs and government programs (eg, NGOs to identify potential program participants, SMEs to act as potential markets for micro-enterprise products and services or to provide entrepreneurial training, and the government to provide a wide range of facilitation services). Research thus far suggests that NGO participation and support is critical to the success of all the models.
10. Given the need to establish international trade linkages, incorporate ways to facilitate e-business communications.

11. Demonstrate the ability to address the needs of disadvantaged women. Experience has shown that micro-enterprise development has had huge compounding effects when measures to target disadvantaged women are in place. This can lead to new markets for all types and sizes of businesses.
12. Readily lend themselves to immediate participation by women through short-term activities, which can be delivered using simplified measures (such as connection to the Internet, short workshop sessions and other business development supports) and which are relatively easy for women micro-entrepreneurs to access.
13. Encourage and create opportunities for frequent points of contact between individual micro-enterprises and suppliers. This is an important factor, in that it forms a substantial part of an education process for suppliers and is key to establishing product quality in the start-up phase.
14. Support or facilitate a manageable, regular production and delivery schedule.
15. Incorporate elements to create linkages to cooperative enterprises that assist women with promotion.
16. Provide a capability to address intellectual property issues.

Based on this set of priority characteristics, and on stakeholder feedback, the research team selected the facilitator, catalogue distribution, and public sector policies and programs models.

## **B. Workshops**

The consultative workshops had three main purposes:

1. Discuss the three micro-enterprise support models with women micro-entrepreneurs, government officials, SME owners, and civil society organizations to get feedback on needs, experiences, and resources available and determine what each stakeholder can and should be contributing.
2. Find out more about the challenges facing women micro-entrepreneurs in each economy.
3. Initiate discussion about how each economy could follow up on the results of the feasibility studies and either build on their existing micro-enterprise support programs or create new ones to fill any significant gaps identified.

The research team, with assistance from local organizations and governments, held feasibility workshops in the three economies selected: Canada, Chile and Viet Nam.

The Chile session was held in the region of La Serena, with site visits to Coquimbo and Elqui Valley (6–8 November 2007). Held in Montreal, Quebec,

the Canada workshop (26–28 November 2007) focused on the particular needs of micro-enterprises owned and operated by indigenous women. The Viet Nam workshop (12 December 2007) was held in Ha Noi. Andrina Lever and Francine Whiteduck completed additional consultations in Peru (9–11 November 2007) at the invitation of Canada’s Ambassador to Peru.

Generally, the workshops began with presentations by the research team. They gave the participants an overview of APEC and the WLN, described the context of the project, and provided examples of how women are successfully promoting their products. A presentation and discussion about networking activities followed. The participants completed the Self-Assessment Checklist (see Appendix 4), and the research team encouraged them to show or talk about their products or services. Please refer to Appendix 5 for a list of the products and services offered in each location.

After the participants completed the Self-Assessment Checklist, the research team facilitated a discussion about each of the three micro-enterprise support models and how they might be applied to women’s enterprises in the area. Appendix 3 provides details on each workshop.

## **C. Observations and Conclusions**

### **Networking**

The benefits of networking are increasing business associations and knowledge, and ultimately, growing and expanding business. These benefits are not well understood by the public sector institutions that deal with rural, remote and indigenous communities in the context of developing market opportunities. This gap has resulted in a lack of experience in building associations and knowledge and a lack of business-matching events that could link home-based economic activity to the marketplace.

Women have identified networking as a crucial and necessary step in advancing their businesses. This is particularly true of women in rural and remote communities, who often feel a sense of isolation. They can feel intimidated if they do not consider themselves knowledgeable, confident, or sophisticated enough to understand and compete in a larger market.

Even where networks exist, it is difficult for rural women to access them. It was suggested that governments could support more sessions to bring women together. The businesses were largely locally based, and the distance between communities was often too great to readily organize at a regional level. Few links to indigenous communities exist. Opportunities need to be created to invite their participation.

There is great interest in volunteer activity to establish momentum, but some initial facilitation may be necessary. Business networking and associations involve a significant amount of volunteer time, along with some resources that women do not have or cannot afford.

Despite these challenges, the women support one another and one another's products. They are suppliers for one another, they purchase one another's products, hire one another, and use what limited time they have available to support one another.

### **Catalogue Model**

A catalogue offering can begin to improve the capacity of micro-enterprises to do more business in the local economy and abroad and thus promote their export potential.

Catalogue marketing offers solutions for production capacity of any size, and can be altered to target a number of different niche markets. Catalogues can offer from one to a multitude of items, directed at consumers or at other businesses. Scalability for micro-enterprises can be addressed by determining the production capacity of micro-enterprises that may be operating informally, are able only to offer limited quantities, or are facing a ramp-up or learning curves in their production process.

The catalogue distribution model generated the most interest and excitement among the participants. It was also the most concrete model and easiest for all of the participants to understand. Most participants were familiar with the concept and some had experience using a catalogue. At least two participants had copies of their own brochure/catalogue. All of the participants were eager to learn and willing to emulate practices that have been successful elsewhere.

To bring items together into a catalogue, micro-enterprises would need a number of supports, such as help with selecting the product offering to be aggregated into the catalogue, determining the production capacity of producers, identifying potential target markets and choosing themes for aggregating products. They would also need assistance to highlight the technical considerations.

Few efforts have been made to match products and services among women-owned micro-enterprises, even though there may be opportunities to create economies of scale, build distribution, and consolidate the potential of products or services. Participants indicated that a business network for woman may be the "best" method for linking many micro-enterprise producers, and it can also provide connections to women in the service sector who could provide design assistance and undertake preliminary planning for a catalogue.

There was considerable enthusiasm for developing niche markets by creating a model to pull an array of products together based on themes. This approach could deliver some immediate benefit: it would require a small investment and it would be relatively easy to organize. However, there would be a need do some community visits, exchanges and sharing to find out how women can work on their micro-enterprises together to build markets. Exploring niche

markets by inviting women to attend sessions may be one way to identify products. Another niche-market approach suggested was to create product offerings by regions. Although production and products are often similar across regions, there are many distinguishing characteristics. The participants saw this approach as having great potential.

Several technical considerations have to be examined. These include digital images, storage of images, presentation, and equipment and technical specifications. A dry run to produce a mock-up is necessary to understand all of the processes.

Websites are a key source for offering products, but maintaining a site involves a huge expense. The cost is especially prohibitive in the preliminary phases when there is no income-generating activity. Advertising and promotion of the website is also costly and requires knowledge and capability.

Facilitating a catalogue by offering targeted technical assistance and strengthening the institutional support infrastructure could include support for developing the product prototypes.

To ensure that their investment in the production of a catalogue was effective, participants would require training and guidance to ensure that the photos and text/description accompanying products were of the highest quality. Preferably, assistance would come from people very familiar with foreign markets or from foreigners themselves. Many other elementary issues could be resolved quickly with simple workshops (such as printing business cards in English, providing accurate contact details, and providing accurate product descriptions).

The catalogue approach must also consider financial advice and the costs associated with production and operation. The participants felt that there would have to be a facilitator to assist with costing the products. The other specialist identified was a communications expert to advise on the best way to organize the concept.

Thus, although the participants were most familiar with the catalogue distribution model and were most interested in it (especially in online catalogues), their skills are at a level where they need a facilitator to help coordinate business development activities and make sure that the appropriate supports are in place. The results of the self-assessment also showed that a combination of the facilitator and catalogue models may be the most appropriate approach to begin working with the majority of the indigenous women micro-entrepreneurs.

### **Facilitator Model**

Facilitators could help the women acquire the skills and tools essential for marketing their products, but the cost of obtaining the necessary facilitation,

from product development to marketing, was generally too high for these micro-enterprise owners.

Different stages of product development often require the involvement of different trades to facilitate entry into the market. Moreover, creation of packaging, concepts and logos to brand products in a new way requires market intelligence that is not always available to micro-enterprises.

In general, the participants had limited experience in trying to develop markets using a facilitator or other parties outside their own areas. Typically, any experience with a facilitator or intermediary had been intermittent, with little long-term sustainability. Most were developing their products through trial and error, entering and learning the market slowly.

Participants highlighted the need to establish practices that link the private and public sector and agencies that may fill the facilitator role—whether sector-specific (such as tourism) or through government agencies (such as export agencies and trade promotion offices).

Facilitators that can play a role in applying new approaches, ideas and knowledge of various marketplaces could help women reach new markets. This possibility was significantly lacking. Bringing together compatible products (aggregate competitors) may be useful also, since small producers tend not to be involved in industry events other than an occasional trade show. Clustering associations of producers was recommended several times.

Women want to learn how to grow their businesses. Even when they can get assistance with developing a concept, most realize that they need to prove the concept before they can advance their enterprises. Product development is difficult, especially when targeting foreign markets. Many of the women saw the growth of their business as connected to market access opportunities, but the cost to demonstrate products was particularly high. Although access to technical expertise was sometimes available, micro-enterprises were unable to finance the intervening period where product demonstration was necessary.

The participants were knowledgeable about their own products and eager to accept advice. Many of the products were charming and reflected local culture and traditions. Further development should be encouraged, but some of the products will require support to improve their quality or design.

Innovation in product development is often tied to networks created with suppliers from other economies. The participants were interested in knowing about these possibilities, as well as about opportunities to connect small quantities of a specialty design with other product developers to enhance quality and spur innovation.

Knowledge of what foreign buyers require and about prevailing standards and quantity requirements in foreign markets is also needed, as is establishing product quality control and standards, especially with regard to crafts and



artisanal products. Facilitators and foreign designers could provide this information, which could make products more marketable in foreign markets. Access to such talents was limited, but would be welcome in many cases.

Thus, there is a need to work with some of the producers on quality and innovation so that they can produce items for which there will be a demand. Indigenous women, in particular, had had few opportunities to apply innovation to their products. Participants commented that many women were producing the same products women were producing hundreds of years ago, and often with little market demand for them. Yet, with a few enhancement and changes, the crafts could be made more marketable. These concerns often arose for apparel items in particular.

There also appears to be a need to work on the sustainability of product offerings. This has proven difficult for individual women, but there may be opportunities to develop sustainability using a team approach. A team approach would also address the issue of supplies. For example, some women in a group could supply the raw materials while making plans for further development.

More Internet and access tools are necessary to facilitate market readiness. Communications specialists or experts would therefore have to be part of the facilitation effort. Expert services would also be needed for identifying and developing a brand concept, and for the language translation necessary for exploring and understanding markets outside the local economy.

Financing for facilitation remains a barrier for women's micro-enterprises. Financing an organization or other facilitator is very expensive and sustainability is difficult. The development aspect makes it hard to involve private business and attract investment because it may take a period of time for micro-enterprises to develop.

### **Public Sector Policies and Programs Model**

Local government and community support is essential for success. Funding for micro-enterprises, increased training, providing access to additional markets through catalogues, providing access to special events, sporting events or special venues are all important initiatives to assist in the development and sale of local products and should be encouraged.

The small size of these businesses and their relative geographical isolation means that there is often a strong need for an external body to help facilitate their growth. Generally, however, staff and financial resources at the disposal of women's micro-businesses are limited, particularly during the pre-start-up phase.

Programs have been reluctant to address micro-enterprise issues. They have relied on larger external organizations to take up issue, but this has not

happened. As a result, the women are working on their micro-enterprises in continuing isolation.

Organized activities originating from existing programs, such as business development or human resources development topics, or conferences that cover specific economic issues, typically have not included ways to enhance micro-enterprise opportunities. Most existing small business supports have tended to target a select group of larger active businesses.

Economy-wide, local and regional organizations have focused on providing services in the specific areas of their mandates. Few, if any, have had the mandate or the capacity to serve the micro-enterprise sector. Generally, there is no one body or institution to facilitate access to information about market opportunities aimed at micro-enterprise development.

In particular, existing assistance for women-owned micro-enterprises has not concentrated on micro-enterprises in the artisanal, crafts, and natural and organic products. There is no lobbying for support for these types of micro-enterprises because, typically, remote, rural or indigenous women have no organizational involvement with policy areas, making it difficult to identify a champion of women's micro-enterprises and their products.

Participants also identified the need for more facilitation of the process where programs and resources do exist. Facilitating improved program access and focus for remote, rural and indigenous micro-enterprises may also address some access gaps. It could also address other operational issues, including the perception of barriers such as criteria that can be too rigid (for example, restricted to youth), political interference and access to financing.

Access to financing has been difficult for products still in development. The programs available have required what many women consider excessive business planning to obtain funds to assist in bringing products to the market. In many instances, there was a lack of awareness of the resources available.

Some new public policy measures would be especially beneficial, including the provision of access to technology, expertise on product design, development, and demonstrations, and information on potential markets. The public sector could also provide resources for product pooling at the local and regional levels, such as access to product pooling venues and increased access to product distribution.

