

“Barriers to Female Entrepreneurship in Tajikistan”

Micronarrative study

REPORT

Contents

1. Partnering NGOs
2. Aid for Trade project
3. Micro narrative study method
4. Study on the barriers to female entrepreneurship
5. Demographics
6. Results and findings of the study
7. Analysis and Conclusion
8. Biographies of authors

Partnering NGOs in the micro narrative study

Association of Women and Society

The Association of Women and Society is based in Khujand city in the northern Sughd province of Tajikistan. Their mandate is to enhance the role of women in social, political and economic life of society. The association is particularly experienced in research, having partnered with a vast variety of local and international organizations in this field. The Association of Women and Society was the main partner NGO in the study process and coordinated the collection of data throughout the country.

ATO

ATO is a local organization based in Panjakent district of Sughd province. Its activities focus on socio-economic development, sustainable use of natural resources and environmental protection. ATO undertook data collection in Panjakent district using all resources available to it.

Bonuvoni Khatlon

Bonuvoni Khatlon is a well-established and experienced organization located in Kurgan Tube of southern Khatlon province. It works on gender issues supporting women in all spheres of society. Their professional network in and around Kurgan Tube was key to the success of this study.

Gender and Development

Gender and Development is an NGO based in the capital city of Dushanbe covering the entire country. With a mandate of achieving equality and involvement of women in all areas of public activity, they are highly experienced in gender work. Gender and Development's representatives offered their expertise in developing the framework of the study as well as in data collection.

National Association of Business Women of Tajikistan

The National Association of Business Women has its main office in Khujand city and local offices throughout the country. As the main organization working to enhance women's role in business life in Tajikistan they have a long history and experience varying from research to business support through mentorship programs and business incubators. The association offered their indispensable help from the start to the finish of the study through consultations with their experts and data collection.

Neksigol Mushovir

Neksigol Mushovir started out in Khujand city and surrounding areas of Sughd province but has since spread its activities to other parts of the country as well. As an agroconsultancy it has strong skills and experience in agriculture, data collection, and the support of agro-businesses in Tajikistan. Their support in data collection for this study was much appreciated.

Wider Europe: Aid for Trade

What is it about?

The Wider Europe: Aid for Trade in Central Asia project is a regional project funded by the Government of Finland and implemented by UNDP. Currently in its third phase, the project is implemented in three Central Asian countries: Tajikistan, Uzbekistan, and Kyrgyzstan.

Phase III of the Aid for Trade project supports national trade and development policies and programs that prioritize employment and poverty reduction. The key link is the project's emphasis on increasing employment and wages via measures to raise productivity in (mainly agro-processing) small and medium enterprises (and cooperatives) by improving export market access and reducing trading costs.

Tajikistan is one of the poorest countries in the Central Asian region. The economy of the landlocked country is highly dependent on remittances from migrant workers and its export trade relies on a limited number of economic sectors: aluminum, cotton, energy, and agricultural products.

How is this done?

The project's implementation in Tajikistan builds on three overall **components** mainstreaming gender equality:

The Aid for Trade project works on three different levels: macro, meso and micro level. The macro level focuses on developing visions for trade policy; on the meso level the project offers business and trade support to institutions to develop better services to serve their clients and on the micro level the project directly supports entrepreneurs to expand their businesses and create employment.

Underlying to these three levels of interventions are two cross-cutting issues: environmental sustainability and equality. The project uses systems thinking and inter-linkages between the different levels to demonstrate that growth patterns need to contribute to equality. The graph below gives an overview of the project approach.

UNDP's role is to ensure that growth patterns contribute to reducing inequalities within and between countries. This requires a holistic long-term and selective approach to decide where the support could have the best effect in terms of private sector development contributing towards growth patterns that support strong communities and equality within and between nations.

Aid for Trade, phase III

Project start date: May 2014

Project end date: April 2018

Geographical coverage: Sughd, Khatlon, and DRS

Partners: Ministry of Economic Development and Trade of the Republic of Tajikistan, Administrations of Sughd and Khatlon regions, Business Associations, Chamber of Commerce and Industry of Tajikistan, as well as local NGOs and entrepreneurs

Donors: Government of Finland

Study on the Barriers to Female Entrepreneurship

Purpose of the study

The main purpose of this study is to support the creation of an enabling environment for women to engage in business by researching the barriers currently hampering women's participation in trade and business. This study will serve as a baseline in targeting future project activities especially for women who are disproportionately vulnerable to economic risks and poverty.¹ Tajikistan continues to face an extremely complex economic environment, with SMEs operating in a difficult global economic climate. The study specifically focuses on the obstacles faced by female business owners and women who seek to engage in business. By identifying the reasons for the low female participation rate in businesses and trade, the Aid for Trade project aims to develop concrete actions that would help increase women's official participation within the private sector.

According to the national statistical agency, there were 90,434 officially registered female entrepreneurs in Tajikistan in 2014.² This amounts to 26% of the total number of entrepreneurs in the country. Excluding dehkan farms, women head 21% of firms operating on the basis of a patent, and 38% of those operating on the basis of a certificate.³ According to 2013 World Bank data, the percentage of female participation in company ownership was 33%⁴, however the percentage of women as sole proprietors was 14.7%.⁵ Women officially manage only 9% of all firms in Tajikistan, compared to the average of 21.1% in the Europe and Central Asia region.⁶ It is noteworthy to compare these numbers to Kyrgyzstan where female company ownership is 49%, with 28.8% of companies having female top managers.⁷ As many smaller businesses are run informally it remains difficult to portray an accurate picture of the situation of female entrepreneurs.

For the purposes of this study, we define entrepreneurship in broad terms as owning and running an individual business. The study also factors in data on informal entrepreneurship, i.e. non-registered and micro businesses.

