

TURKMENISTAN: GENDER DIFFERENCES IN BUSINESS



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Project Coordinators at the UNDP Office in Turkmenistan:

Inita Paulovica – Deputy Resident Representative, UNDP Turkmenistan

Mary Risaeva – National Programme Officer, UNDP Turkmenistan

Project Coordinator:

Yu.A. Aronskiy – Candidate of Economic Sciences, Vice-President of the Union of
Economists of Turkmenistan

Chief Editor:

L.D. Amanniyazova - Doctor of Economic Sciences

Head of the Author Group:

N.I. Sayfulaeva – Candidate of Economic Sciences

Research and Technical Support Group:

I.V. Kaganovskiy

G.A. Nurmuradova

G.O. Annaberdiyeva

T.Z. Nasyrova

D.A. Pigamova

G.N. Tadzhibaeva (Candidate of Geographical Sciences)

N.L. Shimankina

I.S. Gukasova

Turkmenistan has ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and various International Labour Organization conventions on equal remuneration of men and women for equal labour. Turkmenistan also developed a National Action Plan as the follow up on the Beijing Platform for Action and has committed to promote gender equality and women's empowerment by signing the Millennium Declaration. By bringing the gender dimension into business development, this publication can help the government of Turkmenistan to fulfill its international obligations to promote gender equality.

This study was conducted by the Union of Economists with technical assistance from, and close cooperation with, the UNDP office in Turkmenistan. This is the first attempt to integrate a gender perspective into business sector development in Turkmenistan. The long-term objective of this study is to contribute to an accelerated development of small and medium enterprises in Turkmenistan, especially those owned by women. The immediate objective is to build a gender sensitive knowledge base for policy making.

Reliable and valid information is a cornerstone of sound decision and policy making. Availability of gender sensitive information and its utilization in policy making is the only possible way to make gender equality happen. This publication presents results that show how gender affects business start up, assessment and selection priorities for its development and its economic outcomes. The report also offers the first ever gender analysis of distribution of household and parental responsibilities and family relationships. International experience shows that successful strategies to promote gender equality have to include changes in societal attitudes regarding sharing responsibilities in the domestic sphere and to create support alternatives.

Promoting equal opportunities for women and men in business is the most efficient way of developing the private sector. It will allow both women and men to contribute to and benefit from economic growth. This is especially so for women who at present are seriously under-represented in the business sector, as the results of this study show. This study is valuable not only as an assessment of gender differences in business. Its analysis of the current status of small and medium enterprises also challenges the constraints that hinder their development. Most importantly, the results of the study have led to recommendations for legislative measures to support business development in Turkmenistan.



Richard Young

UNDP Resident Representative in Turkmenistan

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The authors are also grateful to the group of consultants, representing various government departments in Turkmenistan and international organizations, who helped to prepare and present this Study in its final form.

In working on this material the authors

treated it as axiomatic that gender equality and equality of opportunity for men and women in business are indisputable principles, basic values and standards recognized by the international community. These principles are not only basic requirements for social justice and genuine democracy, but are also essential conditions for realization of human rights and for a country's economic growth. The proposals put forward in this Work for improvement of current legislation in Turkmenistan concerning business development, including development of women's business, are of crucial importance for Turkmenistan, in our view.

The authors would like to thank in advance all readers who have given their attention to this Work and have found in it useful information and recommendations on various issues of gender equality.

FOREWORD	3
ACKNOWLEDGEMENT	5
CONTENTS	7
LIST OF ABBREVIATIONS	8
SUMMARY	9
INTRODUCTION	13
 PART I. OVERVIEW OF INTERNATIONAL STUDIES OF GENDER EQUALITY IN BUSINESS	15
 PART II. CURRENT TRENDS IN GENDER EQUALITY IN SMALL BUSINESS	27
2.1. General demographic characteristics of men and women in the small business sector ...	29
2.2. Gender leadership in the family and the nature of family relationships in the small business sector	34
2.3. Gender differences in income, and assignment of parental and household duties in families of small-business people	43
2.4. Gender analysis of small business issues	63
2.5. A gender approach to definition of the prospects for development of the small-business sector	73
2.6. A gender approach to assessment of economic opportunities in small business	79
2.7. Principal ways of improving national legislation governing small business in order to take account of gender issues	84
 BIBLIOGRAPHY	93
 APPENDIX Draft law of Turkmenistan, "On state support for and development of small business"	99
 GLOSSARY OF TERMS	115

LIST OF ABBREVIATIONS

CEDAW	- UN Convention on Elimination of All Forms of Discrimination Against Women
CIDA	- Canadian International Development Agency
CIS	- Commonwealth of Independent States
ICT	- Information Communication Technologies
ILO	- International Labour Organization
MM	- Mass Media
NAP	- National Action Plan
NGO	- Non-government Organization
OSCE	- Organization for Security and Cooperation in Europe
SME	- Small and Medium Enterprises
UN	- United Nations
UNDP	- United Nations Development Programme
UNECE	- European Economic Commission of United Nations
USA	- United States of America

This Study was compiled as part of UNDP Turkmenistan Project “Gender-based Review of Legislation of Turkmenistan” implemented by the Union of Economists of Turkmenistan.

The aims of the Study are:

- to define current gender distinctions in business using sample surveys and scientific analysis;
- to design specific measures for increasing access of men and women to economic opportunities in the enterprise sector and to eliminate gender distinctions through improvement of national legislation;
- to create a computer data base for further scientific studies in the gender field;
- to disseminate knowledge in society about gender distinctions in business;
- to favour development of gender awareness in various sections of society.

The tasks to be achieved by the Study are:

- to study international experience in achievement of gender equality in business and use of innovations in the national economy;
- to define essential legislative mechanisms for regulation of gender equality in business, taking account of international practise;
- to investigate current trends in gender equality in business in Turkmenistan, taking account of demographic features, family situation, leadership qualities, and distribution of parental and household tasks;
- to define gender differences in terms of income and employment in various economic sectors and types of economic activity in the enterprise sector;
- to study gender specifics of the impact of business on relations in the family, as well as the impact of relations in the family on development of business;

- to define the impact of problems in daily life, traditions and thought stereotypes on development of business among men and women;
- to carry out gender analysis of problems which arise in the course of business;
- to design a gender approach to definition of prospects for development of the enterprise sector;
- assessment of economic opportunities of men and women in business;
- definition of main directions for improvement of national legislation and definition of specific female groups in the enterprise sector that need state support.

This Study was designed in accordance with the Country Programme Action Plan for 2005-2009, which was prepared and signed by the Government of Turkmenistan and the UN Development Programme. The Action Plan was designed in order to further mutual understanding and cooperation between the parties in achievement of the Millennium Development Goals (MDG) and is based on the accumulated experience and progress, which was attained during implementation of the previous Cooperation Programme (from 1993). This fact confirms that the Government of Turkmenistan and the UN Development Programme have entered a new stage of cooperation, which will continue from 2005 to 2009.¹

The new Programme of Cooperation with the UNDP is based on the goals of the national Programme of the President of Turkmenistan and the Framework Agreement on development cooperation by UN institutions (UN Development Assistance Framework) for the period from 2005 to 2009. The crux of these Programmes is their strategic importance for achievement of the MDG. Initiatives addressing gender issues in the development context are included in Programme Component “A” (Design of Economic and Social Policy) and are a constant theme in other Components of the Programme.²

¹ Country Programme Action Plan for 2005-2009. The Government of Turkmenistan and the UN Development Programme. Ashgabat 2005., p.1.

² ibid, p.3.

In the framework of the signed Programme Action Plan for 2005-2009 the Government of Turkmenistan and the UN Development Programme expect to achieve results in terms of improvement of the legislative base with respect to gender equality, accountability and measures for observance of implementation of ratified conventions and UN conventions on gender issues, as well as expansion of social access to information on gender issues and gender development.³

Preparation of this Study is one of the tasks, which were to be carried out under the Plan regarding proposal of alternative modes of support to business and management of state property in order to strengthen ties between the state and private sector.⁴ The Study makes specific relevant proposals for improvement of national legislation.

In accordance with Point 5.3 of Part V (Partnership Strategy) of the Country Programme Action Plan for 2005-2009, the Union of Economists of Turkmenistan is one of the Programme partners (representing civil society),⁵ and the Union of Economists was the partner of the UNDP in preparation of this Study.

The Study was designed in accordance with the MDG: one of the targets for Turkmenistan under Goal III, "Promote gender equality and empower women", is Target 4 – "To reduce gender inequality in labour market incomes by 2015".⁶ This Target should be reached, provided that Turkmenistan can achieve rapid rates of development of its enterprise sector, as the main generator of new jobs and of increased personal incomes. New measures are envisaged for this purpose in order to encourage and stimulate enterprise activity, leading to increase in numbers of people engaged in micro-business.⁷

This Study aims to obtain information on gender differences in business in various spheres of direct and indirect relevance. The Study assesses the role and significance of small business in family relations, the degree of support, which families provide for development of small business by family members,

specifics of men's and women's behaviour in pursuit of their business plans and ideas, the attitude of businessmen and women to the economic policy being implemented in the country, to legislative reform, and many other issues.

The goal of the Study was to present as much information as possible on the changes now occurring in this field in Turkmenistan in order to expand the information space and ensure implementation by Turkmenistan of the obligations, which it has assumed, specifically with reference to the Convention on Elimination of All Forms of Discrimination Against Women (CEDAW) and other important international legal documents. This is the first Study on gender differences in business, which has ever been undertaken in Turkmenistan.

This publication is intended for all those who are directly or indirectly concerned with solution of gender equality problems and improvement of national legislation and also for those who disseminate knowledge on gender equality. The publication may also be useful to members of the public who are interested in issues of gender equality. It may be used by specialists at various levels for preparation of regulatory and legislative acts for strengthening of gender equality in Turkmenistan and for conduct of further scientific and publicist works on these issues. Results of the Study may be used as additional study material in the system of higher and intermediate professional education (including education for work in the enterprise sector).

The analysis, conclusions and recommendations, which are presented in the Study, concentrate mainly on solution of some key problems:

- how to extend the economic opportunities of men and women in the enterprise sector in order to increase employment and incomes;
- how to eliminate gender distinctions in business between men and women as regards access to resources, capital, information and technologies;
- whether businessmen and women need additional education and the specializations, in which they need such extra education;

³ Country Programme Action Plan for 2005-2009. The Government of Turkmenistan and the UN Development Programme. Ashgabat 2005., p.5.

⁴ *ibid*, p.5.

⁵ *ibid*, p.11.

⁶ Development Goals on the Threshold of the Millennium: Turkmenistan Report. Ashgabat, 2003, p.8.

⁷ *ibid*, p.34.

- whether national legislation governing small business needs to be extended and how it needs to be extended;
- what specific groups in women's business are most in need of state support;
- what are the ways, in which the state can provide support to the enterprise sector and what volume of support is needed.

The Study consists of two parts, appendixes and bibliography (reflecting the main sources used in preparation of the Study).

The first part of the Study considers international experience of research into gender equality in business, and finds that much has been achieved. As countries develop and implement the provisions of CEDAW in practice there is growing understanding of the importance of the enterprise sector for enactment of these ideas and creation of favourable economic conditions for both men and women.

Gender studies in business are increasingly a basis for development of practical measures to eliminate gender distinctions between men and women. Findings of such studies are used to improve legislation and to develop governmental support programmes, including programmes that aim to support women's business. Social and international structures are much involved in these processes, encouraging an exchange of new experience, which is enriching for both government and society.

Levelling of economic opportunities between men and women is seen as a key instrument for government policy that aims to achieve high rates of economic growth.

Trends worldwide also point to changes in the traditional roles of men and women, and this is a development, which the international community accepts. However, these processes are not easy in the CIS, where the economic context is not yet adapted to the requirements of equal access for men and women to resources, technologies, information and capital.

A sample survey of heads of small enterprises and self-employed individuals in Turkmenistan was carried out in order to determine the degree, to which these processes are typical for Turkmenistan and

what gender differences currently exist in the country's business. The results of this survey are presented in the second part of the Study.

The second part presents contemporary trends with respect to gender equality in small business in Turkmenistan. The issues, which are looked at, include general demographic characteristics of small businessmen and women by nationality, age structure, religion and family situation. This part of the Study investigates issues of gender leadership in the families of small business people, and how much support they receive from their family and relatives in running the household (issues, which determine the nature of relations within the family). These questions are all important for development of family business in Turkmenistan, and particularly for development of business by women. Given that the majority of entrepreneurs in Turkmenistan have children (76.5%) the analysis of gender differences in the business sector takes into account the distribution of household and parental responsibilities among men and women.

This part of the Study treats gender differences in levels of income, distribution of parental and household duties, and the degree of moral and material help, which a business person obtains from his or her family. Received data confirms that financial support from family side has consequence significance for business promotion and expansion. 72.3% out of total number questioned businessmen has obtained financial support from his or her family or other relatives and in which connection gender differences are not so significance. Overall the average monthly income of men and women remains unequal. Women's income is 1.5 less than men's. The reasons are types of economic activity, profitability of some sectors and existing conditions of running business. Women are in greater extent compromised, than men, therefore they have to suspend or liquidate their businesses.

At the same time, the findings show that women entrepreneurs are steadily strengthening their position as the society accepts growing representation of women in the business sector to be a necessary condition for transition to the market economy. In the business sector, women gradually win "traditional" men's types of business and there

is a growing number of examples when income of women is higher than men's. Of the total number of women engaged in business, the highest income was recorded in the small enterprises headed by women; as for men, the highest income was in individual entrepreneurship. Businesswomen leading small enterprises, though their number in the industry and construction sections was small, had higher income than men. Businesswomen of small enterprises are more engaged in sectors as transport, communication, education, health and tourism, where their income has been higher than men's. The business sector has witnessed an increase in predominantly female labour force and this is one of the positive signs (trends) of growing women's representation in the business sector in the short run.

The second part of the Study pays particular attention to questions of additional education for business people. It is found that 22.2% of them feel a need for additional education, including 55,7% – men and 44,3% women, due to change of profession and the need to acquire special enterprise skills. The Study established a list of specializations, which are in particular demand in Turkmenistan's enterprises sector. Those entrepreneurs, who wanted to obtain additional education pointed at the following disciplines: accounting, computer literacy, economics, management, marketing, foreign languages and law. Many of them wanted to obtain

basics of conduction international business.

A gender approach is used in this Study to determine prospects for small business development by men and women, so its material can be used to design target programmes for development of women's business. The results of the research could also be used as a basis for design of a state programme for development of the enterprises sector up to 2030, using the gender approach to assessment of business opportunities of men and women to obtain base indicators.

The second part of the Study also presents survey results concerning groups of women who need state support for their involvement in small business, as well as suggestions of principal ways, in which legislation could be improved in order to address this issue.

These results are used to prepare the draft for a proposed new national law, "On state support for and development of small and medium-sized business", which is intended to broaden access of men and women to economic opportunities. It is hoped that the draft will open up new development prospects for the enterprises sector as a whole and for women's business in particular. Measures are proposed for design of target programmes to help in development of women's business, striving in each case to bring out strengths and potential of the individual for successful involvement in business.

Changeover to a market economy is closely linked to development of the small business sector. That simple fact has been abundantly proven by the international community, where the operations of small and medium-sized enterprises are a daily fact of life. A modern economic system cannot exist without the enterprise sector, which provides employment for the largest share of the able-bodied population and produces a significant part of the goods, works and services, which society needs.

Development of the enterprise sector in the CIS countries has a short history in absolute terms, but these countries have taken energetic measures since their independence to improve legislation, simplify the economic environment and design economic incentives for development of this vital sector.

In Turkmenistan, as in other CIS countries, such measures were essential at the initial stage of the reform process due to shrinkage of employment in the state sector of the economy, caused by production declines and the breakdown of economic ties. In the process of reform, Turkmenistan's state sector has added a number of new plants and production facilities; fitted with modern equipment, but use of improved technology has reduced the size of the workforce, which is needed to operate these facilities. This has added to the urgency of raising employment levels in the enterprise sector.

A legislative base to help development of the enterprise sector was put in place in Turkmenistan at the start of the reform period. More than 20 laws have been passed since the start of reforms that are specifically related to development of this sector: "On enterprise activity", "On enterprises", "On property", "On the economic free enterprise zone", "On investment business", "On concessions", "On joint stock companies", "On licensing of specific types of activity", and others. A total of 150 laws have been put in place since reforms began in order to help emergence of the market economy.

In parallel with this process, work has continued to simplify the conditions in which business operates, with special attention being paid to improvement of the tax regime in the enterprise sector. Various taxation schemes have been applied over the period, but experience has shown that taxes should not be raised until favourable conditions for replenishment of resources in the sector have been put in place. Therefore in 2005 the Tax Code of Turkmenistan ruled that enterprises in private ownership and the self-employed should pay tax from their gross revenue at a rate of 2%. This provided strong support for capital accumulation and employment: the number of self-employed individuals who were in business increased by 20% in 2005 compared with 2004 and by 21.5% taking account of hired assistants and assistants who were family members. Gross revenue in the self-employed sector rose by 53%.¹

Nearly all small state enterprises were privatized during the reform process, and this also gave an impetus to rapid development of enterprise, particularly in the trade and service sectors. By 2005 small enterprises represented a significant share of the total number of registered enterprises in Turkmenistan: their share was 67%.²

Thanks to these measures 20.7% of all those in employment were working in the enterprise sphere by 2005. The number of small enterprises in the country was 11,700 and there were 55,500 people registered as self-employed.³

However, there is still a marked imbalance between the sexes among heads of small enterprises. Opportunities for women to open their own enterprise remain limited and 88.8% of private firms were headed by men in 2005, while women were in charge of only 11.2%. The overall gender division at these enterprises, counting all their employees, was 79.6% men and 20.4% women.⁴

¹Data of the State Statistics Committee.

²ibid.

³ibid.

⁴ibid.

One positive gender trend in business in Turkmenistan is faster growth of female than of male employment in the self-employed sector: The rate of growth of female self-employment in 2005 compared with 2004 was 161%, compared with 111% for men. Rapid rates of growth of female employment were seen in nearly all specializations, which show that women are gradually adapting to the market economy and asserting themselves in self employment. By 2005 the share of men among all self-employed individuals was 71.7%, while the share of women was 28.3%. That is already superior to international figures, which show that women are 25% of all self-employed individuals on average.⁵

Realization of women's potential in business depends on realization of gender principles that are recognized by the international community and used in international law. International studies in the field have shown that women encounter the following five main types of difficulties in business:

- **Access to information:** women want to obtain broader access to education, professional training and consulting support.
- **Access to capital:** this is an essential issue for many women owners of firms who often lack formal education and can come up against gender barriers when they seek access to financing.
- **Market access:** women want to have access to exchange of information on programmes and services, which should be available to all enterprises, such as opportunities for state and corporate procurement work, as well as international trade opportunities.
- **Access to information networks:** women want to have full access to business networks, such as sectoral and wide-profile business associations.
- **Recognition of equal rights in**

business: women want to be taken seriously as business agents.

If structures with responsibility for business development (government structures, NGOs, large corporations and business associations) direct their efforts to solving problems in these five areas, then women's business will not only grow but will grow faster than is already the case. Realization and application of women's business potential can offer a locomotive for economic growth worldwide and create new opportunities for people everywhere.)

Turkmenistan has subscribed to the main normative acts and conventions, which acknowledge the equality of men and women. The time has therefore come for improvement of national legislation on enterprise sector issues, and particularly on issues of women's business. In order to further this end a sample survey was carried out in Turkmenistan among heads of small enterprises and the self-employed on issues of elimination of gender discrimination, the necessity for passing of new laws, and the need for amendments and additions to the national laws, which are already in force,

Gender equality in conduct of the sample survey was achieved by equal representation of the interests of men and women, with statistical gender equality (correspondence between representation of the sexes in the sample survey and the actual demographic situation in the country).

This seems to be a fair approach in order to ensure equal representation of the interests of men and women in decisions on improvement of national legislation for the enterprises sector and, in particular, representation of the interests of women.

Results of the survey were used as a basis for preparation of the draft of a new national law, entitled, "On state support for and development of small and medium-sized business", a complete version of which is attached to this Study.

⁵ Common Experience, Common Needs: Lessons for Women's Entrepreneurial Development, a publication of the Center for Women's Business Research, based in Washington, DC, USA.

PART I.
Overview of international
studies of gender equality
in business

Gender studies have recently gained in popularity among scientists across the globe. The issue of gender balance is increasingly cited as fundamental to the political, cultural, social and economic development of society. The results of gender studies are often used as a basis for teaching in schools and in higher education. Many countries are giving priority to such studies and to a policy of gender equality, and have opened specialized scientific centers for the conduct of gender studies.

Several countries have achieved remarkable successes in social development thanks to achievement of gender equality. Such countries enact progressive gender legislation, which enables maximum observance of equality between men and women in all important spheres of the economy and daily life. This is based on an understanding that national legislation, which takes account of gender principles, gives an essential impulse to further realization of gender equality in day-to-day life.

The achievement of gender equality in business is a special realm of study, whose development depends on a country's overall level of socio-economic development and the level of development of its business in particular. The study of gender equality in business has a relatively short history, but much can be expected of it in the future. In many countries gender equality in business is treated together with gender issues on the labor market and the employment sphere, equal participation of men and women in decision-making at all levels of government, implementation of the social and labor rights of men and women, avoidance of violence, as well as issues of reproductive health, maternity and fatherhood.

Societies around the world often try to resolve issues of gender equality in business through development of women's business. Indeed, this is the most popular approach. Efforts in the Czech Republic to clarify the status of women in business offer an example: the Czech Ministry of Industry and Commerce, together with the groups, Gender Studies and Zenitwa, recently held a conference in Prague on the role of women in business

Conference participants broadened their horizons on this issue by studying the experiences of Russia, the USA and the UK. It was noted that the roots of feminism in Russia date from the start of the 19th century, but that the process of genuine recognition of gender problems is still going on today

Conference participants posed the question: "Women who reach the summits of power as presidents and prime ministers tend to do their job very well, but why are there so few of them?" The view of psychologists is that women are more responsible and sensitive. They avoid an army-like approach in organizing the work of their colleagues, and strive to enlist assistance from anyone who is capable of helping. Women heads of state are less likely to go to war than their male peers. The University of Massachusetts in the USA has found that only 24 countries have had a female head of state since 1900 and only 17% of them were involved in conflicts during her period in office.¹

The Czech experts noted that women in their country take an active part in programmes aimed at developing small and medium-sized business. Participants of these programmes obtain access to loans on favourable terms and subsidies, as well as training and consultation on tax law, accounting, management, marketing, finances, economic and business ethics. Some 129 women (42.3% of total 305 participants) took part in the latest programme. They received 33 million krona in subsidies out of a total 133 million krona made available through the programme (i.e. nearly 25%).

As regards other countries, the USA introduced a system of so-called "affirmative action" as long ago as the 1960s: this system was designed to give women and ethnic minority groups more chances of entering higher education and obtaining work. The measures were welcomed by women, but white males, who were disadvantaged by the measures, took the view the equality had been turned into inequality. Another step taken by women to overcome obstacles in the way of their careers was "networking" – essentially, creation of

¹"Europe trying to raise status of business women". Based on information in The Russian Business Newspaper. Internet information, 14.01.2006. Russian Business Portal, Alliance Media, p.1. <http://www.allmedia.ru/newsitem.asp?id=759634>

gender pressure groups. Networking has been successfully applied by women at a number of large firms, including Shell and British Telecom. General Electric has a successfully operating women's trade union, thanks to which presence of women in the company's middle management has doubled and 14% of senior management posts have also been taken by women.²

Former CIS countries, most notably Russia, launched significant initiatives in gender legislation from 1997, when the Russian State Duma Committee for Women, Family and Youth adopted a Concept for new legislation to ensure equal rights and opportunities for men and women.³ The Concept defines main directions for improvement of gender legislation, in order to achieve equality of men and women with respect to the following rights and opportunities:

- equal rights for men and women to participate in decision-making at all levels of legislative, executive and judicial power and in local government;
- social and labor rights;
- prevention of violence, including domestic violence, and ensuring personal safety;
- furtherance of reproductive health, maternity and fatherhood;
- creation of a national mechanism for ensuring equal rights and opportunities for men and women.

One paragraph of the Concept for law-making to ensure equal rights and opportunities for men and women (in part 3 of the document, which is entitled "Social and labor rights") sets out measures with respect to business activities. The Russian experts treat business as a new type of socio-economic development. They estimate that 8-12% of all heads of enterprises in all forms of ownership are women. More than 45% of enterprises, that are headed by women, have a strictly social orientation: they are designed for creating jobs and providing training for the unemployed and

for parents with large families, single parents, mothers with small children, etc. Russian experts note that business activities are generally supported by the state and regulated by legislative and executive government. However, no specific regulatory or legislative acts have been passed during the economic reform period to support women's business initiatives, and no special programmes have been developed for this purpose.⁴

The attitude towards women's business initiatives in developed countries is in complete contrast, particularly in the small business sphere. European Union recommendations to governments call for implementation of special programmes and creation of government structures to support women's business initiatives. Many countries have put special conditions in place to encourage women to become involved in business without detriment to their role in the family.⁵

Such an approach is the best way to realize women's business potential. A government report on the role of female business in the USA (1996) found that women manage a third of all American companies, creating annual revenue of 1.6 trillion US dollars and that figure is rising. American experts have concluded that women's business is more sustainable: firms created by women are less likely to "go under".⁶

Women in Russia and CIS countries have to manage without government support in a highly competitive business environment, where a large share of resources and property have already changed hands. In such conditions the rights of women to carry out business activity are severely constrained: they find it hard to lease suitable premises, to obtain equipment and raw materials, to secure credits, etc. Most women who were polled in Russia said that production and financial issues are not settled in a way that ensures gender equality, and that women are sometimes compelled to consent to sexual relations in order to resolve business issues. The accumulation of problems in this sphere points to the need for a

⁴ibid, p.53.

⁵ "Concept for new legislation to ensure equal rights and equal opportunities for men and women". Committee of the State Duma of the Russian Federation for Women, Families and Children. Internet information. Women's Information Network Portal p.54. http://www.womnet.ru/librari/rus_doc/gen_polog.htm

⁶ E.S. Murzagalieva. Management in Russian Business. Scientific work by 11th grade student. 2000., p.16. http://www.refstar.ru/data/r/id.25850_1.html

²ibid, p.2

³ "Concept for new legislation to ensure equal rights and equal opportunities for men and women". Committee of the State Duma of the Russian Federation for Women, Families and Children. Internet information. Women's Information Network Portal.

http://www.womnet.ru/librari/rus_doc/gen_polog.htm

mechanism at government level to help in realization of women's business rights.⁷

In order to provide such a mechanism in legislation Russian experts are proposing to prepare a law draft for amendments and additions to parts of the federal law "On state support for small business in the Russian Federation", which concern the rights of women in business.

Design and implementation in Russia of the Concept for law-making to ensure equal rights and opportunities for men and women and of other documents was preceded by serious work on the part of scientists and experts to design a Concept for improvement of the situation of women in the Russian Federation (1996). The latter Concept defines overall strategy and priorities of state gender policy, realization of the principle of equal rights and freedoms, creation of equal opportunities for women and men in accordance with the Russian Constitution, with Russia's international obligations and with recommendations of the Fourth World Conference on Women (Beijing, September 1995), and also takes account of socio-economic realities in contemporary Russia.⁸

This Concept defined strategic goals and main approaches for solution of various key tasks, in order to provide a basis for law-making activity. The main emphasis was on gender-oriented expert review of legal norms that regulate legal relations and combat gender and age discrimination. In particular the focus was on:

- designing measures to ensure a principle of equal pay for work, which is of equal volume and value;
- reducing the gap in wage levels between sectors that employ predominantly male and predominantly female labor;
- provision of state support for scientific developments in the sphere of gender studies;

⁷ "Concept for new legislation to ensure equal rights and equal opportunities for men and women". Committee of the State Duma of the Russian Federation for Women, Families and Children. Internet information. Women's Information Network Portal p.54.
http://www.womnet.ru/librari/rus_doc/gen_polog.htm

⁸ "Concept for new legislation to ensure equal rights and equal opportunities for men and women". Committee of the State Duma of the Russian Federation for Women, Families and Children. Internet information. Women's Information Network Portal p.55,80.
http://www.womnet.ru/librari/rus_doc/gen_polog.htm

- promoting scientific knowledge on issues of the role and status of women in society;
- relationships between men and women in the family.

A number of measures were put forward for advancement of gender in the business sphere, aimed at achieving equal rights and equal treatment on the labor market and based on:

- improvement in the forms and methods of social support for various categories of women with respect to employment, including development of proactive methods that help people to solve their problems independently;
- development of a system of support and control over the growing role of women in small and family business, including provision of special conditions for taxation, credit and insurance;
- design of federal and regional programmes to development of small and family business, including micro-business;
- creating a system of business incubators, which combine teaching of business principles with psychological training, expert assessment of business plans and further support in the form of tax relief, provision of credit on special terms, and availability of equipment, raw materials and premises at discount prices;
- expanding the system of consulting and professional guidance for women who want to start their own business, and support in implementation of programmes, which have won the approval of national experts.

These measures have led to positive tendencies in development of gender studies in Russia, including improvement of legislation governing gender equality in many sectors and spheres, and broad dissemination of knowledge regarding national problems of gender equality.

It would be wrong to think that all of the issues of equality between men and women in Russia have been resolved. On the contrary, these issues are becoming more pronounced, and many social groups are turning to interna-

tional experience to find ways of addressing the problems. But, at least, the appeal to international experience shows that Russia has chosen the correct strategy in this field.

Both at the macro level (the level of government) and at the micro level (firms and organizations) reviews of legislation with respect to gender equality are increasingly concerned with the direct and indirect impact on labour, employment and private business spheres. These three spheres are intrinsically connected due to hopes that the private enterprise sector will be able to absorb workers, who have lost their jobs in the state sector. There is optimism that problems of unemployment, particularly female unemployment, can be resolved through creation of a large number of new jobs, but this will require improvement of national legislation with respect to private business by application of a gender approach.

