

Are Thai Female Entrepreneurs Ready for the AEC?

By Eric Baker

As women make up a disproportionately large share of small business operators in Thailand, whether female entrepreneurs are prepared for the launch of the ASEAN Economic Community (AEC) in late 2015 can serve as a barometer for much of the country.

Ulrike Guelich, a professor at Bangkok University's School of Entrepreneurship and Management, told a crowd at the Foreign Correspondents' Club of Thailand that she is concerned about small and micro businesses operated by Thai females being unprepared for the AEC.

"About 90% of small Thai entrepreneurs have no customers outside Thailand," said Ms Guelich. "The AEC is going to open Thailand up to competitors and in order to fully take advantage of the benefits it offers, Thai companies need to look outward."

In addition to the lack of internationalisation, she is worried that female Thai entrepreneurs of small businesses are without a growth outlook for the next five years, lack innovation, have a high fear of failure, and in some instances lack the education needed to excel. Ms Guelich is less concerned about medium-sized businesses in Thailand, as they are further along in following the lead of large firms in standardising production processes, moving from OEM projects to branding, having employees fluent in other languages, acquiring foreign customers and having access to market data.

Much of her research is taken from a 2013 Global Entrepreneurship Monitor study that she helped to conduct. Ms Guelich found a couple of unique characteristics for Thai entrepreneurs, namely that most started up as part of a large family business, and that many had females in high-profile roles as gender was not an impediment to school enrolment or business success because becoming an entrepreneur is considered one of the top career choices for women in the country.

Thailand is third in ASEAN to Indonesia and the Philippines for early-stage entrepreneurial activity, which comprises start-ups, nascent entrepreneurs (first three months) and young businesses (three to 42 months), at 17% of the female

population. Almost half the Thai population is engaged in entrepreneurial activities, and half of those are women. Thailand ranks second in the world behind Uganda for established business owners, and entrepreneurs are accorded high status and respect here, rewarded with media attention, she said. The country also offers sufficient social services so that women can continue to work in Thailand even after they start a family.

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As with most small businesses including those operated by men, female entrepreneurs of micro (zero to five employees) and small firms in Thailand have limited access to financial support, lack entrepreneurial training skills and research and development capacity, and suffer from paltry government support. The outlook is bleak for established businesses with zero employees owned by women in Thailand, as only 0.9% plan to add employees over the next five years.

Ms Guelich has a whole host of prescriptions for improving female entrepreneurs' readiness for the AEC, which could be applied to a majority of businesses in the country. In addition to following the lead of larger companies mentioned above, such as standardising production processes, moving from OEM projects to branding, training employees to learn other languages, acquiring foreign customers and having access to market data, she recommends the government offer more budgetary support, especially in terms of venture capital. Ms Guelich wants to improve the networking and finance skills of female entrepreneurs through training and establishing consulting networks, while employees can improve their competency through regionally based training programmes.