To address the needs of micro-enterprises, policy development must include examining and developing an understanding of the micro-enterprise environment. This includes understanding how women engage in this sector, as well as understanding their current and potential contribution to livelihood and to the economy. A sectoral approach to micro-enterprises is a solution to addressing a number of issues:

- Challenges women face as a micro-enterprise in isolation

- The need for and impact of networking
- Product pooling at the local, regional, and economy-wide levels, and access to product pooling venues
- Access to expertise in product design
- Access to business development advice and training
- Access to information on potential markets
- As a priority, access to affordable services such as product designers, market analysts, and business growth advice
- Increased access to market information and new technologies
- Increased access to product distribution
- Legal and professional advice
- Addressing intellectual property and its impact on indigenous women
- Links with affordable credit programs

Women who have received micro-loans have used the money to expand their micro-enterprises, and they have developed confidence as well as the ability to provide better care for their families.

The participants suggested support targeted at micro-enterprise development for women, with a focus on micro-finance (including basic seed capital) and the marketing of micro-enterprise products. Further, community driven start-up funding should be part of the process for promoting investment in this sector. They said they would like to see resources available outside government, with possibilities of engaging interested NGOs and other organizations that may not now be involved in micro-enterprise initiatives.

The participants were eager for opportunities to distribute their products more widely, but thus far, the public sector and related institutions have not seen micro-enterprises as a worthy investment. This project identified some significant opportunities, but financing is needed so that micro-enterprises can pursue them effectively.

Legal and other professional advice and protection for intellectual property could also be provided through public policy. Many women were concerned about authenticity and the mass production of their products and designs. They were interested in further examining how to define genuine products by taking a branding approach in targeting a niche market or major event. There was evident commitment to “proof of concept” and to moving toward authenticity, verification, experts, and criteria that would be part of the branding of their products as they have defined them.

Several women said that, based on their experience, one of the biggest barriers that dissuaded women from expanding their businesses was the lack of resources to protect their patterns, designs and production processes.

Producers reported several instances where someone appropriated their original products or designs. They had no way to protect their original designs and concepts or could not afford the legal process necessary to do so. In some locations, there are more inexpensive and simple methods of protecting intellectual property, but most women were not familiar with them.

There is a particular need for caution related to the intellectual property related to culturally based micro-enterprise products. Because so much of the proprietary base of indigenous people with unique designs has been eroded, the protection of their designs is critical if their cultural products go to the marketplace. Thus, there is an apparent need for governments or agencies to assist micro-enterprises with product patents and protection.

### **Criteria for Micro-Enterprise Support Programs**

Whiteduck Resources Inc used the analysis of the data collected in the best practices review (Phase I) to develop a set of criteria to help women's micro-enterprise support programs select target participants, products and sectors. The criteria were presented at the WLN workshop (Phase II), and the workshop participants confirmed that the list had captured the most important elements. However, during the Part III feasibility study, it became clear to the research team that given the realities in the participating economies, some criteria were too limiting and should be revised.

For example, the best practices review and subsequent consultations suggested that the food and agriculture sector would be outside the scope of this project. However, the feasibility study revealed that this sector constituted almost half of all women's micro-enterprise products in the test economies. The research team concluded that the objectives of the models can be met only if these enterprises are included.

Another area of revision relates to government restriction and regulations. The original criteria excluded government-banned exports, including anything involving animal parts such as bones. Again, the feasibility study showed that a great many rural and indigenous women are working with these materials. Thus, rather than excluding these enterprises, distribution guidelines for such products should be part of all interventions and skills development efforts.

The feasibility study confirmed that the remaining elements were appropriate and realistic. Targeted supports for women-owned micro-enterprises should therefore meet the criteria set out in the revised list (see Part III B, "Minimum Criteria").

## **PART III: GUIDELINES AND RECOMMENDATIONS**

### **A. Guidelines to Increase Market Access Opportunities for Micro-Enterprises**

Based on the findings summarized in Part II C and Appendix 3 of this report, the research team formulated guidelines for actors and institutions contemplating the implementation of micro-enterprise support programs in the APEC region. The purpose of these guidelines is to help these stakeholders develop programs that will be successful in increasing market access opportunities for micro-enterprises.

#### ***Commitment to Micro-Enterprises***

1. Recognize the importance of the contribution of micro-enterprises to the local and international economies and make a commitment to supporting micro-enterprise development as a high priority.
2. Review export development programs to determine their capacity to invest a portion of resources in linking micro-enterprises to independent distribution networks with a view to creating new markets for micro-enterprise products and include an analysis of the impact of such investment. Based on this review and analysis, develop facilitative measures to the extent possible, including providing interim credit and financing to encourage independent distributors to distribute micro-enterprise products.

#### ***Preparing Micro-Enterprises for Market Access***

3. Support strategies that connect remote areas to the market through interventions that address specific barriers:
  - transportation
  - hygienic production facilities
  - access to the Internet
  - capability to transform and innovate with respect to existing design and traditional knowledge and skill to adapt to new markets
4. Identify, take inventory of and aggregate micro-enterprise products to achieve the following objectives:
  - a) Lay the groundwork for the ability to organize micro-enterprises around specific sectors, industries, or local, regional, or economy-wide opportunities.
  - b) Maximize available resources to target micro-enterprises.
  - c) Provide the ability to organize products and product exhibits along local, economy-wide, and external markets.

- d) Provide data for focused initiatives and interventions to increase market access.
  - e) Provide data to make measures such as policy initiatives, programs, and government support more relevant to micro-enterprises and to promote viability within distribution channels.
5. Improve the capacity of women-made products to do more business locally and internationally and promote their export potential by facilitating the development of a catalogue offering of their products.
  6. Offer targeted technical assistance for catalogue production for micro-enterprises, including strengthening the institutional infrastructure to support development of product prototypes and technical specifications.
  7. Establish one-stop organizations that address the continuum of micro-enterprise needs: from the product conceptualization stages, through aggregation and market information, to financial assistance.
  8. Revise existing SME support programs to allow micro-enterprises to take advantage of those that are relevant and appropriate for their level of sales and market development.

### ***Service Provision***

9. Provide information on existing resources and government programs to women-owned micro-enterprises.
10. Provide resources to examine and assess the production capabilities of marginalized women and their ability to access niche markets. Create opportunities for marginalized producers, including rural, remote and indigenous women, to access foreign buyers and thus develop specialty and niche markets.
11. Strengthen the logistics required to bring women micro-enterprise owners together to animate the sector based on an indigenous branding concept.
12. Publish relevant and successful experiences in women's micro-enterprise development through these models in the form of case studies.
13. Foster the organization of discussion forums aimed at creating partnerships between small producers and international markets and bringing micro-enterprises together with stakeholders in the private and public sectors, including NGOs.
14. Establish prototype development as a key component in realizing the advantages of all micro-enterprise development models.

15. Provide resources to support the development of quality control guidelines in specific sectors and industries where women's micro-enterprises are concentrated.
16. Convene economy-wide trade and promotion fora for rural, remote, and indigenous women and invite potential buyers to see the products.

### ***Policy and Procedural Supports***

17. Reduce administrative barriers, including the degree of planning required to access assistance.
18. Develop and enact policies to encourage sustainable measures for remote, rural, and indigenous women, including the aggregation of their micro-enterprise production.
19. Investigate fair trade approaches to tie in with a focus on indigenous-made products.
20. Identify policy initiatives that enable government resources to support the provision of high-quality materials and supplies to assist women in economic endeavours.
21. Encourage APEC member economy governments to identify and support contact points for women's associations.
22. Address intellectual property protection for micro-enterprises through strategies geared to economic level designed to support the micro-producers who are least likely to have the means to protect their creations and products.
23. Mandate women's ministries to document and build the business case for investing in women's micro-enterprises. Use the business case and case studies as an advocacy tool to gain support for women's micro-enterprise development in other government ministries in the context of their activities (eg, identify experts in rural, remote, indigenous communities, urban poor, etc., to work with women micro-enterprise owners.)
24. Adopt the proven producer, product, and program characteristics outlined in the "Minimum Criteria" herein as the basis for targeting support strategies for the micro-enterprise sector.

### ***Strategic Approaches***

25. Promote a group approach and the clustering of associations of producers as cost-effective measures to promote micro-enterprises product aggregation, thus identifying possibilities for product offerings and enabling women to quickly become operational and make the transition into new markets.

26. Facilitate linkages among compatible producers to create the synergistic conditions necessary to work together, using models such as catalogues or facilitators, to introduce products to the market effectively.
27. Target specific types of micro-enterprises (by product and service type and/or population group, geographic location, etc.) to test one or all of the models. Evaluate the models based on their ability to encourage production aggregation, training, and cooperation and collaboration among micro-enterprises. Share the information gained in this way with other micro-enterprise service providers.
28. Encourage and develop sustainable supports for organizations working with women to address economic advancement. Support activities, pilot projects, and measures that bring women together in collaborative efforts to target specific industries, sectors, or economies to market their products.
29. Use economy-level identifiers as an effective promotion strategy to highlight brands of indigenous, rural, and remote micro-enterprise products and ensure that they are identifiable and recognizable. Ensure that this strategy harmonizes with and enhances any current initiatives and campaigns to protect original designs.
30. Support micro-enterprises in developing niche market projects that demonstrate the value of packaging, concepts and logos to brand products in new ways to encourage the advancement of micro-enterprises to larger markets.
31. Build on the comparative advantage offered by products traditionally produced by indigenous women-owned micro-enterprises in the tourism, agricultural and cultural sectors by targeting them for increased assistance. Remodel the production and distribution process for these products by assisting with the identification of specialty markets, thus enabling their entry into those markets and their competitiveness in the local economy and the world.

## **B. Guidelines and Recommendations for Implementing Micro-Enterprise Support Models**

Micro-enterprise development has had significant beneficial compounding effects when measures have been directed at disadvantaged women. One of the benefits is new markets for all types and sizes of businesses. However, because micro-enterprises tend to be informal, home-based, and not linked into structures, networks, and business associations, their viability and production capacity remains unknown. It is unlikely that micro-producers will form the necessary associations without some intervening measures.



The results of this study indicate that the strategies intrinsic to the three models examined are the ones micro-enterprises need most. They address existing gaps and could provide a blueprint for practical micro-enterprise development initiatives.

The research team concluded that pilot projects are required in order to fully understand the technical, operational and financial requirements of the models (Phase IV). Nevertheless, Phase III provided a good indication that the models are an appropriate mix of strategies and measures to serve as a stimulus for capacity development to enhance market access for micro-enterprises. Using the models, stakeholders can develop micro-enterprise capacity by encouraging consistency among large groups of producers and improve upon and refine locally available resources. This combination of measures is most likely to result in micro-enterprise goods that are more acceptable to niche and specialty markets locally and globally.

For rural and indigenous women, a target group of particular interest to this project, the models offer complementary initiatives and opportunities to address their specific market development difficulties. The strategies can create economies of scale, build distribution and consolidate the potential of their products—which are increasingly in demand. An important feature of the models is the aggregation of products and services among indigenous women artisans and producers of crafts, for whom natural and organic products remain a major economic generator. In particular, the facilitator and catalogue models can be readily applied as initiatives to target local special events or niche markets in other economies.

These models also have a proven facility to assist enterprises in achieving or expanding their penetration of the “green” marketplace—an emerging, growing trend with huge potential. Moreover, they offer the opportunity to establish inter-economy distribution links to create markets for these products, concentrating on niche market development. This strategy pulls together an array of products based on themes (or other product characteristics) that are not typically positioned or promoted together. Cultural industries, tourism, natural and organic products and services, and entry into foreign markets are prime areas where a strategic focus on developing niche markets offers viability and solutions to marketing challenges for unique and limited-quantity items.

The facilitator model and the catalogue model both offer an immediate, achievable structure to begin working with women’s micro-enterprises. Some aspects of the public policy and programs model may be necessary to initiate the process. Thus, individual pilot programs could include elements of all three models.

### **General Approach**

This section sets out a general approach for implementing all micro-enterprise support models, including the minimum criteria and institutional and actor

roles. Taken as a whole, these guidelines and criteria are designed to assist, at the economy level, in moving forward with implementation.

### ***Aggregate Products***

A common feature in realizing the feasibility of all three strategies or models is aggregating micro-enterprise products and organizing them around specific sectors, industries, or local, regional, or economy identity. Clustering associations of producers will enable women to become operational quickly, because an immediate community is created in which producers can work together to strengthen their production processes and make the transition to new markets. The group approach is also the most cost-effective strategy to promote micro-enterprises and explore potential new markets for their products.

Lack of a mechanism to establish product standards, especially for cottage, craft and artisanal products, has been a barrier to market development for micro-enterprises. The process of aggregating products would provide an opportunity to develop quality control criteria.

### ***Target Niche Markets***

In many APEC economies, micro-enterprises are numerous and a significant source of employment. Often, they are concentrated in the informal sector. Rural or indigenous micro-enterprises are a large segment of this sector, and they have limited or weak links to broader markets.