Many challenges facing women in the economy are different from those encountered by men. Though the female labor force participation is around 45% in Tajikistan, women tend to be employed in fields where the average income is lower such as healthcare, education, and agriculture. Women also bear a major burden of unpaid household work, whether or not they are employed in the formal sector. Both rural and urban women spend, on average, over 30 hours a week on unpaid domestic work in Tajikistan. The time

¹ Tajikistan, UN Women <http://eca.unwomen.org/en/where-we-are/tajikistan>

² Gender Statistics Dataset 2014, Statistical Agency under President of the Republic of Tajikistan, counted from the total number of female entrepreneurs operating on the basis of patent and certificate, as well as leaders of legal entities in the private sector, and female headed dehkan farms

³ Gender Statistics Dataset 2014

⁴ Gender at a Glance, Tajikistan, World Bank <http://documents.worldbank.org/curated/en/824341468001152779/pdf/100426-BRI-GAAG-TJK-041315-PUBLIC-Box393223B-ADD-SERIES-Europe-and-Central-Asia-ECA-gender-at-a-glance.pdf>

⁵ Tajikistan Country Gender Assessment 2016, Asian Development Bank

⁶ Gender at a Glance, Tajikistan, World Bank

⁷ Kyrgyz Republic Country Profile 2013, World Bank

<http://www.enterprisesurveys.org/~media/FPDKM/EnterpriseSurveys/Documents/Profiles/English/Kyrgyz-Republic-2013>

invested in tending to the household directly affects women's participation in the paid workforce, personal and professional development, and entrepreneurship.⁸

The strong, predominantly male labor migration flows to Russia and elsewhere abroad affect the traditional roles and have increased the number of female-headed households. With male family members abroad, some women have become entrepreneurs out of necessity to be able to provide for their families. The remittances sent home have, in some instances, also been used as seed money for starting small-scale businesses. Female-headed households, however, run higher risks of economic exclusion, and focusing on decreasing those risks is of particular importance in order to ensure equality.⁹

Micro narrative method

The micro narrative research focuses on identifying the perceptions of stakeholders. It combines quantitative metadata with qualitative narratives of individuals, which allows the analysis of possible underlying causes which might not be captured by traditional data collection. The strength of this approach is that it is extremely adaptable due to cluster-analysis of the data collected, which can be applied to virtually any topic.

Previous UNDP micro narrative research exercises include studies on youth unemployment in Kyrgyzstan, the situation of Roma in Georgia, and deforestation in Moldova. It is for the first time that the micro narrative method is used to study the barriers to female entrepreneurship in Tajikistan.

In Tajikistan, around 1,000 respondents were asked to "tell a real-life story about female entrepreneurship" and answer follow-up questions on the narrative they shared. The questions were developed in conjunction with six local NGOs having strong working knowledge of women's economic empowerment in Tajikistan. All partnering NGOs were trained in the micro narrative method in October 2015 in Dushanbe. The training covered the basics of the micro narrative study method, the process of data collection, as well as the basics of data analysis. All 40 data collectors participating in the study project were trained separately in Khujand and Kurgan Tube in December 2015. These trainings concentrated on the correct filling out of the questionnaires, and the basics of the study method and the process of data collection. The data collection was coordinated by the Association of Women and Society.

Data was collected in person by volunteers of 6 local NGOs. The volunteers had previous experience with data collection and were mostly collecting narratives from the districts of their residence.

The narratives, biographical information and responses to follow-up questions were collected in paper format and entered into the SenseMaker software which visualized the qualitative narratives in a quantitative cluster form. By quantifying the personal experiences of the respondents trends in the narratives became visible and could be further studied and compared between gender, age, sector, and other groupings.

⁸ National Gender Profile of Agricultural and Rural Livelihoods, Tajikistan 2016, Food and Agriculture Organization <http://www.fao.org/3/a-i5766e.pdf>

⁹ Tajikistan Country Gender Assessment 2016, ADB

Demographics

Data collected

The number of respondents targeted was 1,000; the total number of collected questionnaires was 1,089, and the final tally of correctly collected narratives was 959. The data collection took place in a three month period from March to May 2016. 849 of the stories came from women, and 110 from men. 53% of these came from Sughd region in North of Tajikistan, and 47% from Khatlon in the South, both of which are Aid for Trade project implementation areas. The whole country could not be targeted due to time and financial constraints.

The respondents were mostly women. However, a small control group of men was also included to allow for data comparison. Respondents were asked to share a personal experience from their own life or that of a friend or a relative. The narratives followed the same sex disaggregation as that of the respondents.

District	Number of narratives	District	Number of narratives
Sughd region		Khatlon region	
Asht	79	Bokhtar	105
Ghafurov	126	Farkhor	16
Ghonchi	80	Jomi	26
Isfara	79	Kolkhozobod	9
Istrafshan	1	Kulob	13
Konibodom	46	Kurgan Tube	84
Panjakent	99	Muminobod	20
Shahrison	1	Nosiri Khusrav	48
Spitamen	1	Qabodiyon	21
		Qumsangir	13
		Shahrituz	74
		Vose	18
TOTAL	512	TOTAL	447
Total across regions		959	

Who is the average woman in the narratives?

Most of the women were between 31-50 years old, married, and had more than two children. The majority were secondary school educated and received their main income from entrepreneurship. Their businesses were well established as over half of the respondents were engaged in entrepreneurship for over five years. The typical business employed up to five people, often including family members. The majority of the women were not members of professional associations.

Though approximately 1.5 million Tajik nationals work abroad, 60% of the respondents had no labor migrant family members. Furthermore, only 10% identified remittances as their main source of income, though 28.8% of the country's GDP is based on received private remittances.¹⁰

¹⁰ <http://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS>

How did the respondents describe their experience?

