

18. Country Report of Chinese Taipei ¹

18.2 Current Status of Women Entrepreneurs of Chinese Taipei

Data of Women-owned Businesses

In Chinese Taipei, women-owned businesses make up 36% of the total number. In 2016, there were 516 thousand women-owned businesses, marking an increase of 16.5% over the past 10 years. To be more specific, women-owned businesses in Chinese Taipei are mainly categorized as SMEs (99.2%). However, general survival rates of SMEs are lower than total, in which, generally speaking, the survival rate of service industry is lower than the one of manufacturing. The survival rate of accommodation and food industry is below 60%. However, professional, scientific, and technical services industry has 90% survival rate.

In terms of industries, women-owned businesses has a concentration in the service industry (85.14%), and the sales target is mainly domestic. Over the past 5 years, the domestic sales revenue of women-owned businesses has been increased every year. In 2016, the total domestic sales of women-owned businesses reached NT\$4.76 trillion, effectively becoming one of the supporting factors of Chinese Taipei's economic development. However, women-owned businesses tend to be lower in export ratios; therefore, its participation in international trade can be further increased in the future.

In terms of management efficiency, if one calculates the added-value rate based on corporate investment and value creation, women-owned businesses have an added-value rate of 42.34% while those owned by men have a rate of 35.42%. Moreover, women-owned businesses have a profit rate of 8.65%, higher by 2.57% than their male counterparts. Based on these corporate management performance figures, women-owned businesses tend to perform better than men-owned businesses. Another statistic also supports that women-owned businesses have better performance than men's. Statistics indicate that although the numbers of employees and gross production of women-owned businesses are subordinate to men's, the added-value rate of women-owned enterprise is 42.34% compared to 35.42% of men-owned enterprise.

In terms of background, female business owners are slightly younger than their male counterparts; and the age group of 50-54 years old is of the highest ratio (21.48%). Women business owners under 40 years old make up 18.95% of total, while male counterparts make up 16.14%. In terms of educational level, due to educational environment in the past, ratio of women business owners with the educational level of vocational school ranks first, followed by the educational level of

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university. However, if one looks at the women's age for initial business venture along with their educational background, there is a trend of women starting their businesses at a younger age and of higher educational background.

In general, women-owned businesses in Chinese Taipei are mainly categorized as SMEs, and the majority of them are concentrated in service industry. Meanwhile, women-owned businesses are smaller in scale and tend to have shorter life span but better performance compared to businesses run by men.

Entrepreneurship and Start-Up Activities

In terms of initial business environment and actions, Mastercard Index of Women Entrepreneurs 2017 shows that, females in Chinese Taipei are advantageous in knowledge assets and financial access, as well as in participation in workforce and in entrepreneurial conditions; however, Taiwanese females are lack of self-belief/entrepreneurial drive to start their own business. The report examines Women's Advancement Outcomes, Knowledge Assets and Financial Access, and Supporting Entrepreneurial Conditions among 54 countries. And the top 3 markets with the strongest supporting conditions and opportunities for women to thrive as entrepreneurs are New Zealand, Canada, and the United States. Chinese Taipei is ranked as #27 and performs well in Knowledge Assets & Financial Access and in Supporting Entrepreneurial Conditions. Half of women have tendency to start their own business; the report further suggests that with good supporting entrepreneurial conditions, Chinese Taipei should encourage more women to turn their entrepreneurial inclination into actions with the help provided by society, enterprises, and the government.

Global Entrepreneurship Monitor (GEM) also reveals that, according to GEM 2016/17 Global Report and Human Resource Surveys, Taiwanese people hold a positive attitude towards entrepreneurship. 70% of Taiwanese people desire to start their own business, but they are not fully ready in terms of ability and resolve. In terms of the comprehensiveness of entrepreneurial resources and not easily giving up due to external influences, less than 50% of the respondents revealed that they are equipped with these entrepreneurial requirements.

As for female Early-stage Entrepreneurial Activity, there is an indication of high level of willingness but relatively lower ratio in taking concrete actions. Even if she has certain level of educational background, there is still an absence of capacity to acknowledge one's own ability. There is a fear of entrepreneurial failure and difficulty in identifying entrepreneurial opportunities among women. Moreover, just like the obstacles that other entrepreneurs face, Taiwanese female entrepreneurs still see financial loans as a major obstacle; they also believe that even when they

have an achieved success in their business, they will face ensuing challenges establishing networks and developing further business opportunities.

In Chinese Taipei, there are few entrepreneurial programs that mainly cater to women. The Ministry of Labor's Phoenix Micro-entrepreneurship provides entrepreneurial consulting, management training, mentor counseling and support as well as loans, etc. Loans are for women between ages 20 and 65 or seniors between ages 45 and 65, with no collateral required. The government provides 95% of the credit guarantee and a special loan interest rate for loans (up to NT\$1 million). The Ministry of Economic Affairs has a Women's Entrepreneurship Flying Geese Program that has 12 years of entrepreneurial service experience. Not only does it provide an integrated service for women at different entrepreneurial stages, but it also establishes networking and support groups when the entrepreneurship takes off, providing business development and elite capacity building, etc.

In general, Taiwanese people have a strong willingness towards entrepreneurship; moreover, there is substantial coverage in terms of support system for women entrepreneurship, including consulting services, training programs and role model creation. However, the policies tend to provide entrepreneurial assistance on a project basis, lacking comprehensive regulatory plan. As a result, it is difficult to utilize a single coordinating agency to conduct reasonable resource allocation and platform connection. Moreover, since Chinese Taipei's entrepreneurship model has entered the innovation-driven stage, even though women-owned businesses are still focusing on whole-sale and retail, the government's entrepreneurship policy has transformed college campuses into one of the entrepreneurship incubation sites. There is a trend of younger entrepreneurs and a shift towards digitization. Women's entrepreneurship action has gradually emerged with trends as knowledge economy and innovation technology; and e-commerce has gradually become one of the main ways for women entrepreneurship.