The impact of business financing on the operations of woman owned SMEs in the informal economic sector of Thailand

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Abstract

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Small and medium-sized enterprises (SMEs) are central to the economic drive of many developing countries. Several studies have shown the increasing importance of institutional, demographic, economic, financial, and sociocultural factors in shaping the growth of the SME sector especially in developing economies. However, even though women are primarily and varyingly engaged in SMEs across nations, there is rarely any evidence of policies to bridge the gender gap. To close this gap, we examine the impact of business financing on the operations of women-owned SMEs in the informal economic sector of Thailand. As a pilot study, we focus on convenience stores and grocery businesses as they are predominantly run by women in Bangkok, the country's economic hub.

The study aims to examine the financing environment of SMEs owned by women in grocery and convenience stores. The objectives of the study are:

1. To examine the various sources of business financing available to women-owned SMEs and highlight what is working and what is not working.

2. To shed more light on the impact of the social and cultural landscape on the growth of informal women-owned SMEs in Thailand.

3. To identify key barriers to accessing government support often faced by informal women-owned SMEs in Thailand.

We address these research objectives in five main stages:

1. Stage 1: A thorough literature review on the operations of SMEs from multiple sources, including international evidence, government publications, high-ranking peer-reviewed publications, statistics agencies, and finance-based journals.

2. Stage 2: Conduct semi-structured interviews with 30 women operating SMEs in the grocery and convenience stores.

3. Stage 3: Analysis of the data and information and report writing.

4. Stage 4: Presentation of preliminary findings at a conference/seminar in Bangkok to an audience of policymakers, SME entrepreneurs, academics, and other stakeholders.

5. Stage 5: Finalisation of the report including integrating appropriate feedback and publication of findings in an A/A*/Q1 Journal.

CONTENTS

PAGE

ABSTRACT ..…….……..…… i
CONTENTS ……...…….…… iii
LIST OF TABLES ……..…… v
LIST OF FIGURES ….....…… vi

CHAPTER

I INTRODUCTION ……. 1
Background of the Study .....……. 1
Aim and Objectives ..…...…….……. 2

II CONCEPTUALISATION OF SME OPERATIONS 3

III DATA AND METHODOLOGY ……..…… 6
Primary Data Collection ……...…… 6
Secondary Data Collection ...…….…… 6
Sampling Method and Interviews ……....……. 7
Data Analysis: A Mixed-Method Approach ……..……. 7

IV OPERATING LANDSCAPE OF SMALL AND MEDIUM-SIZED ENTERPRISES ……..……..…… 8
Economic Structure of Thailand ……...…… 10
The Informal Business Sector in Thailand ...……..… 11
Business Financing in the Informal Sector …….....…. 12
The Role of Women in SMEs in Thailand …….…… 13
SME Policies and Regulations in Thailand …… 14

CONTENTS (CONTINUED)

CHAPTER		PAGE
V	ANALYSIS AND DISCUSSION OF RESULTS …….	18
	Profile of the Target Group ……..…….	18
	SME Business Financing Environment …...…….	20
	The Social and Cultural Landscape of SME Operations ….....	24
	Conclusion and Policy Recommendations …...…….	27
	Recommendations …….	31
References ……		32
Researcher's history ……..		38

LIST OF TABLES

TABLE		PAGE
1	Definition of Micro, Small and Medium-Sized Enterprises after November 2019	8
2a	List of Key SME Regulators and Policymakers	15
2b	Summary of Main Regulations and Policies	15
2c	The Definition of Thai Women SMEs by Legal Criteria ……	16
3	Characteristics of the Respondents ……..	18
4	Business financing available to women-owned SMEs ……	20

FIGURES

FIGURE PAGE

1 Conceptual Framework of SME Operations 3

CHAPTER I
INTRODUCTION

Background of the Study

In a working paper for the Asian Development Bank Institute [ADBI], Korwatanasakul and Paweenawat (2020) highlighted the significant role of small and medium-sized enterprises (SMEs) in promoting economic growth and job creation across the globe, including Thailand. They reported that SMEs accounted for 45% of Thailand's GDP or around $215 billion in 2018, which was even more significant than the economic contribution of large-sized enterprises. An OECD (2024) report further stated that there were around 3.19 million SMEs in Thailand, making up 99.5% of all enterprises. The economic contribution of SMEs to the nation's economy certainly prompted the establishment of key offices and policies such as the Office of SMEs Promotion (OSMEP), the Trade Competition Commission (TCC) of Thailand, and an SME Promotion Policy 2020 to drive and enhance their activities in the country. Despite this generic array of support from the policy front, access to finance remains a significant setback to the growth of SMEs (Dwyer and Kotey 2015). The World Bank (2019) publication backed this view on SMEs by pointing out access to finance as a key constraint to SME growth. This issue has also recently been raised by the OECD (2024). They highlighted that, in 2022, lending to SMEs significantly declined in most countries due to rising interest rates and decreased credit availability largely because of the rising risk perception among financial institutions. More specifically, Majláth et al. (2019) highlighted that the financial distress experienced by women entrepreneurs is even more alarming. Similar findings were reported by Ali et al. (2017), highlighting the credit and repayment hurdles experienced by SMEs in Thailand. The World Bank therefore suggested the recalibration of its work in this sector to improve SMEs' access to finance and find innovative solutions to unlock sources of capital.

The available body of studies including industry reports on SMEs generally shows the increasing importance of institutional, demographic, economic, financial, social, and cultural factors in shaping the growth of the sector especially in developing

economies (Al Harazi et al. 2023; Potipiroon and Chumphong 2022). The contextualisation of SMEs within the scope of these themes is somewhat generic, especially with operations and gender. Drawing evidence from six countries [Cambodia, Ghana, Madagascar, Nigeria, Senegal, and Vietnam], Samy et al. (2023) found that even though women are primarily and varyingly engaged in SMEs across nations, there is rarely any evidence of policies to bridge the gender gap. They further highlighted that women only sometimes aspire to specific roles in the SME sector, thereby contributing to the expansion of the informal sector. This brings to the fore the issue of women's engagement in SMEs and its link with business performance, especially in the informal sector (Potipiroon and Chumphong 2022). Therefore, Samy et al. (2023) recommended the need for gender-specific studies on SMEs across countries. We explore this gap in the literature by examining the impact of business financing on the operations of women-owned SMEs in the informal economic sector of Thailand. This country has a growing proportion of women's participation in this sector. As a pilot study, we focus on convenience stores and grocery businesses as they are predominantly run by this cohort in Bangkok, the country's economic hub (National Statistical Office [NSO] 2024).

Aim and Objectives

The study aims to examine the financing environment of SMEs owned by women in grocery and convenience stores. The objectives of the study are:

i. To examine the various sources of business financing available to women-owned SMEs and highlight what is working and what is not working

ii. To shed more light on the impact of the social and cultural landscape on the growth of informal women-owned SMEs in Thailand.

iii. To identify key barriers to accessing government support often faced by informal women-owned SMEs in Thailand.

CHAPTER II

CONCEPTUALISATION OF SME OPERATIONS

Small and medium-sized enterprises do not operate in a vacuum. Their success and daily operations depend on the macroeconomic environment of the country, the industry they belong to, state and local policies and regulations, and the local market. These broad themes are connected to developing the conceptual framework of SME operations, especially those owned and operated by women in the informal sector. The framework is a 'feed-down' loop in which national policies feed into the SME sector which permeates to the various local markets in which SMEs operate. The inter-relationship across these themes is illustrated in Figure 1.