Niche market development emerged as a preferred strategy to achieve greater exposure and distribution for unique and limited-quantity items. The participants in the feasibility workshops expressed a strong desire to learn about developing such markets. A high number of them saw a benefit to developing regional/economy identifiers as a way to differentiate their products in the marketplace.

The approach common to all support models includes several other strategies with the potential to increase market access and development for women's micro-enterprises:

- Facilitate the process of linking and coordinating distribution activity
- Identify potential to apply innovation to products and product lines by cross-matching products
- Increase awareness of government resources and supports
- Offer the potential to centralize the source of technical assistance
- Link small-scale production to international market opportunities that would not be identified through regular channels

- Lay the foundation for strategies to harmonize standards, especially in the handicrafts sector
- Focus on engaging disadvantaged/marginalized women
- Provide support for women producers who are in early stages of market readiness
- Include fair trade principles and branding

All three support models are relevant to indigenous and rural women. Indeed, a strong argument can be made that it is precisely these groups that need the most support. They are currently under-served, and they have a core group of products with tremendous potential to develop larger markets and bring greater prosperity to relatively poor communities. Implementing these models would differ somewhat in these communities. For example, there would be a need to build in innovative communications components (eg, cell phones, battery-operated computers). The initial cost to develop a distribution infrastructure would be higher. In addition, program developers would need to take a culturally sensitive approach to designing and delivering the program.

### ***Minimum Criteria***

The following criteria for micro-enterprise support programs are a fundamental part of these guidelines. Developed in Phase II of the project and refined during the feasibility study, they set out the minimum criteria considered essential for success. More specific criteria will depend on the local environments and targets in each economy.

<b>Criterion</b>	<b>Rationale</b>
<b><i>A. Product characteristics</i></b>	
1. Scalability	Can be sold in a number of areas, including high-end/low-end outlets
2. Wide range of production capacity available	Production can range from part-time home-based business to factory level, allowing for wide participation
3. Light in weight	Less expensive shipping and delivery
4. Multiple potential market entry points	Wide array of potential outlets to promote and distribute product (eg, Internet, a range of market niches, and a
5. Strong support from private sector	Efficient, and leads to self-sufficient approaches
6. Light investment load	Reduces need to borrow start-up and expansion capital
7. Not subject to duties	Will reduce sale cost in destination market

<b>Criterion</b>	<b>Rationale</b>
<b><i>B. Producer characteristics</i></b>	
1. Geographic location	Supports those who are rurally based, as well as those clustered close to market/urban area
2. Using traditional skills or working in cultural industries or service industries	Helps to focus on sectors where women are likely to be working
3. Working in sectors with ties to economic development entity	There is a need for some infrastructure, particularly transportation and shipping
4. Working in sectors in which women predominate	Crafts, tourism, and environmental-friendly products are growth areas.
5. Could readily scale up in terms of production or scope	Must be able to respond to increased market demand effectively and in a timely manner
<b><i>C. Program characteristics (market access, support and connectivity)</i></b>	
1. Offers a continuum of support geared to progressive stages of micro-enterprise growth and export development	Different needs at each stage of growth; therefore programs need a corresponding range of supports
2. Provides mentorship	Proven key success factor in micro-enterprise growth
3. Offers most strategies for increasing business income; eg, improves current market, quality of production and/or financial returns	Most likely the issues women micro-entrepreneurs are facing
4. Engages or links easily to community-based or industry-related websites and web-based support programs	Where Internet access is available, micro-enterprises are most likely to list their products or services there
5. Includes government regulation to reduce red tape and administrative burden	Micro-enterprises lack human and financial resources to deal with red tape while also working on increasing production volume
6. Provides business information	Micro-enterprises need information on potential markets, foreign market standards, etc.
<b><i>D. Financing components</i></b>	
1. Equity financing	Women typically do not use debt financing
2. Enhances and enables increased income security	Many women are working part-time or at multiple jobs or are developing multiple products to augment income

<b>Criterion</b>	<b>Rationale</b>
3. Increases current earnings	Especially in the informal economy, participants need to see an immediate return on their investment to be willing to participate in any business growth programs
4. Provides direct and actual means to complete product sales	There has to be more than marketing and promotion of products (the research found many sites that promote products, but very few that facilitate an actual sale)
5. Takes a long-term, multi-faceted approach to business development	It takes six or seven loan cycles for micro-enterprises to establish a stable business with growth potential; producers need to learn to think in a business-like manner and take risks to grow beyond subsistence level

### ***Institutional and Actor Roles***

The various institutions and actors with roles in developing and implementing micro-enterprise fall into four general categories:

#### *Government*

- Support mass-scale production with quality controls and codes of conduct
- Support specific target groups that may be disadvantaged otherwise
- Establish branding (economy-wide products)
- Develop policy to create positive environment for micro-enterprise growth
- Track and analyze economic trends affecting micro-enterprise development (when data available)

#### *Civil Society*

- Serve as network intermediaries and facilitators
- Business associations are involved in distribution
- Help identify partners and business matches for specific target groups
- Support networking activity and may also provide access to micro-finance
- Provide affordable or free support services to specific target groups

#### *Private Sector*

- Work with small producers as suppliers for larger firms and to scale up the sale of products and services in domestic and international markets

- Develop partnerships and strategic alliances for micro-enterprises and find or engage multiple producers of similar products
- Purchase micro-enterprise products and services
- Sell business-to-business services, such as website development, packaging and product design to support micro-enterprise growth
- Develop branding of specific products and services
- Help develop access to distribution

#### *Academic Institutions*

- Track and analyze economic trends affecting micro-enterprise development
- Conduct research on topics and questions of particular interest and benefit to micro-enterprise development
- Provide expertise in micro-enterprise development and gender analysis
- Provide training in micro-enterprise development and gender analysis for businesses
- Provide research that can be used to support the development of new products and services

### **Approach to Specific Models**

This section provides information on implementing each model. The implementation of the facilitator and catalogue models is discussed in terms of four areas, which will be helpful in determining their feasibility and applicability in specific economies:

- Human capital required
- Operational elements
- Financial considerations
- Technical considerations

The discussion of the public policy measures model outlines the major gaps revealed by this study and provides recommendations for measures to address them.

### **Facilitator Model**

Facilitators play a role in applying new approaches, ideas, and knowledge of marketplace demands to help women micro-producers reach new markets. Facilitators can help identify a target market or potential for sales. They can also be involved in creating products, from concept through the design and prototype phase, and can assist in the initial stage of promoting and exhibiting products.

Facilitators can be drawn from a wide range of stakeholders, including organizations, marketing experts, corporations and private sector distributors, networks, sponsors, and government.

Few women operating micro-enterprises can afford to pay experts to help them find new markets. In a facilitator program, effective communications and outreach strategy are needed to ensure that the targeted group understands the role of the facilitator program and who is eligible to use its services.

A wide array of services falls into the category of facilitation. Initially, it may not be clear what type of facilitator an individual or group requires. The process would therefore require a mechanism to determine the range of stages of product development, market readiness and facilitation needs. The program would then have to offer a corresponding range of facilitation supports.

The feasibility workshops highlighted the specific facilitation supports that would be most useful to women's micro-enterprises:

- Organizing a women's network
- Information on niche markets, knowledge of international markets, and expertise on how best to target products
- Organizing exhibitions for products
- Packaging and design
- Training and trade promotion
- Highlighting potential markets, including field trips
- Developing production plans, especially for home-based producers who experience difficulty with purchasing materials
- Coordinating access to materials and supplies
- Product prototypes and samples, which could include technical expertise, design advice, or product presentation advice
- Product demonstration, especially in the agricultural products sector where the cost of doing so is high
- Transportation and shipping, especially from rural areas
- Product promotion
- Marketing and branding

### ***Human Capital Required***

*Industry and sector experts:* Few products are so entirely new that their entry into the marketplace needs to be accompanied by a public education process. Instead, sectors and industries have links with existing local and international

markets. Many of the products seen in this study have the potential to link into these existing distribution structures and this expertise would help them to do so.

*Coordinator for sector and industry representatives:* Many micro-enterprises are not organized into efficient sector groups or associations that would enable a coordinator to emerge.

*Marketing skills trainers:* Women operating micro-enterprises need basic marketing skills courses and product pricing seminars.

*Market experts and marketing specialists:* These experts perform market research, provide targeted economy knowledge, and can propose innovative marketing channels. International consultants also have the necessary contacts in economies where significant export opportunities exist.

*Communications specialists:* Some communications experts can assist in identifying and developing a brand concept. Others provide the translation necessary for exploring and understanding foreign markets.

*Agriculture industry marketing experts:* Food products require special marketing expertise in order to realize the potential of this sector. Expert assistance is also needed to create links for micro-enterprises in this sector, including relationships with private sector companies and distributors.

### ***Operational Elements***

Facilitators would work with women's micro-enterprises to build their market capabilities. Thus, most of the operational elements of the facilitator model are of an organizational nature.

*Network opportunities/events/associations:* Small producers tend not to be involved in industry events, except for an occasional trade show. Bringing together compatible products can create opportunities for specific sectors to develop and aggregate products for trade promotion programs.

*Supplies:* Coordinating the suppliers of high-quality materials can help ensure quality in product development.

*Exhibitions:* Micro-enterprises need opportunities to showcase their products. Governments or organizations can organize exhibitions, including fixed-venue exhibitions and "road shows" featuring groups of products.

*Product prototypes:* Micro-enterprises need to prototype to show prospective buyers.

*Links for home-based businesses:* Home-based businesses, especially in rural or remote areas, need a way to access resources and communicate with one another to achieve economies of scale and other benefits.



*Transportation:* To get products to market, especially in less-developed economies where the distribution infrastructure may be weaker, requires analysis and coordination of transportation and shipping options.

*Facilities:* Many women have the knowledge and skill to develop food products, but lack the facilities to do so to marketable standards. A facilitator would need to find ways to sponsor the development of production facilities, without which the products will never be able to reach local, niche or international markets.

### ***Financial Considerations***

Financing for facilitation remains a barrier for women's micro-enterprises. Funding an organization or other facilitator roles can be expensive, and sustainability is an issue. The development aspect makes it hard to involve private business and attract investment because it may take time to show returns. Existing government programs are generally not designed for micro-enterprises.

Access to financing is particularly difficult if the product is still in development. It takes six to seven micro-loan cycles for micro-enterprises to establish themselves as stable businesses with growth potential. Facilitator programs need to take a long-term and multifaceted approach to micro-enterprise development. Nevertheless, there are financial agencies targeting micro-enterprises. Implementing this model would require creating links with them and with other financial sources and funding agencies.

### ***Technical Considerations***

*Micro-enterprise services website:* Such a website would be a portal for a full range of micro-enterprise services. It would engage all stakeholders, including financial institutions or funding sources. It would also contain information on the government services available to micro-enterprises.

*Internet access:* Tools to assist in market readiness are available on line, but few women micro-enterprise owners have sufficient access to the Internet to use it efficiently as a market development tool.

*Websites:* Websites are a key way to offer products for sale, but there is also a huge expense in creating and maintaining a site, especially in the preliminary phases when there is no income-generating activity. Advertising and promotion of the website itself is costly, and requires considerable knowledge and capability.

The main challenge to implementing a facilitator model is the initial organization and aggregation of micro-enterprise products and assessment of the sectors in which to engage. Once product specialties are identified, industry and sector representatives, NGOs, and government can begin to

create and expand sponsored sessions. These, in turn, will lay the foundation for matching a critical mass of micro-enterprise products to markets and export opportunities.

It is at this point that the facilitators can begin operating. Further sponsorship and innovative marketing channels may be found at this stage, within the economy or from other targeted economies. Facilitators can then provide the necessary assistance with costing products for particular markets.

### **Catalogue Model**

The catalogue approach offers micro-enterprise owners a central sales point for their products. Producers can get started simply by providing images of their products, text descriptions, the number of items they can produce, and price ranges. The approach is applicable to a variety of industries and is flexible in the number and range of products offered. To some extent, the visual nature of catalogues helps to manage language barriers. Catalogues offer a way for women to promote their micro-enterprise products across economies, and there is also great potential for collaboration among disparate economies.

The catalogue model is a highly feasible approach to begin working with the majority of women's micro-enterprises. The model met with a great deal of enthusiasm among the women who participated in the feasibility workshops. They saw it as a relatively simple way to market their products using a developed concept that they could not readily organize on their own.

Another reason that the catalogue model is of interest is because it addresses the question of scalability. It allows for varying degrees of production capacity, so that even enterprises operating informally or able to offer very limited quantities can participate. It also accommodates those undertaking a significant increase in production or who have to learn new production processes. Entrepreneurs who want to target a variety of niche markets find this approach useful because they can market one item or a multitude of items.

The model can also assist women's micro-enterprises in making the transition into new markets, improving their capacity to do more business in their own economies and throughout the world. It needs a much smaller investment than other global marketing techniques require, and the producers see an immediate benefit.