The women described in the narratives had businesses mainly in three sectors: selling at a market (30%), services (26%), and agriculture (22%). A smaller number of women were running their own shops or worked in food processing. Many respondents believed that their narratives were common and similar to those of other Tajik women, and even though many reported positive experiences, not all their stories were easy, happy or encouraging. However, only 6% felt their narrative was entirely negative, while most felt neutral about their experience. Even though the majority (67%) of the respondents indicated that gender did not make a difference in their narratives, many of the stories talked about being the female breadwinner of the family. One third of the respondents (27% of women, 33% of men) said gender was significant in their experience, while most women (69%) felt that gender did not play a part in their stories. In comparison, 55% of men said gender did not matter in their stories. However, gender disaggregated differences in the narratives were observable. The female entrepreneurs talked about the importance of education, skills, and self-esteem whereas their male counterparts highlighted state support or lack of finance.

The respondents were asked to identify which skills they lacked the most. Overwhelmingly, basic business skills of how to manage a business and knowledge of the market were singled out. Women especially lacked knowledge of the market, with 71% of women identifying this as a gap, as opposed to 63% of men. Lack of knowledge in business management was felt by both men and women (68% and 70% respectively). One in five men and women mentioned their lack of knowledge of finance. Women's knowledge of legislation was poorer than men's, with 23% of women and 16.5% of men lacking this information.

When asked what would have helped their situation, most respondents mentioned better skills (39% women, 51% men). A clear gender difference existed in what was deemed important after better skills. Women were more likely to identify more self-esteem and confidence as something that would have helped them (40% of women versus 34% of men) whereas men said that access to finance and savings would have been more helpful (29% of women versus 35% of men). Close to one third of female respondents said "women-only" trainings would have helped in their experience while 16% called for women focused tax schemes. Male respondents in turn indicated easier access to bank accounts and business registration (16% men, 12% women) and provision of business insurance (15% men, 4% women) as helpful. Some respondents also talked about the public responsibilities of the state, indicating the disposition of inspection authorities (19% women, 23% men) and better alignment of government bodies (4,5 %, 3%) as issues that would have helped them.

Finance turned out to be the top priority when respondents were asked to name the most important innovations that had helped them – 43% identified micro loans as the most helpful innovation. Again, men found finance in the form of micro loans slightly more helpful than women (47% of men versus 42% of women). Innovations in trainings had also helped many, though proportionally more women (35% of women versus 29% of men). One third of the respondents found market information systems a helpful innovation (32% women, 26% men). Networks and interpersonal relations were seen as helpful by both genders due to such innovations as self-help groups (20%), and family help and migration (18%). While communication technologies are available in Tajikistan, with mobile penetration at 98.6 and internet

penetration at 19 subscriptions per 100 inhabitants,¹¹ their importance for the respondents fell behind other innovations. Nine percent of both men and women found internet access helpful, while mobile application helped 3.6% of men and only 0.7% of women.

Results and findings

After sharing their personal narratives on female entrepreneurship, the respondents were asked to mark their experiences on triangular forms. This allowed for the sharing of multiple experiences at the same time (by marking the middle of the triangle), as well as multiplying the experiences (when many respondents tagged their experience on a similar spot of the triangle a cluster formed). This way of pooling the data makes it possible to see trends in the experiences of the surveyed population and highlights the situation of women doing business in Tajikistan.

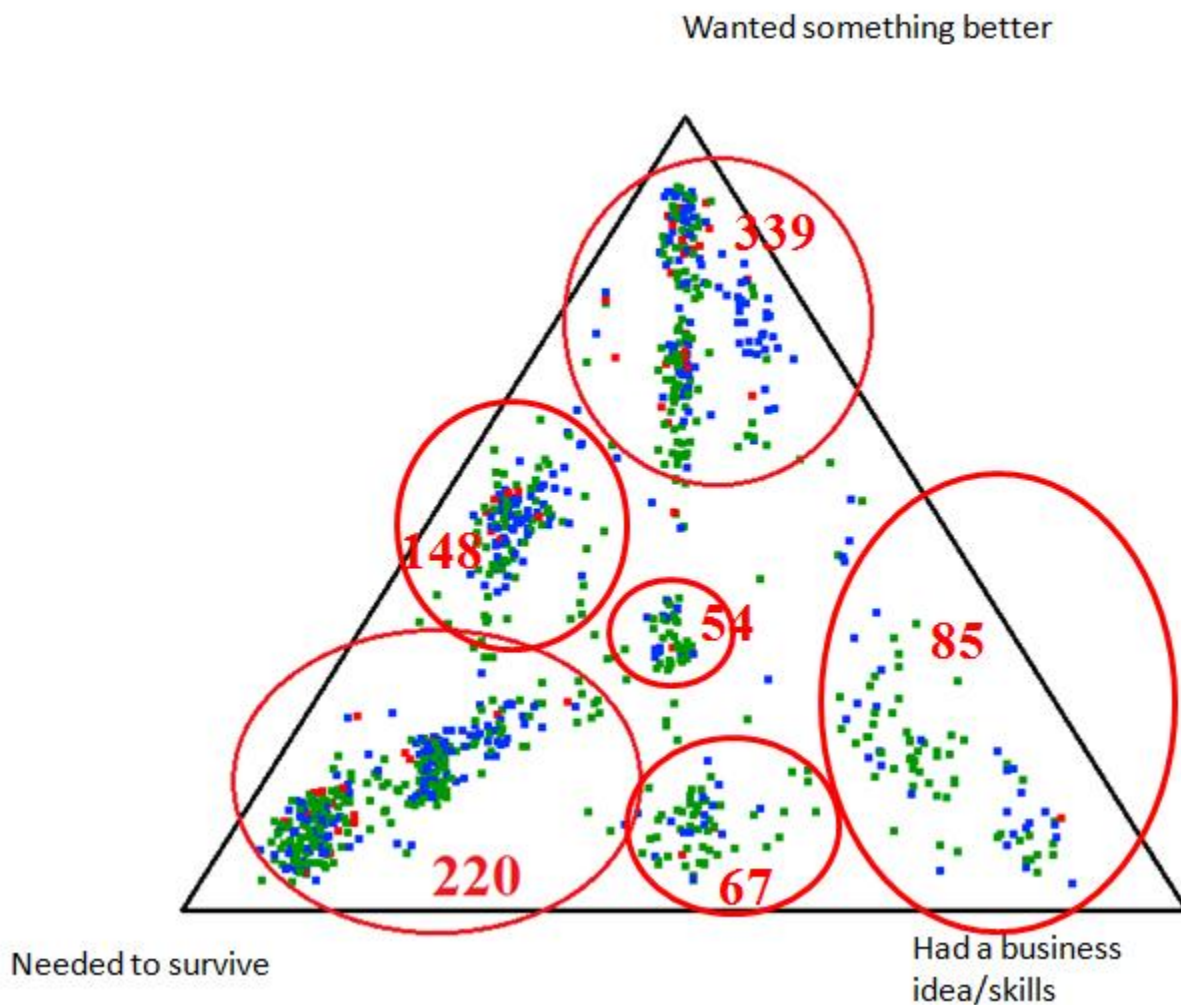
The following pages present the answer-clusters for all six experience markers. The colored dots represent all 959 collected narratives.