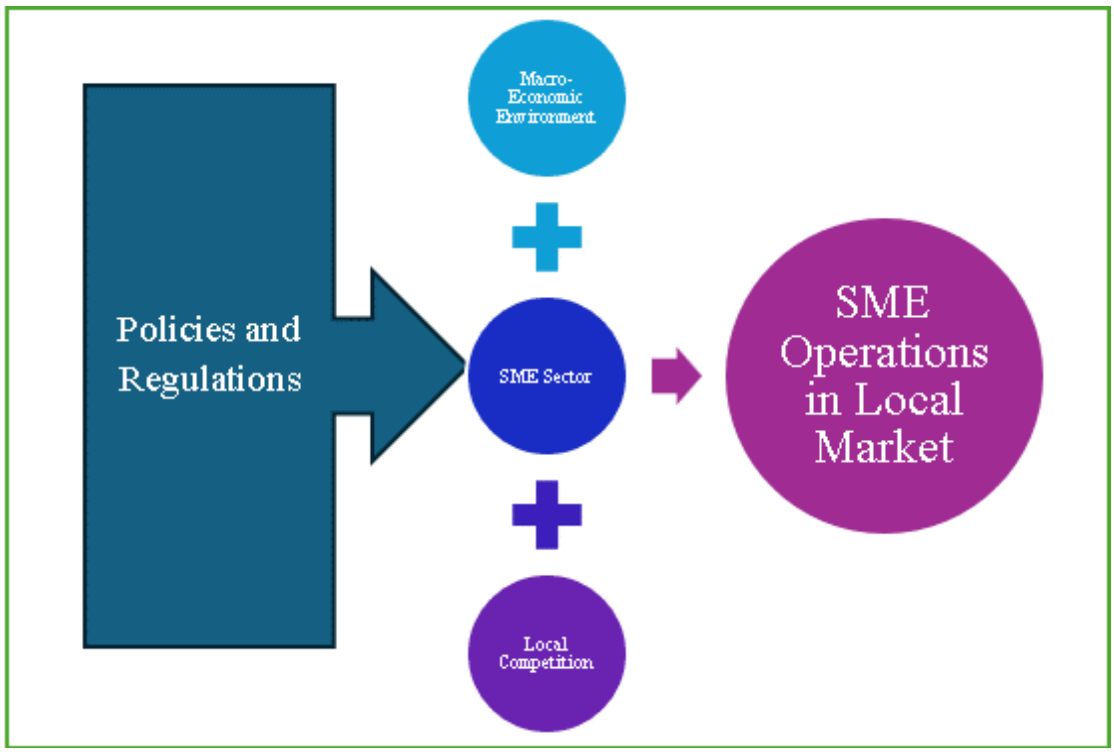


Figure 1: Conceptual Framework of SME Operations

Three main themes are stated in Figure 1 – the macroeconomic environment, SME industry, and local competition, which collectively impact the operations of SMEs in the local markets. In Figure 1, each theme is often influenced by its policies and regulations. Key market fundamentals such as the Gross Domestic Product [GDP], cash rate and interest rate, inflation, and unemployment are important influencers of the wider economic environment in which SMEs operate. A prosperous GDP will send the right signal to the various economic actors, enhancing economic activities and boosting investors and consumers' confidence. This shows SMEs' relationship with GDP is reciprocal. An enabling economic environment will promote SME operations, contributing to GDP growth. For instance, tax exemption policies and low interest rates can positively impact cashflows, improve profit margins, and support the growth of SMEs. This growth is channelled to the broader economy. The link between SMEs and GDP growth is evident, as SMEs are one of the leading sectors of the economies of most developing countries (Gryga 2023; Abdissa et al., 2022; OECD 2024).

Inflation is also an important macroeconomic variable. An inflationary situation often sets the tone for changes in the cash rates by the central bank in many countries. This influences the market interest rate, including business loans, mortgages, and deposit rates. Depending on the direction and magnitude of the change in the cash rate, it may affect the borrowing eligibility of SME operators from the various lending institutions.

Unemployment, another significant economic variable may affect SMEs on two fronts. Firstly, the resultant unemployment from declining economic activities in a country may drift the unemployed toward SMEs, creating a new line of employment and igniting competition in the local market. The role of SMEs in advancing domestic employment is well documented in Abdissa et al. (2022). Secondly, a high unemployment rate may affect household income, limiting their consumption level, which may affect SME's expansion. This generally shows trends in the macroeconomic environment affect SME activities.

The SME sector, a significant part of the economy, plays an essential role in most economies, particularly developing countries. The sector accounts for many businesses globally, which is crucial for job creation and economic growth. It represents almost 90% of businesses and employs more than 50% of the workforce worldwide. In Thailand, in 2022, for instance, there are 3.19 million SMEs, constituting 99.5% of all businesses (OECD 2024). SMEs are highly diverse, originating from almost all industries and selling

a wide range of products and services in a country. Although their definitions vary across countries, the common elements include the size of their operating income, the number of employees, and the total value of their assets. For instance, the size of an SME defined by its employees will impact the firm's ability to access foreign and own capital to finance its activities (Belas et al.2018). Due to these characteristics, the sector requires specific regulations and policies to support the mix of these businesses to thrive. Our framework encompasses broad macroeconomic policies with sector-specific regulations and programs to identify ways of promoting the development of SMEs.

As SMEs are comprised of small firms, local competition becomes crucial. The spatial definition of a local market ranges from a neighbourhood, town, or city to a region where each company will compete with several businesses selling similar products or services. This means local demand and supply for the product or service become essential as too many firms in the market may hinder growth and lower profit margins. Other factors like adapting to an evolving business environment, supply constraints, and the preservation of perishable products like groceries are at the center of SME operations in the local market. Therefore, the characteristics of the local market have a significant impact on both supply and demand sides, resulting in differences in growth patterns across markets (Li et al.2018).

In addition, the flow of policy support from the national level to the SME sector and then the local markets of these firms conceptualize the operations of SMEs. Figure 1 and its accompanying discussion is therefore a portrayal of the economic environment within which SMEs operate. Policies and regulations critically influence these themes. The nature and depth of state and local policies can offer safeguards to support the activities of SMEs. If carefully designed and meticulously implemented, these policies and regulations will oil the wheels that will propel SME growth. From Figure 1, result-driven policies and the relevant regulatory environment will positively influence the macro-economy and create opportunities to further stimulate business activities in the SME sector and local markets. An appropriate combination of expansionary fiscal and monetary policies and legislations, for instance, will promote the country's economy and spread to the various businesses in the country. This 'feed-down' process will lead to SME development in Thailand, where almost all enterprises are in this business taxonomy.

CHAPTER III
DATA AND METHODOLOGY

Data collection is an integral component of the research; it is a process of gathering information from all identified and relevant sources to address a research problem. It also helps to evaluate the outcome of the problem. This process allows the team to provide answers to the relevant questions. Both primary and secondary data and information were utilized to address the research objectives. The primary information solicits the views and insights of the targeted sample or group, while the secondary information validates or supports the firsthand information. This provides context to the study and offers evidence for making credible, informed, and successful decisions regarding the activities of SMEs.

1. Primary Data Collection
2. Secondary Data Collection
3. Sampling Method and Interviews
4. Data Analysis: A Mixed-Method Approach

1. Primary Data Collection

The primary data for this research was collected through semi-structured and key informant interviews with women-owned grocery and convenience stores in Bangkok. To ensure more clarity and relevance, the questions were pre-tested with three anonymous individuals which resulted in an addition of at least two sub-questions in each section.