Start-ups are easy to organize compared with other options, and the concept offers the flexibility to organize around events, themes, sectors, types of products, and many other criteria. Several specific possibilities emerged during each of the feasibility workshops, including a catalogue for indigenous women-made products

Support for the aggregation and niche market approaches discussed above is necessary to make the catalogue model feasible.

### ***Human Capital Required***

*Supports for business networks and business associations:* A business network for women may be the best method for exploring the catalogue model. Networks provide the means to link many micro-enterprises so that the women can undertake the preliminary planning for a catalogue.

*Expertise on product design:* Many micro-enterprise products are at the development stage, although they have a local market. The producers need support to assist them developing their products to appeal to a larger market.

*Distribution outlets/consultants:* Once the array of products available is known, local or external expertise can be engaged to assist in grouping products and identifying markets and distribution channels.

*Technical experts:* Experts knowledgeable in the various aspects of catalogue production would be required to manage the product offering.

### ***Operational Elements***

As a first step, a proponent or sponsor of the model has to be identified. A proponent can be a private sector organization, a business association or an NGO.

The proponent may play a role in organizing community visits, exchanges and other opportunities to share ideas on how women could work together to create a catalogue from their micro-enterprise products. These discussions would also be useful for choosing a concept for the catalogue—organized around a theme or event or targeting a defined market area. To choose a successful, marketable concept, the women would likely need market information and product development expertise at this point.

The next step is to decide on the specific products to include in the catalogue, identify potential suppliers and determine their production capacity. Products could be selected by inviting women to attend sessions on specific product categories. In any case, product pooling, at the local and regional levels, along with access to product pooling venues, is the first step toward actually aggregating products.

### ***Financial Considerations***

The costs involved in producing a catalogue will vary greatly according to the technology resources already in place, the scope of the catalogue, and many other factors. However, preliminary investigations suggest that the cost of a start-up in one economy, using the technical configuration described below, would likely range between \$20,000 and \$45,000.

The ongoing costs, such as maintaining and managing a website, are likewise variable. A pilot project would be necessary in order to establish all of the costs and benefits of this model.

### ***Technical Considerations***

Catalogues can be in hard copy, virtual format or both. One form of publishing can generate catalogues in multiple mediums from a single database: print, PDF, Internet, and CD-ROM. Producing a catalogue in any format involves several types of technology. A mock-up would be necessary to understand all of the processes involved, but the following are the likely technical requirements:

- Production and publication facilities
- Central depository for design and structure or an agent to manage product offerings
- Central product repository, beginning with product image and data
- On-demand catalogue and campaign management, facilitating product placement aimed at themed events or niche markets where one or more related items can be offered
- In-house, central approach for designing and completing catalogue production
- On-going project updates and cost management
- Web hosting
- Data transfer and storage
- Equipment and technical specifications for hosting catalogue
- Optional e-commerce catalogue management and hosting services
- Presses—one-colour to four-colour offset printing for long runs or digital printing equipment for short runs and customization
- Finishing services, packaging and distribution

A further technical requirement is a front-end enterprise management system. A reliable estimate of the cost will entail more detailed specifications and requirements.

Minimal computer programming skills are needed to manage products centrally. There is little or minimal need for technical or graphic design skills. A variety of software packages allow an agent or facilitator to build a central depository using commonly available database software. An example is Catalog Builders. This software offers an easy-to-learn start-up program, using a point-and-click interface to guide the user through the process of choosing components for a professional-quality design. Knowledge of a basic

word processing application is the only skill required. Catalogue software packages can format templates based on the attributes of products and user-defined specifications.

Product images can also be organized according to pre-determined themes, formats, layouts or marketing concepts. The resulting catalogue can be a one-page flyer, a leaflet or a multi-page booklet. Images and product information are stored in the database, and can be arranged and rearranged based on specifications such as color, price range, production quantity or other attributes ascribed to the product, depending on the database format.

Various categories of descriptive data are entered in fields when a product is posted. These categories will vary by type of product, but the software can adjust the catalogue template to display the appropriate attributes.

For online catalogues, bandwidth requirements can be met through a hosted or subscription site or through an enterprise network for the agent acting as the facilitator. A web architect would establish the database structure and a web content manager would manage it. The initial database structure will depend on feedback from producers on the information available about their products, the type of Internet access available to them, and their access to other technology.

The content manager would oversee work flow, annotation and on-demand catalogue management. Dealers and producers could use web-based self-service catalogue-publishing software to instantly produce PDF catalogs. Other web-based products could aggregate product information and allow users to collaborate on line. Collaboration tools exist for inputting layouts and product information to create targeted catalogues in email and print format and for effectively communicating the changes to designers, content editors, cataloguers, and print service partners.

Finally, micro-enterprise owners or producers would need access to a digital camera. Participants would require training and guidance to ensure the highest quality in the photos and text/descriptions accompanying their products. They would also need access to a computer to upload images to host site.

## **Public Policy Measures**

### ***Defining the Micro-Enterprise Sector***

As discussed above, a common feature in realizing the feasibility of all micro-enterprise support models is the aggregation of micro-enterprise products. This has to begin with an inventory and profile of the micro-enterprise sector. The process of doing this can improve organization around specific sectors, industries, or market opportunities and thus provide more focus for further initiatives and interventions. (Another benefit is the opportunity to address quality control challenges.)

**RECOMMENDATION:** Undertake an inventory of main micro-enterprise products, by region or throughout the economy, as appropriate. The inventory should identify main products, the range of products and services, and the existing and potential market for them. Consider a variety of ways for micro-enterprises to be included in the inventory.

### ***Targeted Training and Technical Assistance***

Existing program supports tend to target larger businesses or offer assistance on more advanced or peripheral matters such business development and human resources. Government-sponsored conferences that cover specific economic issues are likewise not useful to micro-enterprises.

Prototype development is a key to realizing the advantages of all micro-enterprise models. Governments can provide targeted technical assistance by providing resources and expertise in developing product prototypes and technical specifications for them. It is the necessary groundwork for improving the capacity of micro-enterprises to do more business locally and to export their products. With product samples and prototypes, micro-enterprises can showcase their products at public exhibitions and other venues.

**RECOMMENDATION:** Allocate a portion of business development resources to the needs of micro-enterprises, including focused training, assistance with developing and demonstrating products, and expertise for producing samples and prototypes.

### ***Access to Programs***

In many cases, governments would need to reduce threshold requirements for existing programs in order to give micro-enterprises access to resources to work on product development. In addition, many existing programs demand a degree of business planning that is unrealistic for micro-enterprises.

**RECOMMENDATION:** Reduce the threshold requirements in small business programs to include micro-enterprises. Reduce the requirement for business planning to a level attainable for micro-enterprises.

### ***Access to Information Services***

Knowledge of existing government programs and resources available to women's micro-enterprises tended to be low among the women who participated in the feasibility workshops. Micro-enterprises need access to a full range of information services and resources.

**RECOMMENDATION:** Provide one-stop support centres for access to information on government and non-government programs and resources available to micro-enterprises. Such a micro-enterprise

support centre should include application and approval for financing, grants or start-up investment.

### ***Support for Agriculture-Based Micro-Enterprises***

The agriculture sector needs more education related to developing products for export and local markets. In some cases, micro-enterprises need assistance with actually developing products. Governments would also need to be involved in intensifying efforts to link the food and agriculture industry to the micro-enterprise sector, including fostering relationships with private sector companies and distributors.

**RECOMMENDATION:** Provide training and education for women micro-enterprise owners related to producing food products for local markets and for export. Examine ways to link this micro-enterprise sector with larger food and agriculture industry and with private sector companies and distributors.

### ***Indigenous and Rural Women***

Indigenous and rural women have had few opportunities to apply innovation to their micro-enterprise products. They have also lacked opportunities to match similar products and services to realize economies of scale, build distribution, and consolidate potential. Yet there is a steady market demand for many of their unique crafts. There is therefore an immediate need to work with producers in indigenous and rural communities on production processes, quality, and innovation to improve the market readiness of their products.

The study found that in remote and indigenous communities especially, micro-enterprises lack feedback mechanisms to enable them to articulate their enterprise development needs. For that reason, targeted assistance often does not reach them.

Few organizations have a mandate to pursue economic and small home-based enterprise development or have the capacity to facilitate this sector. Producers themselves do not have the capacity to organize and they have little input in policy areas that could have an impact on them. There is very little lobbying and advocacy on their behalf.

The lack of associations and affiliations with organizations involved in micro-enterprise development also means that access to resources is more difficult. All of this suggests a need to find ways to link home-based economic activity in indigenous communities and rural areas to the marketplace. This would enable women to create ongoing support mechanisms to encourage their greater involvement in a number of economic sectors.

**RECOMMENDATION:** Build more resources in existing organizations engaging in micro-enterprise development initiatives for women to

enable them to undertake sustained efforts to involve and support indigenous and rural women.

### ***Knowledge of Foreign Markets***

Technology and changing consumer and market demand are altering the ability to reach global markets. Micro-enterprises are now in a position to take advantage of these trends and instantly make a product available globally. Introduction to foreign markets is therefore becoming a critical marketing strategy for micro-enterprises.

To attract foreign buyers, micro-enterprises need to become familiar with product standards and quantity requirements. They also need to understand the export process in their own economies and know the options available for shipping and delivery to external markets.

Innovation in product development is often tied to networks that are created with other suppliers from other economies, and micro-enterprises also need links with buyers and distributors from other economies. They would benefit from opportunities to connect small quantities of a specialty design with other products to enhance quality and production.

***RECOMMENDATION:*** Develop programs designed to provide foreign market information specifically to micro-enterprises, including information on standards and quantities applicable to the target market. Provide opportunities for export-ready micro-enterprise producers to learn about the export process and shipping and delivery options in their own economy and links to suppliers, buyers, and distributors in other economies.

### ***Regional Differentiation and Economy Identifiers***

Regional differentiation is a potential way to promote micro-enterprise products, especially in economies that may already have developed a degree of brand identity. The potential may warrant establishing a system of economy identifiers to build on the identity of a given economy. This concept may be of particular benefit to indigenous women.

***RECOMMENDATION:*** Examine the feasibility of creating a system of economy identifiers to enhance the brand identity of the economy and its regions.

### ***Protection of Original Products and Designs***

Patents and protection of intellectual property is a major concern for micro-enterprises. Women in the feasibility workshops reported several instances where an original product or design had been appropriated. In Canada, for example, where there is a growing market demand for Aboriginal designs, appropriation of community-owned designs and Aboriginal-made products is a



widespread concern. Most micro-enterprises do not have the resources to apply for patents or take action to protect their designs.

***RECOMMENDATION:*** Provide assistance to micro-enterprises to protect products and designs original to individuals or indigenous communities.

## ***Appendices***

## **Appendix 1: Project Management and Oversight**

**Francine Whiteduck** is President of Whiteduck Resources Inc, a Canada-based management and evaluation firm. Ms Whiteduck is an Algonquin Aboriginal woman and has substantial experience in running both large companies and micro-enterprises. Ms Whiteduck was instrumental in facilitating the process that led to APEC economic leaders' recognizing, for the first time, the contribution of indigenous peoples to the Asia-Pacific region. This recognition took the form of a statement by APEC Ministers Responsible for Trade in Auckland, New Zealand in June, 1999. Highly respected in her own community and internationally, she brought years of experience as a successful entrepreneur to the project. She is responsible for initiating the project and for the vision behind the overall process.

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**Andrina Lever** is President of Lever Enterprises, a Canada-based consulting practice offering diverse services in international finance, trade policy, and business development for SMEs to governments, private clients, and international organizations. She is a founding member, past chair and former focal point of the WLN. Mrs Lever is a barrister in two jurisdictions. She served as one of Canada's representative to the APEC Business Advisory Council (ABAC) for ten years (from 1998 to 2007). During her tenure with ABAC, Mrs Lever chaired the ABAC SME Working Group and Capacity Building Working Group and was the ABAC representative to the SME Working Group and Ministerial Meetings. She is noted for her extensive advocacy related to promoting women in business and trade policy development. Her work experience in nearly 60 economies, understanding of international business issues and wide network of international contacts was a major contribution to the project.

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**Dana Peebles** is Director of Kartini International Consulting Inc, a Canada-based firm specializing in gender equality services. Ms Peebles served as the Technical Manager/Coordinator for the WLN from 1997 to 2000. She has particular expertise in gender equality issues related to micro-enterprise development and in institutional gender mainstreaming processes within a development context, having worked in this field for 28 years. She was honoured with the CIDA 2000 Canadian International Development Award for gender equality achievement for her work with the WLN and APEC.

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## Appendix 2: Phase II WLN Consultative Workshop Findings

The WLN consultative workshop was set up as a panel discussion including six expert discussants, from multiple APEC economies, representing the public, private, NGO and academic sectors. One opening presentation provided an overview of the project. A second summarized the specific characteristics of each micro-enterprise support model so that the audience would have a common notion of the practices, many of which had been highlighted in APEC over the preceding several years, along with concrete examples of instances where the models have been successfully applied.