The overall respondents' perception about the narrative they shared is marked as follows:



¹¹ World Development Indicators 2015, World Bank
<http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators&Type=TABLE&preview=on>

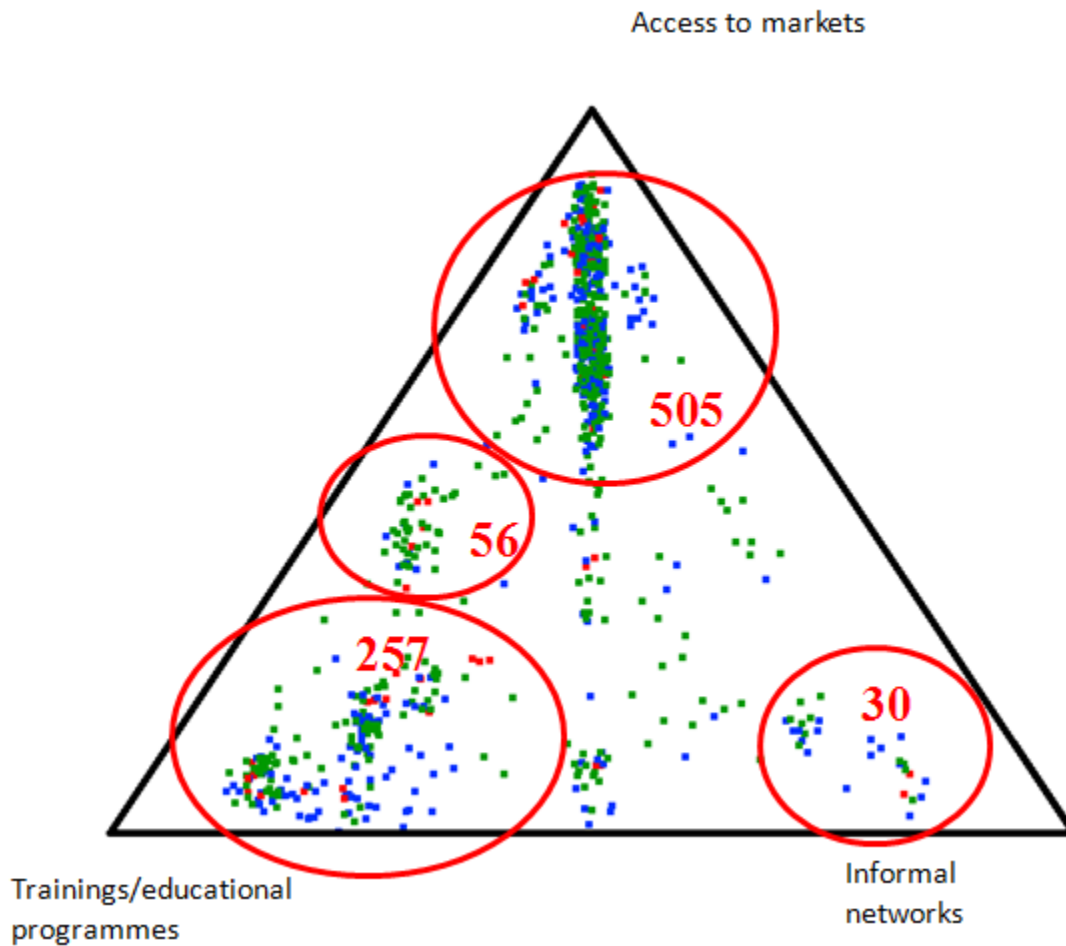
1. In your example, people engaged in entrepreneurship because they...



The data suggests that most women become entrepreneurs not out of necessity (220/23%), but because they want to improve their living conditions (339/36%). A minority of respondents became entrepreneurs solely because they had a business idea or skill (85/8%). Both genders and all sectors followed the same clustering pattern.

The question was answered by 948 respondents out of 959.