2. Secondary Data Collection

To assist with historical and current information on the research topic, the research team conducts secondary data collection. Secondary data is an official document or publication by academics, research and consultancy firms, policymakers,

central and local government agencies, the private sector, and international organisations that are readily available for further use. This data and information sources include journals, magazines, reports, websites, newspapers, and books. For this research project, a comprehensive review of the above literature on similar topics including information and statistics from relevant authorities is conducted to reinforce key components of the study.

3. Sampling Method and Interviews

To better understand the various sources of business financing available to women-owned SMEs, the research team used a purposive sampling technique to select 30 female entrepreneurs who are currently running their businesses within the grocery and convenience store sector. One main advantage of using purposive sampling is its convenience as it matches the sample with the study aims and objectives, thus improving the study's analytical rigour and reliability of the data and results (Campbell et al., 2020). These demographics, and what works and what doesn't work in managing their businesses remain the main themes of the interviews.

A set of questionnaires is used to generate the demographic characteristics of these women entrepreneurs such as their age groups, education levels, marital statuses, and business experiences. The information collected from the group also includes the sources of business financing available to women-owned SMEs, including what is working, and what is not working, the socio-cultural landscape, and the challenges and barriers to getting financial resources.

4. Data Analysis: A Mixed-Method Approach

The mixed methods approach allows for method flexibility and can provide differing and even conflicting results. By integrating data from both quantitative and qualitative sources, researchers can gain valuable insights into their research topic.

CHAPTER IV
OPERATING LANDSCAPE OF SMALL AND MEDIUM-SIZED ENTERPRISES

Women entrepreneurs in Thailand significantly contribute to the country's economy, especially those running small and medium-sized enterprises (SMEs). These women-led businesses are not only for economic reasons but also contribute to creativity and innovation in the workplace. A relatively recent study by the International Finance Corporation [IFC] (2020) demonstrates that women comprise nearly half of all SMEs in Thailand, highlighting their crucial role in local and national economies. For instance, the women artisans from Chiang Mai create beautiful handmade items that preserve traditional Thai culture while attracting tourists and boosting the local economy. Despite their remarkable contributions, many women entrepreneurs face significant obstacles, particularly in obtaining business. Most of these businesses are micro and SMEs as defined by the Asian Development Bank (2023b) in Table 1.

Table 1: Definition of Micro, Small and Medium-Sized Enterprises after November 2019

Sector	Item	Micro	Small	Medium
Manufacturing	Employees	1-5	6-50	51-200
	Revenue	B1.8 million and less	More than B1.8 million and less than or equal to B100 million	More than B100 million and less than B500 million
Services and Trading	Employees	1-5	6-30	31-100
	Revenue	B1.8 million and less	More than B1.8 million and less than or equal to B50 million	More than B50 million and less than B300 million

Source: ADB Asia SME Monitor 2023 database. Data from Office of Small and Medium Enterprises Promotion.

These SMEs frequently need access to traditional financing options in the informal sector. Banks and financial institutions may be reluctant to offer them loans, particularly due to the need for formal business documentation or a solid credit history. This inclination diminishes their ability to grow and thrive. However, many women must utilize personal savings, informal loans from friends and family, or less favourable

microfinance options. In rural areas of Thailand, research has shown that women often turn to microfinance institutions, which can be detrimental to their profitability due to high repayment rates (OECD, 2021). Obtaining a grasp of how financing affects women-owned businesses is essential for several reasons. First, access to funding significantly influences a business's ability to operate, grow, and adapt. Due to limited funding, women entrepreneurs need help investing in essential aspects such as equipment, staff, or even expanding their services. This lack of resources can hinder their creativity and ability to respond to market changes, which is crucial in today's fast-growing economy. Moreover, studies indicate that female entrepreneurs tend to manage resources differently than their male counterparts, focusing more on sustainable practices and community engagement, making suitable financing even more pressing (OECD, 2021).

Supporting women in obtaining financial assistance is not just about helping individuals grow but also about greater economic development. According to McKinsey's report, reducing gender disparities in the workforce could lead to a significant $28 trillion global economy by 2025 (McKinsey, 2020). This is because women-owned businesses often provide substantial income to their families and communities. By examining the financial difficulties that women entrepreneurs face in Thailand's informal sector, we can strive to create environments that provide better support for their growth. This includes examining what types of funding would benefit them, how government policies can be utilized, and the importance of financial literacy. Furthermore, promoting access to funding is crucial to the global objectives of gender equality and women's empowerment. Organizations across the globe are increasingly recognizing that creating an inclusive entrepreneurial environment is essential to achieving sustainable growth. When women become successful, all communities benefit greatly, resulting in improved health, education, and overall socioeconomic outcomes.

In this section, we examine the nuanced relationship between business financing and the activities of women-owned businesses in Thailand's informal economic sector. By exploring existing studies, personal stories, and policy analyses, we aim to shed light on these entrepreneurs' unique challenges and identify potential solutions for enhancing their financial resources. Ultimately, we hope to establish

a framework for further research that can inform effective policies and support the growth of women-owned businesses in Thailand. Moreover, understanding the characteristics of women-owned SMEs is essential, as they not only enhance the vibrancy of Thailand’s economic structure but also illustrate the critical need for inclusive policies that support diverse entrepreneurial initiatives.

1. Economic Structure of Thailand

Thailand's economic development has been significant in recent times. Initially, the country has evolved, with the services sector now contributing almost 61% of GDP (National Economic and Social Development Council [NESDC], 2023). Tourism is a major contributor, which generated approximately $62 billion in revenue in 2019 and accounted for approximately 20% of the country’s GDP (World Bank, 2020).

This reliance on tourism creates vulnerabilities that can adversely impact the economy. For instance, during the COVID-19 pandemic, international travel restrictions caused an estimated 70% decline in tourist arrivals, significantly decreasing Thai GDP. Thailand's progress in enhancing its economy is remarkable, as its reliance on tourism decreases its risk exposure compared to countries with more diverse service sectors. Additionally, Thailand's manufacturing sector accounts for approximately 30% of the GDP, focusing on exports such as electronics and automobiles. In 2020, the automotive industry contributed more than $16 billion to the economy (ASEAN Automotive Federation, 2022). The challenges from neighbouring countries such as Vietnam, which offer lower labour costs and attractive investment conditions, resulted in additional pressure on Thailand's manufacturing sector. While Thailand has made progress in economic diversification, addressing these structural weaknesses is essential for long-term growth sustainability.

Although women represent a significant proportion of the workforce, data shows that over 40% of women in Thailand are not participating in the labour force. Among these, half are excluded due to family responsibilities including household and caregiving duties (National Statistical Office [NSO], 2024). In light of growing economic challenges and an aging population, family-related factors are critical in

women's decisions to enter the workforce. Therefore, policies that balance work and family responsibilities are essential for increasing women's participation in Thailand's labour market (Leetrakun and Perpoonwiwat, 2016).

2. The Informal Business Sector in Thailand

According to an International Monetary Fund [IMF] publication by Delechat and Medina (2020), an informal economy embodies activities with a market value that can boost tax revenue and the country's GDP if recorded. Statistics from the International Labour Organization [ILO] show about 2 billion workers, or almost 60% of the world's working population spend at least part of their time in the informal sector. The size of the informal sector gradually decreases as economies develop though with wide variations across regions and countries. Currently, this sector accounts for about one-third of the economic activities of low- and middle-income countries and about 15% of advanced economies (ILO, 2024).