Presentations by the discussants focused on one particular model each, including the supports, policies and measures needed to implement it successfully. The panel of discussants provided direct feedback on each model, highlighted some of their drawbacks and shared similar experiences in their home economies.

**Moderator:** Dana Peebles, Director, Kartini International (Canada)

### Presentations:

**Project Overview:** Andrina Lever, President, Lever Enterprises (Canada)

**Summary of the Micro-Enterprise Support Models:** Francine Whiteduck, President, Whiteduck Resources Inc (Canada)

### Discussants:

**E-Communities Model:** Virginia Littlejohn, Founder, Trade Builders Inc, (USA)

**Public/Private Sector Partnerships:** Dr. Jasmine Yang, Section Chief, National Youth Commission (Chinese Taipei)

**Growth Facilitators Model:** Maria de la Luz Silva (International Relations Director, (SERNAM) (government agency for services for women) (Chile)

**Public Policy Measures and Programs:** Panita Chinawatra, Director, Business Promotion and Development for Regional SMEs Department, SMEs Macro Strategies Department (Thailand)

**Public Policy Measures–Indigenous Product Branding:** Mavis Mullen (New Zealand)

**Academe and Civil Society Support Programs:** Dr. Teresita Quirino, President Emeritus, Technical Institute of The Philippines

The feedback on the micro-enterprise support models from this prestigious panel is summarized in the table below.

<b>Presenter</b>	<b>Model</b>	<b>Key Points</b>	<b>Conclusions: What We Learned</b>
New Zealand	Public Policy Measures: Facilitators	<ul style="list-style-type: none"> <li>• It takes up to five years to get traction</li> <li>• Government commitment for a micro-enterprise enabling strategy is essential</li> <li>• Common branding of indigenous products (or of products unique to an economy) is now being recognized as a critical element in business success and growth</li> <li>• Government support to develop international linkages is a key factor in the common product branding process</li> <li>• Helping artists access supplies is another important factor</li> </ul>	<ul style="list-style-type: none"> <li>• Growth facilitation processes require extensive government support, promotion and commitment to protect and enhance cultural products</li> </ul>
Chinese Taipei	Public Policy Measures	<ul style="list-style-type: none"> <li>• Partnerships with SMEs and NGOs to target disadvantaged women (single mothers, women with low incomes, victims of domestic violence) are helping to increase women's participation in the economy as entrepreneurs</li> <li>• Internships programs with established companies to help women learn how to run a business are an effective measure to support start-ups for women's micro-enterprises</li> <li>• In supporting a shift to micro-enterprise development, governments need to address access to capital, particularly when targeting disadvantaged women</li> <li>• The right kinds of capital supports can lead to</li> </ul>	<ul style="list-style-type: none"> <li>• Micro-enterprise development has had huge compounding effects when measures to target disadvantaged women are implemented</li> <li>• This can lead to new markets for all types and sizes of businesses</li> <li>• The key is to engage multiple sectors, including the private sector (SMEs), NGOs and government programs (eg, the NGOs to identify potential program participants, SMEs to provide internships and market opportunities, and government to organize the support programs)</li> </ul>

Presenter	Model	Key Points	Conclusions: What We Learned
		<p>success and growth and new opportunities for women, and thus have a huge impact</p>	
Thailand	<p>Public Policy Measures</p> <p>Aggregators (One Tambon, One Product)</p>	<ul style="list-style-type: none"> <li>• Government has deliberate strategy to improve micro-enterprises and international trade links, supported by related government measures</li> </ul> <p>Government measures include:</p> <ul style="list-style-type: none"> <li>• Focus on human resources and technology development (incubators are key)</li> <li>• Creation of knowledge transfer processes such as knowledge exchange programs</li> <li>• Increasing micro-enterprise access to infrastructure related to capital markets (technical aspects of finance and venture capital)</li> <li>• Establishing linkages of networks and clusters in specific production sectors for both domestic and international consumption (eg, One Tambon, One Product model)</li> <li>• Providing trading support such as business matching products and ICT training</li> </ul>	<ul style="list-style-type: none"> <li>• Significant coordination is needed in aggregator models initially, but this model is more likely to accrue greater benefits and micro-enterprise growth at the later stages</li> <li>• Business matching is an important component of the aggregator model</li> <li>• Aggregation programs involve a high level of participation by networks and associations</li> <li>• Aggregator models (eg, the One Tambon, One Product project) need intense start-up support, but become highly self-sufficient in the longer term and act as a driver for micro-enterprise growth</li> </ul>
The Philippines	Academe & Civil Society: Facilitators	<ul style="list-style-type: none"> <li>• The NGO sector is very involved in providing resources and monies to start micro-enterprises</li> <li>• Free training is integral to micro-enterprise development</li> </ul>	<ul style="list-style-type: none"> <li>• Development of micro-enterprises should engage NGO sector for delivery and financing of the start-ups</li> </ul>
Chile	Public Policy	<ul style="list-style-type: none"> <li>• Micro-enterprises take</li> </ul>	<ul style="list-style-type: none"> <li>• All models are relevant</li> </ul>

Presenter	Model	Key Points	Conclusions: What We Learned
	Measures	<p>women away from poverty and a survival existence and bring them into the economy; they enable women to participate</p> <ul style="list-style-type: none"> <li>• Given the different stages of micro-enterprise growth and the diverse needs of small producers with regard to export, governments, NGOs and academe need to articulate a range of strategies to address these differences</li> <li>• The models present a continuum of the different types of support programs needed to develop strategies for different women involved at different levels of micro-enterprise and export development</li> <li>• Need to find a way to simplify business registration and import and export requirements</li> <li>• Support programs need to address management capacity among micro-enterprises (eg, how to integrate products into the commercial chain)</li> </ul>	<p>to women, depending upon their stage of business development; therefore, an integrated approach, using different models at different stages, would be beneficial in targeting a wide audience of women's micro-enterprises</p> <ul style="list-style-type: none"> <li>• Management capacity and knowledge of integrating products into the supply chain is critical and all micro-enterprise support models must address this</li> <li>• Selecting a model to use in a support project will take close examination and careful selection of the appropriate entry point for micro-enterprises with regard to stage of development</li> <li>• APEC economies need to consider a strategy to target all micro-enterprises at multiple stages</li> </ul>
USA	E-Communities	<ul style="list-style-type: none"> <li>• Address the front-end elements of a trade mission and thus enable more work to be done towards finalizing agreements to actually trade when face-to-face meetings finally take place than is the case with traditional trade missions</li> <li>• Business matching is an essential part of the process, but this takes considerable effort at the</li> </ul>	<ul style="list-style-type: none"> <li>• Use of ICT technology can greatly reduce the traditional costs of a trade mission</li> <li>• This is particularly critical for women who are small traders/producers, as they tend to have more limited access to credit and market information</li> <li>• Virtual trade missions require more intensive organization and inputs at the preparatory stage</li> </ul>



Presenter	Model	Key Points	Conclusions: What We Learned
		<p>beginning and much time must be spent on the “matching”</p> <ul style="list-style-type: none"> <li>• The virtual approach makes this process more cost-effective</li> <li>• This model also provides special expertise in the field/sector of the virtual trade mission</li> <li>• Found that peer-to-peer learning is highly valued by demand trade mission participants</li> <li>• Virtual trade missions are more effective when they have sector focus and are virtually integrated</li> <li>• Working through a multilateral entity to help identify and coordinate participants, provide access to IT services, etc., is highly helpful to the trade initiative</li> </ul>	<p>of the mission to provide a venue for peer to peer learning and the sharing of specialized expertise related to marketing and doing business internationally</p> <ul style="list-style-type: none"> <li>• The most successful virtual trade missions involve multi-sector partnerships and collaboration and are both sector-focused and virtually integrated</li> <li>• Must ensure there is a mix of buyers and sellers—not just sellers</li> </ul>

## **Appendix 3: Phase III Workshop Findings and Process**

### **3.1 Chile Workshop (6–8 November 2007)**

The workshop was held in the region of La Serena/Coquimbo/Elqui Valley, a beautiful, pristine part of Chile. Europeans and indigenous peoples both have a rich history in the region and a respect for the environment. Elqui Valley is deemed to be one of the most magical locations on earth. There are several astronomy labs in the mountains because the light and the skies are so clear.

Indigenous peoples account for 4.6% of the total population and are located throughout Chile. In the north, there are Aymara, Atacamenos, and Collas, and in the south region, the Mapuches, Pehuenches, and Huilliches. In the southernmost areas are found the Yamas and Tehuelches, and off the continent on Easter Island, the Rapa Nui people.

Agriculture and fishing are major sources of income. Located about one hour north of Santiago by air, the La Serena/Coquimbo/Elqui Valley region is keen to develop tourism and explore additional sources of revenue. The region is targeted for development as a tourism centre, and many women could benefit from this by supplying their services and products.

Chile is a traditional society, where many women are expected to stay home to look after their children. Unfortunately, there is also a high incidence of spousal abuse, and many single or abandoned mothers in the region receive little or no support. However, these women are hard working and amazingly innovative in creating micro-enterprises. The La Serena/Coquimbo/Elqui Valley region is very rural, and home-based activities can provide additional income for families.

A presentation from ProChile (a sponsor of the workshop) indicated that one of the Chile's strategies is to position itself as a platform economy to work with other economies. Chile is becoming widely recognized as a first option for foreign investors seeking to expand their operations in Latin America. This strategy may offer considerable potential to burgeoning enterprises.

The region will host a grand prix race in the near future, which offers excellent opportunities to promote local products and services. There is also a local technical college in La Serena with state-of-the-art facilities (the workshop was held there), which could be used for further training purposes.

The workshops and activities held in Chile as part of this project are a direct result of Chile's hosting the WLN in 2004. This meeting changed the lives of hundreds of women in the region. The act of hosting and organizing the meeting, and the support from the local and regional government authorities, was instrumental in making those changes happen. However, it was the insight and initiative of a small group of local women (the founders of *Asociación Gremial de Mujeres Líderes de Chile*), who recognized the importance of a women's network and the potential difference it can make to the lives of women and to the health of the local economy. They refused to

allow the good will, contacts, and benefits of hosting and participating in WLN die. Their continuing contacts with and support from various government officials, and their use of local media, have been instrumental in their success.

### **Sponsors and Hosts**

The hosts were the *Asociación Gremial de Mujeres Líderes de Chile*, *Servicio Nacional de la Mujer* (SERNAM) and ProChile.<sup>8</sup> The event received significant support from the local, state and federal governments of Chile, all of which are interested in the potential of micro-entrepreneurs. In addition to supporting the session, representatives of the local and regional government hosted the women entrepreneurs' network at a working luncheon, where potential projects based on the outcomes of the session, were discussed. They also attended the two site visits in La Serena and Coquimbo and a session held on the second day in the Elqui Valley with approximately 35 women from a single mothers' organization that supports micro-enterprise development. Support came from the highest levels, including the regional governor and the mayors of La Serena, Coquimbo and Elqui. The workshops also received considerable media coverage in print, radio and television.

The *Asociación Gremial de Mujeres Líderes de Chile*, is an organization dedicated to promoting women's enterprises in Chile. This association is a direct positive result of La Serena's hosting WLN in 2004 and Chile's hosting APEC meetings. Several of the Chilean women who attended WLN for the first time in La Serena came together to form the association. Each year since, they have provided strong representation in WLN and have undertaken significant activity. In addition, the Mayor of Coquimbo created a foundation, in the name of Andrina Lever, supported by the *Asociación Gremial de Mujeres Líderes de Chile*. This foundation has already granted 60 micro-loans to abused and disadvantaged women in Coquimbo.

### **Participants**

Close to 100 women from the northern part of Chile attended the session (including government representatives from ProChile and SERNAM).

The second day of the session was convened in the Elqui Valley. Approximately 35 micro-enterprise owners, many of them single mothers who had been abused or abandoned, spoke about the variety of projects in which they participate and the products they produce. A member of the *Asociación Gremial de Mujeres Líderes* hosted the session. SERNAM and the Mayor of Elqui supported the session, and it was covered by the media.

### **Current and Potential Types of Entrepreneurial Activity**

An estimated 570,000 micro-enterprises operate in Chile. Micro and small enterprises together represent 96.9% of all the economic units in Chile and

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<sup>8</sup> SERNAM and ProChile are government agencies.

generate 3.1 million jobs (in a population of 16.5 million). These enterprises generate 62.6% of the total private employment; the rest are independent workers. Of the 1.4 million such economic units, 50% are considered informal. Micro-enterprises represent 14.5 of Chile's total sales.

Because of the high number of participants who signed up to attend the first-day session, there was little time to explore their individual products in great detail. However, the research team learned that they were developing a wide range of products, including artisan products and crafts, culturally based items, organic farm products, and other food products (see Appendix 5 for a list).