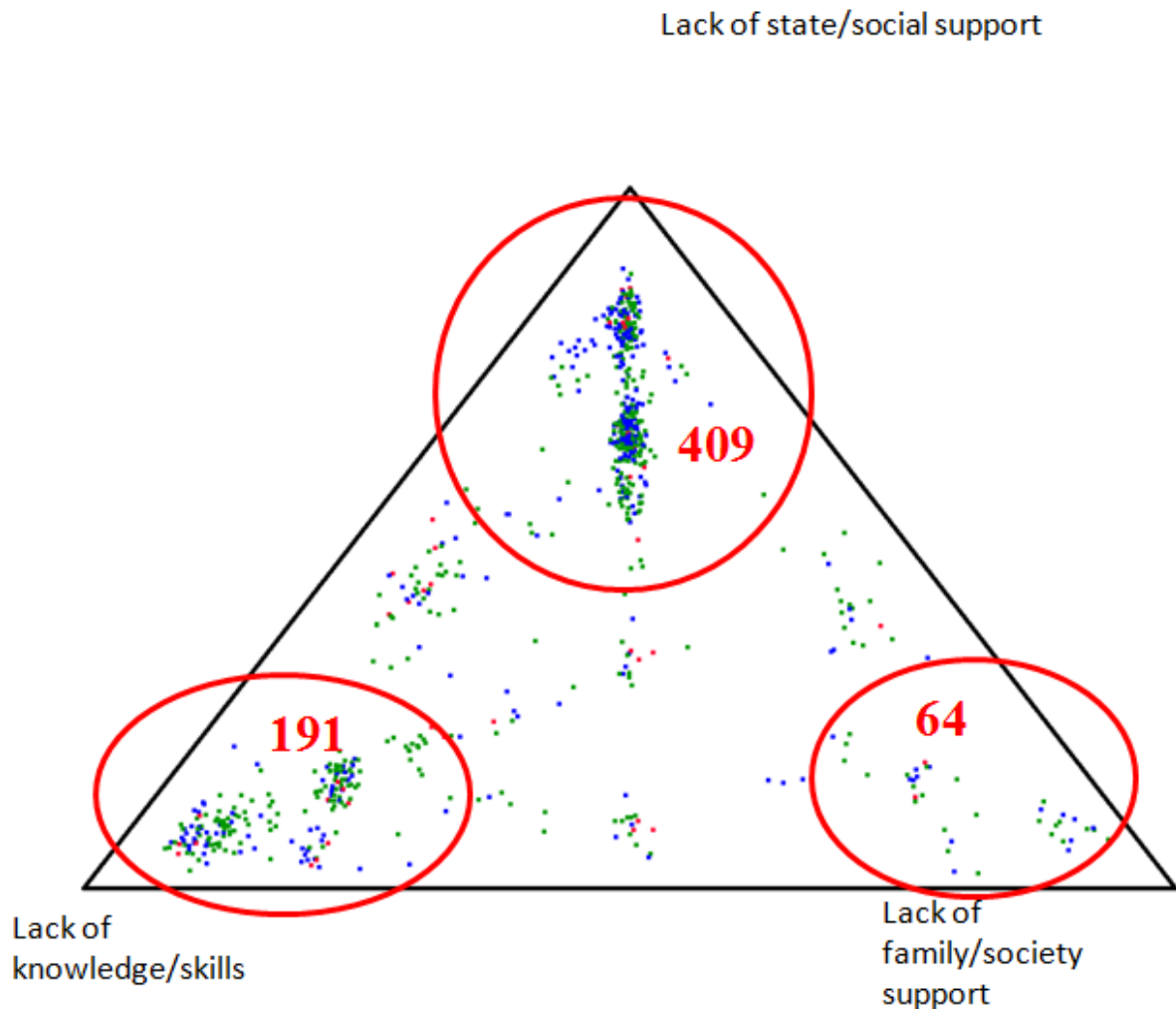
2. In your example, what helped things?



A clear majority identify access to markets as something that could have helped the situation (505/59%). A large proportion also named training and education (257/30%), but few talked about informal networks as helpful (30/3%). Men identified informal networks even less than women. Age did not significantly affect the pattern. However, the business sector women were engaged in affected their response. Those working in food processing identified training and access to markets as almost equally important, with some also naming informal networks. In agriculture, access to markets was much more important than other options, but a small cluster formed in the middle of the training-access to markets nexus. The service sector was much more spread across the triad though the emphasis was still on access to markets. For those women selling products at a bazaar or a market two clusters formed: a larger one at the access to markets corner, and a smaller but significant one at the trainings and educational programs corner. Women who run their own shops mostly answered “access to markets”, but some responses were also spread along the trainings - access to markets nexus.

The question was answered by 860 respondents out of 959.