The informal business sector is a significant part of Thailand's economy, with approximately 60% of the workforce participating in this sector. This statistic proves both the resilience and the challenges inherent in this segment. Many entrepreneurs, including street vendors and small artisans, thrive outside the formal economic environment, yet they face significant obstacles that limit their ability to access financial resources. Laothamatas (2021), states that many informal enterprises identify inadequate access to credit as a significant obstacle to their growth prospects. According to the Federation of Thai Industries [FTI], approximately 65% of these businesses do not receive any financial assistance, causing them to be at risk. In contrast, the neighbouring country, Vietnam, has implemented policies that provide better protection and resources to informal workers to enhance economic resilience. In addition, in Australia, for example, some programs offer safeguards that allow workers access to essential social protections, which can mitigate the difficulties faced during economic downturns (Australian Bureau of Statistics [ABS], 2021). Thailand could benefit from adopting lessons learned from Australia's approach by introducing targeted financial literacy initiatives and creating more effective avenues for informal businesses to form. By implementing such measures, the country can enhance the

stability of this essential sector, enabling it to contribute more significantly to the overall economic growth.

3. Business Financing in the Informal Sector

In Thailand, access to finance is one of the most significant challenges for businesses in the informal sector. Many entrepreneurs utilize personal savings or informal lending networks, which hinder their growth and innovation. Raksong (2016) stated that the primary source of funding for SMEs in Thailand is loans from commercial banks. Several factors influence access to capital for Thai SMEs, including the availability of collateral, the entrepreneur's educational background, management experience, market share, the quality of the business's marketing plan, a history of bad debt with financial institutions, and the costs associated with loan application processes.

Khan & Rahman (2021) assert that the lack of formal financial inclusion exacerbates existing weaknesses, making it difficult for informal businesses to obtain capital for growth. Similarly, Aung et al. (2020) asserted that the role of microfinance institutions (MFIs) in implementing these financial challenges is crucial in addressing these financial issues. In Thailand, MFIs have increasingly tailored their offerings to meet the needs of informal sector entrepreneurs, yet challenges remain in the presence and scalability of financial services. The lack of financial literacy among informal entrepreneurs leads to difficulties in their approach to credit. However, small business financing continues to face challenges, although supportive measures such as government-backed loan schemes have been implemented to enhance access to credit for small enterprises, including those in the informal sector (Australian Small Business and Family Enterprise Ombudsman, 2021).

UN Women (2022) reported that the financing gap for women-led SMEs in Thailand reached USD 45.1 billion in 2018. However, a 2017 survey of Thai women entrepreneurs revealed that 78% of respondents believed there was no significant gender difference in accessing financial resources. Among those who viewed a disparity, the reasons cited included the belief that male entrepreneurs were more reliable and exhibited stronger leadership and networking skills (OSMEP, 2022). Regardless of the advancements in financial inclusion, a gender gap of 7% in account

ownership decreased in Thailand in 2017. This study seeks to provide valuable insights into improving access to formal financial instruments for women-owned informal businesses, as access to financial resources is a critical determinant in the growth and development of women entrepreneurs (Abebe & Kegne, 2023).

4. The Role of Women in SMEs in Thailand

Women play a significant role in these key sectors of the Thai economy (National Statistics Office [NSO], 2024). According to NSO (2024), Thailand's total population is 59.1 million, with women accounting for 30.94 million (52.36%) and men 28.16 million (47.64%). Of the female population, 18.5 million women (59.80%) are part of the labour force. Among them, most are employed in the service sector, making up 59.07% of the female workforce, 23.74% in agriculture, and 17.19% in industry. In terms of employment status, 40.82% of women are employed in the private sector. In comparison, 28.96% are self-employed without a spouse, 10.49% work in government positions, 17.95% are unpaid family workers, and 1.71% are employers (NSO, 2024). Additionally, female entrepreneurs represent about 30.13% of the total female workforce, showing a 2% increase from the previous year (Office of Small and Medium Enterprises Promotion [OSMEP], 2022). Women entrepreneurs are crucial to Thailand's SME landscape, with female-owned businesses representing approximately 34% of all SMEs (ADB, 2023). Women-owned businesses in Thailand contribute approximately 38% of the country's GDP and demonstrate an average annual growth rate of 2.25%, compared to the 0.31% growth seen in male-owned businesses (United Nations [UN] Women, 2020).

Although many female entrepreneurs in Thailand are experiencing relatively equal treatment in business operations, some believe that gender equality is still far-fetched, particularly in areas such as access to capital and business knowledge. Even though women entrepreneurs have a strong understanding of business activities, they are constrained by access to capital and funding opportunities (OSMEP, 2022). A recent study by the Asian Development Bank revealed that women entrepreneurs are 20% less likely to obtain formal loans than their male counterparts (ADB, 2023). Key barriers to starting and growing a business for women include limited access to capital, a lack of

business networks designed for women, insufficient access to business knowledge, family responsibilities, a shortage of inspirational role models among successful women entrepreneurs, and ongoing gender discrimination (OSMEP, 2022). In contrast, other countries like Australia have taken considerable steps to promote women's entrepreneurship, highlighting initiatives such as the "Women's Business Grants," which provide specific funding opportunities for women-led businesses. Australia has witnessed the growth of women start-ups by 29% due to these initiatives (Department of Industry, Science, Energy and Resources, 2021).

5. SME Policies and Regulations in Thailand

The government's policy framework plays a crucial role in shaping the direction of SMEs in Thailand. There is a need for continued regulatory reforms to streamline administrative processes and reduce the burden of compliance for small businesses (Phong et al. 2021). The Thai government places immense importance on SMEs as the sector contributes significantly to the country's GDP, economic resilience and innovation. Consequently, understanding the policy framework is essential to shaping the direction of SMEs in Thailand and developing business strategies that meet the needs of these businesses. A list of key regulators and policymakers that impact SME activities is outlined in Table 2a, while a summary of the main regulations and policies is in Table 2b. Table 2c reports the legal criteria of the various business entities.

Table 2a: List of Key SME Regulators and Policymakers

Regulators and Policymakers	
Name	**Responsibility**
Office of National Economic and Social Development Board (NESDB)	Formulate national long-term strategies, including SME policies.
National Board of SMEs Promotion	Define SME promotion policies and plans and supervise OSMEP's activities
Office of Small and Medium Enterprises Promotion (OSMEP)	Plan and coordinate SME promotion policies.
Fiscal Policy Office, Ministry of Finance (FPO)	Develop national fiscal and economic policies, and supervise pico finance lenders as well as supervise Specialised Financial Institutions [SFIs] regarding policy implementation
Bank of Thailand (BOT)	Manage monetary and financial stabilisation policies, regulate and supervise commercial banks, specialized financial institutions, some nonbank finance institutions, and payment service providers.
Securities and Exchange Commission (SEC)	Regulate and supervise capital markets (including mai).

Source: ADB Asia SME Monitor 2023 database. Data from Office of Small and Medium Enterprises Promotion.

Table 2b: Summary of Main Regulations and Policies

Policy Name	Responsible Entity	Key Responsibility
The First SMEs Promotion Plan (2002-2006)	OSMEP	Reinvigorate SMEs as key economic and social mechanisms to build and improve the relevant infrastructure for SME growth.
The Second SMEs Promotion Plan (2007-2011)	OSMEP	Foster the establishment of new entrepreneurs and promote capacity building among existing entrepreneurs through value addition in the sector and upgrading innovative capacity in the manufacturing sector.
The Third SMEs Promotion Plan (2012-2016)	OSMEP	Develop enabling factors and a conducive business environment for Thai SMEs to enhance SME competitiveness including the international market.
The Fourth SMEs Promotion Plan (2017-2021)	OSMEP	Enhance productivity, technology, and innovation while also promoting capital access and strengthening international competitiveness
The Fourth SMEs Promotion Plan (2021-2022)	OSMEP	Support SMEs to thrive during and after COVID-19 pandemic
The Fifth SMEs Promotion Plan (2023-2027)	OSMEP	Ensure Thailand has strong, high potential, and competitive SMEs.