About a third of the participants were in the services sector. Many of the women served as suppliers of services or product materials to one another. They expressed an interest in tourism, a growth area for Chile, and many of them wished to pursue this potential area of business growth. In both groups, there was an emphasis on organic and natural products. High-quality art and artisan products were also strongly represented. The majority of the participants ran home-based businesses, often producing items related to the agricultural sector. Several of the women indicated that they were involved in a second or third attempt to start a business. One-third of the participants operated local shops.

Women from the Elqui Valley were making organic hand creams, soaps and oils from the natural crops in the area and some were making pottery. One very interesting entrepreneur, who employed several women, was trying to grow retail outlets from her base—a restaurant, powered solely by solar energy that she had been operating for more than eight years. Many of the participants in the Elqui Valley were new entrepreneurs, seeking markets for products they were in the midst of testing and proving. They were very proud of their products, ingenious in their creativity, and most eager to explore and develop new markets to grow their business.

The micro-enterprises of this region of Chile are a largely underdeveloped economic asset. Most striking was the innovativeness and positive attitude of the women and their eagerness to learn. These are really key elements in the success of any private enterprise. Despite some fairly significant challenges, including financial constraints and limited access to and knowledge about markets, the women showed determination to succeed.

Chile has many products that could be grouped, for promotion purposes, around themes such as natural, organic, healthy, land-based. The women consulted would like to explore this approach further. Regional differentiation of products under a made-in-Chile concept was also suggested, and may be a way to combine brand identity with existing recognition of quality products.

As the environment becomes a more important issue for people with higher disposable incomes, the interest in natural and environmentally friendly

products is growing. Products that can be developed and marketed from this region could be very popular. With support, they could offer something unique.

Later discussions identified an immediate opportunity: a government official noted the 40 different sporting and leisure events held in Chile throughout the year. A catalogue to target these events developed as a proposal. The *Asociación Gremial de Mujeres Líderes* proposed using one event as a springboard, and the mayor and governor indicated an interest in supporting such an effort.

SERNAM is active in the region, as are other government agencies, but knowledge of existing resources and government programs available to women tended to be low within the group. Those who were aware of them pointed to a need for more facilitation of the processes.

The networking discussion showed that there was a growing interest in forming new networks. *Asociación Gremial de Mujeres Líderes* is growing, and more regions are learning about it and want to establish similar networks and links.

Currently, there is no one to facilitate information about the market opportunities aimed at micro-enterprise development, but the *Asociación Gremial de Mujeres Líderes* sees an opportunity to play this role. A few days after the workshops, the President (Economic Leader) of Chile, the Honourable Michelle Bachelet, travelled to the region to meet with the leaders of the association. They described the workshops to her and she pledged her support, as did the regional governor.

The imagination and innovativeness of the group, including the women in remote and rural areas, was unfathomable and inspiring. These micro-enterprises could become an excellent economic force in the region, but even though the monetary rewards are not yet high, the increased pride and self-confidence that micro-enterprise has given these women is invaluable.

### **Elqui Valley Consultation**

The second day of the session was held in the Elqui Valley to meet directly with local producers with very small-scale micro-enterprises. The objective was to understand the potential of the women and the challenges they face.

The local population is quite small and very rural, so the local market for the producers is limited. The only way for them to grow is to seek outside markets, yet preserve the uniqueness and integrity of their products.

Transportation in and out of the valley is expensive, and therefore women would probably need to combine shipments to make them cost-effective. Most of their products, such as facial and body creams, were based on natural ingredients. Such products require costly testing and hygienic packaging

conditions before they can be exported. Labeling and packaging also need to be improved.

The area has particularly great potential for tourism, but the women expressed concern that tourism development will destroy the currently untainted environment.

### **3.2 Peru (Additional Consultations, 9–11 November 2007)**

At the request of the Canadian Ambassador to Peru, Ms Whiteduck and Mrs Lever stopped in Peru, as part of their investment in this initiative, during their return trip to Canada. The Canadian Embassy organized a series of high-level meetings with local Peruvian NGOs, government officials, and private sector contacts to explore the environment and potential for micro-enterprise development in Peru. The feedback from these meetings essentially echoed the findings from the Chile sessions.

1. *Meeting with Mercedes Benavides, founder and president of Wayra Peru, an organization founded to assist rural women in the mining regions in producing and marketing handicrafts*

This was an extremely fruitful meeting. The issues raised confirmed the research team's findings in Chile. There is potential to work with this group in micro-enterprise development.

2. *Meeting with the NGO "Ideas" and site visit to a rural project funded by Ideas*

This NGO presented some very interesting approaches and models in their work with rural indigenous women. This particular project involved about 30 women, in a very rural community about two hours from Lima, who are preserving local fruits and vegetables in micro-enterprises and supplying a chain of Peruvian supermarkets.

3. The research team also met with Virginia Barra Toledo, Minister for Women's Issues and Social development, the Canadian Ambassador, the Organization of Women in International Trade, Fernando Gonzales-Vigil of the Peru APEC study centre and Peru's APEC Business Advisory Council members.

The research team also conducted market research at handicraft markets to examine local products and distribution and marketing opportunities.

### **3.3 Canada Workshop (26–28 November 2007)**

The workshop was held in Montreal, Quebec. Quebec is a large province and has both large urban centres and vast expanses of sparsely-populated wilderness. It is home to 11 distinct Aboriginal peoples and many Inuit

communities. Together, they account for approximately 1% (about 71,415 people) of the population of Quebec. Many Aboriginal communities are in remote areas of the province, some accessible only by air. In Canada, there are over a million Aboriginal, Métis and Inuit people, representing just over 3% of the population.

### **Sponsor and Hosts**

The Quebec Native Women's Association (QNWA) hosted the session. The QNWA organized invitations, representation, logistics and support, including personnel to assist with planning and conducting the session.

The QNWA, a member of the Native Women's Association of Canada, is dedicated to supporting indigenous women in their efforts to achieve better living conditions. It promotes non-violence, justice, health, and equality, and works to empower women in their commitment to their communities. It is a bilingual organization, providing services in the two official languages of Canada, French and English. QNWA sits at the table of the Assembly of First Nations of Quebec and Labrador, on the Board of Directors of the Native Para-judicial Services of Quebec, at the Human Resources Development Commission of Quebec, and several other Aboriginal and non-Aboriginal commissions and committees.

QNWA is also involved in promoting and developing new training initiatives for Aboriginal women to help improve their lives and the lives of their families. Increasingly, these efforts include the economic elements necessary for shaping a strong, health community, initiatives that allow women to participate more fully in their communities. One initiative currently being explored is the concept of an "Indian Market Place." They are determining the feasibility of this approach for promoting the products of micro-enterprises, artisans and other small businesses interested in creating a wider market for their products.

Indian and Northern Affairs Canada (INAC) is the ministry with primary (but not exclusive) responsibility for meeting the member economy government's constitutional, treaty, political and legal responsibilities to Aboriginal, Inuit and northern peoples. To fulfill this mandate, INAC must work collaboratively with the communities, as well as with other government departments and agencies and the provinces and territories. Increasingly, INAC's role is to facilitate change and to bring together partners and interests to support the development of healthy, sustainable communities and assist them in achieving their economic and social aspirations.

INAC sponsored the session by providing support for transportation, accommodations and meeting space. A representative from INAC's economic development sector attended the session.

## Participants

Thirty-two women from various areas of Quebec attended the session. Participants included Aboriginal women, Inuit women from the northern regions, government representatives and staff from the QNWA.

A representative from an organization that assists small businesses and entrepreneurs by providing human resources development support also attended the meeting, as did a representative from INAC, who provided a presentation on the type of supports and assistance currently available.

Weak or non-existent business service facilities have made it difficult to obtain feedback and insight about the needs and issues facing indigenous and rural women producers. Various organizations and businesses have held unique sessions to bring women together, but in Canada, there has been no sustained effort that would enable the women to create ongoing support mechanisms to encourage micro-enterprise involvement by women from a range of economic sectors. These gaps, and the lack of ongoing facilitation to build momentum, have hindered women from developing the links that generate more economic activity and business connections.

## Current and Potential Types of Entrepreneurial Activity

According to data on Aboriginal businesses from the 2001 Aboriginal Peoples Survey (Statistics Canada 2001), there are an estimated 27,000 Aboriginal-owned businesses in Canada. A breakdown by gender and location was not available.

	<b>Aboriginal Entrepreneurs On Reserve</b>	<b>Aboriginal Entrepreneurs Off Reserve</b>
<b>Total</b>	<b>3,920</b>	<b>23,280</b>
	<b>Aboriginal Entrepreneurs Urban Areas</b>	<b>Aboriginal Entrepreneurs Rural Areas</b>
<b>Total</b>	<b>14,170</b>	<b>13,035</b>
	<b>Aboriginal Entrepreneurs</b>	<b>Aboriginal Population</b>
<b>Total</b>	<b>27,200</b>	<b>652,350</b>

(Statistics Canada 2001)

There are 821,000 women-owned businesses among the 20,276,510 women in Canada (Prime Minister's Task Force on Women Entrepreneurs Report and Recommendations 2003). Of those, approximately 9,935 are Aboriginal women, representing about 36.5% of all Aboriginal entrepreneurs. Aboriginal women make up 38% of the Aboriginal self-employed population. It is not clear how many businesses they own jointly with a husband/partner.



The workshop group had developed a range of types of products, most centred on traditional activities or related to organic materials. They tended to develop products using skills acquired throughout the years, such as sewing, using organic material, or working with plant and forest-based products. The primary type of product was the traditional preparation and production of deer or other animal hides to finished products.

Five women wanted to launch a business in the near future and were exploring opportunities and potential related to expressive arts. They were experienced in artistry, photography, video-making, graphic design and the print and production process and interested in launching businesses involving these skills. Three or four of the women had knowledge-based products, which they thought could be marketed as educational products for a marketplace targeting specific interest groups. The majority of the participants ran home-based business and only three operated shops.

Some women buy their materials from wholesalers and make the finished items, but most remain at a very low production level. However, they indicated that this production could be increased if a corresponding market could be developed. Marketing for these items is very scattered, but the participants indicated that they were aware of huge tourism potential and interest from markets abroad, particularly Germany and France. One of their most immediate difficulties is the mass production and proliferation of imitations.

The majority of women reported that they were either producing or involved in supporting community activity to increase the marketability of their products. Most of this activity was still at the organizing stage.

The women in the workshop were facing common market development problems, but they felt that at least some of these issues could be addressed through additional support from a facilitator model that would focus on specific elements:

#### *Marketing*

- Working with artists and producers, providing expertise on how to make products marketable
- Becoming familiar with private labels and how the process works
- Developing a marketing concept, with logos, themes, and awareness-building
- Fair trade approaches to tie in with a focus on indigenous-made products
- Providing resources, expertise and volunteers to assist with market development

#### *Branding*

- Creating awareness of products and associating the unique characteristics of regions to products
- Working with communications specialist to identify and develop a brand and making quality control a part of the market concept

- Pulling women together based on the concept of indigenous brands (The QNWA is currently has some activity in this area, but there is a need for continuity to ensure that a network for micro-enterprises is created.)
- Moving toward authenticity, verification, experts, and criteria that define indigenous-made products

#### *Production*

- Developing a production plan, especially for home-based producers who experience difficulty in purchasing materials
- Improving access to supplies to enhance capacity, which requires extensive coordination in order to plan production, understand capacity and begin regular schedules of production
- Producing product prototypes

#### *Aggregation*

- Using a team approach to enable women to work together to develop products and create niche markets
- Organizing community visits, exchanges and sharing to find out how women can work on their micro-enterprises together, build markets, and pull together an array of products based on themes
- Branding the wide range and variety of indigenous women's products as a concept
- Developing a network or organization to bring together women with varying skills, products and abilities (For example, in this session, there were women with cultural knowledge, artistry and expressive arts skills, and artisans and producers with an array of gift products who, together, could fill many of the facilitation roles, but there is a lack of facilitation to begin the process.)

Canada will host the Olympic Games in 2010, in locations within the traditional and shared traditional territories of four indigenous peoples (the Lil'Wat, the Musqueam, the Squamish and the Tsleil-Waututh). These communities have incorporated a non-profit society (Four Host First Nations) to handle their hosting and other responsibilities related to the Games. The society's objectives include achieving unprecedented Aboriginal participation.

The International Olympic Committee (IOC) added environmental protection to the Olympic Charter in 1994 and made it the third pillar of the Olympic Movement, equal to Sport and Culture. The IOC's charter says that it will see "that the Olympic Games are held in conditions which demonstrate a responsible concern for environmental issues" (VANOC 2008).

In 1999, the IOC went further when it adopted Agenda 21: Sport for Sustainable Development. Agenda 21 recognizes that our planet is both diverse and fragile, and identifies the powerful role sport and the Games can play in ensuring the well-being of both people and the environment. It encourages all members of the Olympic Movement, particularly the host cities of Olympic Games, "to improve socio-economic conditions and the lives of the most disadvantaged in our communities," (VANOC 2008) and to conserve and

manage natural resources and the environment. Thus, promoting sustainable development has become one of the fundamental objectives of the Olympic Movement.