Research on this theme has assumed that competitiveness of women on the labour market, in the Russian Federation, for example, should be ensured through regulation of inter-sectoral tariffs and increase of wages in low-paid sectors, where the biggest share of the female workforce is concentrated. The strategy has been to address issues of social support to vulnerable social groups, including women, through design of a special section on development of small business in the federal programme and through assignment of funding for that purpose, as well as through measures to legalize informal wage payment (with the additional effect of extra income for the state budget).⁹ However, researchers hold different opinions on these questions, both as regards theory and practice. One of the Russian legislative initiatives for improving women's competitiveness on the labour market, proposed by the Concept (described above) for law-making to ensure equal rights and opportunities of men and women, was for a draft federal law, which would set standard ratios for wage levels in the public and private sectors of the economy.¹⁰

⁹ Ye.V. Mashkova. "Gender equality and equal rights in the context of Russian legislation. Gender equality in practice in regional socio-economic life." Director of the Femina women's social union (Naberezhniye Chelni). Internet information. Portal: Moscow Center for Gender Studies. p.15. The site is included in 1st Women's Webring

¹⁰ "Concept for new legislation to ensure equal rights and equal opportunities for men and women". Committee of the State Duma of the Russian Federation for Women, Families and Children. Internet information. Women's Information Network Portal p.10. http://www.womnet.ru/librari/rus_doc/gen_polog.htm

There has been a substantial increase of involvement by social organizations in research into gender aspects of business. This has provided experience to such organizations in conduct of scientific research and has helped to encourage real, practical steps towards realization of gender equality in business, since these organizations have closer and more frequent contact with ordinary people.

At the end of the 1990s gender studies in business began to specialize in specific areas of the economy and law. In 1998-1999 the women's social organization, Femina, the Urban Economy Institute (Moscow) and the international organization, Women, Law and Development, jointly implemented a specialized international research project, entitled "Privatization and Women's Rights". Findings of the project were shocking. In one town alone – Naberezhniye Chelni (Tatarstan) – where 60 state-owned enterprises had been privatized, women had for the most part been deprived of access to ownership and control over production resources. They suffered discrimination at work and were at risk of dismissal. It was found that working conditions had worsened, work safety standards were being violated, and that sexual blackmail in the workplace had become widespread. These trends were on a background of low female employment levels in business. Inflow of women to the business sector was hindered by inadequate legislation, worsening tax policy, high level of risk, the brutal nature of business at the present time, and, in many cases, by lack of knowledge.¹¹

The aim of such research was to support economic and social transformation based on a non-discriminatory policy towards women in business, enhancement of women's status and achievement of equal rights for men and women in the business and employment spheres, as well as ensuring that women were better informed and involving them in the economic reform process.

Social organizations used the results of these studies to design practical measures for reduction of the gender gap between men and women in business. An international seminar

¹¹ Ye.V. Mashkova. "Gender equality and equal rights in the context of Russian legislation. Gender equality in practice in regional socio-economic life." Director of the Femina women's social union (Naberezhniye Chelni). Internet information. Portal: Moscow Center for Gender Studies. p.15. The site is included in 1st Women's Webring

was held in Moscow based on the results of the "Privatization and Women's Rights" project, followed by a round table at the Russian Ministry of Labour and Social Development, where strategies were prepared for defence of women's labour and social rights. These included involvement of women in programs for raising qualifications, enabling women to apply successfully for micro credits and create their own places of employment.

Femina also implemented a project, entitled "Video business school for women starting in business", which offered women guidance in the theory and practice of starting their own business. A series of seven films were compiled and were used thereafter by the Labour and Employment Center in Naberezhniye Chelni. Copies were sent to similar centers and other women's NGOs (a total of 160 recipients around Russia).

Studies of gender equality in Russian business have recently facilitated creation of a system for support of small business at the level of municipalities. Projects have included preparation of analytical reports using results of sociological surveys of small business in various types of municipalities (rural, large villages, municipal regions, urban centers of municipal regions, urban regions under sub-federal control, science towns) with respect to various social groups.

The research described specific aspects of business conditions and designed legal drafts, which could be used to accredit local government organizations, which are responsible for supporting small business, with respect to gender issues. The research also designed standard approaches to creation of small business infrastructure in municipalities, and methods for evaluating social efficiency of small business and of infrastructure from the point of view of gender. Practical consequences of the research included creation of a consumer credit cooperative, which provides credit to small business with special emphasis on gender aspects.¹²

It is important to note that the structure of research into gender aspects of business is increasingly scientific in its nature. More attention is paid to gender stereotypes in

business, and the impact of gender structure in small business on actual business activity is studied on the basis of correlation and factor analysis. Some studies of gender distinctions in business are based on the intersection of economic sociology and the sociology of gender relations, enabling construction of forecasting models for individual businesses.¹³

There have been several studies at international level of gender differences in leadership style. The studies have looked at leadership styles in general, particularly in the business sector. One of the most discussed issues is that of gender distinctions in management. There are two main positions on this issue. Some researchers (E.Crittenden, R. Eisler, G.Rozner) believe in the existence of a specifically female approach to decision-making in economics and politics, management style and business values. Others (S.Epstein) deny the existence of any such specifics.¹⁴

Recent socio-psychological studies have given much attention to gender aspects of career building. Researchers have concluded that the main gender stereotypes concerning career building, are connected with sexual role play, social stereotypes and construction of a socium, as reflected in the well-known saying: "Women get ahead in management by overcoming obstacles, men get ahead by taking advantage of opportunities".¹⁵

Why do problems associated with female business recur with increasing frequency in studies of gender differences? The time has come to reassess the place and role of men and women in new market structures, and general problems of development of women's business need to play a special role in investigation of these processes. Study of problems associated with development of women's business and the specifics of female leadership in the economy represent, to a large extent, a

¹² Draft: "Creation of infrastructure for a gender approach in support for small business in municipalities". Internet information. Portal: Women's International Socio-economic Union.

¹³ S. Krasilnikov, S.G. Krasilnikov. "Social structure and gender stereotypes in small business: Gender aspects of small business (based on the example of Ulyanovsk)". Internet conference: Gender stereotypes in contemporary Russia (01.05.2006 – 07.07.2006). Portal: Economics, Sociology, Management.

¹⁴ Aslanyan Armine. "Investigation of styles and efficiency of leadership in a gender aspect". Internet information. Portal: Center of frame technologies for the XXI century. Published, 14.06.2005: <http://hr.cpt21.ru/practicum/pub/graduates/22/print>

¹⁵ Aslanyan Armine. "Investigation of styles and efficiency of leadership in a gender aspect". Internet information. Portal: Center of frame technologies for the XXI century. Published, 14.06.2005: <http://hr.cpt21.ru/practicum/pub/graduates/22/print>

pioneering branch of international (including Russian) science. Research in this field is not yet systematically organized and tends to be heavily influenced by stereotypes from mass consciousness (this applies also to leading Russian researchers).¹⁶

International organizations do their best to support women in business, providing practical measures to help women realize their potential in this field. The WEDGE Group (attached to the ILO) is implementing an Internet-based educational system entitled "Advancement of women in small business", which aims to support ILO partner organizations in developing business skills among less well-off women, who already have their own business or want to set one up. This educational programme stands apart from others by the fact that it approaches basic business skills from a gender point of view. It offers a large volume of practical information, which helps women in difficult economic circumstances to consider their opportunities for obtaining income from business activity. The programme also takes account of strategic gender problems, concerning rights of women regarding equal access to property, financial and business information, and business opportunities. WEDGE branches operate in Geneva, Laos, South-East Asia, Eastern and Southern Africa, Ethiopia, Russia, CIS countries and Zambia. The Group's efforts are helping to disseminate gender knowledge in business worldwide.¹⁷

Serious research in the field of gender equality in business was carried out in 2004 at St. Petersburg State University, looking at issues of female employment in business. The research investigated the stereotype of women in business jobs, which are far more remunerative than their husbands' jobs at government enterprises and organizations. It was found that the woman's role as breadwinner did not tend to become a ground for divorce, i.e. financial well-being and success in business was only a means for maintaining the family. Husbands generally accepted this situation.

¹⁶ Chirikova A.E., "Women's business in Russia: conceptual approaches and directions for study." /Edited and compiled by Ye.B. Mezentseva (cand. econ.sc./ "Gender and the economy: international experience and assessment of Russian practice". M: ISEPNRAN-MTsGI-Russian Panorama, 2002. p.249.

¹⁷ "Gender and enterprise together: The advance of women in small business". The department of enterprise development and creation of jobs WEDGE Group. Bulletin № 3. Internet information. ILO Portal.

Results of the study showed that only 6.7% of married businesswomen viewed the fact that the husband earns much less than the wife as a ground for divorce. This suggests that the stereotype, according to which the husband must provide for the family, is becoming less prevalent in Russia. This is more proof that the woman's role as breadwinner is gradually being accepted by men. Authors of the research draw profound conclusions to the effect that the moral code in the 21st century will have to be flexible: public opinion is already quite tolerant of families, where the partners have exchanged their gender roles (the wife has become the breadwinner and the husband has taken responsibility for house work), and such an arrangement is becoming commonplace in the modern world.¹⁸

The research also investigates attitudes towards the role of woman managers, the professional and natural abilities of men and women for leadership and for realizing the idea of career growth. A survey in St. Petersburg business circles gave unexpected results: about 46% of managers saw no problems in advancement of women managers to leadership positions, so that, at first sight, there seem to be no obstacles to leadership roles for women. But the authors note that women who take professional jobs gravitated towards careers, which are akin to the roles, which they play at home. They tend to specialize in contact work, human resources, and ancillary work, which is usually quite low-paid and does not involve leadership of people. The study also found that this approach to careers is what has enabled women to achieve a measure of success in business.

On one hand, this research did not identify any significant and strong stereotypes. The dominant view is that a woman, who maintains a feminine style of behaviour, cannot be interested in career growth. But if she has been successful in achieving high job status, (usually characterized by a predominantly male type of behaviour), public opinion usually views her as a leader. The study also made findings about the reasons why women go into business: society acknowledges that a woman can make a career in business, but, at the same time, it is

¹⁸ V.Yu. Pashkus, N.Yu. Karavaichik. "Problems of women's employment in business: Stereotypes and the current situation. St. Petersburg State University. NOU IPP. Internet information. Site – NOU IPP. http://www.ippnou.ru/article.php/international/_zip/article.php?idarticle=000759

not viewed as characteristic of a woman to work in business solely for the purpose of making a career.¹⁹

According to UNESCO, about a quarter of business people today are women. The international wisdom is that encouragement of enterprises headed by women is an efficient strategy for achieving both economic development and equality, particularly since women have great business potential.²⁰

The geography of gender studies in business is very wide. In 2003 gender studies on the economic conditions and opportunities for development of women's business were conducted in Azerbaijan. This work was carried out by the Azerbaijani Association for Organizational and Technical Development in order to define instruments and methods for supporting women's business. The research was supported by the Women's Network Programme of the Open Society Institute (Azerbaijan Cooperation Fund). Focus group surveys and in-depth interviews were carried out as part of the research.²¹

This study is remarkable for its in-depth approach to the issue of gender equality with respect to women in business. It is particularly valuable for its quantitative assessment of the place and role of small business in Azerbaijan and the role of women in small business. The study successfully reveals the specifics of Asian countries in formation of stereotypical patterns of thought among businesswomen.

The authors draw attention to a reversal of the traditional roles of men and women in Azerbaijan at the present time. The tasks of material provision and taking of key decisions in the family often now devolves to women. But in most cases this is not due to a voluntary choice, but is due to necessity – loss of employment by the man in the family or absence of a male partner.

About three million of Azerbaijan's total population of eight million work outside the

country. These are mainly men, and they are mainly employed in unqualified jobs, so the money, which they send home, is often insufficient for maintaining family members who remain in Azerbaijan, and much of the responsibility for supporting the family devolves to the woman in the household. Also the long periods of separation caused by this arrangement often lead to breakdown of marriages, leaving the former wife as the main breadwinner for the family.

However, the research authors also note that economic factors are not the only motive for women to go into business. Change in the social environment (popularity of healthy lifestyles and changing perceptions of good-looks, which increasingly value a slender, "sportswoman" appearance), new techniques for changing one's appearance (fitness, laser cosmetology, etc.), as well as the opportunity of realising one's potential and gaining knowledge are also important factors, even for women who are economically independent.

Women account for about 7-8% of all business people in Azerbaijan. The authors found that current legislation allows women to do business on an equal basis with men, but does not offer them any privileged conditions. This is also true of the institutional environment, which does not place any limits on development of women's business, but also offers no privileges or special conditions in its favour. The research drafted a number of measures for support of women's business in Azerbaijan, based on:

- simplified access to financing;
- creation of business-incubators;
- development of import-export business and entering new product and service markets;
- informational support and creation of specialized centers;
- legal support to ensure business security;
- improvements to professional training;
- improvement of the legal base and preparation of a law "On women's credit unions".

A particularly important aspect of research on business is concerned with studies of the

¹⁹ V.Yu. Pashkus, N.Yu. Karavaichik. "Problems of women's employment in business: Stereotypes and the current situation. St. Petersburg State University. NOU IPP. Internet information. Site – NOU IPP. http://www.ippnou.ru/article.php/international/_zip/article.php?idarticle=000759

²⁰ Ibid.

²¹ "Economic preconditions and opportunities for women's development in Azerbaijan". Azerbaijan Gender Information Center. Internet information. Portal: Gender Azerbaijan. http://gender-az.org/shablon_ru.shtml#doc/development/economic/predposilri

extent, to which business is free from unwanted interference by regional government, particularly in instances where government fails to ensure equal treatment of the businesspeople in its jurisdiction, forcing them to “make deals” with government officials. From the outset, the authors were convinced that heads of firms (particularly of large firms) have “special relationships” with government, but it proved hard to establish the precise nature of these relationships and how they have changed during the reform years. It was even harder to define the gender specifics of relationships between government and heads of firms, although it was important to try and discover whether male or female heads of firms are more economically and politically successful.²²

A study of behaviour strategies of Russian heads of firms was carried out in 1999-2000 in five Russian regions based on materials of in-depth interviews with heads of 62 Russian firms. More than 100 other managers at the firms were also interviewed. Scoring systems and psychological tests were also used in order to investigate motivational aspects and leadership styles, providing materials to supplement the interviews. The research was carried out with support from the Soros Foundation in the framework of the RSS with additional support from the Russian Humanities Science Foundation.

The research provided further proof that the importance of gender distinctions in behaviour strategies of heads of firms is often unjustifiably exaggerated, and that this point applies to both the private and state sectors. No evidence was found in favour of the traditional view that women lack leadership qualities: the research found no significant differences between the sexes with respect to risk indicators, professional competence, knowing one's own strengths, ability to build a productive relationship with government, etc.

Results of the research also showed that stereotypes are often attached to female managers even when they clearly fail to correspond to the personal qualities of those managers, and that successful management has no specific gender aspects. Difference in

leadership styles between men and women are most manifest in preference of women leaders for combined strategies, which bring together various leadership models, whereas men tend to be committed to a specific management model, which they use without any admixture of other techniques.

Women heads of firms have a very positive self-conception, and often express dissatisfaction with the “softness” of their own management techniques. Personnel in the firms do not view women-managers as less powerful and do not agree with the suggestion that a woman-leader is more easy to influence psychologically. Results from application of the Blake-Mouton test suggest that both male and female heads of firms are mainly oriented to the task and not to people when dealing with specific management tasks. Results of the research support the view that women are not worse managers than men, but may on the contrary be better managers, and that they are perfectly capable of coping with the challenges of management in a highly uncertain environment.

Rapid increase of independent employment and involvement in business among women shows that business and self-employment are playing an important role in increase of women's overall employment opportunities, and are being acknowledged as such on a global scale. Independent employment and business involvement for women are included in recommendations of the Beijing Action Platform, the Monterrey Consensus and the Millennium Goals, which were presented in the Millennium Declaration as means for resolving problems of gender inequality, poverty, and sustainable economic growth and development. Development of self-employment and business involvement among women was also recognized as a political priority at the Beijing regional meeting in Geneva in 2005.²³

There have been examples of progressive work in this direction in countries, which are members of the UN Economic Commission for Europe, in North America and in Western Europe, as well as in Eastern Europe and the CIS, although there is much variation in the degrees of success achieved by different countries. The

²² A.E.Chirikova. “Women's business in Russia: conceptual approaches and directions for study.” /Edited and compiled by Ye.B. Mezentseva (cand. econ.sc./ “Gender and the economy: international experience and assessment of Russian practice”. M: ISEPNRAN-MTsGI-Russian Panorama, 2002. pp.235-250.

²³ “Women's business: Access to finance and ICTs. Recent experience.” European Commission. Series: Enterprise and SMEs. UN. Geneva and New York. 2004. Foreword, p.3

variations undoubtedly reflect differences in development levels of small and medium-sized business in UNECE countries. Applications by governments, civil society and others, using the most successful experiences of support for women's business, can help to narrow the gap in levels of women's business development. National and international experts, who have carried out relevant research, have found that access to funding is one of the key factors for establishment of one's own business, particularly for women. Obstacles arise due to sexual stereotyping and (in many countries) inability to provide security for borrowing. Business opportunities for women in East European and CIS countries have been significantly limited by gender bias in the process of privatization, while other countries are affected by problems in provision of equal rights to ownership of land and property. Policy opportunities include integration of gender aspects as part of financial measures for support to small and medium-sized business, as well as target programmes, such as special credit lines and micro-credit systems for women in business. Increase of information provision to women concerning their rights is also of great importance.

The type of research, which we have described, aims to resolve "gender gap" problems in access to information and communication technologies (ICTs), without which businesswomen risk being left behind in the modern economy, based as it is on application of new technologies.

CONCLUSIONS AND RECOMMENDATIONS

This summary of international research experience in the field of gender equality in business shows that studies often serve as the basis for design of practical measures for overcoming gender distinctions between men and women in instances, where there is a need for greater access to economic opportunities. Member countries of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) are making increasing use of the experience of countries, which have been particularly successful in promoting private business initiatives by women, since the private business sector

represents the most promising generator of demand for labour in a market economy.

For this purpose special programmes have been put in place for promotion of women's business initiatives, aiming to provide new knowledge and professional skills, and various consulting and financial services have been developed. But the most important aspect of this process is improvement of national legislation to take account of the gender principle. Studies of gender equality in business have convinced many CEDAW member countries of the necessity for creation of government structures to support women's business initiatives, and for improvement of national legislation to include incentives that enable women to engage in business while continuing to fulfil their roles in the family.

However, it is frequently pointed out that men as well as women encounter problems in developing their own business in the environment of a developing market economy in the CIS countries. This draws attention to the importance of ensuring equal access to economic opportunities for men and women through an overall mechanism of state support for small business. CIS countries are therefore working hard to develop common mechanisms of state support for small business and to apply them as basic laws for conduct of business. Such laws are becoming the basis for development of specific state programmes, including regional programmes, which aim to involve particularly vulnerable social groups in business activity.

In this respect it is important to take note of international trends, which give a major role to social organizations in analysis of gender strategy. Such organizations are often capable of assuming key research functions. The special value of studies concerning gender and business, carried out by social organizations, stems from the ability of such organizations to implement their findings in practice and to involve large numbers of men and women, expanding the opportunities for achievement of gender equality.

The conclusions of analysis of international trends in gender equality in business are that the traditional roles of men and women are currently being reversed. Material provision and decision-making in the family increasingly devolves to the woman, although this is often

not due to a free choice, but to force of circumstances. The institutional environment, particularly in the CIS countries, puts no particular obstacles in the way of women's business development, but also fails to create special incentives and conditions that would foster that development. Ratings of the most important directions for support of women's business usually emphasize a similar list of factors, which could increase access to economic opportunities for women. These are:

- easier access to financing and ICTs;

- easier access to business education;
- easier access to markets, technologies, resources and export-import operations;
- improvement of legal literacy and legal protection.

The research carried out in Turkmenistan is a useful contribution to international findings, and will be helpful in carrying out further comparisons of trends and results of international gender research.

PART II.

Current trends in gender equality in small business

2.1. General demographic characteristics of men and women in the small business sector

The investigation of gender equality in business was carried out using a study sample of 4000 respondents. The sample consisted of 572 heads of small businesses (14.3% of the total sample) while the remaining 3428 respondents (85.75 of the whole sample)

were self-employed.

It was found that representatives of various nationalities work in the business sphere, but that the majority are Turkmen (75.2%), Uzbek (9%) and Russian (7.6%).

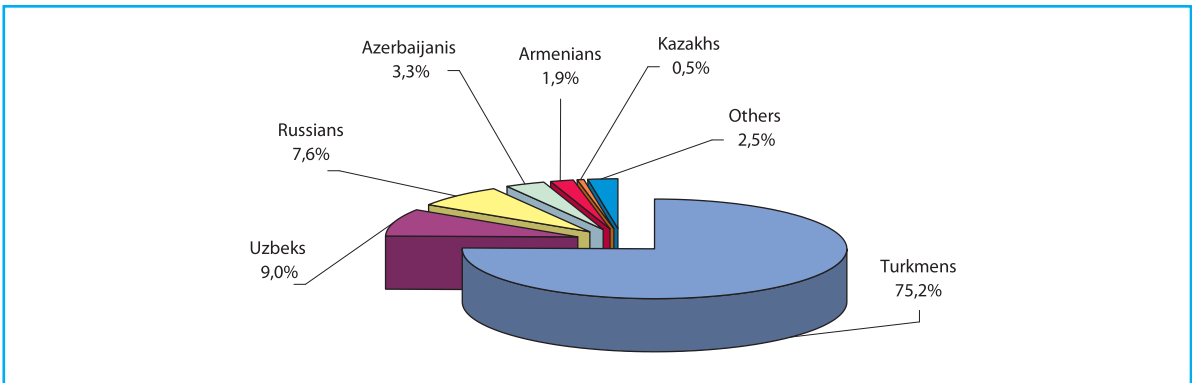


Diagram 1. Structure of people working in business by nationality, %

The survey results showed that the majority of Turkmen who work in the small business sphere are men, while women are in the majority among other nationalities.

of business people was 37.8 years. Gender differences with respect to age are not

The survey results showed that average age

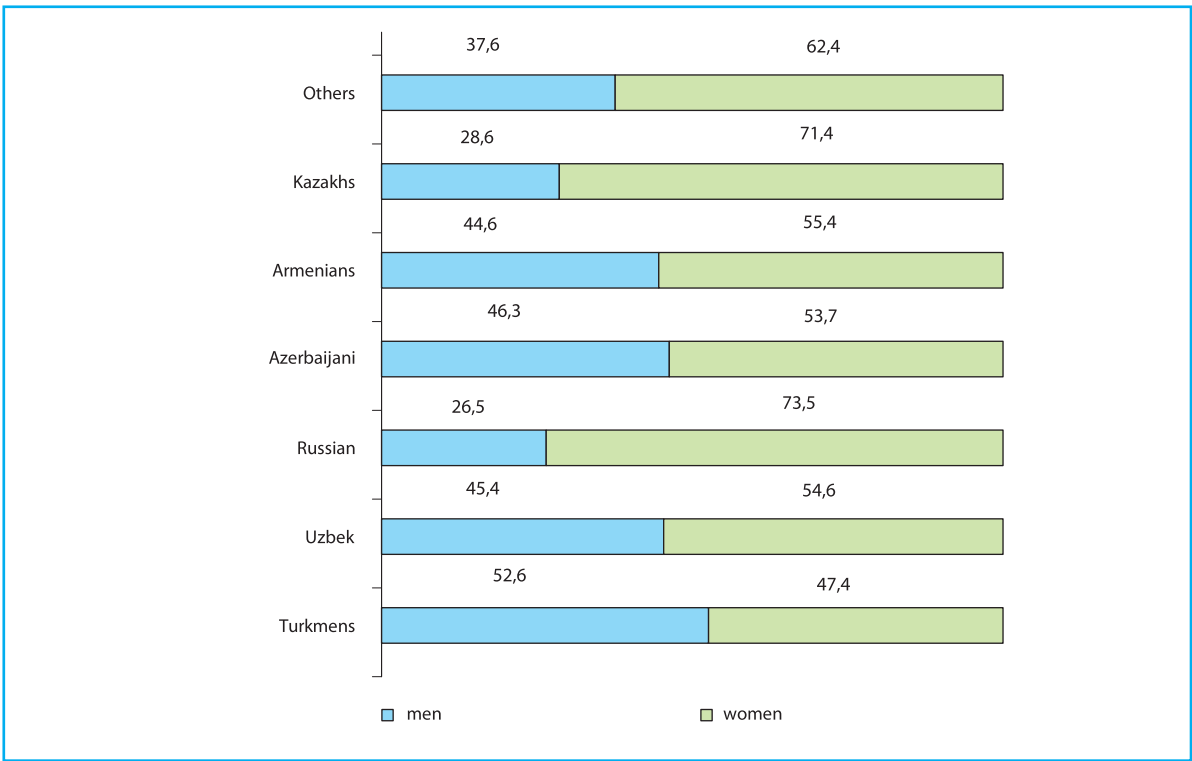


Diagram 2. Shares of men and women in business by nationality, % of positive responses

accounted for 44.1% of all those surveyed.

Businessmen outnumber businesswomen in the age group from 18 to 25 years. This is the

age when women get married and have children, which is hard to combine with business activities.

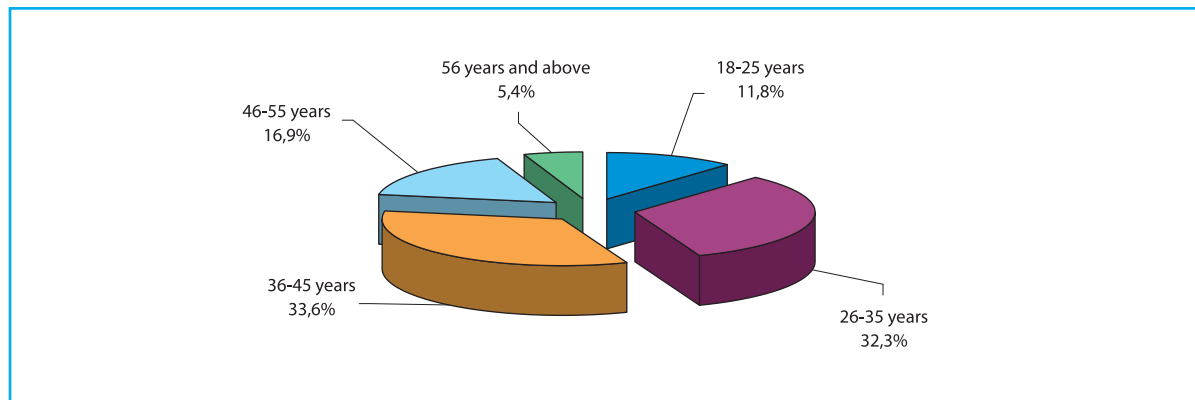


Diagram 3. Age structure of business people, %

The situation is different in the next age group, from 25 to 35 years, where women are in the majority among business people. Women in this age group have more opportunity to engage in business, since their children are growing up and can provide assistance with housework and other parental functions. The

dominance of women is maintained in other age groups.

Investigation of the age structure of business people found that the self-employed tend to be younger: 48.2% of them are aged between 18 and 35, while only 19.4% of heads

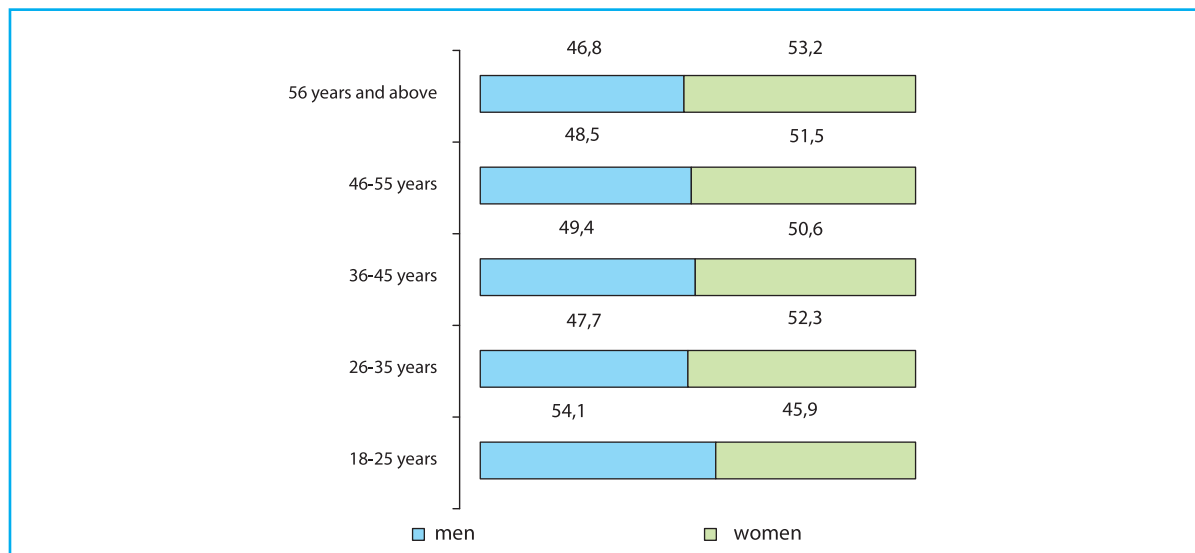


Diagram 4. Proportions of businessmen and businesswomen in different age groups, % of positive responses

of small enterprises are in that age group. Most small enterprises heads (69.2% of the total) are between 36 and 55 years-old, while people of that age group account for 47.3% of all self-employed. It was found that 11.4% of small enterprise heads are over 55 years of age, while the share of self-employed in this age group is only 4.5%.

Levels of education in the business sector are quite high. It was found that 78.7% of respondents have lower or intermediate professional training, have completed or partially completed a course of higher education, and/or have post-graduate qualifications.