Table 2b: Continued

Policy Name	Responsible Entity	Key Responsibility
SMEs Promotion Act B.E.2543 (2000) [amendments: No.2/B.E.2561 (2018) and Ministerial Regulation on SME Definition/B.E.2562 (2019)]	NESDB	SME promotion policies. Establishment of the Office of Small and Medium Enterprises Promotion. Amendment of the Act in 2018 and Ministerial Regulation on SME Definition in 2019 includes the new definition of MSMEs.
Thai Credit Guarantee Corporation Act B.E.2534 (1991) and No.2/B.E.2560 (2017)	BOT/FPO	Regulate credit guarantee operations for banks, addressing SME loans. The 2017 amendment added guarantees for nonbanks and factoring and hire-purchase leasing used on business purpose, which banks hold the shares more than 51%.
Small and Medium Enterprise Development Bank of Thailand Act B.E.2545 (2002)	BOT/FPO	Establishment of the Small and Medium Enterprise Development Bank of Thailand.

Source: ADB Asia SME Monitor 2023 database. Data from Office of Small and Medium Enterprises Promotion.

Table 2c: The Definition of Thai Women SMEs by Legal Criteria

Type of Business	Definition
Sole Proprietorship	A business owned by a Thai woman.
Ordinary Partnership	Thai women collectively hold at least 51% of the total investment.
Registered Ordinary Partnership / Limited Partnership	(1) Thai women collectively hold at least 51% of the total investment, or (2) Thai women collectively hold at least 20% of the total investment, with at least one Thai woman serving as a managing partner with signing authority.
Limited Company	(1) Thai women collectively own at least 51% of the shares, or (2) Thai women collectively own at least 20% of the shares, with at least one Thai woman serving as a director with signing authority.
Community Enterprise	(1) At least 51% of the members are Thai women, and (2) A Thai woman serves as the chairperson or holds the authority to act on behalf of the enterprise.

Source: OSMEP, 2022

Table 2c illustrates that female SME entrepreneurs in Thailand must either own the business or hold at least 51% of the shares. Alternatively, women must possess at least 20% of the total investment and have the authority to oversee the operations within the company. In terms of investment incentives for women entrepreneurs, there are no specific benefits intended for women. Nevertheless, for Thai SMEs, investment promotion provides financial assistance through grants and tax incentives for Thai SMEs (Institute for Small and Medium Enterprises Development, 2023). According to The Board of Investment of Thailand (2024), the government offers corporate income tax exemptions of up to 200% of the investment amount. Additional tax exemptions are available for expenses related to improving competitiveness, as well as extended periods of corporate income tax exemptions (The Board of Investment of Thailand, 2024).

Access to funding depends on the terms set by individual banks. In Thailand, the Small and Medium Enterprise Development Bank of Thailand (SME Bank) is a state-owned financial institution aimed at providing financial services to small Thai entrepreneurs. It provides credit and co-investment opportunities to enhance small businesses' access to funding that commercial, financial institutions do not provide. However, the difficulties in accessing financial assistance remain, and effective monitoring of these policies is necessary to ensure that the needs of SMEs are met. It is important to develop proactive policies for SMEs, including reducing unnecessary processes and increasing access to resources, as such policies have been shown to have positive outcomes for the country's economy (Department of Industry, Science, Energy and Resources, 2021). Thailand could benefit from adopting similar strategies to promote an environment conducive to SME growth, particularly in simplifying regulations and improving the support infrastructure available to entrepreneurs.

This literature review examines the essential aspects of Thailand's economic landscape, focusing on the informal sector, the role of informal women-owned in entrepreneurship, financing challenges, and the necessary supportive policies for SMEs. Each topic highlights the unique challenges and opportunities Thailand faces as it strives to promote inclusive and sustainable economic growth. By participating in ongoing research and adopting innovative policy measures, Thailand can address economic challenges and capitalize on its potential for future development.

CHAPTER V
ANALYSIS AND DISCUSSION OF RESULTS

This section analyses the information obtained from the key informant interviews with female entrepreneurs in grocery and convenience stores in Thailand to address the study's objectives around the SME business financing environment, social and cultural landscape, and key barriers to accessing government support systems. The insights from this analysis provide a comprehensive understanding of the financing challenges, cultural dynamics, and structural impediments that shape the operational realities of women-owned SMEs in the informal economic sector of Thailand. The findings will inform strategies to address the challenges and promote a more inclusive environment for women entrepreneurs.

1. Profile of the Target Group

To better understand the various sources of business financing available to women-owned SMEs, we examine the target group's business profiles to highlight what is working and what is not. The demographic analysis of 30 women entrepreneurs in the grocery and convenience store sector represents diverse age groups, education levels, marital statuses, and business experiences as shown in Table 3.

Table 3: Characteristics of the Respondents

Demographic Data of Respondents	Total Respondents	Percentage (%)
Age group		
18-35	8	26.50
35-45	10	33.50
46-54	7	23.50
55–60	5	16.50
Education		
Primary school or its equivalent	2	7.00
High school or its equivalent	6	20.00
College	5	16.50

Table 3: Continued

Demographic Data of Respondents	Total Respondents	Percentage (%)
Bachelor's degree	11	36.50
Master's degree	6	20.00
Marital Status		
Single	12	40.00
Married	14	47.00
Divorced	3	10.00
Widowed	1	3.00
Duration of Business		
Less than 1 year	4	13.50
1–5 years	10	33.50
6–10 years	8	26.50
10–15 years	5	16.50
Over 15 years	3	10.00
Size of Business		
No employee	5	16.50
1–5 employees	18	60.5
6–10 employees	6	20.00
11–15 employees	1	3.00
Main Reason for Doing this Business		
Personal interest	10	33.50
Family inheritance	7	23.50
The only means of making a living	13	43.00

The respondents comprise entrepreneurs from different age strata of the working-age population of Thailand. About 77.5% of the respondents have tertiary education including college qualifications, bachelor's and master's degrees. The remaining 22.5% are either primary or high school graduates. All marital status categories are covered; about 73.5% of the respondents have been in the grocery and convenience store businesses for 10 years or below. This shows that most people interviewed have experience managing businesses before, during, and after the global pandemic. By measuring the size of their business using the number of employees, the majority of entrepreneurs (60.5%) hired at least 1-5 employees to run their business. In terms of what triggered their interest in the grocery and convenience store businesses, 43% stated it was the only means of making a living, 23.5% inherited their businesses, and 33.5% were for personal interest. Collapsing these demographic characteristics

reveals one important caveat about SMEs. It aligns with our earlier discussion on the nexus between unemployment and the operations of SMEs in the conceptual framework. These demographic statistics support the notion that rising unemployment in a country could expand SME activities. It reflects what Abdissa et al. (2022) described as the continued importance of SMEs in promoting domestic employment in most developing countries

2. SME Business Financing Environment

This section highlights the sources of business financing available to women-owned SMEs, what is working, and what is not working. The content analysis of the responses is summarised in Table 4 which reveals challenges and opportunities faced by women-owned SMEs in Thailand, covering the funding sources, effectiveness of strategies, barriers to growth, and external support.