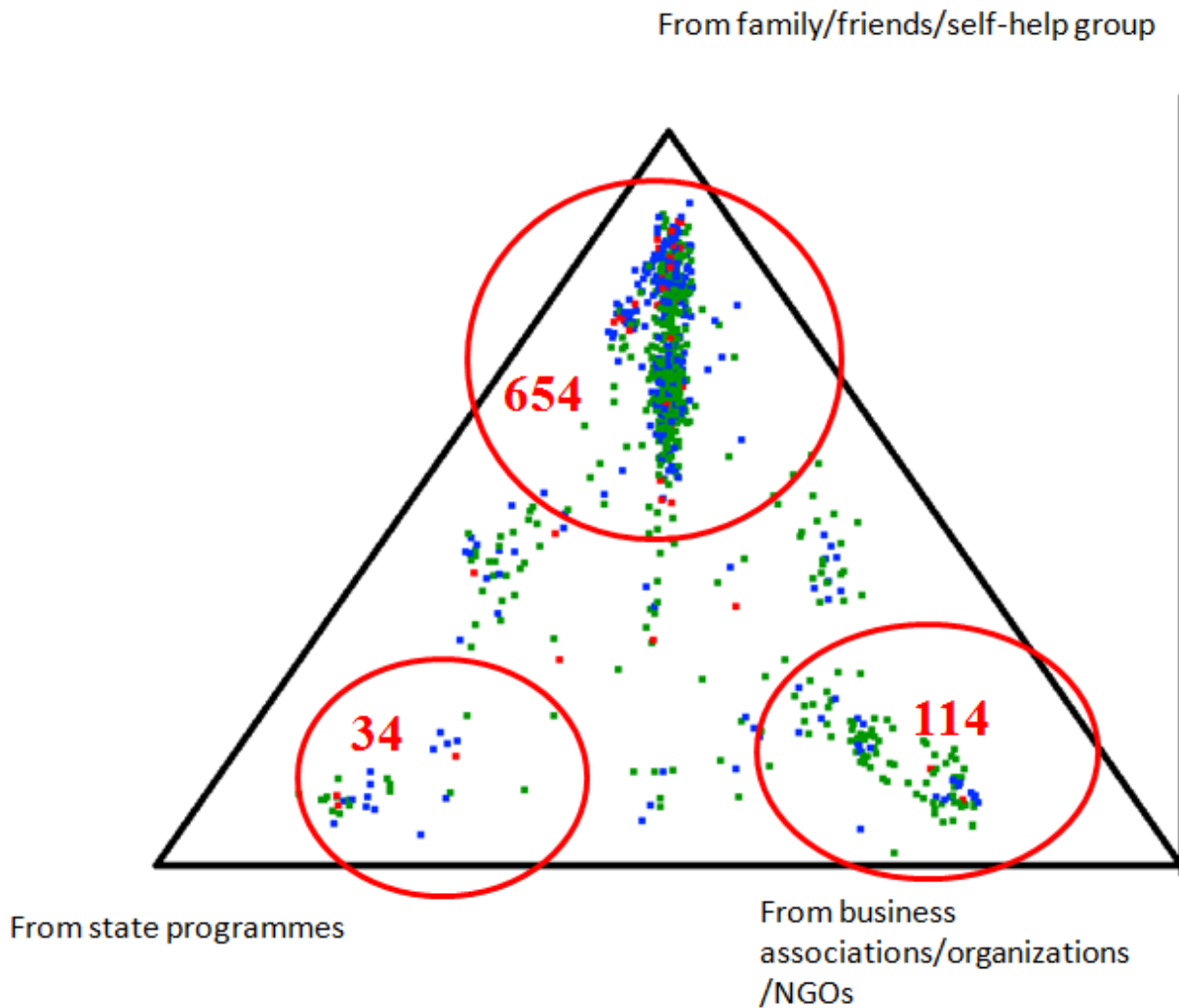
3. In your example, what prevented things from happening?



The majority of respondents talked about a lack of state and social support (409/53%). A lack of knowledge and skills also formed a smaller cluster (191/24%), whereas a lack of family support was only talked about in few stories (64/8%). When disaggregated by sectors, women in food processing formed two clusters in the lack of social support and the lack of skills. The agriculture sector formed a loose cluster of stories ranging from the lack of skills to the lack of state and social support. The service sector was scattered around the triad, but mostly identified the lack of social and state support. Women engaged in sales at markets and those running their own shops had a strong cluster of stories at the lack of social and state support corner. In all sectors, over-30-year-olds were mostly talking about the lack of state support. Most of the negative stories came from 31-40 year-old men and women. These were not clearly clustered, but tended toward the lack of social and state support – lack of skills nexus.

The question was answered by 778 respondents out of 959.

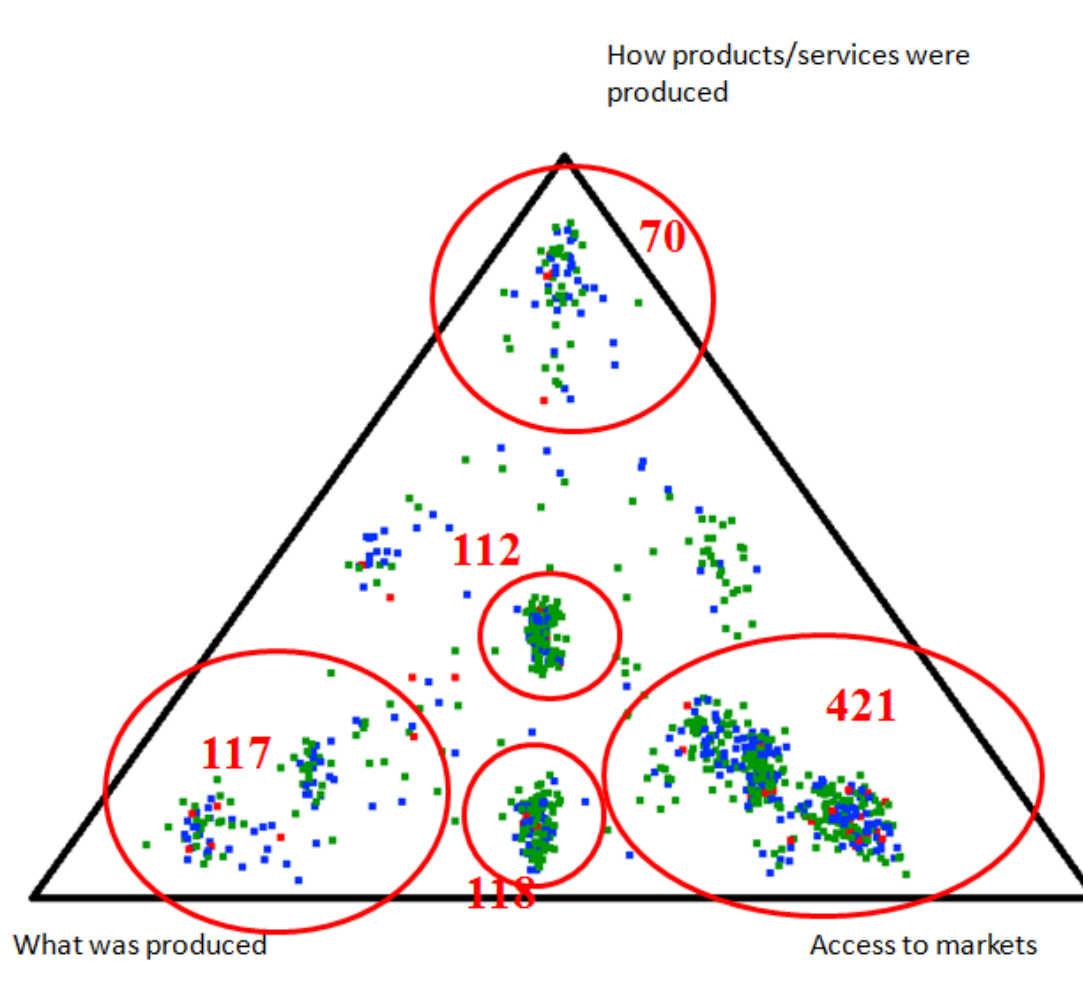
4. In your example, how did people learn about new things and opportunities?