Educational background of 20.9% of

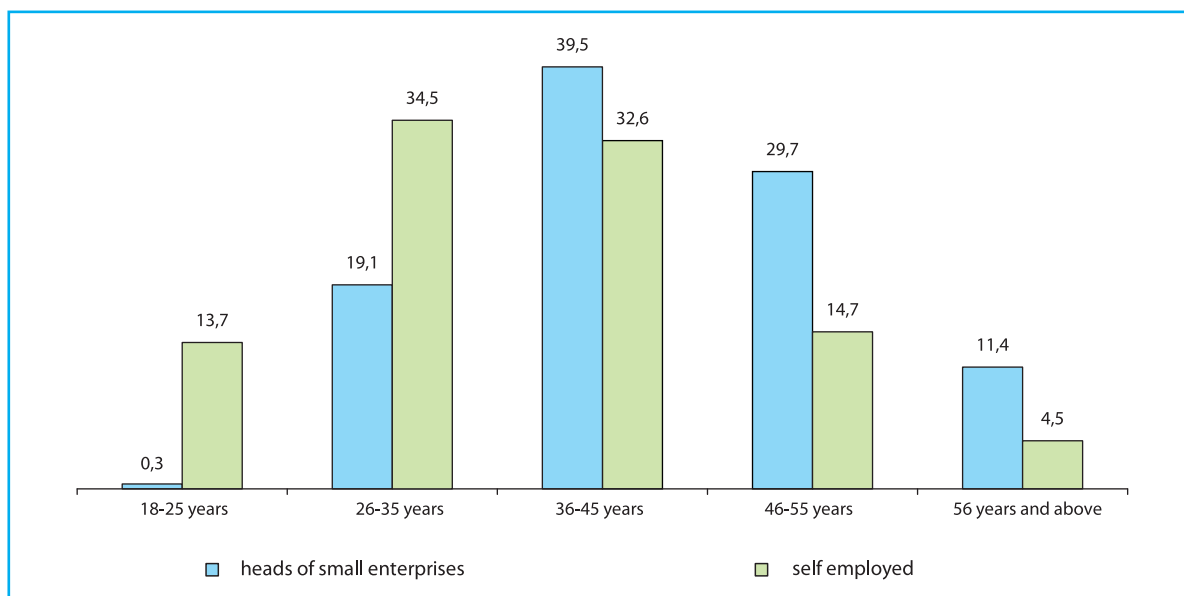


Diagram 5. Structure of small enterprise heads and self employed by age groups, %

business people is limited to completion of secondary school, while 0.3% have only primary school education and 0.1% have religious education.

Businessmen are more likely than businesswomen to have lower vocational education (at lycees and one-year vocational courses) and to have higher education. There

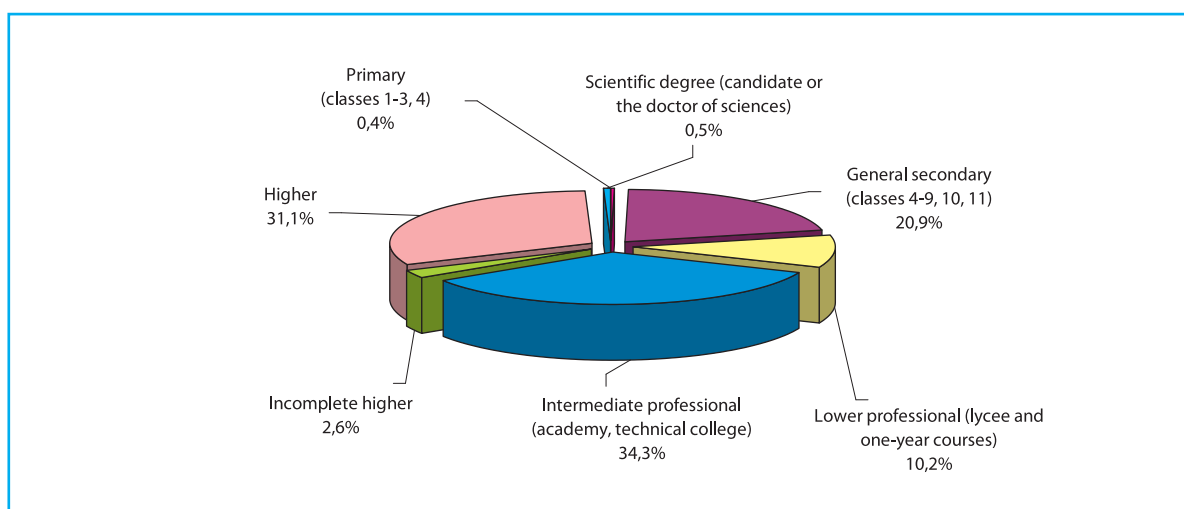


Diagram 6. Education levels in the small business sector, %

are also more businessmen than businesswomen with post-graduate qualifications. Women in business are more likely to have completed a full course of school study and intermediate vocational training (at various types of technical college). Family circumstances and other factors mean that women often find it difficult to complete higher education, so there are more businesswomen

than businessmen who have partly completed courses of higher education. Most of those who

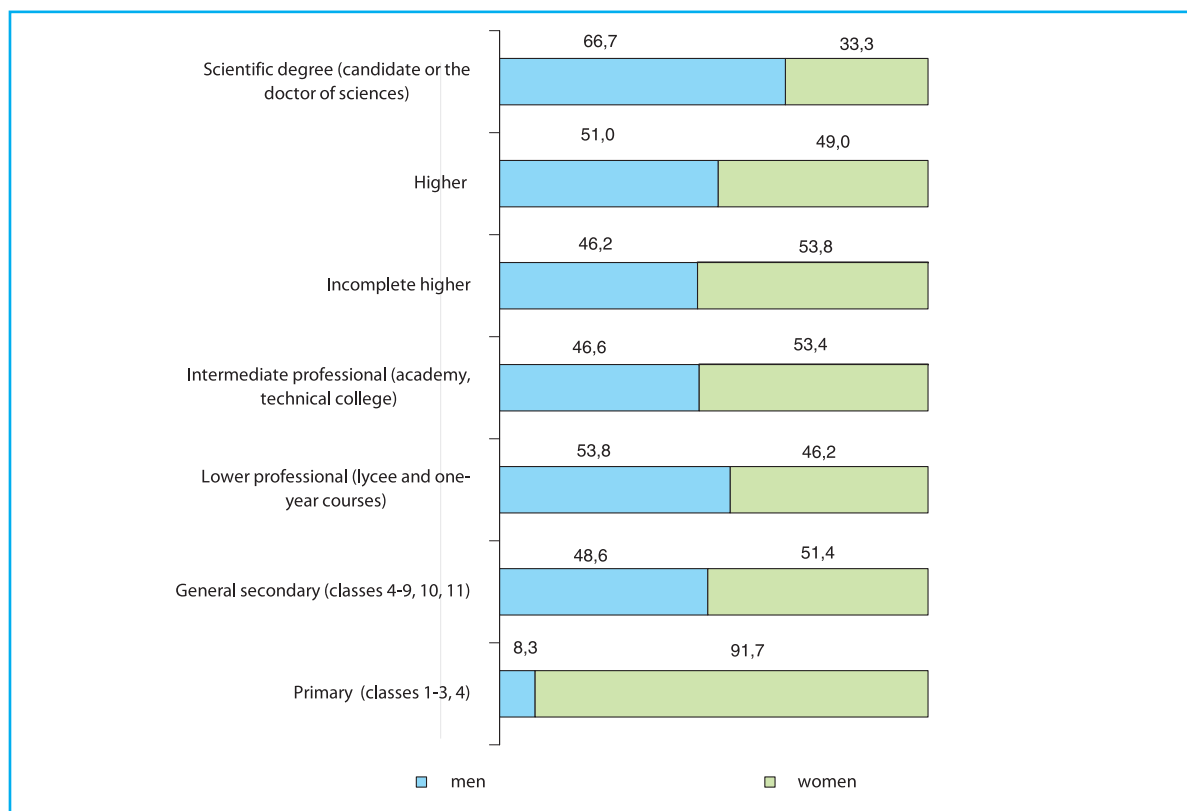


Diagram 7. Businessmen and businesswomen by levels of education, %

but are no longer married are women (i.e. there is a predominance of women among divorcees and those who have been widowed). Women are also in the majority among those who live alone without family. Most of those in

unregistered civil marriages or marriages with religious (non-civil) marriages are also women. Most of those who have never been married are men (these are mainly people in the youngest age group).

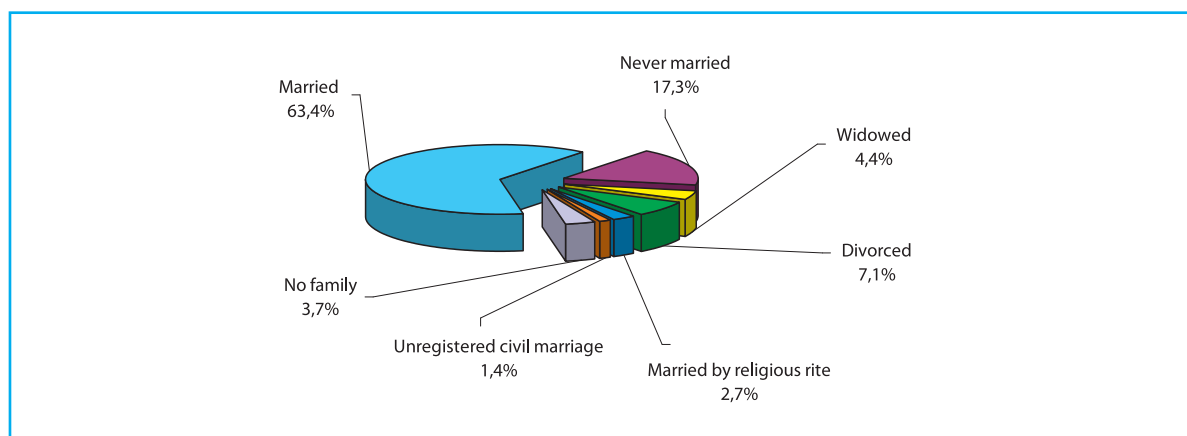


Diagram 8. Family circumstances of business people, %

On the one hand, women without family responsibilities have more opportunity to engage in business. On the other hand, some form of business activity is often the only way for them to make a living without a partner and children.

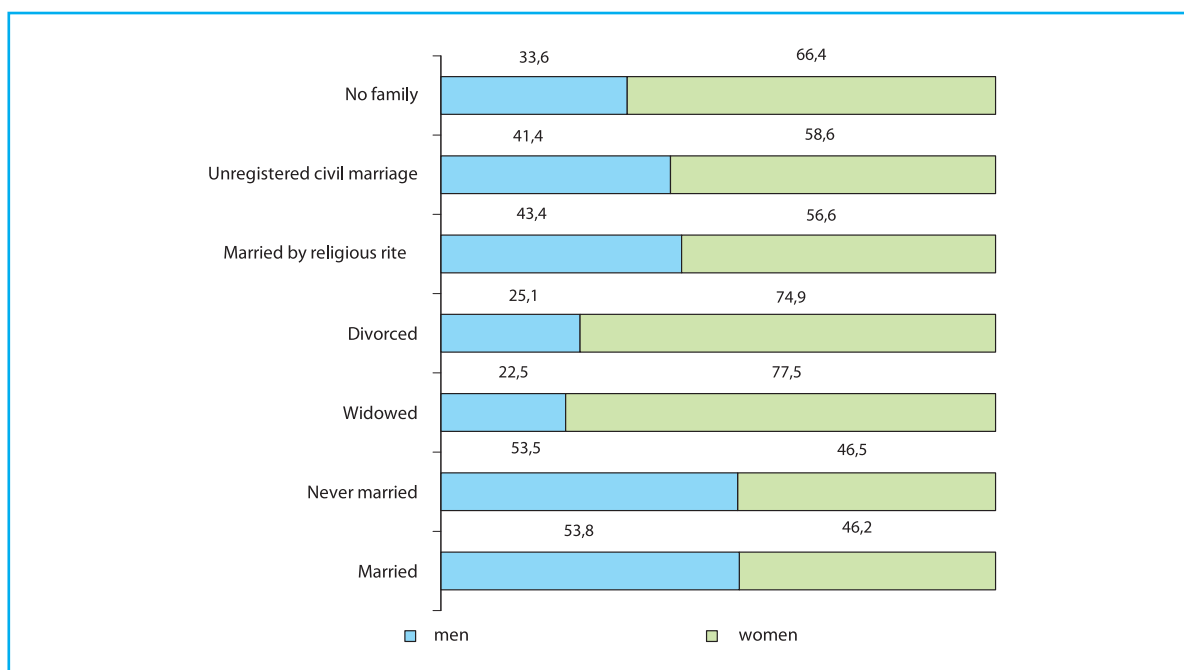


Diagram 9. Family circumstances of small businessmen and businesswomen, %

2.2. Gender leadership in the family and the nature of family relationships in the small business sector

As part of the survey respondents were asked who is the leader (head) of their family in terms of moral and material responsibility, parental and household functions, and also in terms of tradition and stereotypes. Many women viewed their leading role in business as a justification for leadership in the family and this attitude was not an obstacle to development of family life. However, many other businesswomen attributed family leadership to men on the basis of established national traditions and stereotypes, regardless of whether the man was in fact the breadwinner and of what precise parental and economics role he plays.

It was found that the largest group of businesspeople consider themselves to be the head of their family (41.9%), while the second largest group (27%) give this role to their

parents – either father or mother. The latter answer was mainly given by younger business people, who were not yet independent. However, motivation for this answer was sometimes connected with thought stereotypes in the family (respect for elders), rather than the issue of who earns money to support the family.

Nearly a quarter of businesspeople (24.8%) said that their wife or husband is the head of the family. This answer was given both by business people who are themselves breadwinners, and by those who still depend on material support from their husband or wife.

A number of business people said that the head of their family is a close relative – father- or mother-in-law, cousin, or other relative (5.7%) – or a grown-up child (0.6%).

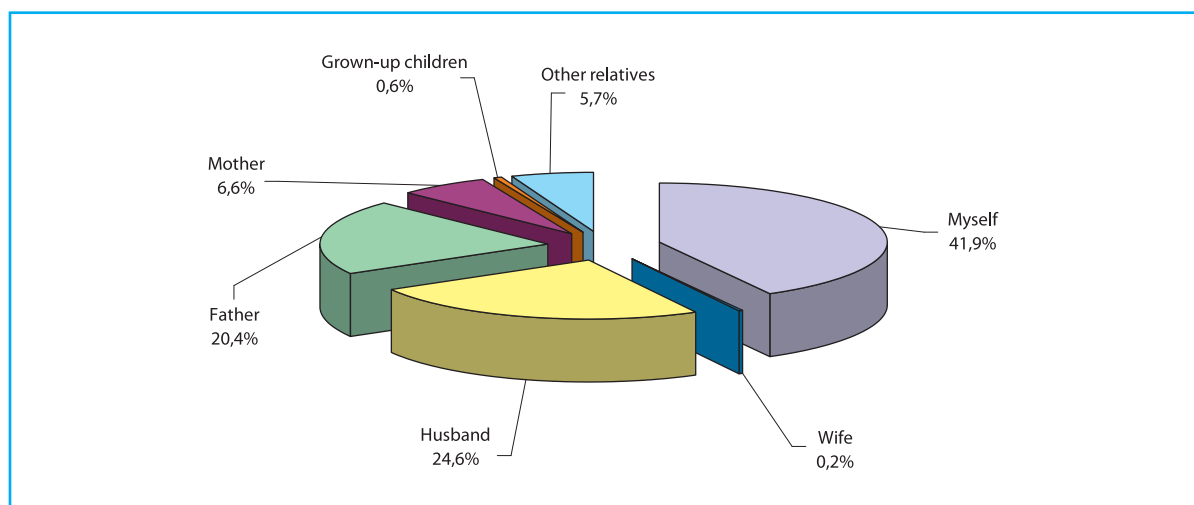


Diagram 10. Answers of business people to the question “Who is the head of your family?”, %

The majority (73.7%) of those who describe themselves as the head of their family are men, while only (26.3%) of those giving this response are women. However, women are often ready to ascribe the role of head of the family to themselves. It was found that one in five of all businesswomen judge themselves to be the head of the family, compared with half of all businessmen.

Businessmen very rarely acknowledged their wives as head of the family, while businesswomen often said that their husbands were the head of the family, even though these women were earning money themselves. This

reflects established stereotypes, according to which the man has to provide for the family's needs – specifically its economic needs – while the woman's function is to bear children and bring them up, i.e. to carry out mainly parental functions. However, in many case businesswomen acknowledged the leadership of their husbands, because the husbands were better established in business.

Men outnumbered women among those who ascribed family leadership to their father (70.2% of those who gave this response were men and 29.8% were women). On the contrary, women outnumbered men among those who

said that their mother was the head of the family (50.6% men and 49.4% women). This indicates that male or female leadership is based on family traditions and is hereditary, so families of business people, where the father is the head of the household tend to pass on this tradition, making the son the head of the family in the next generation. And in families where the mother takes the leading role, it can be expected that the daughter rather than the son will take on the main parental and family duties in the next generation. There is also a dependence on the family's circumstances: in families where the woman is bringing up and maintaining her children alone, she is the undisputed head of the family.

It was found that 56.1% of those who view

themselves as the head of the family are heads of small enterprises, while 39.5% of them are self employed. This reflects the fact that heads of small enterprises have more experience of business and higher incomes, which also tend to be more predictable than the income generated by a self-employed person. Age and experience of family life are also important factors: heads of small enterprises are more likely than the self employed to have years of experience managing a family. And heads of small enterprises have strong organizational abilities and are used to taking command – both qualities, which can be transferred to family life. Such people are usually strong-willed, and learnt to cope with economic difficulties in the Soviet period.

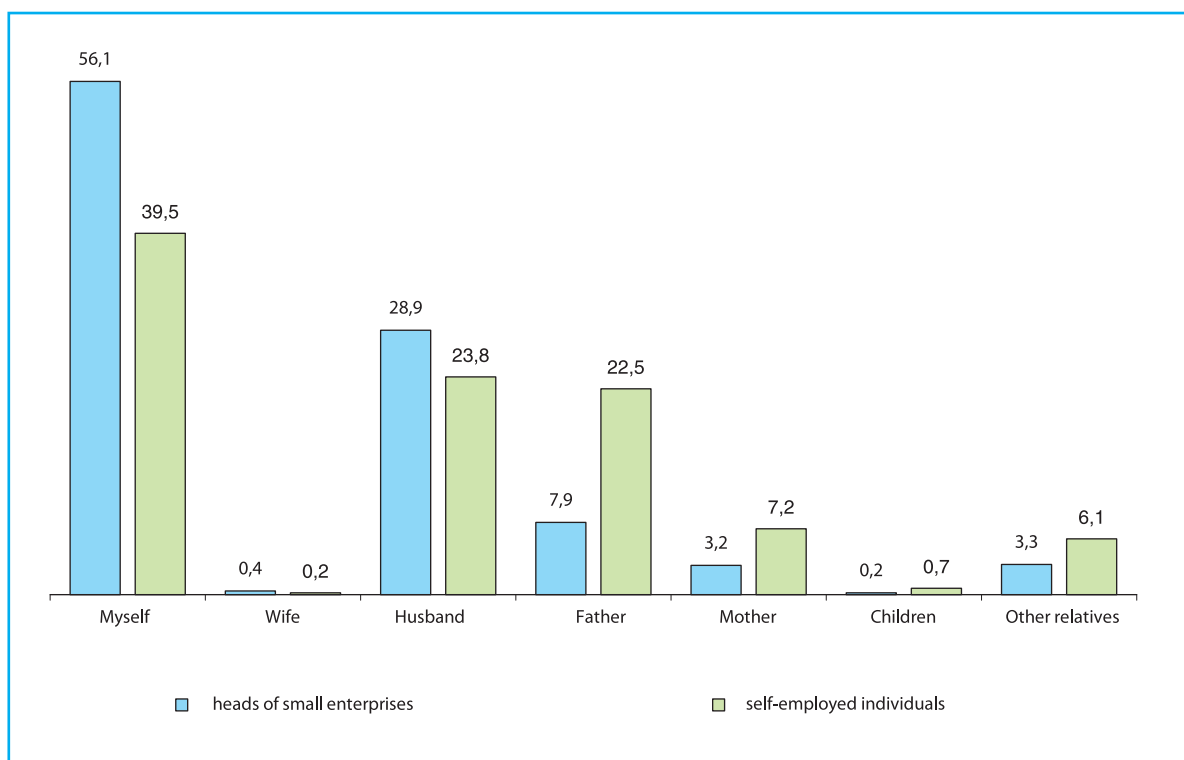


Diagram 11. Ascription of "head of the family" role by small enterprise heads and the self employed, %

The share of male heads of small enterprises who describe themselves as head of the family is greater than the share of self-employed men. The survey found that 82.6% of male heads of small enterprises view themselves as head of the family, while the share of male self employed who gave this response was 58.7% the same correlation was found among women respondents: the share of female heads of small enterprises who said that they are the head of their

households was 30.9% compared with only 20.4% of self-employed women. This is explainable in terms of the weaker financial and economic situation of women self employed compared with women who are heads of small enterprises. The former have often only just started up in business and, therefore, have not get staked a claim to leadership in the family. Another factor is that people working as self employed are less likely to be married with a family.

The share of male heads of small enterprises who acknowledge their wives as head of the family is greater than the share of male self employed, who give this response (0.7% and 0.4%, respectively). Female heads of small enterprises and female self employed are much more willing to acknowledge seniority of their husbands at home, and the statistical difference between the two groups of women in this respect is not great (56.4%) and (47.5%) respectively, acknowledge their husband as head of the household. This shows that the stereotype of male dominance in the family has little correlation with the a woman's specific role in business.

Self employed are more likely than heads of small enterprises to acknowledge their parents

(particularly father) as head of the family. This reflects the fact that the self employed are more dependent on their parents, particularly on their father (one in four), than heads of small enterprises. (one in 13). Not all self employed people are able to maintain their business out of their own resources, due to age factors (they tend to be young) and factors connected with business experience and accumulated capital (a lot of the self employed have only recently set up in business). The situation is much the same in families where the mother is acknowledged as the head of the household: one in every 14 of the self employed acknowledges moral and material primacy of his or her mother at home, compared with one in every 32 heads of small enterprises.

Table 1

Gender differences among business people by ascription of "head of the family" according to business status, % of positive responses

Head of the family	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
myself	82,6	30,9	58,7	20,4
wife	0,7	-	0,4	-
husband	-	56,4	-	47,5
father	12,0	4,1	31,6	13,5
mother	4,3	2,1	6,9	7,4
children	-	0,2	0,3	1,3
other relatives	0,4	6,3	2,1	9,9

Most business people are married and 76.5% of them have children. The share of businesswomen with children is slightly greater than the share of businessmen (78% compared with 74.9%).

And heads of small enterprises are more likely than the employed to have children (the

shares of the former and latter with children are 89.8% and 74.2% respectively), reflecting the relative numbers of respondents who are married (the number of unmarried self employed is higher). The correlations with respect to sex and nature of business status are shown in the following table.

Table 2

Gender differences by number of children and business status, % of positive responses

	Heads of small enterprises			Self employed		
	total	of whom:		total	of whom:	
		with children	without children		with children	without children
Men	100,0	84,8	15,2	100,0	73,3	26,7
Women	100,0	94,5	5,5	100,0	75,1	24,9

The nature of the relationship between parents and children in families of business people depends mainly on levels of affluence, education and family traditions. Respondents were asked to evaluate the extent, to which their children help to run the household. The largest share of respondents (33.7%) said that their children do not help to run the household, mainly because the children are still too small or they are grown up and no longer live at home. Responses by business people, whose children live abroad also belong in this category.

A little more than a quarter of respondents (25.8%) said that their children carry out a small part of household functions. Shares of those, who said that their children carry the main household burden and those who said that their children share the burden roughly equally with the parents were comparable (19.7% and 16.5%, respectively). Only 4.3% of business people said that their children are solely responsible for household tasks. Overall, the results suggest that children make some contribution to running the household in 66.3% of business families.

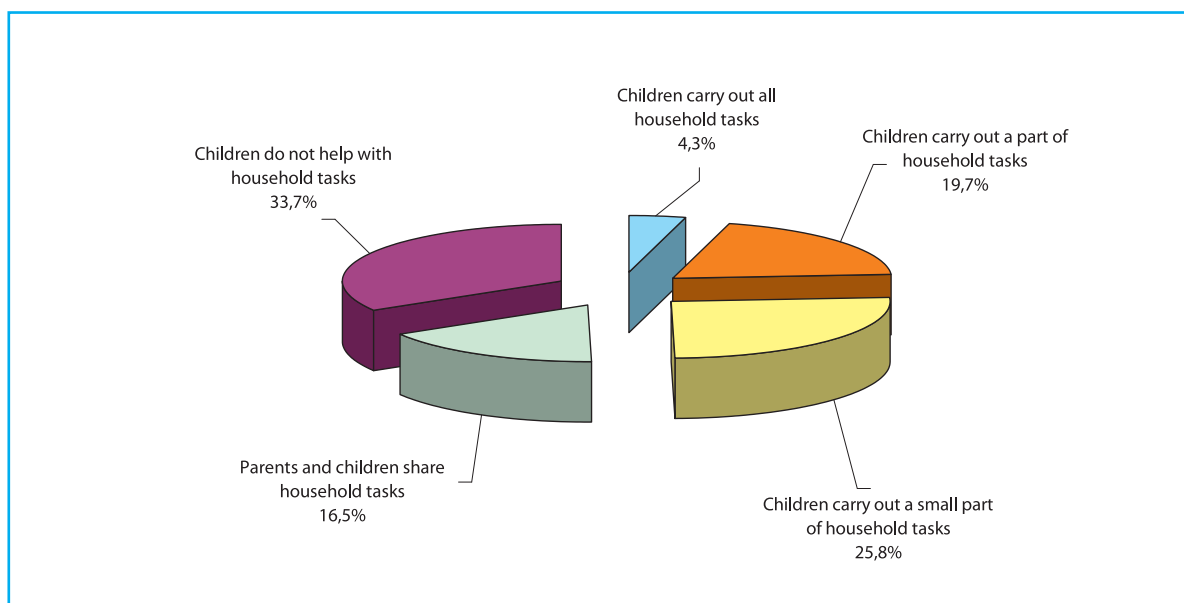


Diagram 12. Structure of responses concerning the extent, to which children help to run the household, %

It was found that businesswomen outnumber businessmen among respondents who say that their children are entirely responsible for running the household. Women were also dominant among respondents who said that their children do most of the household tasks and those who said that their children share the burden equally with their parents. This reflects the fact, if the mother has to devote much of her time to business the children have to take responsibility for household tasks (unless the family can afford to hire outside assistance).

Children in businessmen's families tend to take little or no responsibility for household tasks. When they can afford it businessmen let their wives run the household instead of taking paid work or they hire external home-helps. In many cases businessmen achieve a reasonable degree of material prosperity when they are

middle aged or elderly, and when their children already have their own families. In such cases the children bear less or no responsibility for running their parent's household.

It was found that families of female heads of small enterprises are more likely to manifest a situation where the children either take full responsibility for household tasks or take on the major part of household tasks or bear responsibility for such tasks on a parity basis with their parents, while such a situation is less common in families of male heads of small enterprises. This reflects success of women heads of enterprise in organizing the work process both in their firm and in their home. Male enterprise heads make fewer demands on their children because they have the option of entrusting household responsibilities to their wives or close relatives, or of hiring external help.

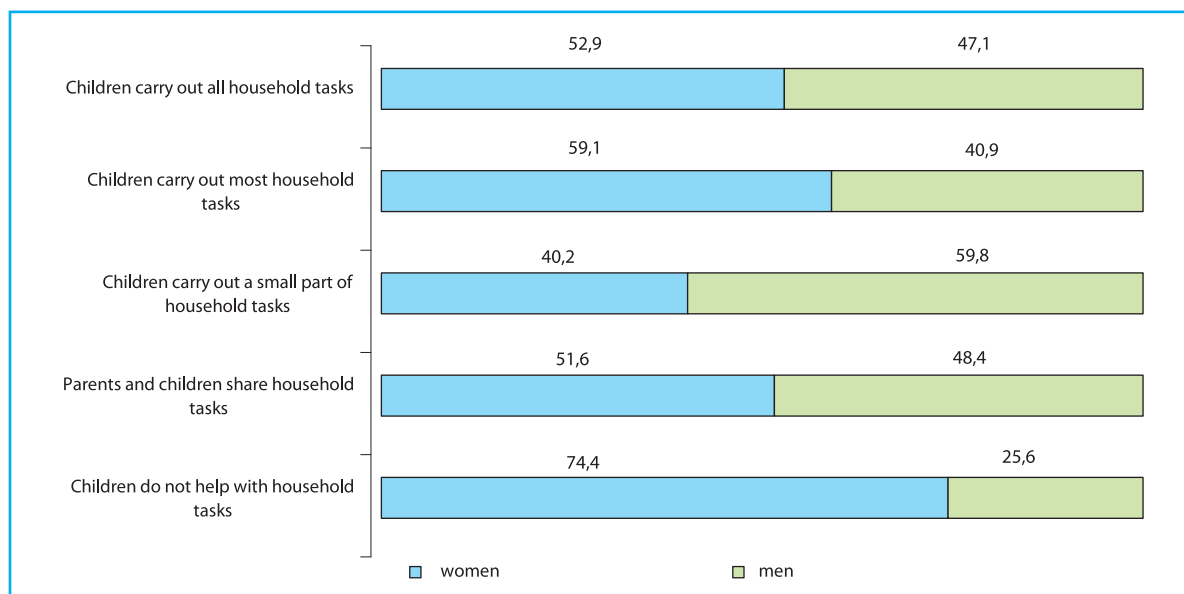


Diagram 13. Gender differences with respect to the level of support, which children provide to their parents in running the household, % of positive responses

Business people may also be able to rely on help from other family members, notably their spouse, in managing their household. Respondents were asked to assess how much

assistance they receive in the home from their spouse. This part of the survey was structured similarly to the questions about levels of support from children. A number of business

Table 3

Levels of household support provided by children, respective to gender differences of business people and differences between their business status, % of positive responses

Level of support from children	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
children take full responsibility for the household	3,8	5,1	1,9	6,4
children take most of the responsibility for the household	22,6	22,9	18,9	19,1
children take a small part of responsibility for the household	35,5	19,6	31,0	20,4
children and parents take equal responsibility for the household	3,4	22,5	15,9	18,3
children take no responsibility for the household	34,7	29,9	32,3	35,8

people reported that they have no assistance from a spouse because they are not married (mainly either divorced or widowed). This answer was given by one in three respondents (29.9% of the total).

respondents who said that their spouse takes on a major or minor part of household

The second largest group – one in five (21.4%) of respondents – said that they take equal responsibility with their spouse for managing the household. The shares of

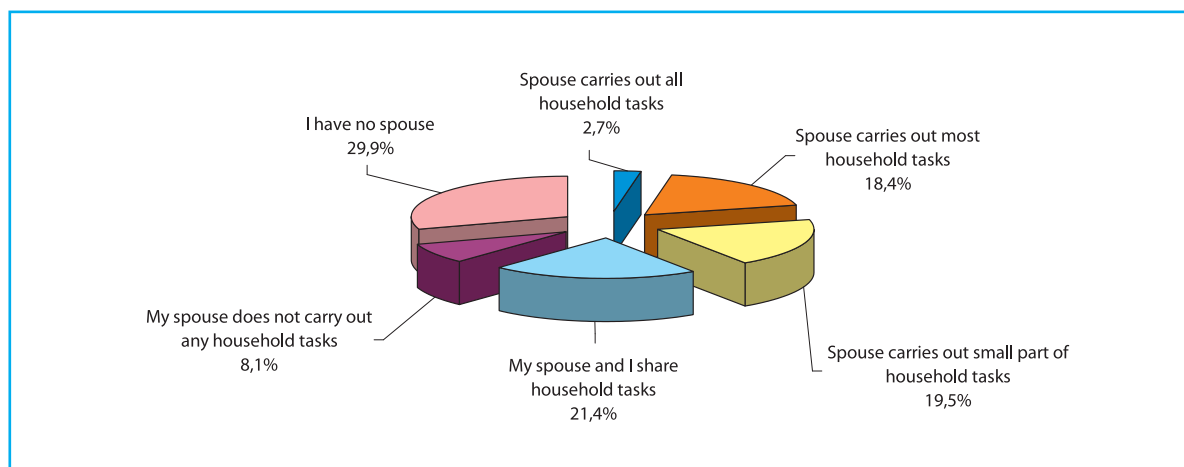


Diagram 14. Structure of responses concerning the extent, to which spouses help to run the household, %

the home there are significant differences between the self employed and heads of small enterprises and between businessmen and businesswomen, which are connected with

scale of business activity, family traditions and thought stereotypes in each of the two sexes.