Table 4: Business financing available to women-owned SMEs

Topic	Results
Main Sources of Capital	• Personal savings • Borrowing from family or friends
What is Working	• Using personal savings • Support from family • Using technology to expand the market
What is Not Working	• Access to financial institutions • Lack of support from government agencies
Main Problems Encountered	• Cash flow issues • Cash management difficulties • Access to funding from financial institutions

2.1 Main Sources of Capital Used in SMEs

Personal Savings: Most female entrepreneurs stated they use their savings to start a business as it eliminates the complicated loan application process with the main financial institutions that often require collateral or a good credit history. Using personal funds allows for better control and reduces the risk of accumulating debt,

which is crucial for female entrepreneurs who may have to manage their family and business responsibilities. This approach to financing SMEs helps reduce the complexity of financial management, especially if the business faces financial difficulties or cannot repay loans. The reliance on personal savings is consistent with earlier points about informal entrepreneurs depending on self-funding due to barriers in accessing formal financial systems. This point is summarised by one respondent thus "Using personal savings to fund the business avoids debt and simplifies expense control but leaves no emergency reserves". With the use of personal savings to finance their businesses, these entrepreneurs avoid the stringent requirements for accessing bank loans, as Raksong (2016) described. It reflects the financial literacy and inclusion challenges that Khan & Rahman (2021) noted, where entrepreneurs may need more knowledge or confidence to navigate formal financing.

Borrowing from Family or Friends: When additional capital is needed, and external financing options are unavailable, female entrepreneurs often turn to family or friends for help. This process can be more straightforward than applying for loans from financial institutions with complex requirements unsuitable for small businesses. Borrowing from close connections can be done quickly and without the high interest rates typically charged by financial institutions. This sentiment is shared by a female entrepreneur who stated that "some days, inconsistent sales leave no working capital, so loans from family are necessary". The borrowing from family or friends' strategy mirrors the informal lending networks mentioned earlier, showing that entrepreneurs often avoid formal institutions due to complexity, high costs, and unsuitability for small-scale businesses. It supports the idea that informal mechanisms provide easier and quicker access to capital, albeit with limitations in scale and potential risks, such as straining personal relationships.

2.2 What is Working

Using Personal Savings and Family Support: Using personal savings and borrowing from family reduces the burden of external debt, which helps lower financial stress. Additionally, it enables the business owner to have better control over spending without needing approval from financial institutions with complicated processes. It also allows businesses to operate continuously without interruptions due to short-term financial issues. As noted by Raksong (2016), formal financial institutions impose strict

requirements (e.g., collateral, credit history) that limit access for SMEs, driving reliance on personal and familial resources. This method reduces financial stress, and avoiding external debt minimizes financial risks and complications, which is particularly crucial for entrepreneurs simultaneously managing family and business responsibilities (UN Women, 2022). Without debt repayment pressures, businesses can operate smoothly despite short-term financial challenges, an essential factor for informal entrepreneurs (Khan & Rahman, 2021). Borrowing from family or friends provides flexibility and avoids the high costs and complexities of formal loans, as highlighted in the preferences of many small-scale and women entrepreneurs.

Use of Technology: Incorporating technology into business operations increases opportunities for market expansion and sales growth, especially through online platforms that help reach global customers. Using financial apps to manage finances and sales also makes business operations more flexible, reduces time spent on administrative tasks, and increases financial management efficiency. Technology also allows entrepreneurs to market their businesses effectively without the need for high investments in advertising or traditional market events. In the words of one respondent "digital technology and online marketing tools such as QR code payment and online sales can help expand businesses". Khan & Rahman (2021) emphasize that financial literacy gaps hinder credit utilization. Technology, through financial apps, offers simplified financial management. Tools for tracking spending and managing debt, addressing literacy challenges for informal entrepreneurs. By using digital platforms, informal businesses can market effectively, bypassing traditional barriers like high advertising costs or limited local reach (OSMEP, 2022).

2.3 What is not Working

Accessing Financial Institutions: Many female entrepreneurs find the loan application process with financial institutions to be complex, especially if their businesses are in the early stages or small in size. Financial institutions often have stringent requirements such as a strong credit history or collateral, which many female entrepreneurs cannot meet. This challenging loan application process prevents them from accessing important funding sources, limiting opportunities for business growth and long-term development. As highlighted by Raksong (2016), Thai SMEs face challenges in accessing formal loans due to strict requirements that include collateral

and impressive credit history. Many entrepreneurs prefer personal savings or informal borrowing to avoid these hurdles, as discussed in Section 5.2.1. According to OSMEP (2022), male entrepreneurs are generally perceived as more reliable and better connected, which may impact the ability of female entrepreneurs to secure loans. This bias further complicates access to formal financial institutions for women-led businesses. Entrepreneurs often experience significant stress when dealing with institutional loans due to high interest rates, rigid repayment schedules, or the risk of debt. These challenges push many informal business owners toward alternatives like microfinance institutions (Aung et al. 2020) or reliance on technology to boost income without formal financing.

Limited Government Support: In some cases, female entrepreneurs have never received assistance or guidance from government agencies, or the support received has been insufficient. This results in a lack of resources for business development. The absence of business consulting or training programs means that female entrepreneurs may need more skills to manage finances or conduct marketing effectively. Additionally, there is a lack of suitable funding sources or support programs that meet the specific needs of women-owned SMEs. Government programs, while beneficial, often fail to fully address the informal sector's specific challenges. Women-led SMEs faced a $45.1 billion financing gap in 2018 (UN Women, 2022), showing a significant shortfall in targeted government interventions. Even though microfinance institutions have become vital in providing tailored financial services to informal entrepreneurs, scalability issues remain, highlighting the need for stronger public-private collaboration (Aung et al. 2020). As such, entrepreneurs have increasingly turned to technology to overcome limited institutional and governmental support. For instance, online platforms help mitigate resource constraints caused by inadequate financial backing. These financial apps empower entrepreneurs to manage their operations and finances better, addressing gaps left by formal systems.

2.4 Main Problems Encountered by SME Entrepreneurs

Cash Flow Constraint: When businesses face financial difficulties, such as declining sales or increased expenses, female entrepreneurs who rely on personal savings may need more financial reserves to manage these situations. This can result in

business interruptions or even temporary closure. The need for sufficient liquidity also makes expanding the business or investing in new projects challenging.

Cash Management Issues: Since many female entrepreneurs lack adequate knowledge or skills in financial management, they may face difficulties in controlling revenue and expenses. Poor cash management can lead to financial problems such as insufficient cash flow to pay debts or the inability to invest in important projects. Cash flow and cash management are pivotal challenges for informal businesses and SMEs in Thailand. Poor cash flow can restrict day-to-day operations, limit growth opportunities, and exacerbate financial stress. Entrepreneurs relying on personal savings often need more liquidity, especially during emergencies or when scaling operations (Raksong, 2016). Borrowing from family or friends provides flexibility but lacks the scalability and reliability to stabilize cash flows over time. The unpredictability of informal funding sources makes managing fixed costs like rent, payroll, or inventory challenging, leading to operational disruptions during cash shortages.

3. The Social and Cultural Landscape of SME Operations

Cultural and social factors impact the daily operations and growth of women-owned SMEs in most developing countries. Information obtained from the respondents on the impact of the social and cultural landscape on the growth of informal women-owned SMEs in Thailand resulted in four dimensions.