A clear majority of answers talked about family, friends, and self-help groups (654/73%). A smaller portion of respondents found out about new opportunities through organizations (114/13%), but very few learned about them through state programs (34/4%). The trend was the same regardless of age, gender, sector, or whether the person was part of a professional association.

The question was answered by 901 respondents out of 959.

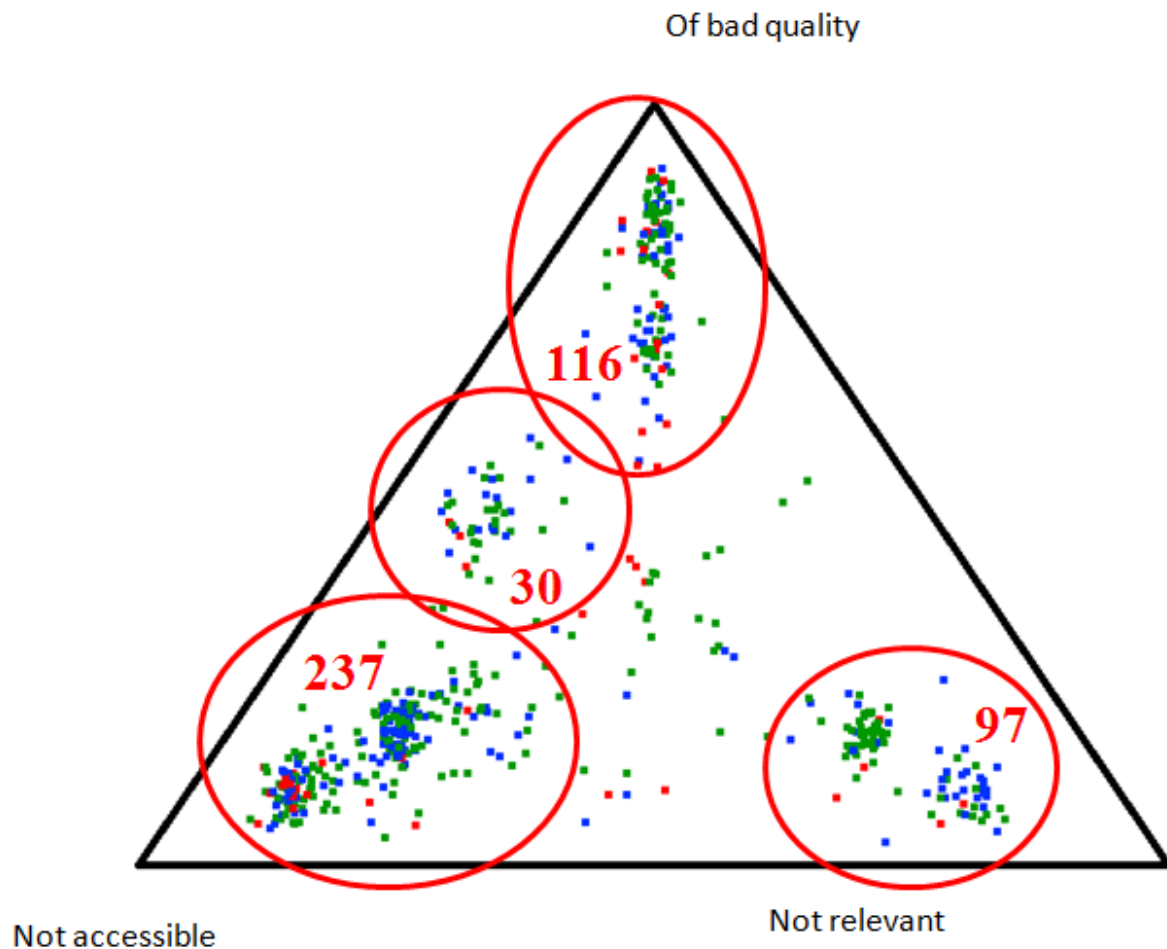
5. What mattered in your example?



The narratives created multiple different sized clusters around the triad. Most people talked about access to markets (421/46%), as well as access to markets combined with what was produced and offered (118/13%). A similar number of respondents felt that the product or service itself mattered the most in their narrative (117/13%). Less people talked about how products or services were produced (70/8%). A clear cluster exists in the center of the triad, indicating all options being relevant (112/12%). All sectors follow the same cluster-trend, except running a shop where almost all stories talked about the importance of being close to markets.

The question was answered by 912 respondents out of 959.

6. In your example, information about starting up and running a business was...



The narratives that identify information about starting up and running a business as not being accessible formed the largest cluster (237/44%). Almost an equal number of people identified information as being of bad quality and not relevant (116/21%, 97/18%). The most noticeable trend was the low number of respondents for the question. Only 542 respondents answered the question. This could suggest that the rest of the respondents had access to quality information. Women tended to identify information as not being relevant more than their male counterparts.