The share of the self employed without a family partner is higher than the share of heads

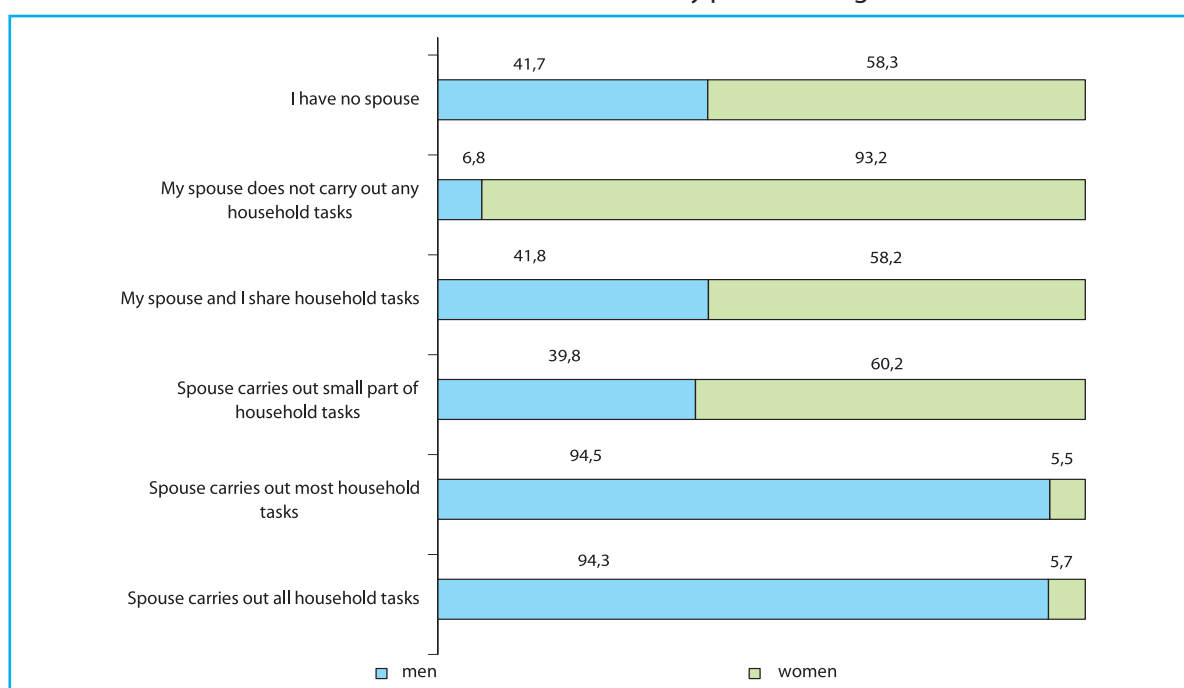


Diagram 15. Gender differences with respect to the level of support, which spouses provide in running the household, % of positive responses

of small enterprises who are in that situation. Also women are more often without a partner than men.

Most male heads of small enterprises said that their spouses take most of the responsibility for running the household. Running the home on a parity basis is more frequent among the self employed, particularly

women. The predominance of women who give this answer is particularly great among heads of small enterprises. Although men and women heads of enterprises have an equally large burden of responsibility in the workplace, men are more likely than women to say that their spouses take most of the responsibility for running the home. Women heads of enterprises were more likely to say that they share home

tasks equally with their spouses (in the best case) or that they have to take all of the responsibility for running the home.

A similar situation is found among the self employed.

Survey respondents were also asked to assess the extent to which they receive help

from relatives in running their household. Answers suggest that support from relatives is less significant than support from children and spouses. A significant number of business people (36.8% of the total) said that they do not have relatives and nearly as many (34.8%) said that their relatives do not help to run the home. Only 28.4% of respondents indicated some

Table 4

Levels of household support provided by spouses, respective to gender differences of business people and differences between their business status, % of positive responses

Level of support from spouse	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of which:				
spouse takes full responsibility for the household	7,2	-	4,8	0,4
spouse takes most of the responsibility for the household	54,3	3,1	31,8	1,8
spouse takes a small part of responsibility for the household	14,5	18,6	15,8	24,2
both spouses take equal responsibility for the household	5,5	33,7	20,1	23,1
spouse takes no responsibility for the household	2,6	15,1	0,9	14,9
do not have a spouse	15,9	29,5	26,6	35,6

degree of help from relatives.

The number of men who said that they have no relatives was greater than the number of women giving that response. Numbers of men and women who said that their relatives give no

assistance in running the home were roughly equal. Relatives are more likely to run the household on parity terms or at least to take a minor share in running the household in families of small businesswomen. This indicates that businesswomen are under more pressure

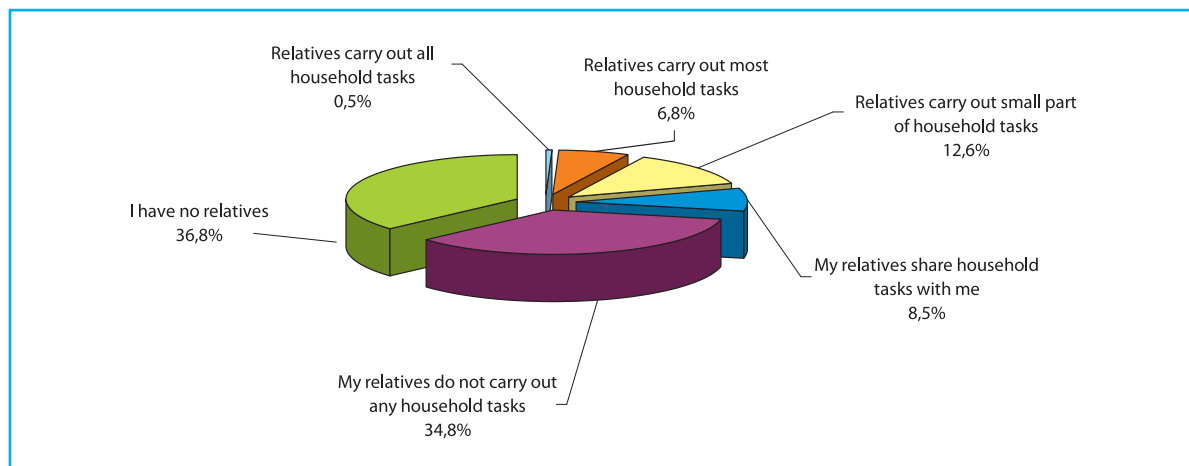


Diagram. 16. Structure of responses concerning the extent, to which relatives help to run the household, %

to adapt to family problems than businessmen. However, numbers of male and female respondents who said that their relatives take full responsibility for running the household

were equal.

The overall finding was that female heads of small enterprises are more likely than male

heads of enterprises to receive help from relatives in managing their household. This was a clear finding in all answers, with the exception of respondents who said that they do not have any relatives: males heads of small enterprises were more likely than female heads to say that they have no relatives.

The gender structure of responses given by the self employed was to a large extent the opposite of responses by enterprise heads. Self-employed men are more likely than female

traders to receive help from relatives in managing the home. This is connected with the fact that self-employed men more often support their relatives' families or make some material provision for them. National traditions stipulate that families, which have lost their main male breadwinner (due to death, army service, study or absence abroad) become the responsibility of a brother, uncle or other male family relative. Grown-up sons are also expected to look after the interests of their father and mother. Self-employed women were

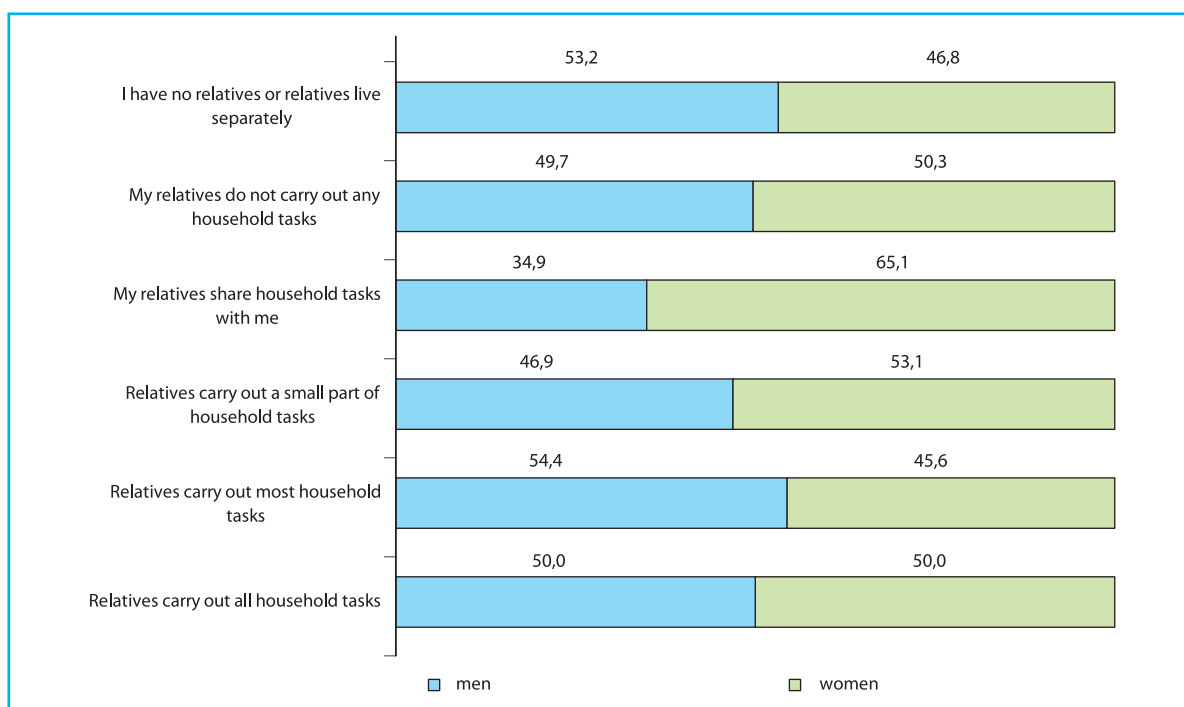


Diagram 17. Gender differences with respect to the level of support, which relatives provide in running the household, % of positive responses

Table 5

Levels of household support provided by relatives, respective to gender differences of business people and differences between their business status

Level of support from relatives	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
relatives take full responsibility for the household	0,4	0,7	0,5	0,5
relatives take most of the responsibility for the household	4,7	6,2	7,9	6,2
relatives take a small part of responsibility for the household	8,0	11,0	12,6	13,7
relatives take equal responsibility for the household	2,2	8,6	6,5	11,3
relatives take no responsibility for the household	25,4	54,6	36,4	31,3
do not have relatives	59,3	18,9	36,1	37,0

more likely than their male counterparts to say that they do not have any relatives, and therefore women have less support from relatives in the home. In such cases self-employed women had only themselves to depend on.

2.3. Gender differences in income, and assignment of parental and household duties in families of small-business people

Adequate income levels help to provide strong foundations for family life. The study looked at the differences between roles of the sexes in assumption of material, as well as moral, responsibility for supporting the family and providing family and personal welfare, regardless of whether a specific businessman or businesswoman actually has a family.

The study took account of the incomes of spouses, children and relatives, and not only of business people themselves. The aim of this was to clarify the importance for business people of material support from close family and relatives. The results showed that material support from these quarters is an important factor helping business people to develop and expand their businesses.

A third of respondents (33.1%) said that all able-bodied members of their families bring in income. The second largest group of

respondents (27.1%) said that they and their spouse both generate income. Relatives also provide material support: 7.2% of respondents said that they earn money together with relatives, and 4.9% earn money together with their grown-up children. In total 72.3% of all respondents said that they have support from their family. Only 13.1% of business people support their family and earn money alone.

It was also found that 3.8% of respondents are fully dependent on their spouse due to business problems and temporary or permanent lack of income. At the time of the study, 1.3% of respondents were fully dependent on their relatives and 0.5% were fully dependent on their grown-up children. And 9% of respondents had other sources of income, such as wages from employment at a government enterprise, pensions, or maintenance.

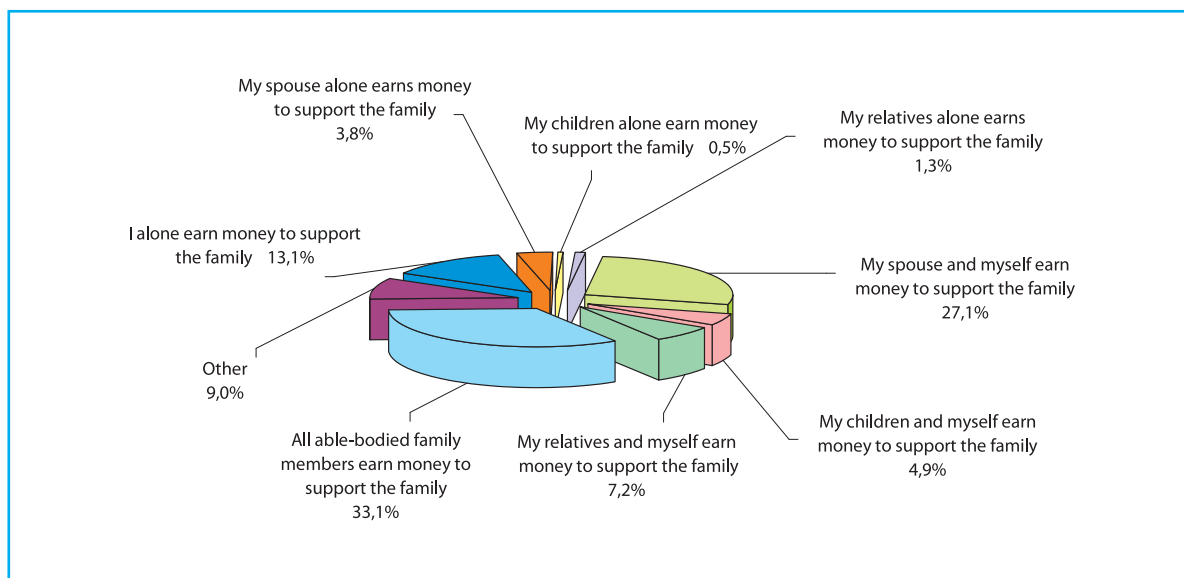


Diagram 18. Structure of responses concerning the extent, to which family and relatives provide material assistance, %

As a general rule, in families where a family member is in business that member is more likely to be the sole earner of money to support the family in cases where the member is a businessman rather than a businesswoman. Since businessmen tend to have more relatives than businesswomen, the former have more opportunity than the latter to earn money for the family together with their

relatives. It is more traditional for men (including businessmen) to stay living with their parents after marriage, so they have more opportunity to earn money together with all able-bodied members of their family. They therefore have more opportunity than businesswomen to use general family income for development and expansion of their business.

Businesswomen are more dependent on income levels of their husbands or children, but they also help their husbands. Because businesswomen tend to have fewer relatives, the extent of support, which they receive from

relatives, is limited, and this includes support in the form of income from non-business activities. However, grown-up children provide more support to businesswomen than to businessmen in looking after the family.

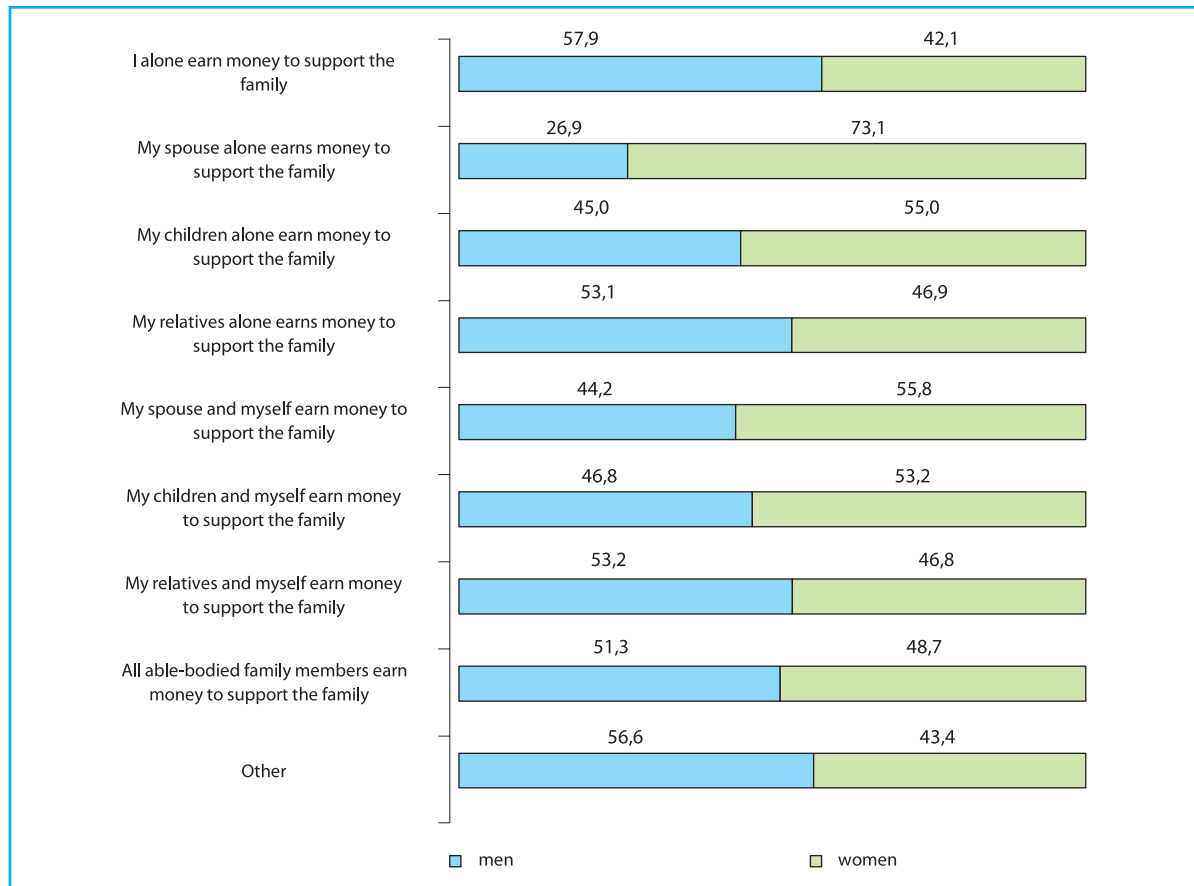


Diagram 19. Gender differences with respect to the level of material support from family and relatives, % of positive responses

Self-employed respondents were more likely than heads of small enterprises to earn money to support their family independently. This reflects more favourable conditions for conduct of business among the self employed. Heads of small enterprises are more likely to be materially dependent on their spouse, children or relatives due to problems in business.

Partnership relations between spouses in generating income to support the family are more characteristic of the self-employed than heads of small enterprises. Heads of small enterprises are more likely than the self-employed to accept help of their grown-up children in resolving material problems and to make use of income from non-business activities. Families of the self-employed are more affluent than families of heads of small enterprises, because, as well as receiving higher

incomes, the self employed have more opportunity to draw on family capital, since families of self-employed people tend to have more members who are generating steady incomes.

The survey established average monthly income of business people in 2005, divided between income from business and income from non-business sources (pensions, allowances, wages from employment at a state enterprise¹ and other income from informal activity.

It was found that average monthly income per one small business person in 2005 was 4681 thousand manats, of which 89.7% represented income from business activity. Average

¹ Self-employed people who rent out spare living space, garage space or allotments are registered as pursuing a business, but they may also work at state enterprises

Table 6.

Levels of material support provided by family and relatives, respective to gender differences of business people and differences between their business status, % of positive responses

Level of material support from family and relatives	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
I earn money to support the family	15,6	8,6	15,1	11,4
My spouse earns money to support the family	5,4	17,2	1,5	3,4
My children earn money to support the family	2,5	2,4	0,1	0,2
My relatives earn money to support the family	2,2	4,8	1,2	0,5
My spouse and I together earn money to support the family	26,1	24,4	23,7	31,0
My children and I together earn money to support the family	8,3	5,5	4,0	5,2
My relatives and I together earn money to support the family	2,9	5,5	8,5	6,9
All able-bodied members of the family earn money to support the family	11,2	23,7	38,1	33,6
Other	25,8	7,9	7,8	7,8

monthly income of a businessman was 5580 thousand manats (19.2% higher than the average), while average monthly income of a businesswoman was 3816 thousand manats (18.5% below the average). Overall income of businesswomen in 2005 was 1.5 times lower than income of businessmen and their income

from non-business sources was 1.4 times lower.

Significant differences between the sexes in income levels are mainly due to differences in the types of economic activity, which business people are involved in, and different problems, which arise in the course of their business.

Table 7

Differences between the sexes in average monthly income of one business person in 2005, thousands of manats

	Men	Women	Average
Average monthly income of one business person	5580	3816	4681
of which, from:			
business activity	5021	3404	4197
non-business sources	559	412	484

Average monthly income of heads of small enterprises in 2005 was 4243 thousand manats, while the self-employed received 4729 thousand manats on average (11.5% more). It was found that female heads of small businesses earn more than their male peers, while the opposite is the case among the self employed. Average monthly income of women in charge of small enterprises was 29.4% higher than income of male heads of enterprises, while self-employed men earned 56% more than self-employed women.

It was also found that average weight of business income of heads of small enterprises was 80.7% of their total income, compared with a figure of 90.5% for the self-employed. Male heads of small enterprises said that weight of business income in their total income was only 67%, while the figure for women enterprise heads was 90.6%. The difference was much less among the self employed: male and female self-employed respondents said that business income represented 91.5% and 89% of their total income, respectively.

Table 8

Differences between the sexes in average monthly income of the self employed and heads of small enterprises in 2005, thousands of manats

	Heads of small enterprises		Self employed	
	Men	Women	Men	Women
Average monthly income of one business person	3683	4765	5785	3710
of which, from:				
business activity	2470	4317	5296	3302
non-business sources	1213	448	489	408

The survey results show that, although heads of small firms in the industrial sector are more often men than women (64.6% compared with 35.4%), average monthly income of male enterprise heads are 1.4 times lower than average monthly income of their female peers. This is because male heads were in the majority at all small enterprises, which faced serious business problems: they were 75% of all small enterprise heads who were unable to resolve financial problems (25% were women), 90% of those who could not obtain production or supply orders from ministries and government departments (10% were women), 77.8% of those who had failed to establish strong relationships with business partners (22.2% were women), 77.3% of those who had been unable to obtain bank credit (22.7% were women), 66.7% of those who were unable to increase the market for their production (33.3% were women), and 68.4% of those who were unable to obtain necessary equipment and inventory (31.6% were women). The share of women enterprises heads who had resolved their business problems was 52.9%, which is higher than the share of male enterprises heads who had been successful in this respect.

The same trends were observed at small enterprises in the construction sector, where average monthly income of female heads was 2.5 times higher than income of male heads, even though men headed 52.4% of the sample firms, while women were in charge of 47.6%. Men accounted for 80% of heads of construction firms who had failed to establish strong relationships with business partners (20% were women), 83.3% of those who had been unable to obtain orders from ministries and government departments (16.7% were women), and 75% of those who had failed to purchase necessary equipment and inventory (25% were women).

Women were in the majority among heads of small transport firms (53.3% compared with 46.7% who were men), and their monthly income from business was 2.3% times higher than that of male peers. Male heads of transport firms had difficulties securing bank credit, obtaining necessary licensing for their business activities, and obtaining new equipment to expand the business.

There was an equal balance between men and women among heads of retail and wholesale trade firms (50.7% and 49.3% respectively). But women earned 1.4% more than their male peers on average. Women were in the majority among those who said that they had been unable to resolve financial problems (56.2% compared with 43.8% who were men), obtain licensing (60.9% against 39.1% men), and secure bank credit (57.1% and 42.9% men). But men outnumbered women among enterprises heads who had failed to establish relationships with business partners (61.1% were men and 38.9% were women), and had been unable to expand their market (55% were men and 45% were women). Overall, women heads of trading enterprises were in the majority among those who had successfully resolved all their business problems (65.2% women and 34.8% men).

There are significantly more female than male heads of educational firms (66.7% and 33.3% respectively), and the same is true in health and tourism (58.8% men and 41.2% women). These sectors are predominantly "female". Income levels of female small enterprise heads in education and in health and tourism are higher than income levels of their male counterparts by 2 times and 10 times, respectively. Income levels of female heads of tourism firms are particularly high. These trends indicate that women's involvement in business is spreading beyond traditionally "female"

sectors, and that women are becoming more numerous in sectors that have traditionally been “male” preserves.

Men were in the majority among heads of small agricultural firms (54.7% compared with 45.3% who are women). Average monthly income of male heads of agricultural firms was 37% higher than for women. Women accounted for 75% of heads of agricultural firms who had difficulty finding a market for their goods (25% were women). Nearly all of those who reported difficulties on export markets and in securing water supplies were women, and 60% of those who had trouble obtaining equipment and inventory were also women. However, heads of agricultural firms who found it difficult to obtain bank credit were predominantly men (69.2% compared with 30.8%).

Women outnumber men among heads of catering firms (74.2% against 25.8%), but income of male enterprise heads in this sector was 29% higher than income of their female peers. This was mainly because women in the catering business found it harder than men to resolve financial problems (80% of respondents who admitted such difficulties were women and only 20% were men), to obtain bank credit (70% and 30%), and to buy equipment and inventory (55.6% and 44.4%). As many as 22% of all women respondents in this sector were unable to renew the licenses, which they need in order to be able to pursue their business.

The situation in the consumer services sector was similar, with numbers of women heads of firms significantly outweighing numbers of men (88% and 12% of the total, respectively), but average monthly income of men exceeding that of women by 1.2 times. All of the firm heads who said that they were unable to resolve financial difficulties were women (38% of all women respondents in the consumer services sector). All of the respondents who indicated various other problems were also women: difficulties renewing their firm’s license (10% of women respondents), obtaining bank credit (48%), expanding on the market (29%), installing new technology (33%) and buying new equipment and inventory (33%).

Women self employed are also expanding into traditionally male realms of business. The survey found a majority of self-employed

women in retail and wholesale trade, rental services, consumer services, education, workshop and home manufacturing, and food production. Men predominate in legal and transport services, in culture and in the construction business. Most women were working in spheres that require business registration.

The survey found that men outnumber women in self-employed provision of transport services (94.5% against 5.5% women), but average income of women in that sector is nearly twice higher than income of men. Nearly all self-employed people in the transport sector who failed to cope with business problems were men (96.6%, while only 3.4% were women), and men represented 96.3% of those who were unable to deal with financial problems and to obtain business licensing. Those who could not obtain bank credit were mainly men (94.7% men and 5.3% women) and the same was true among those who were unable to buy new cars (95.1% men and 4.9% women).

The self employed in the field of education are predominantly women (64.7% women and 35.3% men). Average monthly business income of self-employed women in education was 3.2 times higher than that of men, because women have more teaching experience and operate more efficiently on the education services market.

Male and female self employed are exactly balanced (50-50) in the auditing sector. However, women’s average monthly income is slightly higher (by 3.5%) than men’s. No significant problems in conduct of business were observed in the auditing sector, among either men or women, which indicates that economic opportunities in this sector are equal.

Most self-employed rental services are offered by women (75.6% of the self employed in this segment are women, compared with 24.4% who are men). However, average monthly income of men in this segment was 22.4% higher than income of women. Most of those who were unable to cope with business problems – including financial problems – in provision of rental services were women (82.5%, compared with 17.5% men). Most of those who had been unable to reregister their patent (their entitlement to self employment) were women (80% and 20% men), and women

also dominated among those who had failed to obtain bank credit (72.7% and 27.3% men), as well as those who had been unable to redecorate apartments (87.5% women and 12.5% men). Half of self-employed women and half of men found difficulties in attracting custom.

The self-employed in small-scale or home manufacturing are predominantly women (73.3% and 26.7% men), but average income of men was 1.8 times higher than that of women. The main problems in this business are financial and the biggest share of self-employed manufacturers who could not resolve such problems were women (76.5% compared with 23.5% who were men). The largest share of those who had difficulties in relationships with business partners were also women (72.6% and 27.4% men), and the balance was almost the same among those who were unable to expand their product range (81.4% women and 18.6% men). The male share in those who had difficulties obtaining new production equipment was larger (58.1% and 41.9% women).

Self-employed construction services are dominated by men (87.5%, while 12.5% are women). Men fare better among the self-employed in this business and their average monthly business income is 51.9% higher than that of women.