3.1 **The role of family and culture:** The fact that most respondents are married women highlights the crucial role of family in shaping the experiences and opportunities of female entrepreneurs. The respondents stated that family dynamics often influence how women allocate their time, energy, and resources, balancing household responsibilities with business demands. Married women often benefit from family support, such as assistance with household responsibilities or childcare, enabling them to allocate their time and resources more effectively to business operations. Some stated that support from spouses or family members can also boost their confidence and morale in managing their business. As one entrepreneur stated, “Women play a key role in managing community shops because of their superior service and time management skills”. Additionally, sharing family responsibilities is a crucial factor that allows women to

balance their roles at home and as entrepreneurs. However, family roles can sometimes pose challenges. For instance, some respondents stated that they are traditionally expected to take primary responsibility for family care, which can add pressure limiting the time they can devote to their businesses. This may hinder their ability to develop or expand their enterprises fully. Cultural and religious practices can be sales enhancers or reducers of SMEs. For instance, two respondents stated that *"traditions and cultures like Loy Krathong and Songkran festivals can significantly boost sales, while religious festivals such as Buddhist Lent can decrease sales as customers change consumption behavior"*.

The results further show that single or divorced women, lacking family support networks, often face significant barriers in running their businesses. The absence of assistance with household tasks or childcare means these women must shoulder all responsibilities alone, leaving them with limited time and resources to focus on business development. Moreover, the lack of community or support networks, such as groups providing advice, financial support, or shared resources, can make it harder for these women to grow their businesses. These networks are necessary for them to overcome challenges and have fewer opportunities for growth and expansion.

3.2 **Education and skills:** While basic education plays a vital role in starting a business, lacking advanced knowledge or specialized skills, such as financial management, business modeling, or marketing can be significant obstacles to enhancing competitiveness. The results highlight the need for targeted training programs to address these specific skill gaps such as digital literacy or connecting entrepreneurs with mentorship networks. Education and skills development will boost entrepreneurs' confidence and directly impact sustainable business growth.

3.3 **Economic necessities and gender roles:** SMEs being a primary source of income reflects economic challenges such as income inequality and limited access to stable employment. This is particularly relevant in rural or remote areas where women may have fewer formal job opportunities. Women entrepreneurs often start SMEs to secure income in areas with limited employment options, especially when formal work opportunities are scarce. Consistent with the data from the Asian Development Bank (2023), women-owned businesses, especially in rural areas, contribute significantly to the economy but face barriers like limited access to capital and financial services, which are

exacerbated by income inequality and fewer opportunities for stable jobs. These economic challenges push women into SME ownership as a viable solution.

3.4 **Community network and support constraints:** The results also show that small-scale SMEs with only 1–5 employees often face significant barriers in creating and maintaining the relevant community networks that can enhance competitiveness. This lack of community-based business support networks further deprives women of essential information and opportunities such as entering new markets, collaborating with other entrepreneurs, or participating in training programs. This lack of community-level support undermines business sustainability and hampers long-term development. Some of the respondents stated that the lack of mentorship, inspirational role models, perceptions of high risks or unstable income associated with small businesses, and knowledge about starting a business poses challenges in attracting younger generations to the SME sector.

4. Key Barriers to Accessing Government Support

The following are key barriers to accessing government support in Thailand experienced by women-owned SMEs.

4.1 **Limited awareness of government support programs:** Many female entrepreneurs, especially those who own SMEs, should be made aware of government programs or funding sources available. Communication issues and limited access to information from government agencies mean female entrepreneurs cannot access the benefits they are entitled to. One respondent stated *"The lack of knowledge about laws and regulations creates uncertainty in engaging with government agencies"*.

4.2 **The complexity of the support application process:** Many respondents indicated that the steps required for accessing government support are complicated and time-consuming. This leads to frustration and may cause entrepreneurs to abandon the process. The need for more precise information regarding the conditions and procedures for applying for support leaves entrepreneurs with insufficient understanding, preventing them from effectively completing the necessary steps. As voiced out by one entrepreneur, *"The process of seeking financial support from government agencies is time-consuming and requires complex documentation".*

4.3 **Lack of financial management knowledge and skills:** Some female entrepreneurs lack expertise in financial management, such as accounting, business planning, and preparing financial documents required for support applications.

This lack of knowledge not only prevents them from obtaining government funding but also affects their ability to manage their businesses effectively in the long run.

4.4 **Gender bias and social role limitations:** Cultural norms that place women in primary roles within the family result in female entrepreneurs not receiving equal recognition and support as business leaders. Many women feel that they face obstacles when competing with male entrepreneurs for government support. Inequality in support may stem from the attitudes of government officials or the design of programs that fail to address the unique needs of female entrepreneurs.

5. Conclusion and Policy Recommendations

Small and medium-sized enterprises [SMEs] have certainly become the economic engine of most nations, especially in the developing world. The World Bank (2019), for instance, reported that about 600 million jobs will be required to absorb the growing workforce worldwide, a situation that will enhance the relevance of SMEs across the globe. This strong potential for growth means SMEs can be used as a vehicle for job creation. SMEs operate in the formal and informal sectors of the economy depending on the country's business climate, the level of unemployment, access to finance, skills level, tax policies, degree of red tape, and the structure of the economy. SMEs cut across industries though with varying sizes and operational scales and they can take several forms such as sole traders, partnerships, and corporations. Although the definition of SMEs varies globally, common themes include the number of employees, the size of operating revenue, and the value of their total assets. Differences may exist in tax applications, support systems, compliance-related issues, and degree of risk exposure. Although a suite of policies and regulations has been developed to support these business types, there are still major setbacks to the growth of SMEs, especially in the informal sector of many developing countries. Moreover, the financial distress experienced by women entrepreneurs is even more alarming, prompting increasing calls for a more tailored response to smoothen the path to access finance for SMEs' operations.

To further illuminate the literature on SMEs to inform policies better, we examine the impact of business financing on the performance of women-owned SMEs

in the informal economy of Thailand, a country teeming with female entrepreneurs in the SME space, especially in grocery and convenience store businesses. The research focuses on three main themes - the financing environment of SMEs; the social and cultural landscape of SME operations; and the major barriers to accessing government support. We use a sampling technique and conduct semi-structured key informant interviews with 30 women running these businesses in Bangkok to shed light on the financial difficulties being experienced by these business actors. Our findings could help create an environment that could better support SME growth. This includes providing information on the types of funding that would be more beneficial to them, and how government policies can be directed to female entrepreneurs to create the desired impact.

Furthermore, promoting access to funding is crucial to the global objectives of gender equality and women's empowerment. Organizations across the globe are increasingly recognizing that creating an inclusive entrepreneurial environment is essential to achieving sustainable growth. When women become successful, all communities benefit greatly, resulting in improved health, education, and overall socioeconomic outcomes.

5.1 Key Findings

Our study documented the following key findings:

1) SMEs serve as a second fiddle in the job market, creating employment opportunities for entrepreneurs and individuals who could not find their desired jobs in the market. A notable 60% stated their primary motivation for engaging in entrepreneurship was to establish it as their *"main livelihood."*

2) About 70% of respondents operating SMEs in grocery and convenience stores hire at least 1-5 employees with 45% having been in this business for 6–10 years. This supports the empirical finding that SMEs are an alternative source of employment.

3) Women-owned SME operators face significant hurdles in accessing finance. Most female entrepreneurs rely on personal savings and borrowing from family or friends to finance their businesses. The primary challenge in accessing mainstream banking institutions lies in the complexity of procedures and stringent requirements, such as extensive documentation and credit history. The majority of respondents expressed that personal savings and family loans simplify the funding process.

4) The use of technology, particularly online marketing through various platforms, has enabled businesses to expand their customer base and increase revenue.

5) There is limited government support. Many entrepreneurs noted the absence of clear information or accessible channels for obtaining government assistance, further exacerbating their funding challenges. There is a lack of transparency in obtaining support from government agencies, and effective information communication also limits female entrepreneurs' ability to access financial resources and other forms of support.