The 2010-related business summit of 31 January to 2 February 2007 outlined a list, numbering into the thousands, of products, gift items and services typically sought for the Games. These included corporate sponsors' gifts, athlete and team gift item exchanges, IOC and other officials' gift exchanges, and mass-produced tourist and visitor items.

The call for participation by Aboriginal entrepreneurs to become suppliers for many items, especially relating to gift products, may position Aboriginal women's micro-enterprises to benefit. Potentially, they could supply high-end, limited-production items for the many unique gift items being sought, while developing marketing expertise, brand name and identity. They would need assistance with setting quality standards to meet the requirements, and they would have to develop and plan for early delivery of products (by 2009). This opportunity would provide women with more distribution outlets, as there will be a major pavilion hosted by Aboriginal peoples as well as distributors for event-related items whose objective is to promote Aboriginal-made products.

The participants were enthusiastic about the potential in trying to organize their products according to the opportunities listed for the 2010 Olympics. They were equally enthusiastic about showcasing their talent and artistic skills, their region, and their products. It was also suggested that a catalogue could include products from other indigenous women in APEC member economies.

**Sequoia Native-Inspired Bath & Body**

[www.sequoia.ca](http://www.sequoia.ca)

This entrepreneur has established a shop in Montreal and has all products made in the community. Her website enables purchases in one or two clicks. The products are arranged by color and by products, update weekly.

The catalogue model could easily fit with the participants' objectives while kick-starting production around the requirements and the type of product organization and marketing involved. Through a simple exercise and discussion, they identified an extensive list of potential products for a catalogue. The participants further recommended that the Quebec Native Women's Association or another body continue to play a role to support their participation.

The programs and services currently available to women in Canada include:

- QNWA's training coordinator for Aboriginal human resources development agreements
- Status of Women Canada programs for women

- A human resources development program for the Quebec region
- Regional and economy-wide employment programs
- Funds to start businesses with proven, viable plans
- Funding program for Aboriginal small businesses
- Start-up and expansion grants (low level)
- Youth Employment Strategy
- Regional economic development resources

Awareness of existing programs was low among the group; about half of the women were hearing of these resources for the first time. Thus, few had attempted to access these programs. Women who were aware of the programs indicated that they had not participated in them because of the extensive input and planning process typically associated with them. Some women had had some success working with local economic development programs in their communities. Generally, however, few of the resources flowing from the programs are available to deal with micro-enterprise needs.

Two notable gaps emerged from the discussion. The first was the lack of resources for facilitation activities or other support models. The second was lack of adequate focus on building networks among micro-enterprises. Virtually all programs are either specific to labour development and training, or they focus on business development aimed at more active enterprises (Aboriginal Business Canada, for example). They do not offer the network support to bring micro-enterprises together to examine the potential of some form of product pooling.

The characteristics of this particular group would be well suited for the work and resources necessary to establish a try-out of the catalogue model, and there was high interest in developing prototypes to target the 2010 Olympics. There were highly artistic photographers in the group, and a number of women with similar skills or with the capacity to produce similar products.

However, there are pressing considerations related to the schedule as 2010 approaches. A catalogue offering would have a critical path requiring fairly quick implementation. The following sale and production sequence is a realistic example of the activities necessary for taking advantage of this opportunity:

- Highlight product criteria and develop product prototypes and photographs for catalogue
- Identify potential participants
- Identify and consult producers and capacity
- Sales and promotion plan to 2010
- Orders

- Production schedule
- Quality control
- Delivery dates

The critical path suggests that potential items should be in front of potential buyers sometime around June 2008. However, there are several earlier steps to be taken in moving to concrete measures for the establishing a product offering.

1. Identify the product offering that can be aggregated into a catalogue.
2. Highlight the technical considerations for a catalogue.
3. Produce a mock-up to highlight process and support requirements.
4. Contact potential suppliers, including learning their production capacity.
5. Analyze the information gathered and determine the feasibility and costs of producing a catalogue targeted at the 2010 Olympics.

One of the first specific tasks would be to research all the requirements for potential offerings. The criteria have to be identified before any attempt at choosing products. At the product-selection stage, micro-enterprise owners, producers or artisans could get started simply by providing an image of the products, along with a description of the details, material used, number of items they can produce, and a range of selling prices.

The participants emphasized the need for coordination so as not to miss the opportunity. They also saw further possibilities to organize women to expose and exhibit their work. They felt that this approach could easily become an exposition of Aboriginal woman artisans and an opportunity to organize their production while learning more about how to distribute their products. Potentially, all of this could be done under one logo.

The QNWA has a wide mandate to assist women in many social, political and other organizational efforts. However, because of its broad mandate, there remains a question as to who should coordinate the 2010-related activity and the extent to which this organization can focus its limited resources on building capacity among women to take advantage of this opportunity. It will entail some significant commitment. The organization does currently provide support for some activity through project funds, but does not have continuous, ongoing resources. Nevertheless, it may be able to play a role in identifying women's micro-enterprises and working toward creating activity around promoting economic development and opportunities for indigenous women.

### ***3.4 Viet Nam Workshop (12 December 2007)***

In recent years, Viet Nam has entered into a number of trade agreements as well as joining APEC and the WTO. This has led to a gradual opening up of markets, a change in government policy to encourage private sector

development, and the conversion of state-owned enterprises and state trading enterprises to private sector enterprises. At the same time, Viet Nam has become more attractive for foreign direct investment. These changes are leading to more infrastructure development and increased business opportunities.

Often, when state-owned enterprises are converted to the private sector, there is an initial loss of jobs, particularly for women. Many workers then resort to establishing a small or micro-business to replace their income. This has been the case in many former Soviet economies. However, the skills people learn as employees do not all transfer successfully to operating a private business. Thus, there is usually an increased need and demand for business training—in marketing, management, product development, marketing awareness, standards, human resource issues, and procedures—for virtually all aspects of small business management.

Currently, substantial foreign direct investment, as well as donor funding, is targeted towards Viet Nam for market development. Viet Nam offers an attractive market: it is more or less undeveloped, the population is young and literate, wages and the cost of doing business are currently fairly low, and there is eagerness to change and integrate into the world trading system. An increase in tourism has also brought about significant interest in the economy. In short, many opportunities exist for investment and business in virtually all sectors.

Viet Nam has a population of 84.1 million, of which approximately 97% are literate. The population is young, with the majority of people under the age of 30. In the most recent International Finance Corporation (IFC)/World Bank Report, Viet Nam ranked at 91 out of 178 economies for ease of doing business, based on IFC indicators (International Finance Corporation 2008). The textile industry is very strong, and many women own businesses in this area. However, Viet Nam competes in this sector with neighbouring economies with similar textile industries, such as Thailand, Cambodia, Laos and China.

Since Viet Nam has adopted more foreign-friendly reforms, its total economic output has nearly doubled in the past five years, at an average economic growth rate of 7.25% over the past decade. It has doubled its per capita gross domestic product, with economic growth reaching 8.2% in 2006, trailing only China (John 2007).

### **Sponsors and Hosts**

Sponsors and hosts of the workshop included the Viet Nam Ministry of Industry and Trade, the Multilateral Trade Assistance Project (MUTRAP II) funded by the European Union (EU), and the Viet Nam Women's Development Centre.

The Ministry of Trade and the Ministry of Industry in Viet Nam were recently combined into one ministry, the Ministry of Industry and Trade. The ministry helps promote both trade and private sector development. There is now a strong focus on export and SMEs, the development of businesses and new markets for export, market information, and the need to attract and develop business expertise in order to be competitive. Viet Nam has recently (January 2007) acceded to the World Trade Organization (WTO). Consequently, there is now an even greater interest in and pressure to develop export markets.

MUTRAP II is the second major EU-funded project to assist the government of Viet Nam in structural reform for the purposes of compliance with the terms of WTO membership. Again, there is a particular interest in SME development and the social impact of WTO membership. Micro-enterprise development is a cross-cutting concept in both SME development and social impacts; hence the interest of the MUTRAP team.

The Viet Nam Women's Union is the major women's agency in Viet Nam and was the host for Viet Nam's WLN meeting in 2006. Membership is open to virtually every woman in Viet Nam. The Union is responsible for major policy work that affects the lives of women in Viet Nam.

The Viet Nam Women's Development Centre is a subgroup of the Viet Nam Women's Union. It is located in a new state-of-the-art building in Ha Noi and provides a variety of services, premises, opportunities, accommodation, and training for women from all over Viet Nam. The centre acted as the host site for the workshop, helped coordinate invitations and acceptances, and provided advice on customizing the program to local interests.

The co-host of the workshop was Mme Tran Thi Thu Hang, an official from the Ministry of Industry and Trade, Project Director for MUTRAP II, and most recently, the APEC Senior Official for Viet Nam (including during Viet Nam's year of hosting APEC in 2006).

## **Participants**

More than 60 people attended, at least 50 of them women entrepreneurs. The other participants were representatives from the Viet Nam's Women's Development Centre and other government agencies. There were also representatives from the Ha Noi Businesswomen's Association, the Viet Nam Association of Small and Medium Enterprises, and another small business development project of the Viet Nam Women's Union.

Most participants were owners of small businesses who wanted to expand or directors in larger SMEs. Primarily, the participants represented businesses in the textile sector and the service sector.

The program was adapted to include some of the issues on which MUTRAP was focusing, including trade issues related to Viet Nam's accession to the

WTO. The participants were actively interested in how these challenges and opportunities are handled in Canada and elsewhere.

A presentation provided a short description of the WTO and the opportunities and challenges micro-enterprises and SMEs in Viet Nam will face as a result of the opening up of markets. It also provided a brief overview of the five “access” issues (access to finance, markets, information, people and technology), followed by discussion. These access issues remain a challenge. The participants also noted that access to property is a particular challenge for women micro-enterprise owners. The following findings arose from the access discussion:

### *1. Access to Business Services*

There is an SME association which acts as a facilitator and provides training and trade promotion programs. The association also organizes field trips to markets and finds information on markets, niche markets, and exhibitions. The Ha Noi Businesswomen’s Association also acts as a facilitator, arranging many direct contacts. The women’s development centre has a consultancy division that provides equipment and facilities. They have a website with information on training, but they need assistance to develop the association further.

The participants noted that there are a number of textile and trade associations, but they needed assistance to explore ways in which associations can have a real voice. For example, they did not have the resources to forward ideas to the ministry. There was great interest in connecting with other associations and groups

### *2. Access to Markets and Information*

In general, the marketing capabilities of micro-enterprises were very limited, and they did not receive assistance from any agency. They had difficulty finding out the quality expectations of foreign markets, but believed that standards were generally higher in the west. Some had been exporting within Asia and were now interested in knowing more about Europe and the rest of the world, but lacked access to information about these markets. They indicated that they would like to advertise their products, but needed professional services to be able to do so.

The participants were interested in participating in international exhibitions, but indicated that doing so would be too costly. They needed information about ways they could get help with that process, and about how they might set up a “road show” of companies in Viet Nam, possibly by sector, and then connect to other economies.

### *3. Legal, Regulatory and Administrative Issues*

Participants had found that the law is one thing and reality is another. Regulatory barriers still existed, including with regard to exports. For



example, according to the women's textile business association, they cannot export directly to Canada, but must ship through Korea.

Although there has been a simplification of licensing and registration procedures in Viet Nam, the participants were interested in learning how other economies deal with these processes, which they said remain problematic for micro-enterprises. They also had time-consuming administrative burdens and would need better ways to file and remit taxes, such as electronically.

#### *4. Access to Financing*

Access to financing was highlighted as a continuing problem, but they also needed to achieve a certain level of knowledge about the use of financing. Start-up capital was limited. They looked to foreign donors for support, but the supply of funding was inadequate for the need. One of the major problems arising from lack of adequate funds was their inability to ship their goods to market, especially from rural sectors. The ministry conducted its own survey on access to finance for the women participants during the workshop.

Citigroup has a micro-finance program in Viet Nam, through which women can obtain micro-loans at almost no interest, but has found that the women are not accessing the funds because they do not know what to do with the money when they receive it. These stakeholders also indicated that there is a need to get these women into a global value chain and that there is an interest in doing so.

#### *5. Access to Training*

The participants who had taken part in the few training programs that have been available have sometimes found that the training was not appropriate or relevant to their needs. The Ha Noi Businesswomen's Association has provided training on machinery and computers, but there was currently no financial assistance to provide more training.

Training is needed, particularly in quality control, design, basic marketing skills, and materials. All of the participants wanted to learn more, and there is training going on at the regional level due to increased awareness of WTO membership. However, the participants were seeking more training, market knowledge, networking opportunities, and information about successful practices. They were looking for the training to be very practical and to apply directly to their businesses. There was a real interest in connecting with international women's organizations and in understanding the opportunities available.