Production of food is dominated by self-employed women (76.3%, compared with 23.7% who are men). However, it was found that average monthly business income of the male self-employed in this sector is 6.4 times higher than that of women. Women were 88.2% of all those who were unable to resolve financial problems (11.8% were men), 77.8% of those who could not obtain bank credit (22.2% were men), 80% of those who could not expand their market (20% were men) and 87.5% of those who could not increase their product range and enter export markets (12.5% were men). Of those who said that they encountered high levels of competition, and difficulties obtaining raw materials and production equipment, 75% were women and 25% were men.

Self-employed women are in the majority in the trade sector (59.8% women and 40.2% men), but average monthly income of self-employed men from this business was 2.2 times greater than that of women. Women were

77.5% of those who encountered difficulties in reregistering their business patent (22.5% were men), and the share of women among those who said that they could not obtain necessary qualifications to develop and expand their trade business was 63.2% compared with 36.8% men. Shares of those who could not obtain bank credit were 59.9% women and 40.1% men, those who had trouble establishing relationships with business partners were 56.4% women and 43.6% men, while 63% of those who found it hard to expand their sales were women compared with 37% who were men. The majority of those who were unable to increase their goods turnover were also women (72.2% and 27.8% men). It was found that 55.6% of the self-employed in wholesale and retail who had difficulties obtaining rights to conduct foreign trade operations were women, while 44.4% were men.

Men are almost completely dominant in provision of legal and cultural services on a self-employed basis, while women are almost completely dominant in provision of health services.

The study attempted to gauge the share of personal income contributed by business people to their family budgets as a share of overall family budgets. This was measured using estimates by the business people themselves. It was found that the share of personal income contributed by business people in total family income was at a level of 50.9% in Turkmenistan as a whole. The level for businessmen was higher than the average at 54.5%, while the level for women was below the average at 47.4%. These figures reflect the fact that average monthly income of women is lower than that of men in many types of economic activity.

It was found that the share of personal income contributions by business people in total family income is higher for heads of small enterprises (56.9%) than for the self-employed (50.2%). This mainly reflects difference in the scale of business in the two groups and differences in the volume of funds used to support the family.

The survey showed that male heads of small enterprises contribute a bigger share of the family budget (68.2%), compared with women enterprises heads (46.3%), although the latter have higher incomes from business activity.

This reflects the fact that women are more sparing in their household expenses and that they invest more of their income in expansion of their business.

Gender differences among the self employed follow a similar pattern. Men contribute 53% of the overall family budget, while women contribute 47.5%. In this case the difference is mainly due to differences in levels of income: women obtain less from self-employed business than men, and they cannot spend more than they actually earn on maintenance of the household.

The study investigated the extent to which business people assume the burden of parental and household duties. Division of parental duties is usually based on mutual understanding between husband and wife concerning moral responsibility for bringing up children. But in many cases family traditions were also important: the parents of business people provided an example, which was the basis for behaviour by the younger generation. Unsurprisingly, husbands or wives who were

mainly occupied in earning money and who spent most of their time at work were unable to give sufficient time to bringing up children and left most of the responsibility for that on the shoulders of their spouse or grown-up children.

A separate survey of the sub-group of married business people was carried out in order to determine the extent to which they assume parental responsibilities. It was found that the largest section (35%) of these business people assume parental responsibilities on parity basis with their spouse. In large and harmonious families all family members assume equal responsibility (12.2% of respondents in the sub-group). In other responsibility for parental functions was mainly left to the business person's spouse (8.1%), to relatives and grow-up children (6.5%), or to a hired help (0.2%). Only 8.3% of business people said that take parental responsibilities entirely upon themselves. Business people whose children were already grown up with their own families said that they bore almost no parental responsibility (6.1% of respondents in the sub-group).

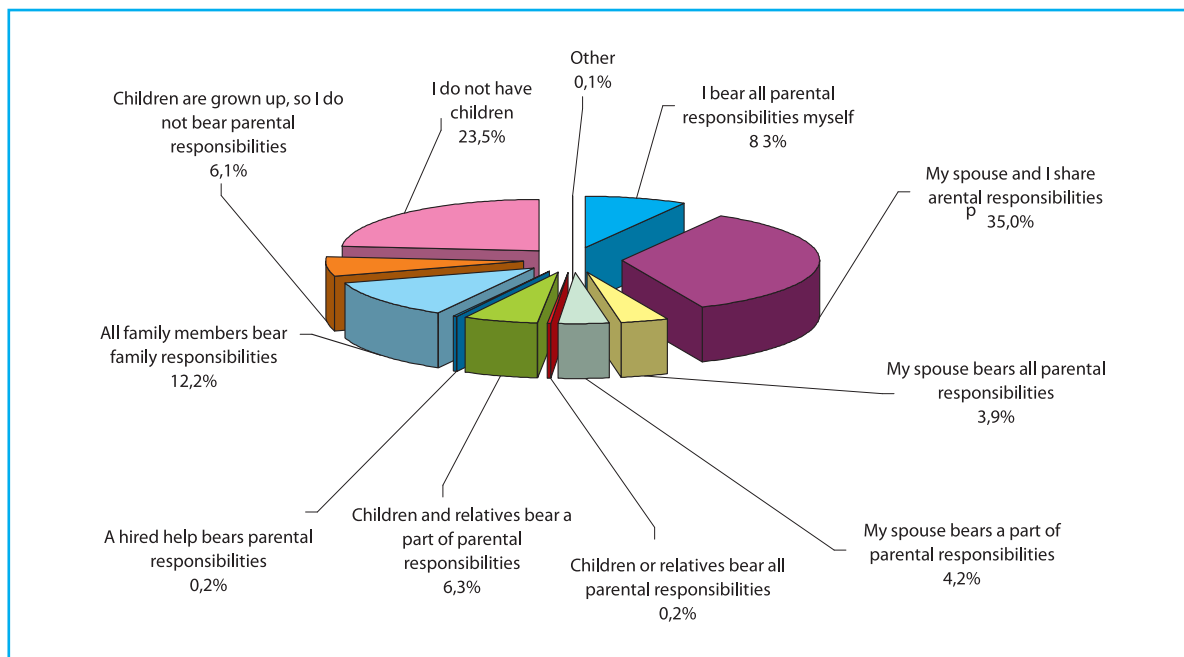


Diagram 20. Structure of responses by business people regarding division of parental responsibility in the family, %

There survey revealed significant differences between the sexes in this regard: businesswomen are more likely to take sole responsibility for parental functions, or to transfer them to relatives, children or hired helps, while businessmen are more likely to vest parental responsibilities in their wives (either

partially or completely) or, in the best case, to take joint responsibility for parenting.

It was found that heads of small enterprises are more likely to assume parental responsibilities jointly with their spouses than self-employed individuals. The main factors here are

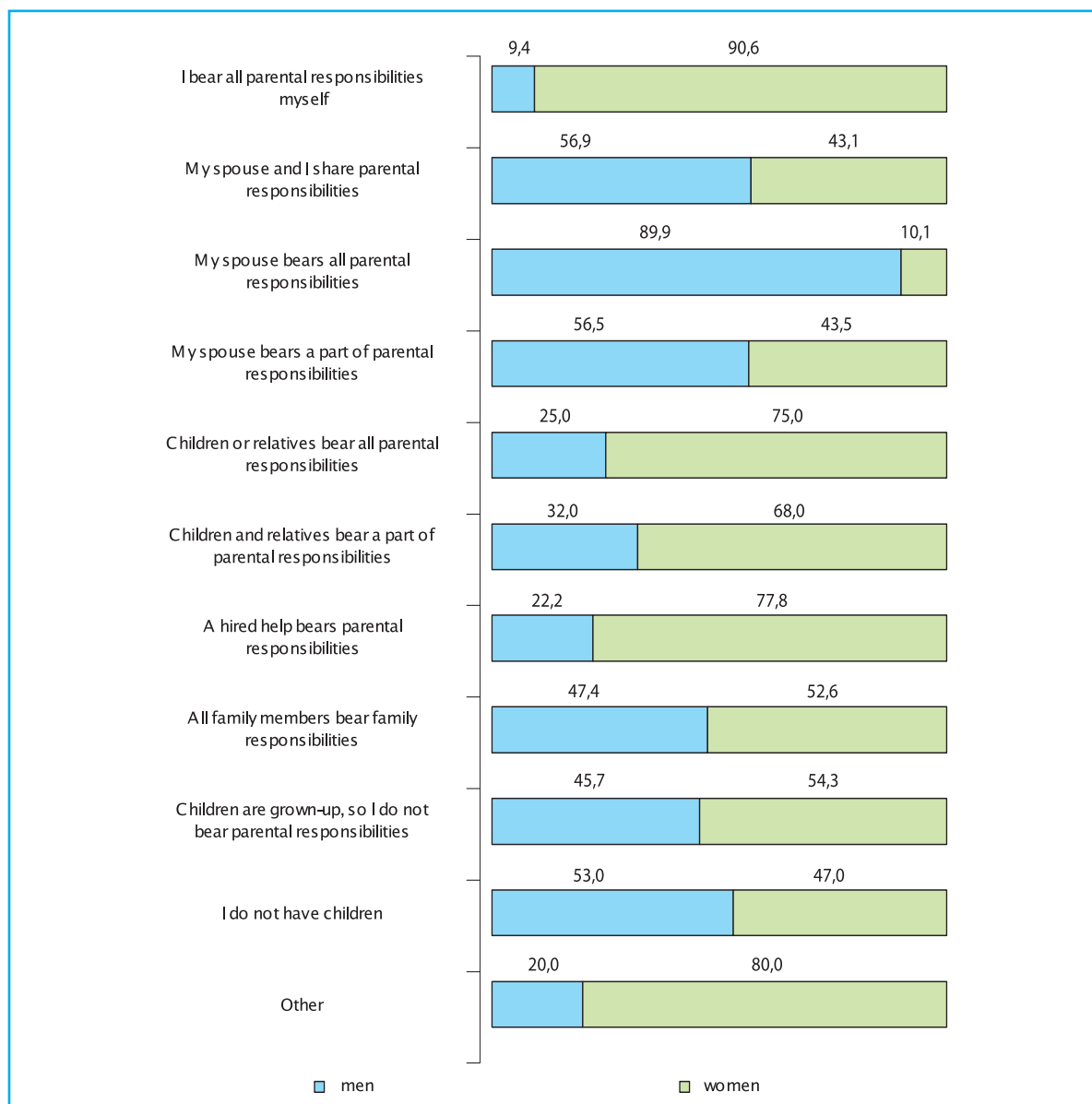


Diagram 21. Gender differences with respect to assignment of parental responsibilities in the family, % of positive responses

levels of education, age and family traditions. Understanding by both partners of the scale of parenting responsibility is higher in families where the parents have higher education than in families where education levels are lower and family traditions of joint responsibility for raising children are less well-established. Parents with higher education strive to ensure that their children also obtain higher education.

Generally, though, businesswomen help their husbands to carry out parental responsibilities much more often than businessmen help their wives in this respect.

The self employed are more likely than

heads of small enterprises to take sole responsibility for carrying out parental functions. This is because their work schedule is usually less arduous than is the case for heads of small enterprises. Women are in the majority among those who take sole parental responsibility, both among heads of small enterprises and among the self employed. Women are more often faced with the necessity of combining responsibilities for running a business with parental responsibilities.

Heads of small enterprises are more likely than the self employed to use hired helps to look after their children. Women have recourse to hired helps more often than men, because

the former have higher incomes from business in most cases.

Participation by all family members in the task of looking after children is more usual among the self employed than heads of small enterprises. And it was more usually the case

among women heads of small enterprises, who have less time than the self employed for carrying out parental functions and therefore have greater need for help from other members of the family (self-employed people usually have more flexibility in use of their time).

Table 9.

Differences between the sexes in assignment of parental responsibilities by the self employed and heads of small enterprises, % of positive responses

	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
I bear all parental responsibilities in the family myself	3,6	11,0	1,2	15,7
I share all parental responsibilities in the family on equal terms with my spouse	45,7	37,5	39,1	28,7
My spouse bears all parental responsibilities in the family	5,8	0,7	7,2	0,8
My spouse bears part of parental responsibilities in the family	10,1	6,9	3,8	3,0
Children and relatives bear a part of parental responsibilities in the family	1,4	8,6	4,5	8,4
Children and relatives bear all parental responsibilities in the family	0,4	0,3	0,1	0,3
Hired helps bear a part of parental responsibilities in the family	0,4	0,7	0,1	0,3
All family members bear parental responsibilities in the family	2,5	13,7	13,2	12,6
I have no children	15,2	5,5	26,7	24,9
Other	-	0,7	0,1	0,1
My children are grown up, so I do not have to carry out parental tasks	14,9	14,4	4,0	5,2

In order to supplement this information and investigate gender differences in more depth, business people were asked to list the specific parental tasks, for which they are solely responsible in the family. The result is a rating, which differs from the structural survey answers above, in that it does not give a 100% total of respondents. That is because respondents could choose as many of the proposed answers as were appropriate to describe their real situation.

Gender differences in fulfilment of parental functions are significant. Women are more likely than men to take responsibility for bringing up children. Women are in the

majority among those who go out with their children for relaxation during breaks from school and work holidays, take them for walks and do homework with them, and look after sick and newborn children. Women are also a majority of those who help to resolve problems of grown-up children, whether or not they live at home.

However, businessmen are in the majority among those parents who take their children to and from school. And grown-up children, living at home or living separately, are more likely to be fully financially dependent on parents who are businessmen than on parents who are businesswomen.

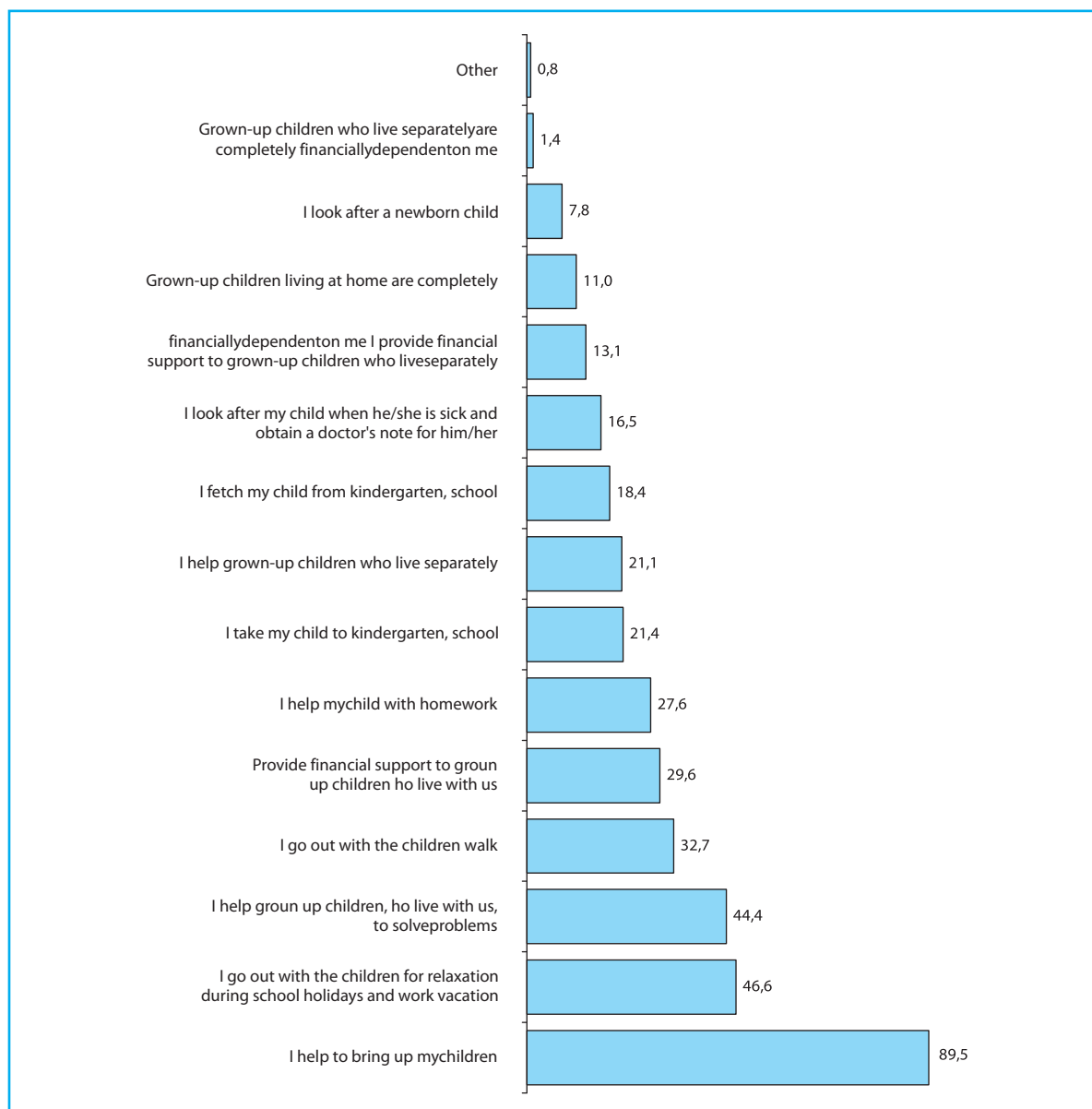


Diagram 22. Rating of parental functions, for which business people have sole responsibility, % of positive responses

Division of household tasks is also important. The scale of responsibility for household tasks places limits on business development. Gender distinctions in division of household tasks in families of business people are of particular interest.

Investigation of division of household tasks was carried out in an analogous fashion to investigation of how parental responsibility is assigned. Respondents were asked to select answers from a list, selecting all answers, which applied to their case. The result was a rating of household tasks, for which business people assume responsibility in their families.

The results obtained show a high level of

mutual assistance with household tasks in families of business people. A large portion of business people (47.9%) said that all members of their families help to carry out household tasks, and the biggest share of respondents giving this answer were businessmen (56.5%, while businesswomen were 43.5% of those giving this answer). The frequency with which households tasks are distributed among all family members in families of business people is explained by the fact that, in many cases, the business person is the sole breadwinner, and does not have enough time to carry out household tasks himself (or herself). The gender difference is explained by the fact that businessmen tend to live with their parents and

Table 10.

Gender differences with respect to parental functions, for which business people take sole responsibility, % of positive responses

Parental function	Total	of whom:	
		men	women
I take part in looking after the children	100,0	44,8	55,2
I go out with the children for relaxation during school holidays and work vacation	100,0	47,1	52,9
I help to solve problems of grown-up children living at home	100,0	40,5	59,5
I go for walks with my children	100,0	47,6	52,4
I provide financial support to grown-up children living at home	100,0	56,6	43,4
I help the children to do their homework	100,0	38,1	61,9
I take the children to school or kindergarten	100,0	52,1	47,9
I help to solve problems of grown-up children living at home	100,0	43,9	56,1
I collect the children from school or kindergarten	100,0	51,0	49,0
I look after the children when they are sick and get a doctor's note for them	100,0	29,1	70,9
I provide financial support to grown-up children living away from home	100,0	54,8	45,2
Grown-up children living at home are financially fully dependent on me	100,0	46,2	53,8
I look after a new-born child	100,0	32,3	67,7
Grown-up children living away from home are financially fully dependent on me	100,0	66,7	33,3

therefore find it easier to delegate household responsibilities, whereas businesswomen, as a rule, find themselves in a new family after their marriage.

Business people receive differing levels of support in household tasks. The share of married respondents who said that children and relatives carry out a part of household tasks was 3.6%, most of whom were women (77.5% compared with 22.5% who were men). A larger share of respondents (14.9%) said that children and relatives carry out all household tasks in their family. Women were in the majority among those who said that children and relatives provide help with household tasks (75.1% of all those who gave this answer, while 24.9% were men).

Those who said that they and their spouse take equal responsibility for managing the household were 8.7% of respondents, of whom a majority were men (52.4%, compared with 47.6% who were women). Responses suggested that 2.9% of business people place all responsibility for the household with their spouse, and the overwhelming majority of such respondents were men (92.9%, compared with 7.1% women).

Men were also in the majority among 7.9% of respondents who expect their spouse to carry out a certain share of household tasks: 64.9% of such respondents were men and 35.1% were women.

Delegation of household tasks to a hired help, either completely or in part, was indicated by 0.4% and 1.1% of respondents, respectively. The majority (53.8%) of those who use a hired help for all household tasks are men, while 46.2% are women. But women are predominant among those who use a hired help to carry out a part of household tasks (54.5%, compared with 45.5% who are men).

It was found that 4.4% of business people carry out all household tasks themselves, and the majority of them (79.4%) were women, compared with 20.6% who were men.

This information was supplemented by a further survey that aimed to establish a list of household tasks, for which business people take responsibility in the family. The purpose of this was to gain a deeper insight into gender distinctions. A rating was constructed on the basis of responses to this survey, which differs from the results of the structural survey by not adding up to 100%: business people were

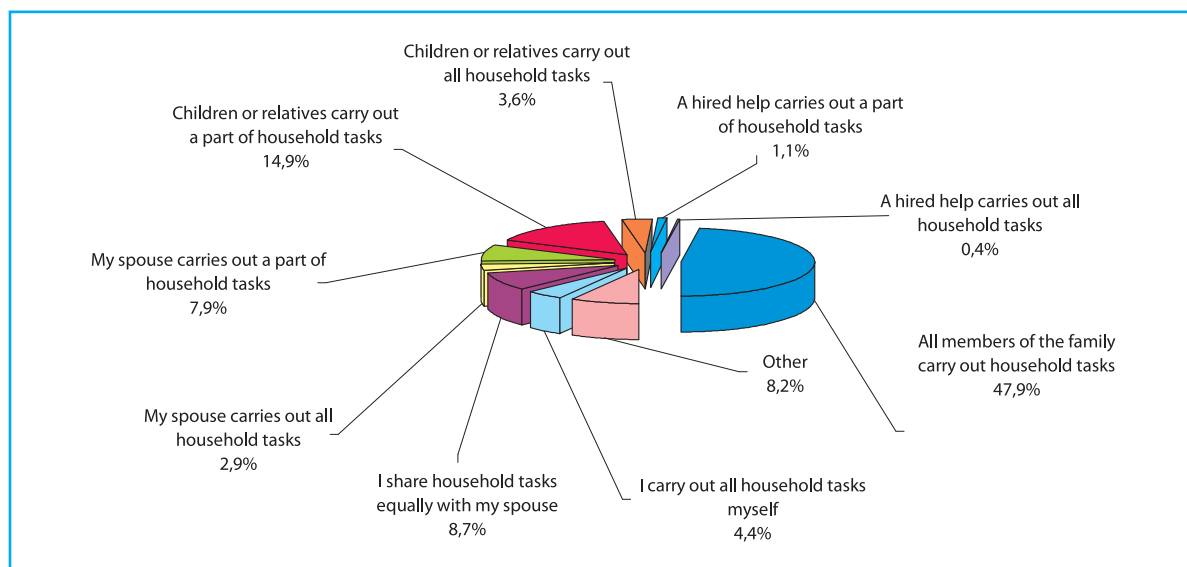


Diagram 23. Division of household duties in families of business people, %

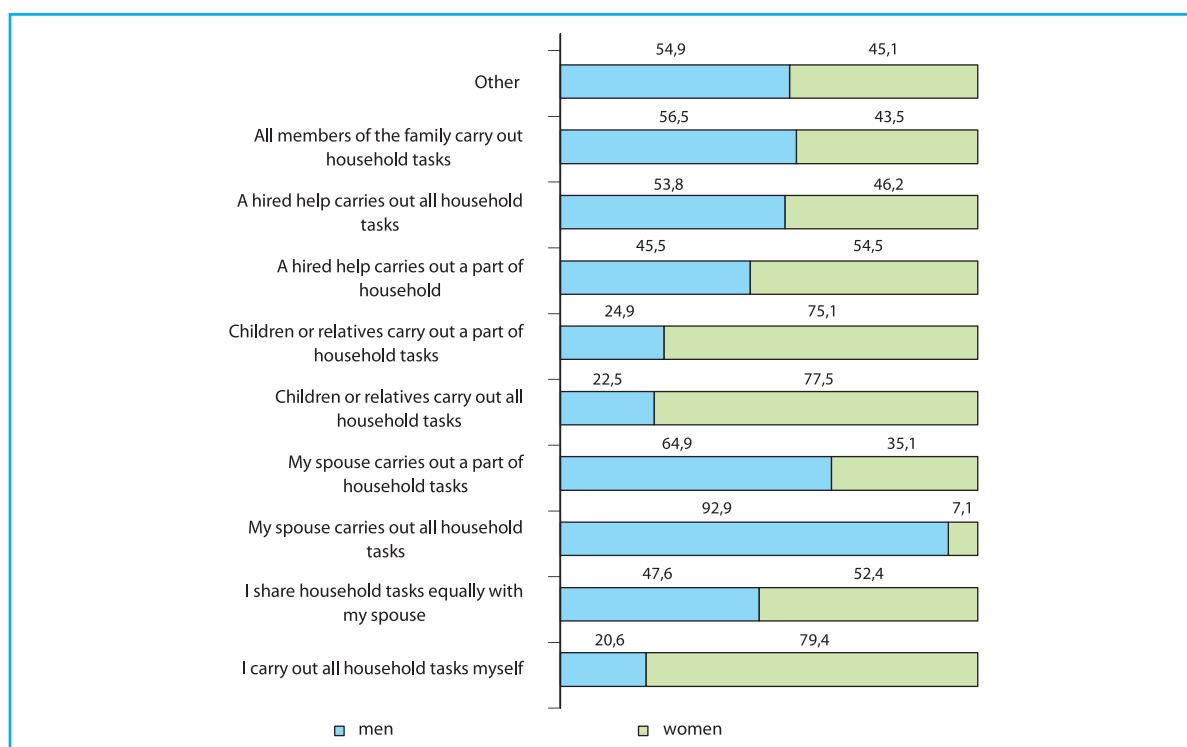


Diagram 24. Gender differences with respect to division of household duties in families of business people, % of positive responses

invited to select any number of proposed responses, which (in their opinion) gave a realistic assessment of their lifestyle.

The household duty, which business people most commonly assume, is purchase of goods at the market or in shops: 83.5% of all business people, who said that they carry out some part of household duties, selected the task of buying goods and food for the family. Women were in a narrow majority of those who selected this

answer (51.3%, compared with 48.7% who were men).

It was found that 48.7% of business people prepare food for the family (88.6% of those who selected this response were women, while 11.4% were men). Nearly as many business people (43.3% of the total) clean the flat where their family live (80.5% of these respondents were women, while only 19.5% were men). Those who do the washing and ironing are,

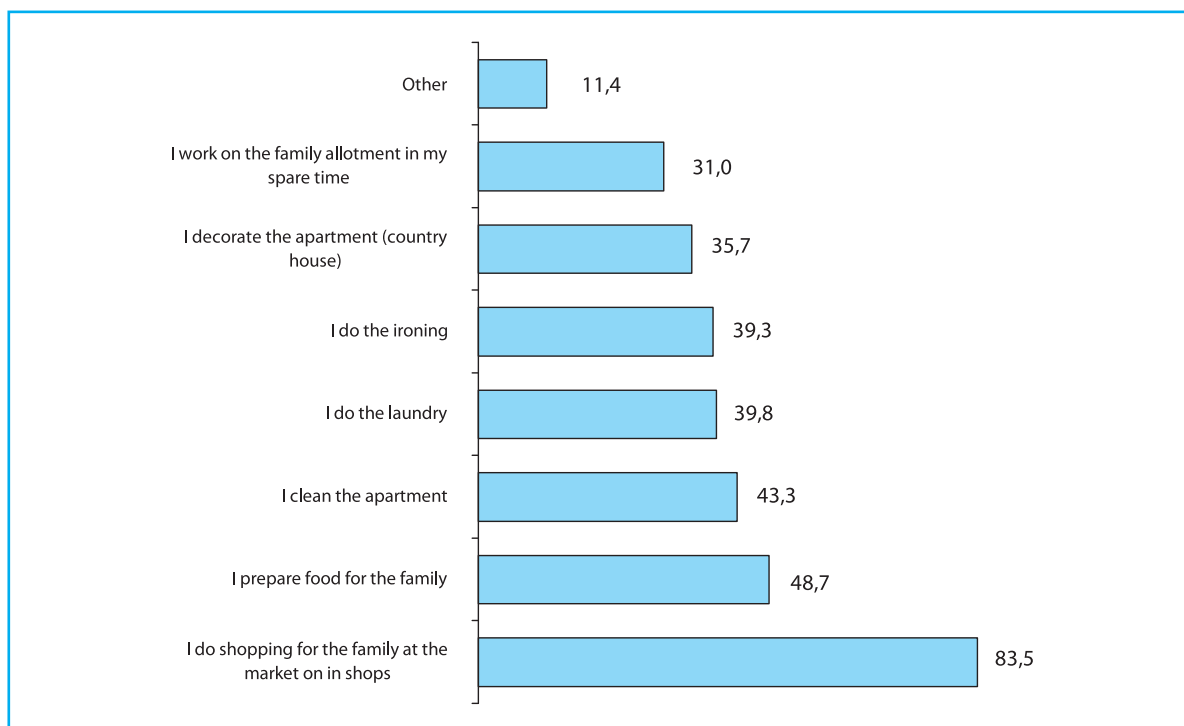


Diagram 25. Rating of household functions, for which business people assume sole responsibility, % of positive responses

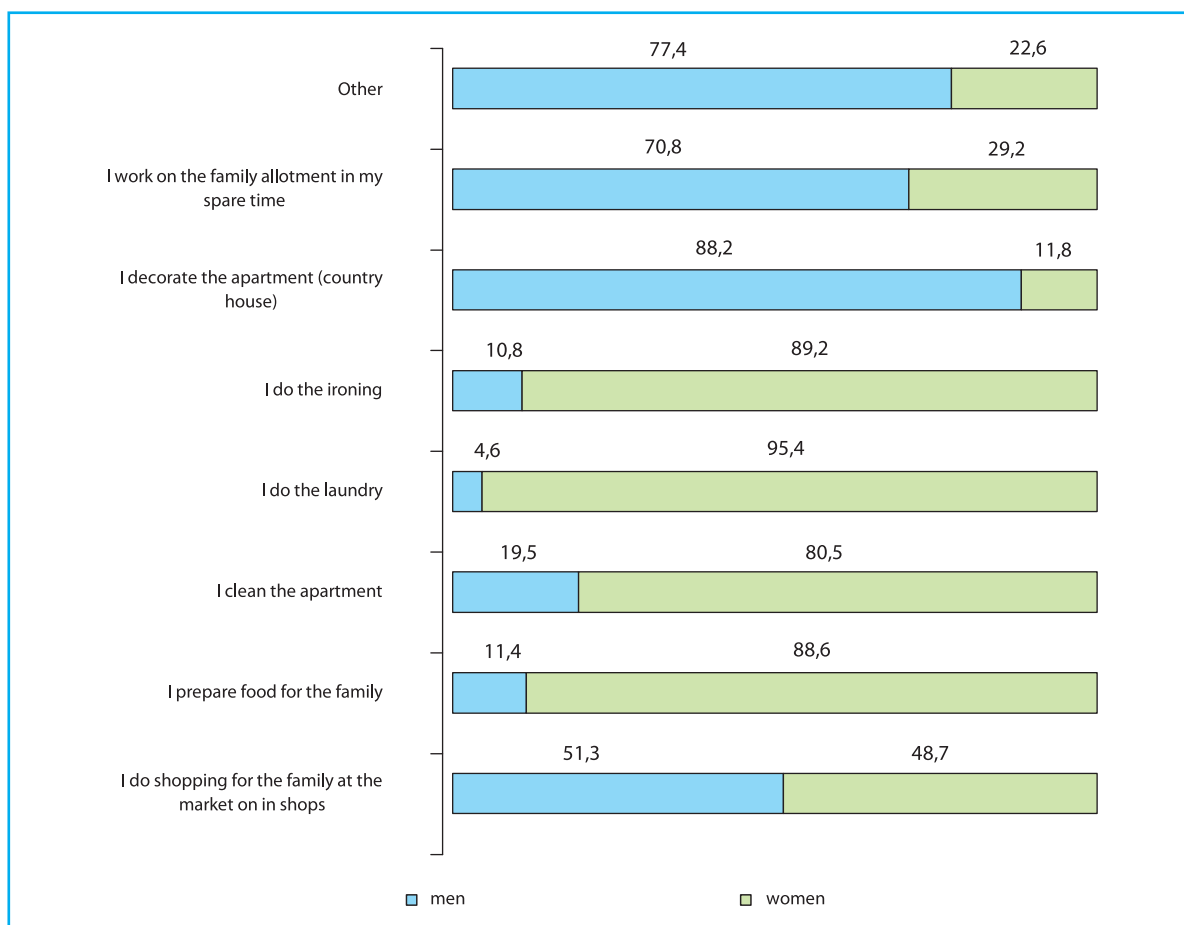


Diagram 26. Gender differences with respect to household functions, which business people assume in the family, % of positive responses

respectively, 39.8% и 39.3% of all business people, mainly women (95.4% of all those who launder and 89.2% of those who do the ironing, compared with 4.6% and 10.8%, respectively, who are men).