6) Social and cultural factors also impact female entrepreneurs as they often juggle multiple roles, such as managing family responsibilities alongside running their businesses. This dual burden affects their ability to allocate time and resources effectively. The lack of community support networks was highlighted as a common issue, as most operate small businesses without access to connections that could link them to opportunities or funding sources.

7) The gender factors also impact the growth of SMEs. Some female entrepreneurs reported facing barriers to equality and recognition in their roles as business leaders, reflecting persistent societal and cultural biases.

5.2 The Five Game Changers in SMEs – Key Policy Recommendations

1) Creating a protected financial system that will shield women-owned SME operators from the vagaries of the market interest rate and other lending requirements from the main banking institutions. As discussed earlier, female entrepreneurs struggle to borrow from mainstream lenders. In some cases, these entrepreneurs get lost in the broad definition of SMEs and consequently, their business activities may get little or no attention. Therefore, a special lending institution with a set of clearly defined eligibility criteria backed by a constant monitoring system should be established to support SMEs, especially those in the informal sector. This may include establishing locally-based lending institutions that will promote access to finance through programs like the “No Interest Loan Scheme [NILS]” and unsecured loan schemes like “Pico Finance” to provide startup capital for these business entrepreneurs. In Australia, for example, financial resilience programs like NILS, small business loans, microenterprise development, and SME Recovery Loan Scheme offer safeguards that support small businesses to thrive, especially in periods of economic

crisis (Department of Social Services [DSS], 2024). Thailand could benefit from adopting or adapting these SME initiatives in Australia to provide financial support to new and existing informal businesses.

2) Handholding infant women-owned SME operators in the informal sector so they can cope with the fierce competition in the market and harsh economic climate. This includes setting up accessible and friendly business advisory chambers or outlets within the localities of these SMEs. This should be complemented by creating a pool of business mentors to support new SMEs in the informal sector. Thailand, for instance, could adopt targeted financial literacy initiatives and create more effective avenues for informal businesses to grow. By implementing such measures, the country can enhance the stability of this essential sector, enabling it to contribute more significantly to the overall economic growth.

3) Overcoming traditional social norms that may restrict women's opportunities in business ventures requires a nuanced approach that dignifies cultural values while also promoting adaptable and innovative initiatives. This could be done by introducing mentorship programs to develop an entrepreneurial mindset through training and education to create a balance between cultural practices and contemporary business models. It would involve the critical process of engaging community leaders, religious heads, and successful business owners or role models in the local communities to run awareness campaigns on how to innovate businesses without compromising cultural norms in society. This could increase the economic participation of the country's female population in SMEs, resulting in innovation and growth.

4) There is a need for continued regulatory reforms to streamline administrative processes and reduce the burden of compliance for small businesses. This links to the feed-down loop to ensure SME programs trickle down to women-owned SME operators in the informal sector. This will simplify bureaucratic hurdles that often impact the growth of SMEs. Additionally, the evaluation of the effectiveness of SME policies should get to the bottom cadre of female entrepreneurs in the informal sector so their voices can be integrated into the recalibration of policies and regulations.

5) The modus operandi of modern businesses including SMEs in the informal sector requires sound knowledge of technological applications including social media platforms. As such, entrepreneurs have increasingly turned to technology

to overcome limited institutional and governmental support. For instance, online platforms help mitigate resource constraints caused by inadequate financial backing. These financial apps empower entrepreneurs to better manage their operations and finances, addressing gaps left by formal systems.

6. Recommendations

1. Creating a protected financial system that will shield women-owned SME operators from the vagaries of the market interest rate and other lending requirements from the main banking institutions. This may include establishing or reinforcing locally-based lending institutions that will promote access to finance through programs like the “No Interest Loan Scheme [NILS]” and unsecured loan schemes like the “Pico Finance” to provide startup capital for these business entrepreneurs.

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Previous Key Positions

-Adjunct Professor, Universal Business School Sydney, Australia
-Associate Dean, Faculty of Management Science, Chiang Rai Rajabhat University
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-Member, Faculty and Civil Servants Council, Chiang Rai Rajabhat University

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Educational Record

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- **Master's Degree:** Economics, Kasetsart University
- **Doctoral Degree:** Economics, Srinakharinwirot University
- **Doctoral Visiting Student:** College of Population Studies, Chulalongkorn University

Areas of Expertise

- Labor Economics
- Population Economics
- Development Economics
- Gender Economics
- Tourism Economics
- Sufficiency Economy Philosophy

Other Expertise

- Strategic Planning
- Budget Analysis
- Business Plan Development

Research Works

A. Research Projects

Leetrakun, P. et al. (2017). *Guidelines for Tourism Development in the Chiang Khong Border Special Economic Zone, Chiang Rai Province.* Targeted Research Grant, 2016.

Leetrakun, P. (2017). *A Study of the Role of Trade and Tourism on People's Livelihoods and Community Economy in Chiang Khong District to Support the Development of the Chiang Khong Special Economic Zone* (Project Leader). Government Budget Grant, 2017.

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Leetrakun, P. (2012). *Value-added Development of Historical Tourism in Chiang Saen District for Elderly Foreign Tourists.* Thailand Research Fund (Targeted Research Grant).

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B. Other Academic Works

Wiraporn, P., & Leetrakun, P. (2016). *Thailand: Country Report on Female Labor Force Participation.* Asian Productivity Organization (APO), Japan.

Leetrakun, P. (2012). *Teaching Materials for International Economics.* Chiang Rai Rajabhat University.

C. Publications in National and International Journals

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Leetrakun, P., & Kosalakon, C. P. (2016). An Analysis of Women's Role in the Labor Market. *Northern Rajabhat Graduate Network Journal*, 6(10).

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Leetrakun, S., & Leetrakun, P. (2013). Strengthening Family Capacity to Prevent Drug Abuse in Border Villages of Chiang Rai Province. *Kasalongkham Research Journal*, 7(1).

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Leetrakun, P. (2010). Factors Affecting Economic Growth and Key Economic Sectors in Chiang Rai Province. *Journal of Management Science*, 3(1).

D. National and International Conference Presentations

Leetrakun, P. et al. (2017). Consumer Behavior toward Royal Project Products for Marketing Development of Processed Chrysanthemum Products. *National Conference on Management Science 2017*, Chiang Rai Rajabhat University.

Leetrakun, P., Kosalakon, C. P., & Suwannarada, W. (2016). Supporting Women's Employment in an Aging Society. *10th National Conference of Economists*.

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Leetrakun, P. (2014). An Analysis of Women's Engagement in the Thai Labor Market. *International Symposium on Gender Equality in the Research Environment*, Meiji University, Japan.

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Leetrakun, P. (2013). The Role of Old-age Allowance Policy on Household Income: A Quintile Regression Approach. *National Population Conference 2013*.

Leetrakun, P. (2011). Community Self-reliance and Sufficiency Economy Philosophy. *Thailand Research Symposium 2011*.

Research Awards

1. Outstanding Research Paper Award: *The Role of Old-age Allowance Policy on Household Income: A Quintile Regression Approach*, National Population Conference 2013.
2. Doctoral Dissertation Grant Recipient, National Research Council of Thailand (2015): *An Analysis of Women's Employment in an Aging Society*.

Ongoing Research Projects

1. *The Project for Promoting Interactions among All Ages through Active Learning* (Project Leader). JICA, 2017.
2. *Economic and Social Cost–Benefit Analysis of Promoting Physical Activity through Bicycle Use in Chiang Rai Municipality.* Thai Health Promotion Foundation, 2017.
3. *Curriculum Evaluation for Educational Development of the Buddhist Economics Farmer School* (Project Leader). NRCT, 2016.

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