Panel: Promoting Women’s Micro, Small and Medium Enterprises (MSMEs) in South Asia Regional Trade

‘South Asia is one of the least integrated regions in the world with limited ongoing economic cooperation amongst the eight countries’ (UNDP 2013, p.1). South Asia ‘has a combined population of over 1.4 billion people’ (20% of world population) and over 500 million people ‘living on less than $1.25 a day’ (about the half of the world’s poor) (UNDP 2013, p. 1). The region has recorded high GDP growth rates as well as significant progress on several MDGs; yet, a major development challenge is to steadily maintain inclusive, equitable, and sustainable development pathways with enhanced human development outcomes.

An important channel for realising inclusive and sustainable regional development outcomes would be accelerating the gainful participation of MSMEs within South Asia with a focus on women. MSMEs are an important source of employment and poverty reduction, especially for women who do not have employment opportunities outside of home. However, ‘the average growth rate of women’s enterprises is significantly lower than the average growth rate of MSMEs run by men’ (IFC 2011, p. 3). Women entrepreneurs, clustered in micro and small enterprises, lack access to networks, financial services and trainings. Formal SMEs owned by women is 8-9% in South Asia which is much lower than other parts of Asia.

Since MSMEs are the backbone of the economy, providing a major source of formal and informal sector employment for women in most South Asian countries, strengthening their participation in the market, particularly in the regional markets, while leveraging South Asia’s existing and potential role in the creation of regional value chains would be important for inclusive and equitable development. Special attention should be given to non-tariff measures that constitute a notable barrier for MSMEs to tap into existing and emerging regional value chains and to the operational challenges faced by women owned and led business as well as informal women and individual traders.

The United Nations Development Programme (UNDP) Asia-Pacific Regional Centre, with support from Australian Government Department of Foreign Affairs and Trade, initiated the South Asia MSMEs project in 2013, which aims to promote women’s economic empowerment by removing the constraints faced by women MSMEs in South Asia.

In this panel, research partners of the project will present preliminary findings from the field research in six countries (Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka) that identify the non-tariff barriers women MSMEs face and suggest ways to ease the constraints.

References

UNDP 2013, ‘Asia-Pacific GEM-Quarterly Newsletter on Gender and Macroeconomic Issues (GEM) in Asia and the Pacific,’ September, vol.4, no. 3,

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