There are some predominantly male household duties. Over a third (35.7% of respondents) said that they decorate their flat or country house, and 88.2% of these respondents were men, compared with only 11.8% who were women). The balance was similar with respect to work on an allotment: 31% of respondents said that they did most of the work on the family allotment, of whom 70.8% were men and only 29.2% were women.

Other tasks for which men usually take responsibility include putting out the rubbish, paying for utilities and telephone, mending household white goods, radio and TV, as well as mending shoes. Men's household duties in rural regions include looking after animals and poultry. In some instances men said that they mend men clothes. All of these tasks were included in the category of "other" household tasks.

There are significant gender differences in household functions carried out by the self-employed and small-enterprises heads. It was found that more female than male enterprise heads do the family shopping. This is explained

by the fact that many successful business-women have their own car and apportion their business revenues between the business and the family at their own discretion. In some cases businesswomen have no partners and therefore are forced to make this division independently. Specifically female household duties include food preparation, cleaning the apartment, doing the laundry and ironing. More female than male heads of small enterprises work on the family allotment in their free time. The principal male household responsibilities among heads of small enterprises were decorating their apartment or country house, mending white goods and paying for utilities.

Self-employed men more often take responsibility for the family shopping than self-employed women, which reflects higher income levels of men and ability to divide it between business and family expenses at their own discretion. These male respondents also usually have their own car. The preferred male household responsibilities among the self-employed are decorating their apartment or country house, mending electric goods, working on the allotment in their free time, looking after animals, and mending shoes. The preferred household tasks for self-employed women are food preparation, cleaning the apartment, as well as laundry and ironing.

Table 11.

Gender differences with respect to assumption of household duties by small enterprise heads and the self employed, % of positive responses

Household duties	Total	of whom:	
		men	women
Heads of small enterprises			
I do the family shopping	100,0	49,5	50,5
I prepare food for the family	100,0	15,0	85,0
I clean our apartment	100,0	25,5	74,5
I do the laundry	100,0	7,4	92,6
I do the ironing	100,0	19,1	80,9
I decorate our apartment or country house	100,0	80,9	19,1
I work on the allotment in my spare time	100,0	48,1	51,9
Other	100,0	77,2	22,8
Self employed			
I do the family shopping	100,0	51,5	48,5
I prepare food for the family	100,0	10,7	89,3
I clean our apartment	100,0	18,6	81,4
I do the laundry	100,0	4,1	95,9
I do the ironing	100,0	9,5	90,5
I decorate our apartment or country house	100,0	89,5	10,5
I work on the allotment in my spare time	100,0	72,5	27,5
Other	100,0	77,4	22,6

Many business people need to devote a lot of time and energy to their business and do not always have enough time left over for their families. A special survey of married business people was carried out in order to gain a better understanding of the effect on family life of running a business.

The majority of business people agreed that

their business did not leave them enough time for their families (54.3% of positive answers), while 35.3% of respondents said that they were able to divide their time successfully between business and family, and 5% said that they had no time for their family due to their business work load. A 5.4% share of respondents had no family.

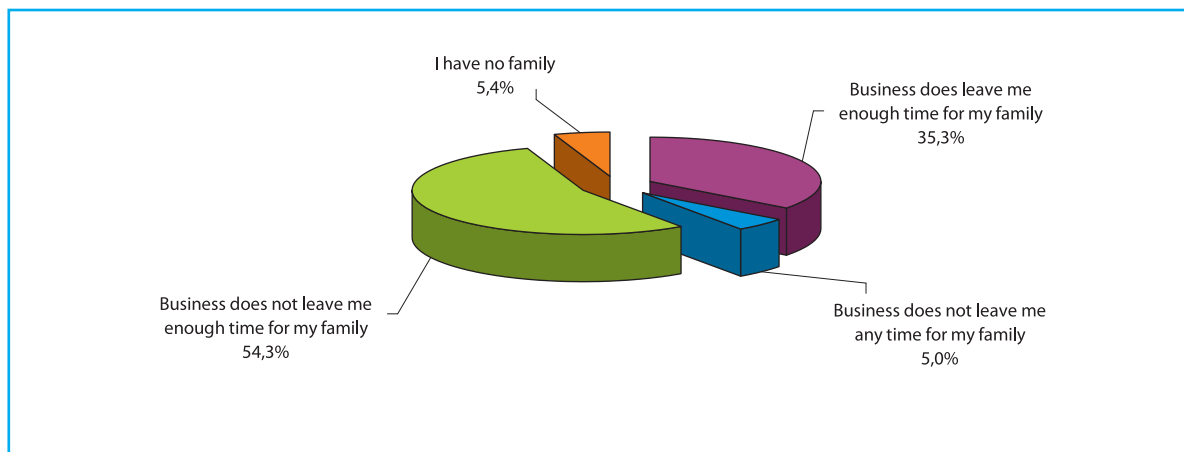


Diagram 27. Effect of business on family life, % of positive responses

Men were in the majority among those who said that they neglected their family to a certain extent due to pressure of work (51.6% of the total, compared with 48.4% who were women). The majority of those who said that they were able to give enough time to their families were

women (55.6%, compared with 44.4%, who were men). And the majority of those who had no time for their family due to pressure of work were men (64.0%, compared with 36.0% who were women). Most of those with no family were women (58.9%, compared with 41.1% who were men).

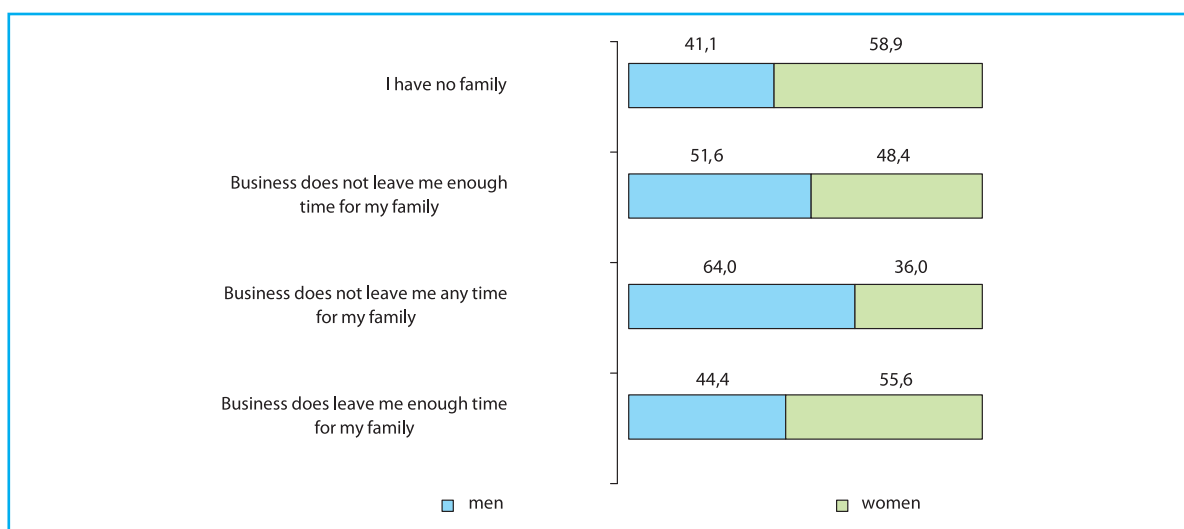


Diagram 28. Gender differences with respect to the effect of business on family life, % of positive responses

Attitude of other family members to business activity are mixed, but a majority (54.4% of positive responses) said that their families were favourably disposed and gave moral support.

The majority of respondents who said that they receive support for their business activities from close relatives were businessmen (54.6%, compared with 45.4% who were businesswomen).

Nearly a third (31.1%) of business people said that their families approve of their business activity and give both moral and material (i.e. financial) support. Businesswomen were in a slight majority among those who gave this response (51.1%, while 48.9% were businessmen).

The share of business people who said that their families approve of their business activities but provide only material support was 3.5%, and there was a significant gender distinction in this response: businesswomen are more likely to receive material support from their families than men (this response was divided between men and women in a

proportion of 60.4% and 39.6%, respectively)

Business people whose families were indifferent to their business activity were 7.2% and were predominantly women (67.9%, compared with 32.1% who were men).

A small share of business people (3.8% of the total) do their work in the face of a negative attitude from their families, receiving no moral or financial support and experiencing opposition and hostility from other family members. Businesswomen are more likely to be in such a situation (75% of those giving this response, compared with 25%, who were men).

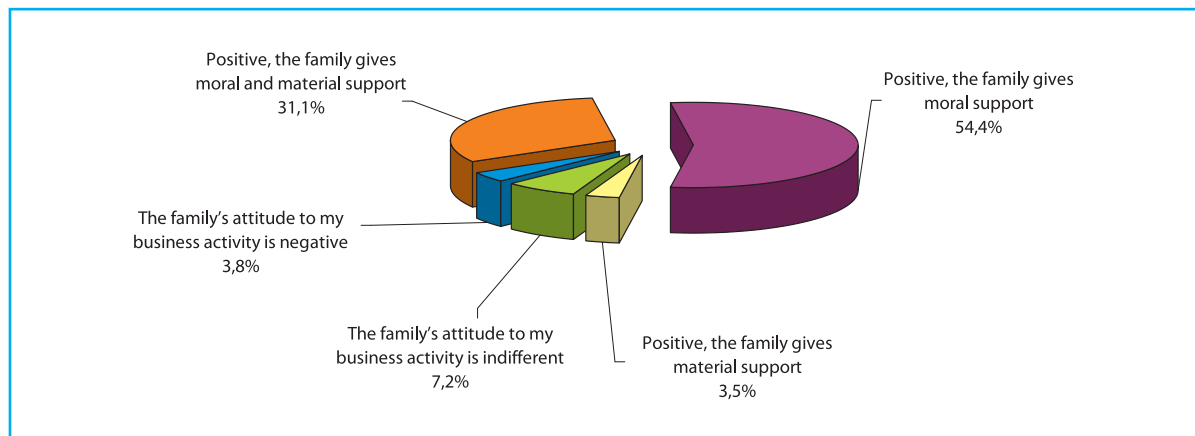


Diagram 29. Attitude of other family members towards business, %

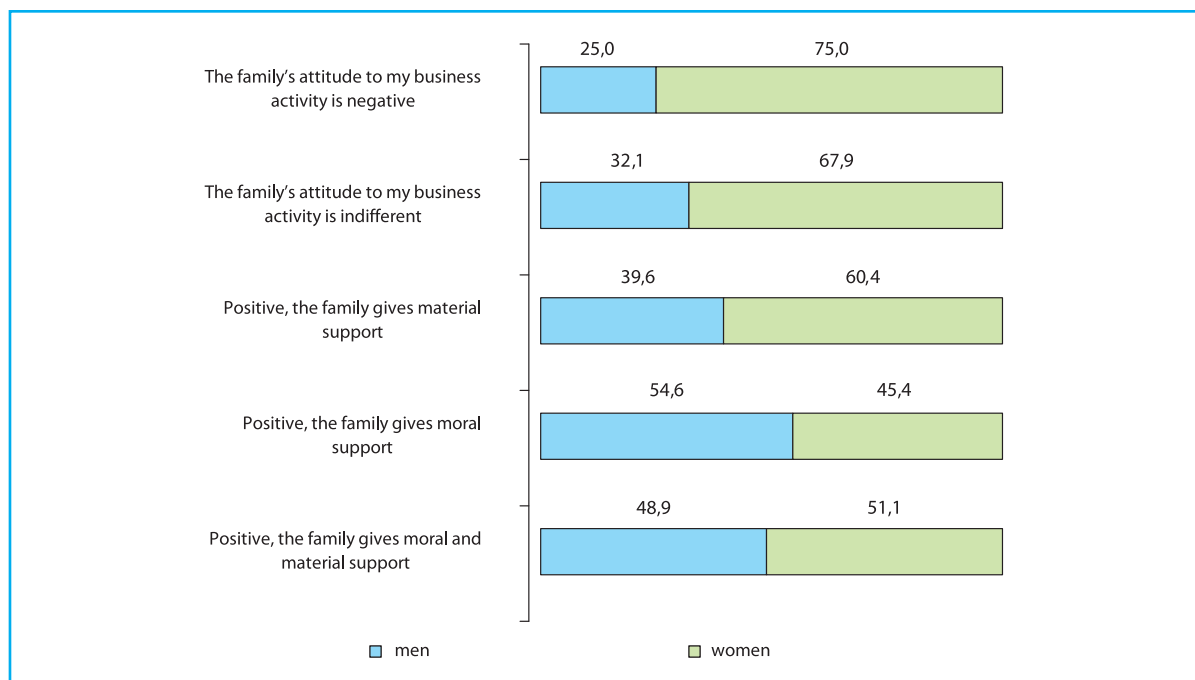


Diagram 30. Gender differences with respect to attitudes of family members towards business, % of positive responses

Business people encounter various difficulties in their everyday lives, which have an impact on development of their business. The research formulated a rating of such everyday problems.

Although business people were offered an extensive list of potential problems, the largest group of respondents (39.4% of the total) said that they had no problems in their daily lives, which create obstacles to their business. The second most popular answer referred to business limitations arising from the need to support their family: 39.2% of business people said that maintenance of the family requires large sums of money, making it hard to accumulate funds for development of the business. A significant number of respondents (22.4% of the total) said that they find it hard to carry the business alone, and need support from their family, relatives, or friends. The share of those who said that family commitments interfere with their business was 15%, and 8.5% complained of health problems. Lack of support from the family was a problem for 4.5%

of business people, 2.6% complained that a large part of their property had been taken by their spouse following a divorce, and 2.3% of respondents said that their families did not approve of what they did. A few respondents found it hard to combine running their business with care for elderly or sick family members (2.2% of positive responses), or complained of a lack of support from grown-up children (2%). Only 1.4% of respondents said that they experience active opposition from family members, which makes it hard for them to pursue their business activity, and 0.1% said that their business is impaired because their spouse is living abroad and cannot provide assistance.

Business people also mentioned other problems in daily life (not included in the list), which interfered with their business. These included the necessity for suspending the business due to army service or periods of study in higher or intermediate-level education.

Some respondents said that they lacked start-up capital or business experience, or that

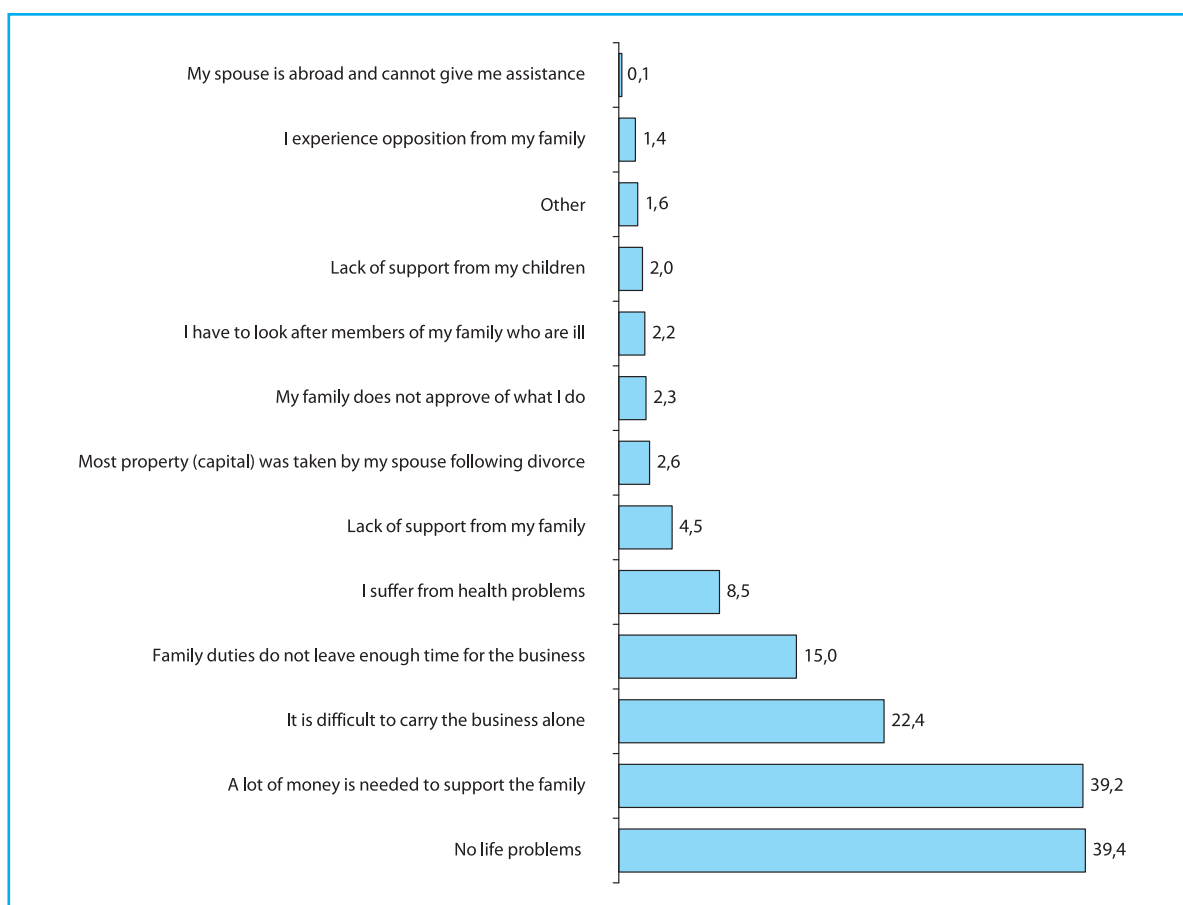


Diagram 31. Rating of daily problems encountered by business people, % of positive responses

work at a state enterprise left insufficient time for proper development of their business.² Other problems, which were mentioned, were the need to spend money on education of children abroad and the fact that a business had been inherited from a spouse, who had died, so that the business person lacked the necessary experience to manage the business properly.

There are major gender distinctions with respect to everyday problems. Businesswomen were in the majority among those who said that they found it difficult to pursue their work due to lack of help, because large amounts of money were needed to support the family, and that they did not receive support or experienced hostility towards their business from their family. Women were also in the majority among those who said that their

spouses opposed their business activity, and that they were distracted from business by the need to look after members of the family who were ill. Most of those who complained that most of their property had been taken by their former spouse following a divorce were women. All of those who said that their spouse was living abroad and therefore gave no support in the business were women. By contrast, most of those who said that they have no problems in their daily lives were men. The overall picture, which emerges, is that businesswomen face more obstacles to their business in their daily lives than is the case for businessmen. Although health problems were as much of a problem for both sexes, and businessmen were in the majority among those who complained of lack of assistance from grown-up children.

Table 12 .

**Gender differences with respect to life problems encountered by business people,
% of positive responses**

	Total	of whom:	
		men	women
No life problems	100,0	59,0	41,0
A lot of money is needed to support the family	100,0	48,1	51,9
It is difficult managing the business alone	100,0	38,5	61,5
Family commitments do not leave enough time for business	100,0	9,2	90,8
Poor health	100,0	50,4	49,6
Lack of support from the family	100,0	32,0	68,0
Most of property was taken by former spouse after divorce	100,0	13,6	86,4
The family disapproves of my business	100,0	16,1	83,9
I have to look after sick members of the family	100,0	14,9	85,1
Lack of support from grown-up children	100,0	55,1	44,9
Hostility from members of my family	100,0	21,1	78,9
Spouse is abroad and cannot help with the business	100,0	-	100,0
Other	100,0	71,9	28,1

As well as issues in their daily lives, business people must also deal with traditional behaviour patterns, which are not always easy to combine with successful conduct of a business. Society has a number of traditions and thought stereotypes, which it is hard to disobey. Male and female respondents were questioned in order to gain deeper insight into the interrelations between life and business and relevant gender distinctions. This questioning enabled formulation of a rating of traditions, which business people must deal with when they are setting up and running a business.

Many possible answers were proposed, but more than half of respondents (58.2%) said that they did not encounter specific problems connected with traditions of behaviour. This indicates that pursuit of business in Turkmenistan is not usually inhibited by thought stereotypes. In many cases the main reason for developing a business was to obtain income to support the family. Other business people were divided in their opinions on this subject, and an overall picture of the extent to which traditions hold back development of a business can be presented as follows.

The tradition, which plays the biggest role, is the belief that a woman's place is in the home and that she should be limited to family duties.

²These answers were given by self-employed individuals who were leasing spare living space, garages and allotments

The role of this tradition as an obstacle to business was indicated by 20% of business people. Evidently, it has more significance for businesswomen than for businessmen, and 90.6% of respondents who indicated its importance were women, compared with only 9.4% who were men. On the other hand, the low share of men among those who chose this answer indicates that businessmen do not support this tradition..

The existence of a general views in society that men are better suited for business than women and that business should be left to men was indicated by 18.8% of business people, most of them women (88.4%, compared with 11.6% who were men). Again, the low share of male respondents choosing this answer indicates that businessmen do not share this view and that women themselves are reinforcing the stereotype.

Results were somewhat different concerning the opinion in society that family capital belongs to younger children (usually younger sons) who continue to live at home. Existence of this tradition was affirmed by 13% of business people, and the gender balance of those who gave this response indicates that it is as much of a problem for men (49.8% of the total) as for women (50.2%) when they are organizing and running their business.

When families of business people have children of different sexes and their post-school education has to be paid for, the preference is usually given to education of a son and not of a daughter, since the son will stay living with the parents after his marriage. Existence of this tradition was indicated by 10.6% of business people with almost equal shares of men (51.9%) and women (48.1%). If they can afford it business people accumulate money for education of their daughter (6.1% of positive responses). Businesswomen are in the majority among those who give this answer (56.7%, compared with 43.3% who are men).

Business people make savings to pay for their children's marriage and, if they have children of different sexes, priority is given to a son. It was found that 11.6% of business people give priority to savings for marriage of a son and 7.7% save money for marriage of a daughter. Men are in the majority among those who believe that it is important to save money for marriage of a son (54.8%, compared with 45.2% of such respondents who were women), while women are dominant among those who emphasize importance of preparing for marriage of a daughter (51.5%, compared with 48.5% of such respondents who were men).

The question of whether a single woman

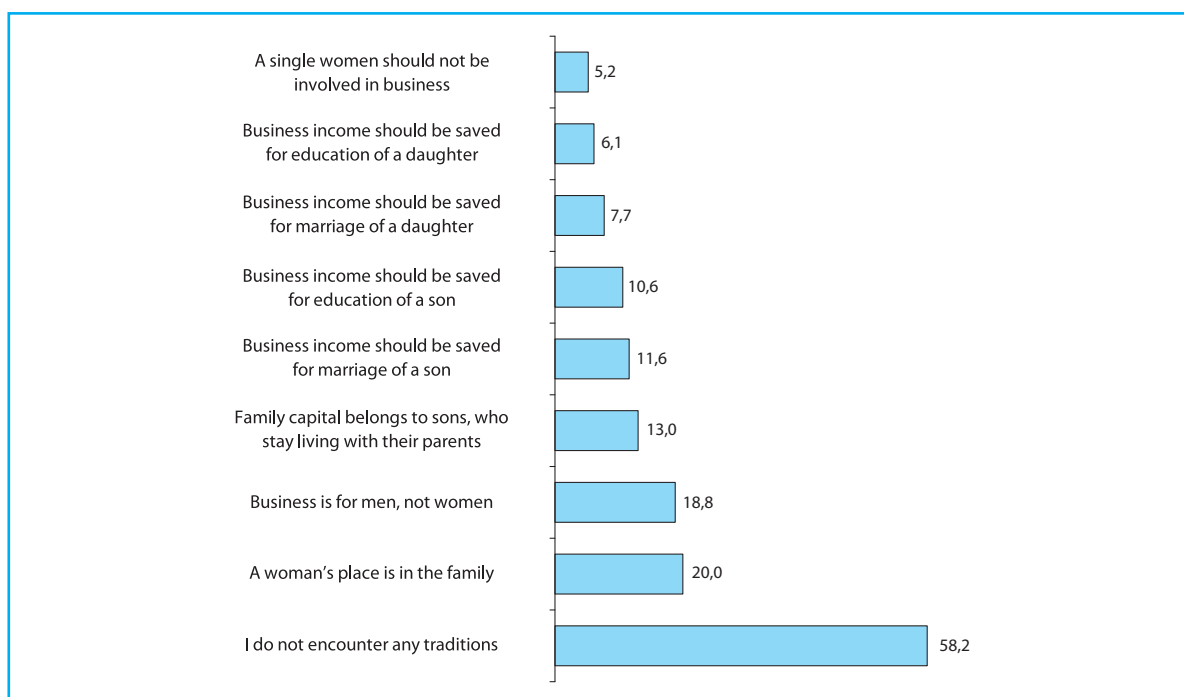


Diagram 32. Rating of traditions and thought stereotypes encountered by business people when they are setting up and running a business, % of positive responses

should be active in business was also considered. A 5.2% share of business people affirmed that a stereotype against this exists in society and 93.8% of those who said so were women compared with only 6.2% who were

men. This suggests that men are less supportive of such an outlook than women, and that an absolute majority of men do not share this view. So women themselves are reinforcing this thought stereotype.

Table 13.

Gender differences with respect to traditions and thought stereotypes, encountered by business people when they are setting up and running a business, % of positive responses

	Total	of whom:	
		men	women
I do not encounter any traditions	100,0	62,7	37,3
A woman's place is in the family	100,0	9,4	90,6
Business is for men, not women	100,0	11,6	88,4
Family capital belongs to sons, who stay living with their parents	100,0	49,8	50,2
Business income should be saved for marriage of a son	100,0	54,8	45,2
Business income should be saved for education of a son	100,0	51,9	48,1
Business income should be saved for marriage of a daughter	100,0	48,5	51,5
Business income should be saved for education of a daughter	100,0	43,3	56,7
A single women should not be involved in business	100,0	6,2	93,8

2.4. Gender analysis of small business issues

In the course of its development, the enterprise sector absorbs labor from other sectors of the economy (including the state sector), as well as from among the unemployed. As a result of this rotation of personnel on the national level the enterprise sector is constantly replenished with new labor, and this suggests a favorable economic outlook for Turkmenistan, in both the short and the long term.

These processes are a natural part of the development of market forces in Turkmenistan, where the state sector of the economy is undergoing rapid changeover to new technologies for production of goods, works and services. Introduction of these technologies and the large-scale nature of the economic reform process entail reduction of employment in the state sector, reflecting increase of labor productivity and application of modern technologies. So, to a large extent, the enterprise sector is expanding due to influx of people who formerly worked in the state sector of the economy (45.4%).

At the same time, economic reforms also

contribute to a shift in the labor force to the industrial sector from other sectors of the economy. Many small business people who were sampled in this research previously worked in joint ventures (2.3%), foreign firms (1.8%), other private enterprises (9.5%) and co-operative enterprises (3.8%). Some of them had previously worked in peasants' associations (11.7%) and other farming collectives (6.8%).

Shifts in the labor force are also taking place at the present time within the enterprise sector: from the small business sector to the self-employed sector, and vice versa. And the labor force in the enterprise sector is gaining new additions from those who were previously not in the workplace: school-leavers and students who have completed intermediate vocational colleges with initial or intermediate professional training, as well as those who have been in higher education (3.7%); young people who have completed their army service (2.9%); and those who, for various reasons, were previously unemployed (10.9%).