The question was answered by 542 respondents out of 959.

Analysis and conclusions

Perhaps unsurprisingly, the data shows that one of the greatest obstacles women face in setting up a business stems from their own attitude. **Women felt unsure about their own ability to start or run a business, which affected their engagement levels in entrepreneurship.** When asked what could have improved their situation the most, they talked about stronger skills, self-esteem and self-confidence more than external issues such as access to finance. The women also pointed to their notions of self-esteem and lack of skills more than the male control group, who talked proportionally more about external issues such as a lack of state support or finance. Many women particularly expressed interest in business skills training organized for women only that would focus on issues relevant to them. According to respondents, such trainings should focus on knowledge of business management as well as knowledge of the market.

Anecdotal evidence frequently points to conservative traditions in Tajikistan and strict gender roles as a barrier to female entrepreneurship. While this may be the case in the most conservative regions of the country, it was not reflected in the micro narrative data sample. Few respondents wished for more spousal or family support, while most noted a lack of state or social support. By doubting their skills and ability, women may have internalized traditional gender roles.

For women already engaged in business, access to markets determined their success. However, respondents also credited helpful innovations like micro credits, self-help groups, and market information systems for their success. Trainings and support offered by organizations and associations benefitted respondents, but mainly those who already had a business idea or a skill. Women who engaged in business activities mainly as a support for their livelihoods felt that they did not have adequate access to information. This demonstrates significant interest in basic business training, suggesting that existing programs should be scaled up and offered to a wider audience. In addition, technological advances in internet and mobile phone access have the possibility to promote innovations and supporting entrepreneurship. One in ten respondents already found internet access useful to them, despite information in the Tajik language being available online much less than in Russian or English. With the growing number of mobile and internet subscribers, information shared in Tajik could reach even more users in the future.

Many respondents talked about a lack of state support and very few saw state programs as a source of new opportunities. This reflects a disconnect between the respondents' needs and the goals of business support programs administered by the state. The Tajik Government's support programs tend to focus more on export and import subsidies, as well as larger, more established companies. **As the average firms of the respondents of this study were small, often family businesses, the loans offered by the state were too large and the support did not match their needs.** Furthermore, entrepreneurs seemed to be unable to find information they needed or unaware of existing state support programs. Respondents who engaged in entrepreneurship because they had a specific skill or business idea, found business associations and NGO support programs most helpful, whereas the majority of other respondents thought that information about starting and running a business was not available. This finding highlights that business support networks, including NGOs, are reaching only a certain part of the women who do business. More efforts should be made to broaden the client base of existing programs.

30% of respondents had a relative working as a labor migrant. Though their data clusters followed the trend of all the respondents in general, **women with migrant relatives were slightly skewed towards**

becoming entrepreneurs out of necessity (~100 respondents). Still, most of this group took up entrepreneurship because they wanted something better (~110 respondents). Differences with the non-migrant families were most visible in the comparison of helpful innovations. Women with migrant family members were more likely to find help through self-help groups (27% of migrant families versus 21% of non-migrant families), and less likely to use technologies like internet (5% of migrant families, 9% non-migrant families) and mobile phone applications (1% of non-migrant families, 0.6% of migrant families).

This study on the barriers to female entrepreneurship identified the differences women and men experience in doing business. While there are many issues –such as access to markets and finance, understanding of legislation and taxation, and difficulties in registering a business—that affect all entrepreneurs alike, there are barriers that exclusively affect women. A large number of women have low self-esteem and are not confident in their skills and abilities to manage a business. Respondents identified women-focused trainings as a possible solution to this. Additionally, it is important to highlight positive examples of women doing business and enhance female mentorship for businesswomen to act as an encouragement for all women and men interested in entrepreneurship.

UNDP is continuing its work to support the national efforts towards women’s empowerment in all its implementing areas. The Aid for Trade project, for its part, brought together the 6 NGOs participating in the study, as well as other national stakeholders to further analyze the data, and through their local knowledge, discover solutions to these problems. Based on the suggested solutions, a pilot project to target the barriers to female entrepreneurship will be undertaken in 2017. These actions are part of UNDP’s goal to work together with the Government of Tajikistan, national and international development organizations, as well as other relevant actors to promote sustainable livelihoods, reduce poverty, and encourage women to succeed as entrepreneurs.

Thoughts for further action:

- Successful businesswomen should be highlighted more to boost women’s confidence and promote a balanced view of entrepreneurship. Mentorship programs as well as positive images of women in business would be a good way to promote female entrepreneurship;
- Efforts need to be undertaken to increase awareness of existing state programs supporting businesses; targeted trainings for women entrepreneurs should be developed to ensure a good understanding of minimum standards of business management;
- As many of the businesses tend to run on a semi-informal basis, efforts should be undertaken to expand businesses through raising efficiency and facilitating investment ensuring that the private sector contribution to human development is formalized;

Biographies of Authors

Ilona Vilhelmiina Vekkeli

Ilona Vilhelmiina Vekkeli is a Specialist on Economic Development at UNDP Tajikistan's Aid for Trade project, and is the lead author of the micro narrative study in Tajikistan. Her main areas of expertise include gender and innovation for development, as well as getting local entrepreneurs' voices heard through social media.

Khatuna Sandroshvili

Khatuna Sandroshvili is a Programme Associate and Innovation Specialist at UNDP Georgia. She designed the micro narrative study in Tajikistan, and trained the UNDP Tajikistan country team in data analysis. Khatuna has been a development worker for the past 15 years, of which over 10 years she has worked in the field of governance and most recently working on innovative approaches.