There was a discussion of networking, and as in the other workshops in this project, it was clear that the value of networking and interacting with other women and business associates cannot be underestimated. This finding

echoes a key finding in IFC research (International Finance Corporation 2006).

While the participants were interested in general workshop content and themes, it appeared that most were really more interested in receiving actual training and an introduction into markets as well as real market intelligence. Overall, there was very high interest and energy in these enterprises and a great potential for development.

### **Current and Potential Micro-Enterprise Activity**

As of 2005, SMEs accounted for 97% of Viet Nam's domestic enterprises and contributed 26% of GDP. They generated 49% of the economy's industrial production value and created jobs for 26% of the workforce (Ministry of Finance of the Socialist Republic of Viet Nam 2005).

A high proportion of women in Viet Nam work in the informal, micro-enterprise and SME sectors. It is estimated that businesses owned by women currently make up about 25% of the approximately 200,000 SMEs in Viet Nam (Viet Nam News Agency 27 January 2007). The government hopes to have 500,000 by 2010, which is a very aggressive growth plan.

It is difficult to determine how many micro-enterprises are operating in the informal sector, or even how many there actually are, let alone how many are owned or run by women. However, in the wake of measures to formalize and simplify business registration, it is hoped that more informal businesses will be brought into the formal sector. The government recognizes that SMEs are the backbone of the new economy, and it is progressive in supporting and encouraging SME development.

In 2006, the IFC undertook the first comprehensive women business-owners survey for Viet Nam (International Finance Corporation 2006). The findings were based on a survey of 500 larger, formal, women-owned businesses across the economy. The survey provided excellent insight into the issues and challenges women business-owners in Viet Nam face in general:

- Women business-owners in Viet Nam expressed a strong need for entrepreneurial education and training, especially training that is targeted specifically at women
- They felt that the current lack of attention to the needs of women business-owners and lack of formal programs aimed at them is limiting their growth
- Access to financing has to include training about how to make effective use of capital
- They want to learn more about international trade opportunities
- There is a strong desire for more policies and programs focused on business development

- Women’s businesses need more opportunities for networking or forming mentoring relationships and they would like to see regular fora to help create these opportunities
- Women’s entrepreneurship needs a formal “home,” such as an office for women’s business development programs, a women’s business advisory council or both

The feasibility workshop participants tended to be involved in businesses or product development based on experience and skills learned at school or at home. Nevertheless, their businesses provided wide range of goods and services (see Appendix 5). Many had been employed in state-owned enterprises. They therefore had a high degree of business experience, but only in larger enterprises and within state controls and protection. Due to Viet Nam’s recent emergence in an open market, they were either new to the free market or their experience and exposure was limited. There was some limited exposure to foreign markets among them. Many had excellent ideas and were eager to learn and share their experiences.

All three of the micro-enterprise support models have been used in Viet Nam to some extent. There was some confusion about the role of a facilitator and about whether women business-owners would have to pay for this service. This approach seemed to be an abstract idea for some participants. A few had had some experience working with a facilitator and with some associations, such as the Ha Noi Businesswomen’s Association, that have tried to provide this service. There was a great interest in learning more about facilitators, how they can help, and how women business-owners could connect with them.

The closest to examples of facilitators in Viet Nam are two NGOs: Craft Link and Viet Nam Quilts. Both are assisting micro-enterprises and single producers to produce and sell high-quality products. Both are also examples of the NGO businesses/fair trade facilitator model.

**Viet Nam Quilts**

([www.vietnam-quilts.org](http://www.vietnam-quilts.org))

Viet Nam Quilts is a community development non-profit organization that aims to help develop rural communities by providing skills training women in rural Viet Nam, thus leading to employment and regular income. By fostering independent skills, the women become self sufficient and many are supporting their families.

The program delivers skills training to the women producers and operates two shops, as well as an internet site. Again, fair wages in safe and comfortable working environments with benefits are a key characteristic. The quality of the products is very high and the profits are invested back into the community in the form of more training, more business development, scholarships, women’s health and micro-finance.

**Craft Link**  
([www.craftlink.com.vn](http://www.craftlink.com.vn))

Craft Link is a Viet Nam not-for-profit organization that assists craft producers to develop their businesses and find market opportunities. They operate two shops, host a handicraft bazaar once a year, provide training to traditional craft artisans and undertake wholesale and export sales. The quality of the products is very high. All groups that work with Craft Link meet basic criteria, such as fair wages and environmental and employee safety. The organization also gives preference to marginalized or disadvantaged producers, such as ethnic minorities from remote areas, street children and people with disabilities. Craft Link was formed to assist traditional handicraft producers who were having trouble finding markets for their products. They provide assistance with new product design, business training in marketing, quality control, basic accounting and price-setting. They also encourage adapting designs to meet market changes.

Due to rapid structural reform, commitments to various free trade and regional trade agreements, and the recent WTO membership, there has been a great deal of focus on public policy in Viet Nam. Most of this has been difficult for the government to communicate and difficult for the public to understand. The information has been very technical and has not been reaching the micro-entrepreneurs.

The Viet Nam Women's Union and the new, larger Ministry of Industry and Trade were currently attempting to bring in new regulations to simplify the bureaucratic process. Lack of transparency in procedures, which can lead to corruption, was still a problem.

It is important to note that, with donor money flowing into Viet Nam, there is a danger of creating dependency on it. Any future facilitation supports should be based on the premise that the facilitator is helping women's micro-enterprises become self-sufficient.

The Viet Nam Women's Development Centre's new facility provides a wide range of services, including training in all aspects of business development, providing accommodation for out-of-town participants, retraining for abused women and victims of the sex trade, technology training, distributing information, a website, and facilities for meetings and hosting events and conferences. The centre depends on the Viet Nam Women's Union and other partners, including funding agencies or foreign donors, to assist them with the expenses of developing and delivering programs. Because of its support from the government, and its reach into communities throughout Viet Nam, the centre could be an excellent partner to deliver further training and networking for women's micro-enterprise development.

Viet Nam is already involved in various trade shows and trade fairs, but in general, micro-enterprises owners have not been able to afford to participate. There was significant interest in creating road shows of companies throughout

Viet Nam and then connecting them to foreign markets. This can be done by region or by sector.

In summary, there are many saleable products produced by micro-enterprises in Viet Nam. They have significant export potential and the potential for the necessary production capacity. Access to funding for growth and export is a challenge, and micro-enterprises will most likely require support in this area. There is also a real need for practical training and advice to assist producers in accessing foreign markets. Better management and marketing skills and increased access to technology are also necessary.

## Appendix 4: Micro-Enterprise Self-Analysis Checklist

### Checklist: Are You Ready to Grow Your Micro-Enterprise?

Readiness Phase		
	Yes	No
1. I have sold over 200 of my product items	<input type="checkbox"/>	<input type="checkbox"/>
2. I know the costs for each material used to produce the product	<input type="checkbox"/>	<input type="checkbox"/>
3. I know how long it takes to produce each item	<input type="checkbox"/>	<input type="checkbox"/>
4. My selling price is at least double the price it costs to produce one item	<input type="checkbox"/>	<input type="checkbox"/>
5. I have developed a unique package for shipping	<input type="checkbox"/>	<input type="checkbox"/>
6. I know what it will cost to ship my product to another location	<input type="checkbox"/>	<input type="checkbox"/>
7. I currently sell my product to other buyers or distributors	<input type="checkbox"/>	<input type="checkbox"/>
8. I understand the commercial risks of sending a product to a distributor	<input type="checkbox"/>	<input type="checkbox"/>
9. I have an email address	<input type="checkbox"/>	<input type="checkbox"/>
10. I respond within 24 hours	<input type="checkbox"/>	<input type="checkbox"/>
11. I have a professional financial advisor (banker, accountant)	<input type="checkbox"/>	<input type="checkbox"/>
12. I have checked to see if there are any prohibitions or restrictions on parts or material associated with my products	<input type="checkbox"/>	<input type="checkbox"/>
13. I can fill an order of 30 items in a month using my own resources	<input type="checkbox"/>	<input type="checkbox"/>
Type of model most suited to your product distribution		
14. My creation is unique, there are no others producing this item	<input type="checkbox"/>	<input type="checkbox"/>
15. There are several competitors that produce this item	<input type="checkbox"/>	<input type="checkbox"/>
16. I know 3 potential distributors that can potentially sell my product	<input type="checkbox"/>	<input type="checkbox"/>
17. I am willing to meet requested quality control standards	<input type="checkbox"/>	<input type="checkbox"/>
18. I could use help with product packaging	<input type="checkbox"/>	<input type="checkbox"/>
19. I know the niche market that I am targeting	<input type="checkbox"/>	<input type="checkbox"/>
20. I always have correspondence and communication information ready to hand out	<input type="checkbox"/>	<input type="checkbox"/>
21. My product has an expiry date	<input type="checkbox"/>	<input type="checkbox"/>
22. There are safety standards that my product has to meet	<input type="checkbox"/>	<input type="checkbox"/>
23. I know how to insure and ship my product	<input type="checkbox"/>	<input type="checkbox"/>
24. I have pictures/portfolio of my product	<input type="checkbox"/>	<input type="checkbox"/>

25. I have specifications and information about my product available (including sizes, colors, available quantities etc)
26. I have access to the Internet
27. I have access to a digital camera
28. I am willing to extend credit to a distributor for 90 days
29. I am willing to have others put their label on my product
30. I would like to list my product in catalogues
31. I have samples of my product to hand out
32. I have dealt with freight costs
33. There is a story behind my product
34. I can market my product to be part of a theme, event, or other or other branding and marketing device
35. My product is a food item
36. I have dealt with industry, commerce departments of my governments
37. I am aware of supports to develop my products
38. My product has a trademark or copyright
39. I know my trade, commerce or small business department
40. I know what it will cost to ship my product to an international destination
41. My packaging is complete and has English instructions
42. Some parts or material used to make this product requires an inspection agency from my economy
43. I know what (FOB, CIF, FIS, DDP) mean
44. My product sells well in my own economy

## Scoring

**Are You Ready? Score Guide Value: Yes = 1 No = 0**

### **A. Product Readiness**

Add Questions 1-12                      Maximum Score is 12

- 12                      You are ready to take the next step to grow your enterprise  
6-11                    Your product is ready for growth—you need to find a good model  
Below 6                Your product may need more development

### **B. Viability**

**If you scored 0 on Question 13, you may need to work on making your product more viable**

### **C. Facilitator Model**

Add Questions 14 to 23                      Maximum Score is 10

(You must also score above 6 in Questions 1–12)

- 10                      Your product is likely ready for market  
5-10                    This model will help define strategies to enhance your product sales  
Below 5                The Facilitator model is definitely for you

### **D. Catalogue Model**

Add Questions 24 to 34                      Maximum Score is 11

(You must also score above 6 in Questions 1–12)

- 11                      A Catalogue model is definitely for you  
5-11                    Explore this model to enhance your distribution  
Below 5                Look at all models closely

### **E. Using Resources from your area (Public Policy Model)**

Add Questions 35 to 39                      Maximum Score is 5

- 5                        Policy measures appear to be helpful  
Below 5                You need to use/understand local government resources

### **F. Export Ready**

Add Questions 40 to 44                      Maximum Score is 5

(You must also score above 6 in Questions 1–12)

- 5                        You are likely Export Ready



## Appendix 5: Products and Services of Phase III Workshop Participants

### Canada

#### Handicrafts

- sewing
- etched glass
- hide clothes
- dolls (targeting the European market)
- coats, moccasins by email order
- deer skin products

#### Plants and forest products

- medicinal plants, garden flowers, resin
- medicine, cures (traditional)
- forest-based products
- organic farms (48 products, including teas)
- sequoia-based products (soaps, bath and beauty products)
- chocolate

#### Arts and cultural products

- photography
- video
- children books, Mohawk language learning materials
- language education products
- graphic design

#### Knowledge-based products

- work with children, with a focus on diabetes
- language education products

### Chile

#### Food and Farm products

- fish scale products
- medicinal plants
- chocolate and chocolate by-products
- garden flowers, resin
- jams, food and berry products
- creams and soaps (bath and beauty)

#### Handicraft

- sewing
- jewelry (silver)
- knitted products
- high-end art products
- dolls and toys
- leather goods (small items such as bookmarks and decorative pieces)

Plants, forest products

Artistry

- graphic design
- traditional design
- high-end pottery
- high-end sculpture

Knowledge

- local and indigenous knowledge
- tourism expertise
- language skills

## **Viet Nam**

Textiles

- clothing
- embroidered items such as tablecloths, house wares, -linens
- shawls, scarves, fashion accessories
- handbags
- silk
- shoes

Jewelry and artisanal items

- decorative items
- storage items
- basketware
- bamboo and rattan
- furniture
- lacquer products
- artist products
- ceramics

Natural products

- food products
- cosmetics/skin care
- homeopathic products/natural medicines

Services

- business services
- translation
- tourism
- professional services.

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