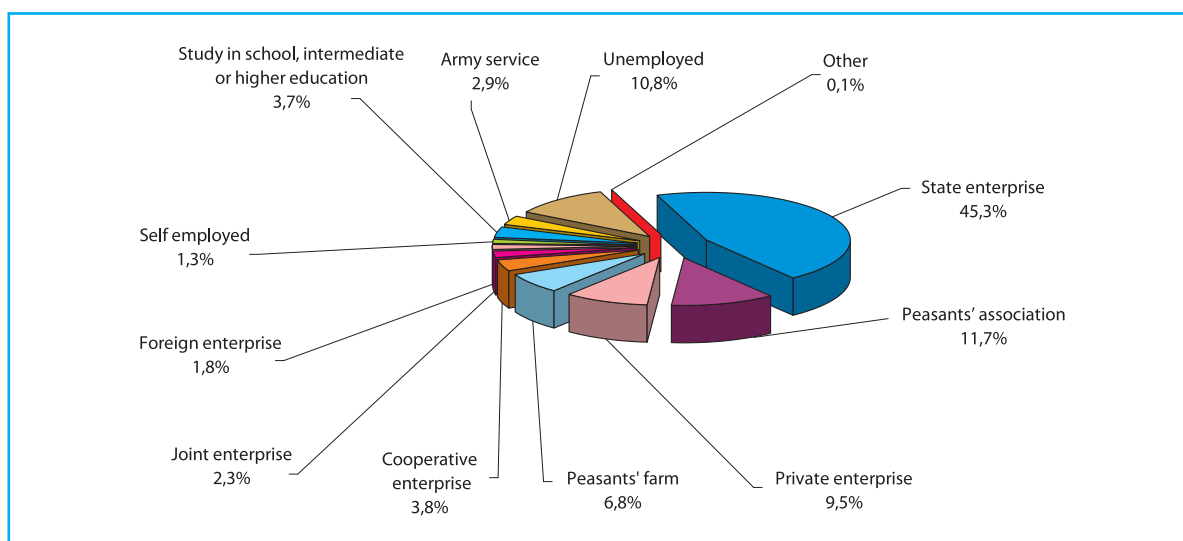


Diagram 33. Previous employment of small business people, %

In a gender perspective, women are more likely than men to transfer from the state sector to the enterprise sector of the economy. More women than men move into the enterprise sector from cooperative and joint ventures, as well as following completion of their studies in schools, colleges and institutions of higher education. And more women than men come

into the enterprise sector after previous periods of unemployment.

Those who come to the enterprise sector from agricultural associations are mainly men. Men are also in the majority among those who turn to small business after previously working in other private and foreign enterprises, and

from previous careers in farming enterprises. These statistics suggest that men who join the enterprise sector have usually already had

more work experience in conditions of a developing market economy than women who join the sector.

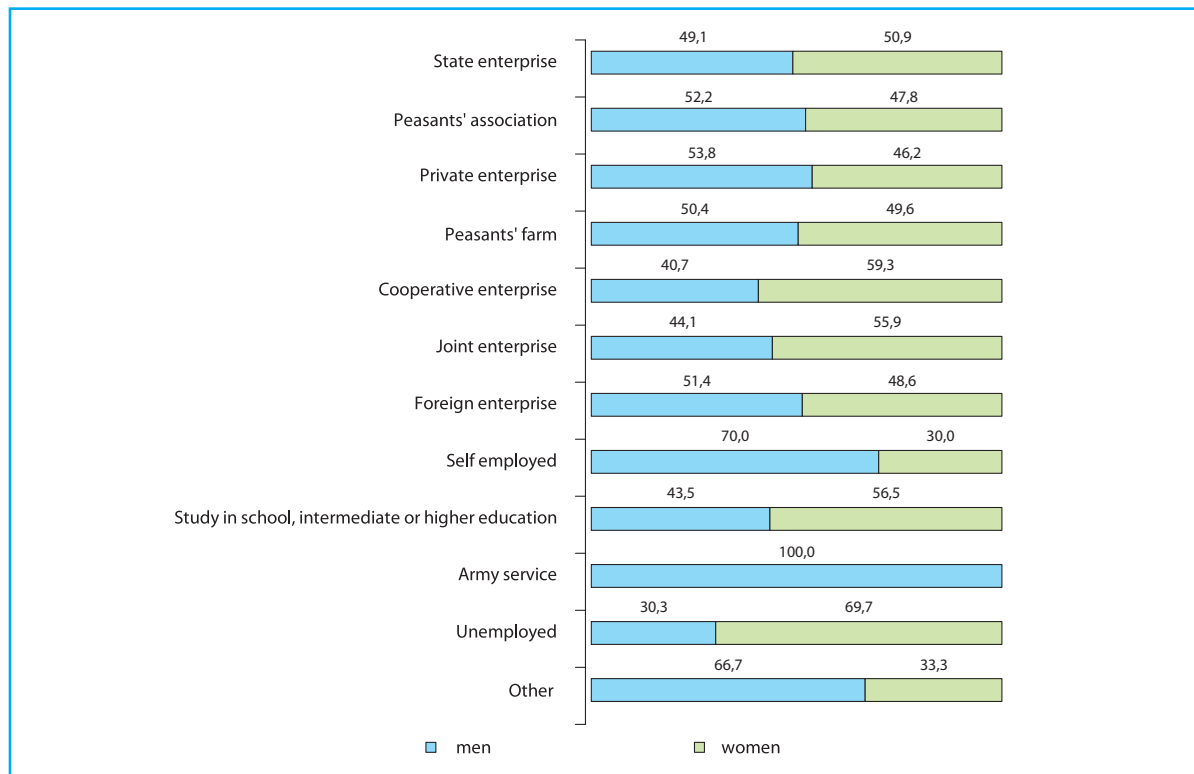


Diagram 34. Gender differences relative to previous employment of small business people, % of positive responses

The sample survey found that numbers of men and women who move from the state sector to become heads of small enterprises are almost equal. But women are in the majority among those who become heads of small enterprises after previously working in agricultural associations or in other private enterprises and joint ventures.. Women are also more likely than men to become heads of small businesses upon completion of their studies. And women are dominant among those who become heads of small businesses after previously being unemployed (these are mostly women who inherited a small business or purchased it from a previous owner).

Men are in the majority of those who become heads of small businesses after previously working in cooperative or foreign business enterprises. Those heads of small businesses who were previously self-employed are also mainly men.

Roughly equal numbers of men and women move from the state sector to become self-employed. Men are in the majority among

those who become self-employed after previously working in agricultural associations, private firms, or the private farming sector.

More women than men moved into self employment from cooperatives, joint ventures and foreign business enterprises. Women respondents also comprised the majority of those who said that had previously been self-employed, had received professional education, or did not previously work (for reasons including marriage, parenthood, or other family reasons).

The dominant types of economic activity in the small business sector are trade and services. Industry and agriculture are somewhat less well-represented, followed by construction.

Gender differences between various types of activity are very noticeable in small business, and the enterprise sector has predominately "male" and predominantly "female" sectors.

Men are more likely than women to be in charge of small industrial enterprises. The same is true of small agricultural enterprises, where

Table 14.

**Gender differences as to former employment of business people by business status,
% of positive responses**

	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
State enterprise	66,2	67,0	41,9	41,8
Peasants' association	5,7	7,9	13,6	11,5
Private enterprise	3,9	6,5	11,5	9,0
Peasants' farm	-	-	8,1	7,7
Cooperative	6,0	3,4	2,6	4,5
Joint venture	1,8	2,1	2,2	2,6
Foreign enterprise	2,1	0,7	1,8	1,8
Self employment	10,0	1,1	0,4	0,7
School, intermediate professional or higher education	1,4	3,4	3,6	4,2
Army service	1,1	-	6,6	-
Not previously in employment	1,8	7,9	7,5	16,0
Other	-	-	0,2	0,2

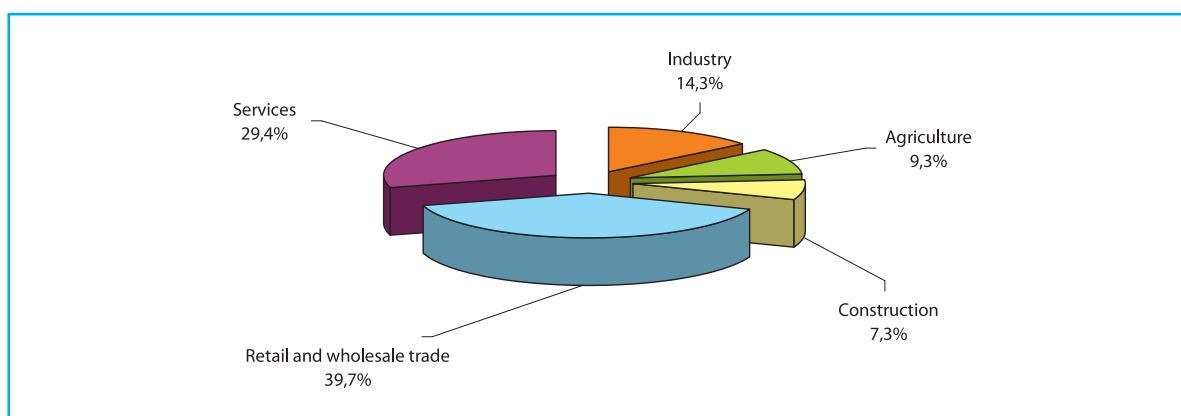


Diagram 35. Shares of small enterprises in various economic sectors, %

there are also more male than female enterprise heads. Men are also dominant in construction, wholesale and retail trade, semi-products, computer and information services, and even in culture and the arts. And there is male dominance among heads of small businesses, which specialize in supplies, real estate, and R&D.

On the other hand, women have a clear majority in all service spheres. There are more female than male heads of small enterprises in transport and communications, public catering, consumer services, health, tourism and social provision, education, science and scientific services, and management. It was also found that women are more likely to be in

charge of small enterprises that specialize in emergency rescue services and in firms that provide market infrastructure.

Numbers of men and women enterprise heads are roughly equal in household services and other production spheres.

The largest share of the self-employed, as of enterprises heads, work in trade (59% of all respondents) and services (36.1%). Nearly one in five (19.1%) of self-employed respondents provided transport services, while 8.4% and 3.5% were occupied, respectively, in lease services and consumer services. The shares of small-scale manufacture and food production were 3.8% и 1.1%. Other self-employed individuals provided other types of services.

Table 15.

**Gender distinctions among heads of small enterprises by sectors of the economy,
% of positive responses**

Economic sectors	Total	of whom:	
		men	women
Industry	100,0	64,6	35,4
Agriculture	100,0	54,7	45,3
Construction	100,0	52,4	47,6
Transport	100,0	46,7	53,3
Wholesale and retail trade	100,0	50,7	49,3
Public catering	100,0	25,8	74,2
Housing services	100,0	50,0	50,0
Consumer services	100,0	15,6	84,4
Health, tourism and social provision	100,0	41,2	58,8
Education	100,0	33,3	66,7
Science and science services	100,0	33,3	66,7
Other	100,0	50,8	49,2

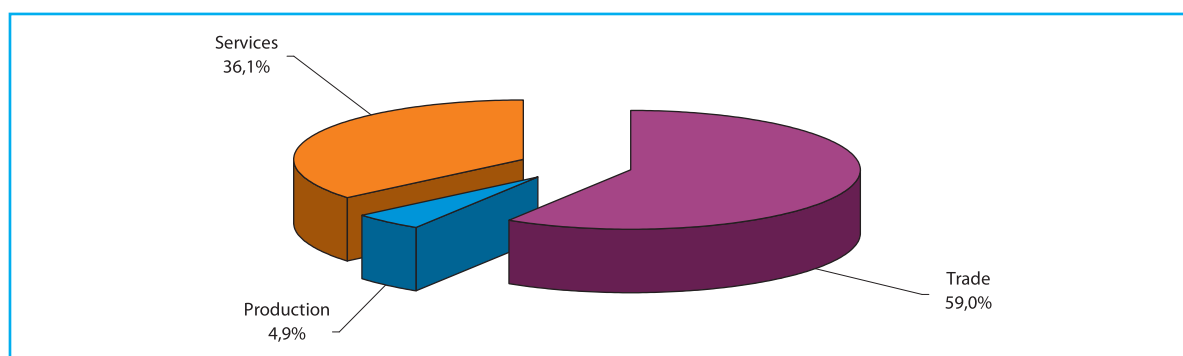


Diagram 36. Types of activity among the self employed, %

There are clear gender divisions between business specializations in the self-employed sector as in the small-business sector. Men are dominant among those who are self-employed in transport services, construction and other activities carried out on the basis of a registration document. There are also more self-employed men offering legal services.

Self-employed women are prevalent in lease services, consumer services, education, small-scale manufacturing, food production, and trade. Women are completely dominant in provision of education services. The only self-employed activities, in which shares of men and women are equal, are accounting and management.

The survey questioned respondents on the financial and economic state of their business in order to assess the nature of problems that are frequently encountered in the business

sector. The respondents assessed the state of their business independently, and were asked to make judgement based both on the state of the business and specific problems, which they encountered. This approach aimed to take account of the fact that objective assessment of the overall state of the business depends on book-keeping data and records of income and expenditure, but also on availability of personal (or family) capital.

The survey found that 47.5% of business people rated the situation of their business as stable, with opportunities for further growth. A 36.4% share of business people said that their business was subject to uncertainty and the future outlook was unclear, but only 2.7% said that their business situation was difficult and closure was possible. At the time of the survey, 13.4% of respondents had temporarily suspended business operations for various reasons.

Table 16.

**Gender distinctions by types of economic activity among the self-employed,
% of positive responses**

Types of economic activity	Total	of whom:	
		men	women
Transport services (works)	100,0	94,5	5,5
Leasing services	100,0	24,4	75,6
Audit and management	100,0	50,0	50,0
Consumer services	100,0	47,9	52,1
Education	100,0	35,3	64,7
Small-scale manufacturing	100,0	26,7	73,3
Food production	100,0	23,7	76,3
Construction	100,0	87,5	12,5
Trade	100,0	40,2	59,8
Other activities on the basis of a patent	100,0	42,4	57,6
Other activities on the basis of a registration document	100,0	66,7	33,3

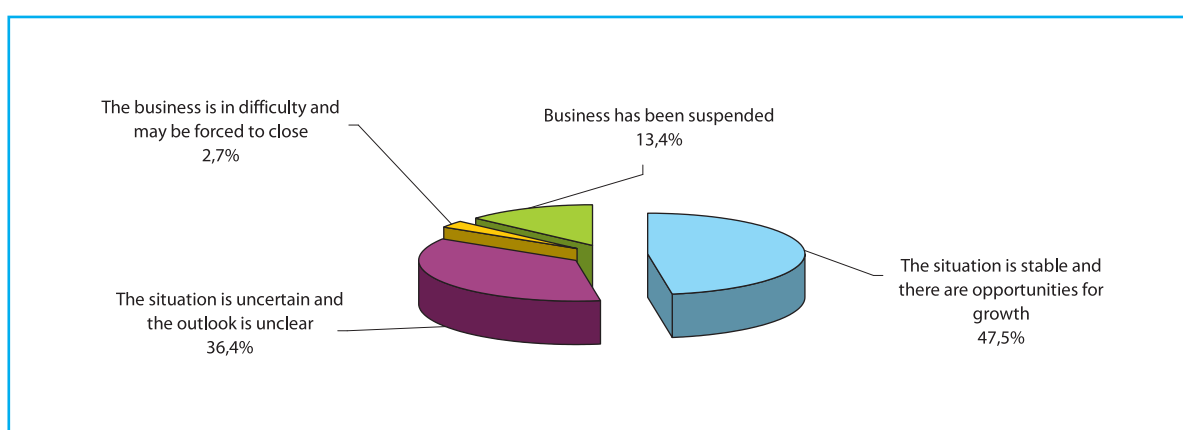


Diagram 37. Financial state of businesses, %

One positive finding was that numbers of men and women who reported stability of their businesses, were roughly equal. The gender shares among those who rated the condition of their business as uncertain and those who had temporarily suspended their business activity were also equal.

However, there were major differences in the numbers of men and of women who said that their business was in a difficult situation and may have to close: it was found that women are more vulnerable to various types of business risk, which can force closure of the business, than is the case for men.

It was found that shares of men and women among all heads of small enterprises who are

managing their businesses successfully and see clear prospects were almost equal. However, men were in a majority among heads of enterprises who said that their business was temporarily suspended. The share of female heads of small enterprises was greater among all those who were doubtful about future prospects of their business and women were also in the majority of those who referred to a difficult financial situation and said that they might be forced to close down.

Men and women were evenly balanced in nearly all responses among the self-employed, except for those self-employed business people who said that their business was in difficulty and may be forced to close: women were the majority of such respondents.

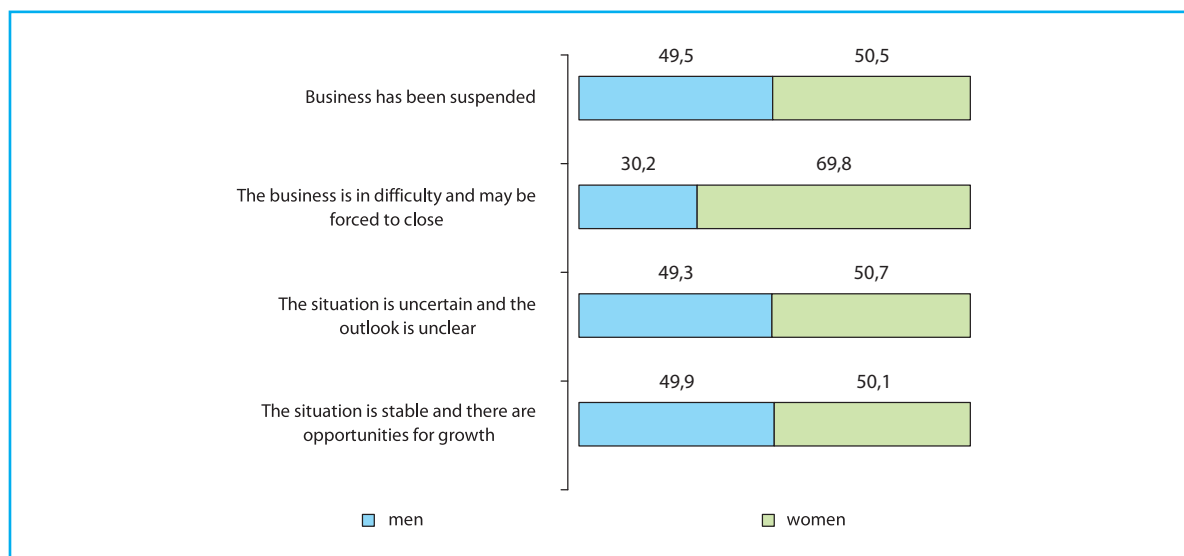


Diagram 38. Gender distinctions with respect to financial state of businesses, % of positive responses

Table 17.

Gender distinctions with respect to state of the business by business status, % of positive responses

	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
stable situation and opportunities for growth	36,7	32,3	50,2	49,2
uncertain situation and unclear prospects	21,4	23,7	39,1	38,4
difficult situation and may be forced to close the business	0,7	4,8	1,8	3,4
business is temporarily suspended	41,2	39,2	8,9	9,0

A separate part of the survey looked at specific problems in running the business and gender distinctions in this respect. The business problems that were looked at by the survey were not only of a financial and organizational nature, but also problems related to family life, the impact of traditions on conduct of the business, as well as problems of inadequate education and qualifications.

Ratings of importance for financial and organization problems were compiled, listing the volume of positive responses in a particular order. These ratings do not add up to a 100% structure, since respondents could select more than one alternative as well as writing their own versions of answers. All respondents referred to some

problems existing at the time of the survey.

The main problem, which was detected, was in obtaining credit: 44.8% of business people said that they were unable to obtain bank credit, and the shares of men and women in all such respondents were roughly equal (50.8% and 49.2%). It was also found that businessmen seek bank credit more often than women. Women are more cautious than men in seeking credit, since they often lack capital which they could use as security. For these reasons, 34% of business people said that they could not resolve their financial problems at the time of the survey. Women were in the majority of those who said this (53.2%, compared with 46.8% who were men).

Shortage of money prevented many business people from expanding markets for their products, works and services (18.5% of positive responses), from buying equipment (17.1%), and from establishing contacts with business partners (11.7%). Women were in the majority among those who could not expand their market (54.2%, while 45.8% were men), and had difficulty establishing contact with business partners (51.5%, compared with 48.5% who were men). However, despite difficulties in obtaining credit, women were a smaller share of those who said they were unable to buy equipment and inventory (40.8%, compared with 59.2% who were men). Many of them leased their equipment and inventory.

Financial difficulties put limitations on introduction of new technologies and expansion of the range of products (works, services): 1.8% and 3.4% of respondents, respectively, were unable to do this at the time of the survey. These problems were more acute among businesswomen (74.2% of those who could not

install new technology and 67.2% of those who could not expand their product range were women, while 25.8% and 32.8% were men).

Those who had problems obtaining a license were 5.4% of respondents and the largest share of them were men (54.8%, compared with 45.2% who were women). There were also problems with renewal of patents (and of other documents giving self-employment entitlement) and re-registration of small enterprises: the shares of respondent who referred to these problems were 2% и 0.5%, respectively. Such problems were more frequently encountered by women: 57.1% of those who had trouble renewing self-employed status were women, while 42.9% were men; and 70.6% of those who encountered problems with re-registration of a small enterprise were women compared with 29.4% who were men.

The share of respondents who said that they had overcome all current financial and organizational problems was 13.7%, of whom 51.9% were men and 48.1% were women.

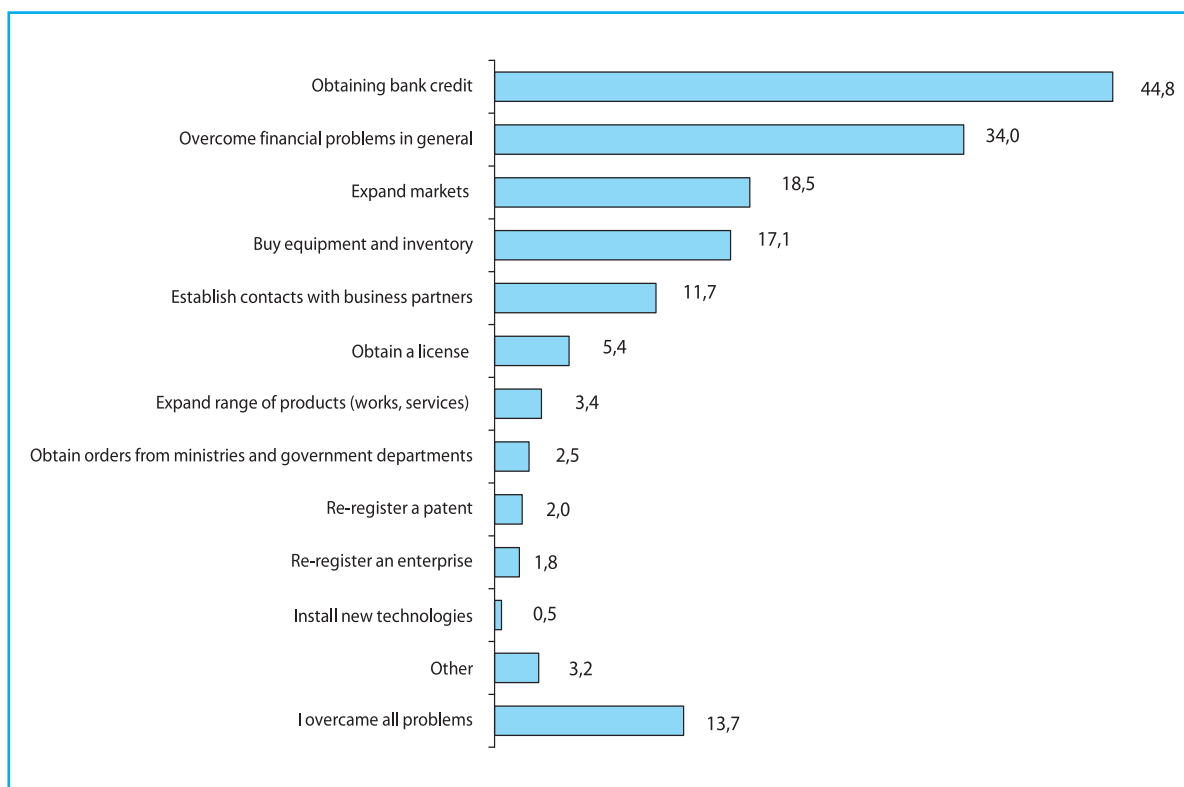


Diagram 39. Rating of financial and organizational problems, which business people were not able to overcome, % of positive responses

Table 18.

Gender distinctions with respect to financial and organizational problems, which business people were unable to overcome, % of positive responses

Financial and organizational problems	Total	of whom:	
		men	women
Obtaining bank credit	100,0	50,8	49,2
Overcome financial problems in general	100,0	46,8	53,2
Expand markets	100,0	45,8	54,2
Buy equipment and inventory	100,0	59,2	40,8
Establish contacts with business partners	100,0	48,5	51,5
Obtain a license	100,0	54,8	45,2
Expand range of products (works, services)	100,0	32,8	67,2
Obtain orders from ministries and government departments	100,0	48,9	51,1
Re-register a patent	100,0	42,9	57,1
Re-register an enterprise	100,0	29,4	70,6
Install new technologies	100,0	25,8	74,2
Other	100,0	65,2	34,8
I overcame all problems	100,0	51,9	48,1

Respondents were questioned on their need for additional education for further development of their business. It was found

that 22.2% of business people felt that they needed additional education and most of these respondents were women.

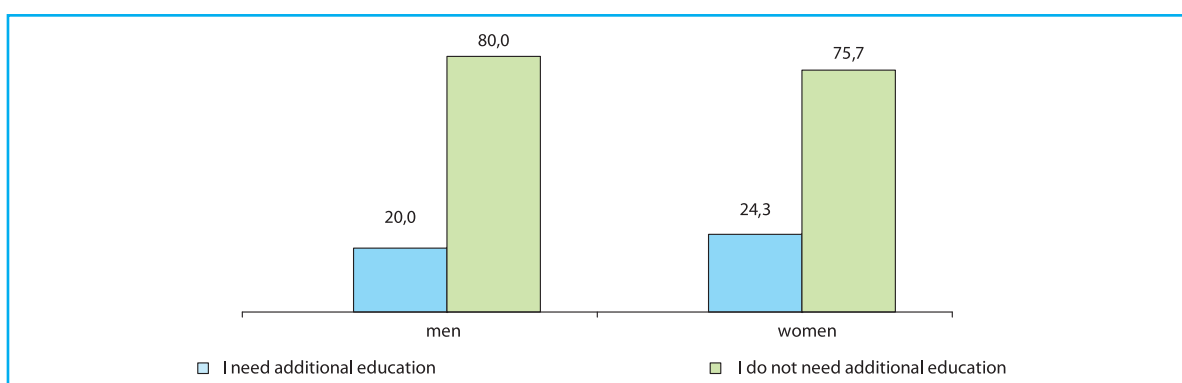


Diagram 40. Gender distinctions with respect to stated need for additional education in the enterprise sector, % of positive responses

Heads of small enterprises were more likely than self-employed respondents to say that they needed additional education. And the majority of small-enterprise heads who said

that they needed additional education were women. The same predominance of women in this respect was noted among the self-employed.

Table 19.

Gender distinctions in stated need for additional education by business status, % of positive responses

	Heads of small enterprises		Self employed	
	men	women	men	women
Total	100,0	100,0	100,0	100,0
of whom:				
Need additional education	17,4	38,1	20,4	22,0
Do not need additional education	82,6	61,9	79,6	78,0

Most business people who said that they wanted to obtain additional education were particularly keen to improve their competence

in book-keeping and computing as well as acquiring economic training.

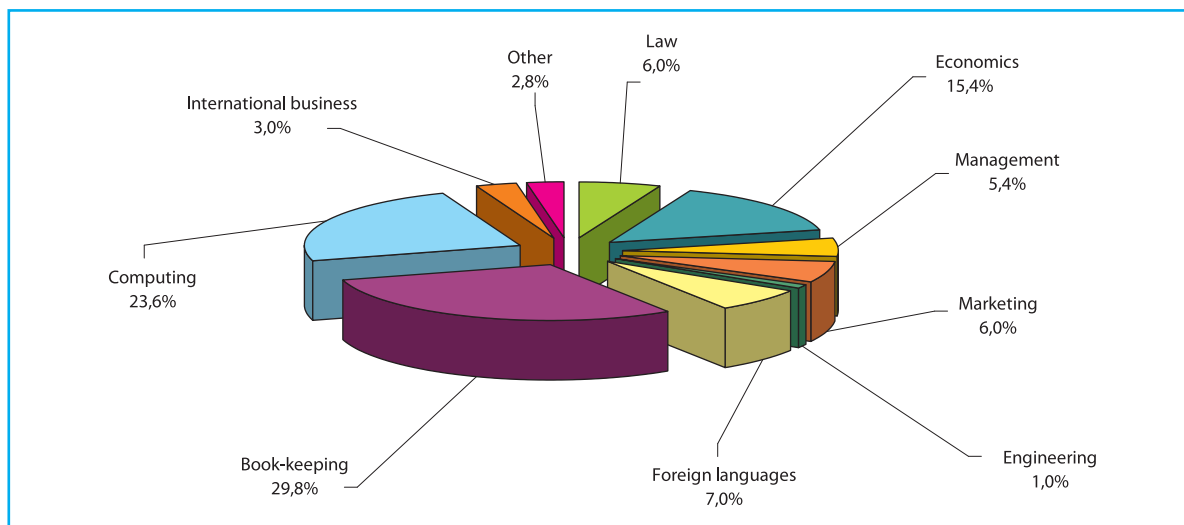


Diagram 41. Shares of specialization preferences among respondents who said that they wanted to obtain additional education, %

In gender terms, the share of women who said that they wanted to obtain additional education in book-keeping, economics, computing, foreign languages and principles of

international business was greater than the share of men, but the proportions were reversed for law, management, marketing and engineering.

Table 20.

Gender distinctions with respect to specializations, in which respondents wanted to obtain additional education, % of positive responses

	Total	of whom:	
		men	women
Law	100,0	53,8	46,2
Economics	100,0	48,2	51,8
Management	100,0	51,4	48,6
Marketing	100,0	52,2	47,8
Engineering	100,0	80,0	20,0
Foreign languages	100,0	44,4	55,6
Book-keeping	100,0	37,9	62,1
Computing	100,0	42,9	57,1
International business	100,0	53,4	46,6

There were significant gender differences between heads of small enterprises and the self employed with respect to interest in further education. Women were in an absolute majority among small-enterprise heads who

wanted to improve their education in all the proposed specializations. Among the self employed, women were in the majority for book-keeping, computing, foreign languages and principles of international business

Table 21.

Gender distinctions with respect to specializations, in which respondents wanted to obtain additional education by status in business, % of positive responses

Наименование специальности	Total	of whom:	
		men	women
<i>Heads of small enterprises</i>			
Law	100,0	21,2	78,8
Economics	100,0	26,7	73,3
Management	100,0	26,7	73,3
Marketing	100,0	38,1	61,9
Engineering	100,0	20,0	80,0
Foreign languages	100,0	29,0	71,0
Book-keeping	100,0	22,0	78,0
Computing	100,0	30,7	69,3
International business	100,0	44,4	55,6
<i>Self employed</i>			
Law	100,0	66,7	33,3
Economics	100,0	55,4	44,6
Management	100,0	61,4	38,6
Marketing	100,0	60,3	39,7
Engineering	100,0	100,0	-
Foreign languages	100,0	49,0	51,0
Book-keeping	100,0	41,2	58,8
Computing	100,0	45,8	54,2
International business	100,0	61,3	38,7
Other	100,0	73,6	26,4

The survey allowed respondents to indicate other preferred specializations in addition to those, which were proposed. The alternative specializations referred to included repair of

cars and machinery, cutting, sewing and modelling of clothes, as well as medical and hairdressing skills. However, these alternatives were only named by the self employed.

2.5. A gender approach to definition of the prospects for development of the enterprise sector

As part of the survey business people were asked to estimate their prospects based on potential and conditions of their business. Each business person showed his own scheme for development of his business. The average amount of positive answers, which were obtained, made it possible to compile a rating and a general model of the prospects for development of enterprise in Turkmenistan taking account of gender principles.

Most small business people (70.5%) would like to expand their business if possible, increasing volumes of production (works services). Women were slightly more than half of such positive responses (51%, compared with 49% who were men). Self-employed respondents were more likely to express readiness for expansion than heads of small enterprises and women were in the majority among those who gave a positive answer. It is important to note that realization of such plans would increase income of business people and their families and would also increase volumes of tax income accruing to local budgets in Turkmenistan.

The most popular strategy for expanding the business is raising sales of products (works, services): 39.6% of respondents chose this answer. Women were in the majority among these respondents (53.2%, compared with 46.8% who were men).

A total of 31.4% of respondents said that they would use innovative technologies to increase their market, applying marketing management and engineering techniques, and they intend to use these instruments on both domestic and export markets. The shares of men and women among such respondents are almost equal (50.8% and 49.2%, respectively). However, men are more active than women on export markets and they are in the majority of those who want to expand their export potential.

Business people clearly expressed willingness to help resolve social problems, particularly with respect to employment: 21.2% of respondents – both heads of small enterprises and the self-employed – said that they would hire workers to help expand the business. Women were in the majority among such respondents (55.7%, compared with 44.3%,

who were men), and readiness of business-women to hire more employees was clear both among heads of small enterprises and the self-employed. At present the biggest potential for growth of employment in the enterprise sector is among the self-employed, where every fifth business person is able to provide a job for one extra individual in addition to him or herself. If every fifth self-employed individual hires an assistant, a total of 12,000 new jobs would be created in the sector.

The survey found that every sixth small-enterprise head wants to expand his business by hiring new employees. Based on current average employment at small enterprises and growth trends of the sector, that suggests creation of 10,000 new jobs in the near future.

Many respondents whose business was running successfully wanted to hire more employees in the near future than they had at the time of the survey: 6.9% of respondents expressed such an intention (of whom 52.6% were men and 47.4% were women). The share of self-employed individuals who gave this answer was 4% and 24% of heads of small enterprises expressed this intention. An estimated 4300 new jobs would be created in the near future as a result. Increase of employment in the enterprise sector will provide jobs for those moving from other sectors of the economy and for young people, who are coming into the labor market for the first time. The increase of employment will also have positive effect on tax revenues to local budgets, providing funds for socio-economic tasks in development of regions and of the country as a whole.

It was found that 6.2% of respondents planned to increase wages of employees, who were already working for them. The majority of such respondents were women (56.1%, compared with 43.9% who were men). Over a quarter (26.7%) of head of small enterprises gave this response, compared with only 2.7% of the self-employed. Most of the small enterprises who said that they were ready to increase wages were women, while most of the self-employed individuals who planned wage increases, were men. Increase of payroll in the enterprises sector will increase both employee incomes and tax revenues to local budgets.

Simplification of the conditions for doing business in the enterprise sector could lead in the near future to an increase in the total number of new small enterprises. Nearly one in ten self-employed respondents (9%) said during interviews that they would open a small enterprise if they had the opportunity. The balance of such responses between women and men was almost equal (51% and 49%, respectively). This is a very good sign for expansion of employment in the enterprise sector in the near future. Rough estimates suggest that realization of these plans would lead to creation of 5000 new enterprises and over 25,000 new jobs.

Several heads of small enterprise also said that they have sufficient capital and resources to open a second small enterprise in addition to the one they had at the time of the survey, assuming that operating conditions in the enterprise sector are made easier. In total 11.5% of heads of small enterprises expressed such plans (of whom 51.5% were men and 48.5% were women). Ability to open a second enter-

prise is often based on ownership of the necessary capital. These plans, if realized, would create 250 new enterprises.

As part of expansion, business people want to invest their own money in real estate and other assets. Those who are in the leasing business want to buy new flats (53.3% of such respondents are women and 46.7% are men), new equipment (53.3% women and 46.7% men) and new machinery (52.6% women and 47.4% men), and decorate an apartment (83.3% women and 16.7% men). Those who are in the transport business want to buy new cars (92.7% of such respondents are men and 7.3% are women) or repair their vehicles (94.4% men and 5.6% women).

Business people view opportunities for growth as dependent on solution of serious financial, legislative and organizational problems. As part of the survey they were asked to indicate which of these problems are most important, and a rating was compiled on the basis of these answers.

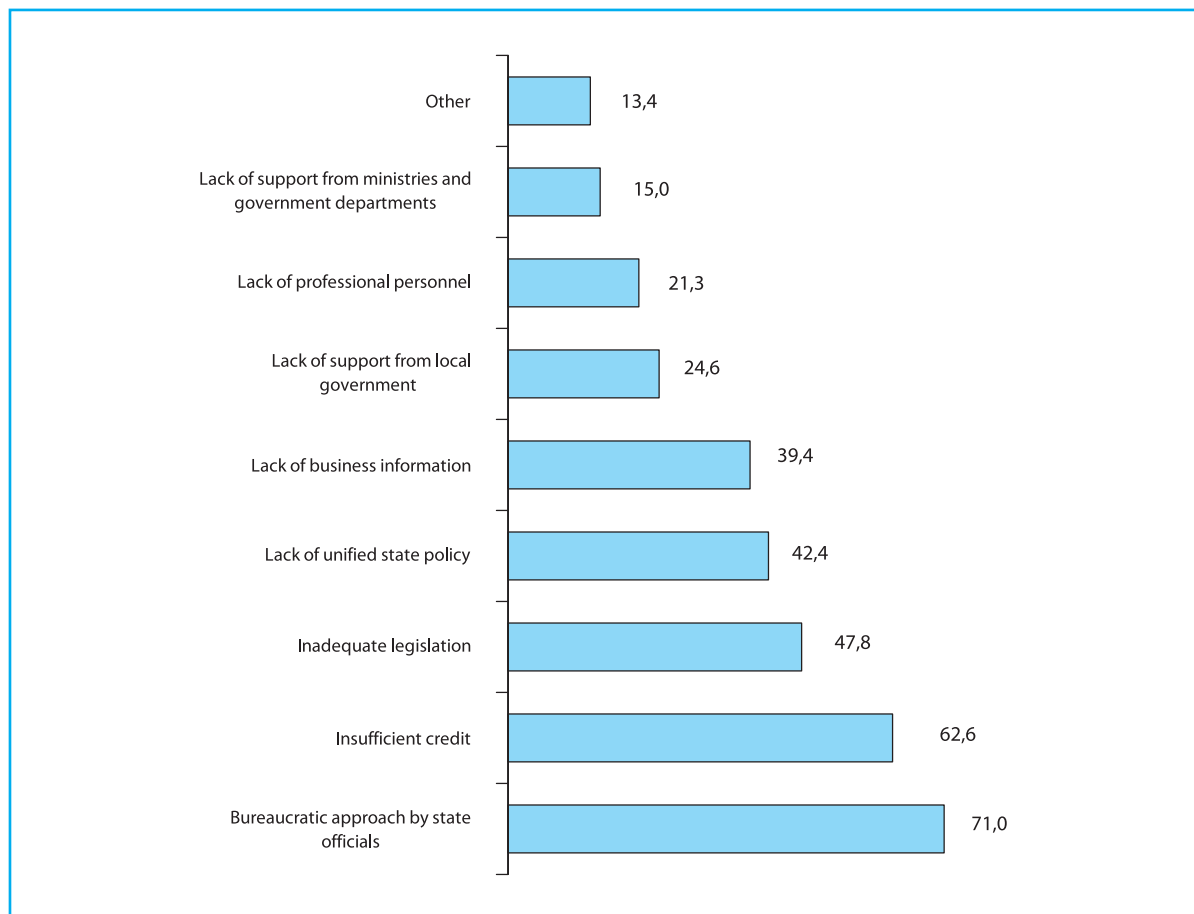


Diagram 42. Rating of problems, which hold back development of the enterprise sector, % of positive responses

Table 22.

Gender distinctions in assessment of problems, which hold back development of the enterprise sector, % of positive responses

	Total	of whom:	
		men	women
Bureaucratic approach by state officials	100,0	48,1	51,9
Insufficient credit	100,0	51,5	48,5
Inadequate legislation	100,0	49,7	50,3
Lack of unified state policy	100,0	50,3	49,7
Lack of business information	100,0	47,0	53,0
Lack of support from local government	100,0	62,0	38,0
Lack of professional personnel	100,0	48,7	51,3
Lack of support from ministries and government departments	100,0	58,2	41,8
Other	100,0	50,9	49,1

Business people see the bureaucratic approach of state officials as the main problem, and shares of women and men who give this response are roughly equal (51.9% and 48.1%). Heads of small enterprises are more concerned by bureaucratic obstacles than the self employed. Bureaucratic problems arise in submission of documents for registration and re-registration of small enterprises, obtaining licenses and certificate, obtaining documents for import-export business and in submission of accounts. Equal shares of male and female heads of small enterprises refer to these problems.

The next most important problem for business people is difficulty obtaining credit (62.6% of all survey respondents said that this is a problem) and the shares of men and women in all those who cited credit difficulties were roughly equal (51.5% and 48.5%, respectively). The shares of heads of small enterprises and self-employed individuals who complained of lack of credit were also roughly equal (62.8% and 61.5%, respectively). The problem reflects rapid expansion of the enterprise sector, particularly in trade, which requires large quantities of working capital. It was found that women are in the majority among small enterprise heads who complain of credit shortages, while lack of credit among the self-employed is more of a problem for men.

The legal base for business in the enterprise sector was established in the 1990s, after Turkmenistan became independent. There is still a need for amendments and additions to

existing legislation, in order to reflect development of the market economy. Laws governing the enterprise sector, which were in force at the time of the survey, are as follows:

- On enterprise business (1993);
- On the free enterprise economic zone (1993);
- On investment business in Turkmenistan (1992);
- On foreign investments in Turkmenistan (1992);
- On foreign concessions (1993);
- On denationalization and privatization (1997);
- On currency regulation (1993);
- On import-export activity in Turkmenistan (1993);
- Law of Turkmenistan on Patents (1993); and many others.

Business practice in the enterprise sector has undergone many changes in the years of reform, which explains why the next item in the rating by business people of main problems, which hold back enterprise sector development, was inadequacy of legislation (referred to by 47.8% of respondents). Women and men represented nearly equal shares of all those who pointed to this problem (50.3% were women and 49.7% were men). Most of those who complained of problems with legislation were heads of small enterprises rather than self-employed individuals. That is because heads of small enterprises have more intercourse with state structures in operating their business and

are therefore more likely to encounter legislative problems.

Heads of small enterprises said that foundational laws are often in contradiction with other laws and normative acts, particularly those, which were designed and passed at a later period of economic reform. They also complained that state officials often fail to obey current laws, creating obstacles to development of the enterprise sector. These problems were a particular cause of concern to successful business people who try not to break the law and business people, whose operations were most transparent in terms of legality. The overall gender breakdown of business people who referred to such problems was roughly equal, but women were in the majority among such respondents who were heads of small enterprises (61.2%, compared with 38.8% who were men). The opposite was the case among self-employed individuals: self-employed men were 51.7% of those who encountered such problems, while self-employed women were 48.3%.

With reference to legislation, business people were particularly concerned by issues relating to the unity of state policy towards the enterprise sector. The state programme for development of the enterprise sector was drafted in 1994 and referred to a relatively short space of time (1995-1997). The state privatization programme was approved in 1994 and envisaged two implementation periods: from 1994 to 1996 (privatization of small enterprises) and the period after 1996 (privatization of medium-sized and large enterprises).

No analogous programme documents (in terms of level and scale) have been developed since the periods of application of these initial documents came to an end. The lack of any new programmes, which would deepen the process of denationalization and privatization in the medium-sized and large enterprise sector, has impacted on development of the enterprise sector in more recent periods of economic reform. Only a limited number of medium-sized and large enterprises have come into the enterprise sector, and denationalization has been particularly slow in industry, where high rates of economic growth could be expected.

Survey respondents also said that there is a lack of integrity and inter-relatedness in measures taken by government, which have short-

and long-term effects on their business, and that there is a lack of high-level government structures with responsibility for implementation of agreed business programmes, leading to uncertainty about prospects or business development. A 42.4% share of all respondents said that no unified state strategy for development of enterprise is currently in evidence. This problem was of equal concern to businessmen and businesswomen (respectively 50.3% and 49.7% of all those making this response).

The share of all heads of small enterprises who supported drafting of basic programme documents (54.1%) was greater than the share of all self-employed individuals who expressed that view (40.4%). Small enterprises have greater need of clear economic programmes for development of economic sectors and territories, employment programmes for the enterprise sector, and mechanisms for pricing and resource provision. That is because small enterprises are more likely to be operating in industry and construction, which depend on a strong supply of financing, labor and technical resources, whereas goods production in the self-employed sector is only on a small scale and most self-employed people provide services.

In terms of gender, most of the small-enterprise heads who called for development of programme documents (54.5%) were women (45.5% were men), while men were in the majority among self-employed individuals who favored development of programme documents (51.4%, compared with 48.6% who were women). This contrast seems to reflect the contrast between the group of heads of small enterprises, in which women are dominant, and the self-employed group, in which men are dominant.

Successful business depends much on availability of business information and openness of the information space. This explains why the next position in the rating of obstacles to business is taken by lack of business information: 39.4% of all respondents saw this as a problem. Successful business people are more likely to view lack of information as an obstacle to their further development, and women were the majority of those who called attention to this problem (53%, compared with 47% who were men). Business people want more information about national and international legislation,

investment prospects and priorities of national economic development, opportunities for expanding markets for their goods (works, service) and market research, opportunities for obtaining credit and current borrowing rates at domestic and international banks, as well as information on raw material markets, markets for machinery and technology and many other topics.

The share of small-enterprise heads who were concerned about increased access to information (41.8%) was greater than the share of self-employed respondents who view this as an issue (39%). This reflects the fact that heads of small enterprises are more interested in expansion of their business contacts on the basis of accurate and full information, as well as the fact that small enterprise heads have more problems in running their business than the self-employed.

Development of the enterprise sector at the regional level has special importance. Successful enterprise development in Turkmenistan's regions could help to solve many socio-economic development problems, since the enterprises sector is the main revenue source for local budgets. However, according to survey respondents, local government does not provide adequate support to the enterprise sector. Business people complained that they cannot obtain: suitable premises or essential services; investment support for production and services, which are of key importance for their regions; preferential lease rates for real estate and other municipal property; or help in finding suppliers and consumers. For these reasons 24.6% of business people said that inadequate support from local government is holding back development of the enterprise sector.

In gender terms men were in the majority among business people who said that they need more support from local government (62%, compared with 38% who were women). That partly reflects greater self-reliance of women, both in family life and in business. But, on the whole, those who have most need for support, are those who have only recently set up in business. In particular, it was found that female head of small enterprise are far more likely to feel a lack of local-government support than male heads of small enterprises (97.9% of enterprise heads who complained of lack of support were women, compared with 2.1%

who were men). That is partly due to experience of men in working with local government: many males heads of small enterprises opened their businesses at the start of economic reforms, and it is also important to take account of connections, which male heads of enterprises obtained from previous careers in senior state-sector posts.

The gender roles are reversed in the self-employed sector, where men feel the lack of support from local government more keenly than women (men were 68.4% of self-employed respondents who complained of lack of such support, compared with 31.6% who were women). The self-employed include many young people, particularly young males, who find it hard to adapt in current business conditions and often do not know where they can obtain help and qualified services. Another aspect worth noting is that business people feel more need for support as their business grows.

Enterprise is a manifestation of the market economy, which began its development in the period of economic reforms and is continuing to develop today, despite current problems. The enterprise sector has need of highly qualified personnel, and, since Turkmenistan became independent, new subjects of study have been initiated in higher education and at intermediate professional training institutes in order to meet this need. However, rates of growth of the enterprise sector have outpaced supply of highly qualified personnel for the sector's needs.

At present, training for the enterprise sector has not achieved a high degree of complexity, and is mainly focused on giving students a theoretical knowledge in the fields of marketing and management. This type of training is provided in various institutions for specific sectors of the economy, and many graduates of higher and intermediate educational institutes go to work in the state sector after they have completed their studies.

Many survey respondents said during interviews that the theoretical training, with which students graduate, is completely inadequate for working efficiently in the enterprise sector, where practical business skills are the key factor. International business practice uses business incubators to complete the development of graduates from educational institutions into highly qualified business people.

The market economy, as it develops, creates new forms of economic activity, new technologies and new standards, and the enterprise sector has to react to such innovations. The enterprise sector has to operate in constantly changing economic conditions with a high degree of competition. Success in these conditions depends on availability of modern technology and professional, highly trained personnel.

This explains why 21.3% of respondents remarked that the enterprise sector is held back by shortage of professional personnel. Business people noted various specializations where such shortages are felt, but the most notable deficits are of technologists, lawyers, bookkeepers, economists, marketologists, managers, and a few other professional profiles.

Businesswomen were in a slight majority among those who viewed shortage of qualified personnel as a problem (51.3%, against 48.7% who were men). This reflects the fact that businessmen tend to have better developed business contacts than women, so it is easier for them to find a specialists by recommendation.

The shares of heads of small enterprises and of the self employed who remarked the need for greater supply of professional personnel were almost equal (22.9% of all surveyed enterprise heads and 21.1% of all self-employed respondents called attention to the problem).

The share of women among enterprise heads who noted shortage of qualified personnel was higher than the share of men (68.7%, compared with 31.3%), but the majority of self-employed individuals who needed greater availability of qualified specialists were men (51.8% compared with 48.2% who were women). These figures reflect degrees of success in business: those whose business is developing more successful have more need of qualified personnel.

The enterprise sector cannot operate properly without support from ministries and government departments. In many cases (particu-

larly in industry and services) this is due to the need to procure raw materials, machinery and technology. Business people also need to establish relationships with government in order to develop leasing, production on a joint (state-private) basis, and to carry out tasks that are defined in the Strategy for Socio-Economic Development of Turkmenistan in the period to 2020. The survey found that 15% of business people wanted to work with ministries and government departments, but complained of inadequate levels of support from them. The gender breakdown of this response was 58.2% men and 41.8% women.

It was found that heads of small enterprises feel more need of support from ministries and government departments: 27% of small enterprise heads gave this response, compared with only 13% of self-employed respondents. This reflects the fact that the small enterprise sector has a bigger share of production that is dependent on modern machinery and technology, uses more raw materials, has established markets and uses regular suppliers, which is less commonly the case in the self-employed sector.

In terms of gender it was found that women are in the majority of small-enterprise heads, who feel the need for more support in ministries (65.8%, compared with 34.2% who were men). This is due to the fact that men usually have a wider range of business contacts, including contacts with ministries and government departments, compared with women, but it also reflects relative success of the business. By contrast, men are in the majority among self-employed individuals who seek better relationships with ministries (66.6%, compared with 33.4% who are women). This reflects the fact that self-employed women are usually in the trade sector and aim to combine their business with family duties, while self-employed men who have accumulated sufficient resources for business expansion, often wish to open small enterprises, possibly for processing of industrial and agricultural production.

2.6. A gender approach to assessment of economic opportunities in business

The research which is being presented in this Study attempted to assess fundamental levels of understanding among business people of gender equality in general and, specifically, with reference to opportunities for men and women to start and develop their own business. The research materials were intended to serve as a basis for improvement of national legislation in the business sphere taking account of gender principles.

Despite Turkmenistan's adherence to the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and carrying out of explanatory work on this theme, only 15.8% of respondents in the enterprise sector were aware of the meaning of gender equality between men and women. Women were in the majority of those who understood the meaning of gender equality (55.9% of the total, compared with 44.1% who were men). This can be explained by the fact that dissemination of knowledge on gender equality has been carried out, for the most part, by the Union of Women of Turkmenistan, which has regional sections around the country and implements conceptual aspects of CEDAW through international projects. Many businesswomen are actively involved with the Union of Women of Turkmenistan, while businessmen have less to do with this process and glean most of their relevant knowledge from interaction with members of their family, friends and relatives.

Heads of small enterprises are more likely to understand the concept of gender equality (33.2% of surveyed heads of small enterprises), than self-employed individuals (12.9% of those surveyed). This is because heads of small enterprises include many women who are involved with the Union of Women of Turkmenistan.

The degree to which women outnumber men as regards understanding of gender equality is roughly equal among heads of small enterprises and self-employed individuals.

Although Turkmenistan's national legislation provides for equal rights of men and women to carry out business, only 76.8% of business people believe that this is the case in reality. The share of men and women in all those who believe in equality in business is almost

equal (50.9% and 49.1%, respectively). This suggests that women believe that they have equal rights with men in conduct of business.

However, equal rights in business are not always accompanied by equal opportunities. Only 56.9% of surveyed business people affirmed that men and women have equal economic opportunities to conduct business. The majority of those who believe that such equality exists are men (56.5% of the total, compared with 43.5% who are women). So men have more confidence than women in the existence of equal opportunities as regards conduct of business.

A larger share of self-employed individuals (57.7% of those surveyed) than of small enterprise heads (51.9% of those surveyed) believe in equal economic opportunities for men and women to engage in business. This reflects the fact that there really are more equal opportunities for self-employed individuals, particularly among the younger generation, which has nearly equal starting conditions as regards education, capital and family circumstances (young people are unlikely to be married).

The study invited those business people who denied the existence of equal gender rights in conduct of business (43.1% of all respondents) to name the specific issues, on which opportunities are not equal. Based on answers to this question a rating was constructed of aspects of business where measures are needed in order to eliminate gender distinctions between men and women.

The results suggest that the prime reason why equal opportunities for men and women have not been achieved is family difficulties in deciding inheritance of family capital. Parents tends to bequeath their estate to younger sons who stay living with them rather than to elder sons who live separately or to daughters who get married and leave the family. This answer was selected by 72.2% of business people who previously said that equal opportunities for conduct of business are not available. The share of female respondents giving this answer was higher than the share of male respondents. Those businessmen who highlighted this issue made it clear that they did so because they had not stayed living with their parents and inher-

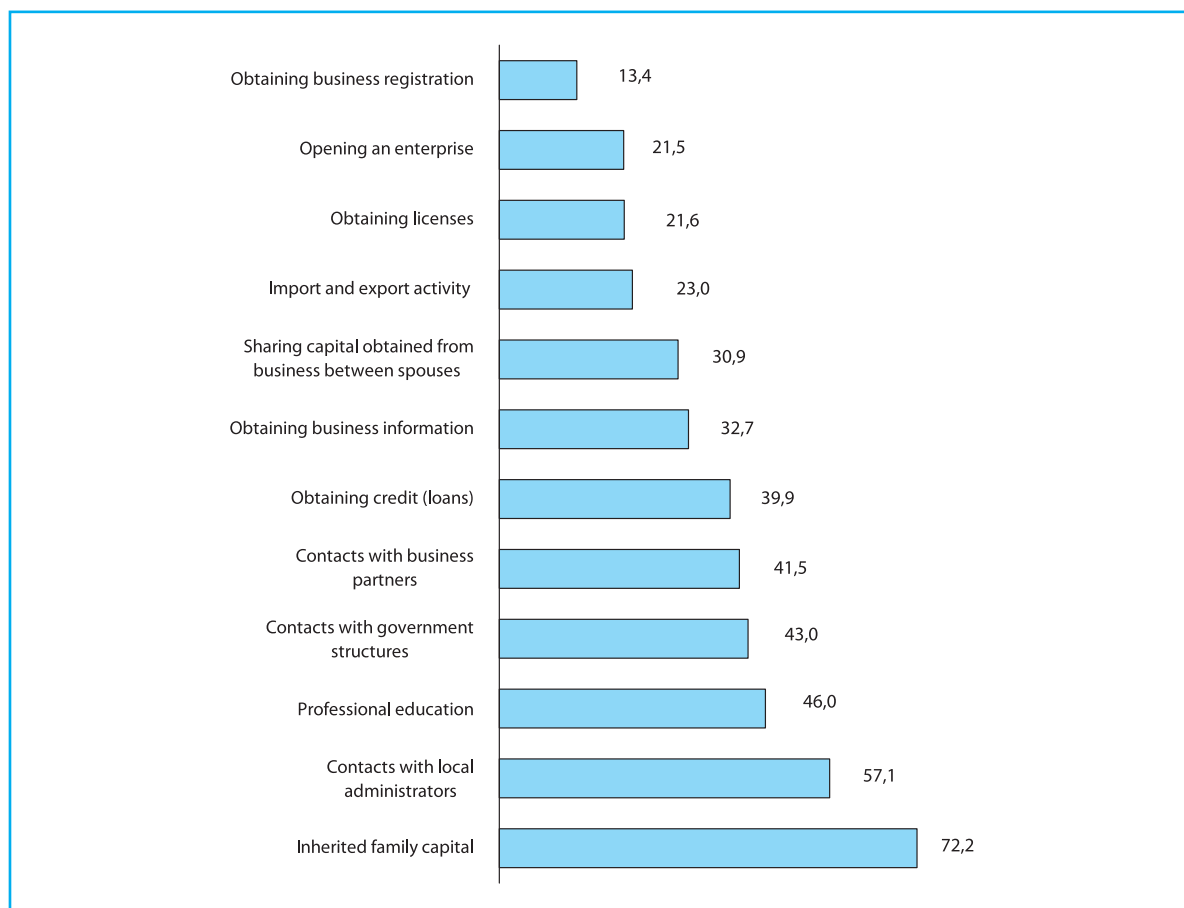


Diagram 43. Rating of business issues, in which gender equality between men and women has not yet been achieved, % of positive responses

Table 23.

Gender differences in assessment of business issues, in which gender equality has not yet been achieved, % of positive responses

	Total	of whom:	
		men	women
Inherited family capital	100,0	40,2	59,8
Contacts with local administrators	100,0	37,7	62,3
Professional education	100,0	31,3	68,7
Contacts with government structures	100,0	35,5	64,5
Contacts with business partners	100,0	38,2	61,8
Obtaining credit (loans)	100,0	28,4	71,6
Obtaining business information	100,0	30,4	69,6
Sharing capital obtained from business between spouses	100,0	44,4	55,6
Import and export activity	100,0	36,4	63,6
Obtaining licenses	100,0	34,6	65,4
Opening an enterprise	100,0	35,8	64,2
Obtaining business registration	100,0	30,7	69,3

ited family capital had passed to their younger brothers. Since family capital is often the basis for organization and running of a business, this circumstance was a reason for non-achievement of equal opportunities.

The share of respondents (among the total of those who are sceptical about gender equality in business) who believe that men and women do not have equal opportunities in establishing contacts with the local administration is 57.1%. Businesswomen believe that it is easier for men to establish contacts with local administrations. A significant factor here was a way of thinking, which refuses to take businesswomen seriously and supposes that the main role of women is to bear and rear children and to resolve family problems. Businesswomen were therefore more likely to indicate this problem as a cause of inequality.

A large group of business people are of the opinion that equality between the sexes has not yet been achieved in professional education: 46% of respondents said that this is a problem, and the majority of them were women. Businesswomen said that they more often have to combine family duties with obtaining professional education and running a business. It is also important to remember that in large families not all of the children are able to obtain secondary and higher education (particularly education abroad). In such cases the parents give preference to boys, who are viewed as future breadwinners. Boys who stay living at home are most likely to receive preference in terms of education.

Ability to establish contacts with government structures is also an important source of inequality: 43% of business people, who believe that the sexes do not have equal opportunities in business, pointed to this as one factor of inequality. Women predominated among those who believe that contact with government structures is not equally available (that men have an advantage in this respect). A good relationship with government structures often depends on long-established ties, created at previous places of work. In many cases businessmen used to work in the state sector, where they occupied senior posts, whereas women who enter business were usually not working before that (they may have been studying, or married, or looking after children, etc.). So women have less of a basis for establishing

good business contacts with government structures.

The next most important factor of inequality, according to those respondents who are sceptical about equal opportunities for men and women in business, is contacts with business partners, which are a key factor for success in business: 41.5% of the respondents view this as a problem, and do not think that men and women have equal opportunities in this respect (it is harder for businesswomen than for businessmen to find a common language with business partners). The main issue here is that men do not take women seriously as business partners. Women respondents noted that they often need to study the etiquette of business negotiations and learn how to draw up business documents (contacts) correctly. However, businessmen made the point that women, particularly those who have been in business for some time, often have the advantages of female charm, tact and patience – qualities which are lacking in men (particularly men who are starting up in business as self-employed individuals).

Men and women are not on an equal footing when it comes to obtaining credit. This was stated by 39.9% of business people who believe that gender inequality exists in business. The issue was particularly important for business people who did not have family capital – money inherited from their parents or relatives. The majority of those who pointed to this as a problem were women. Businesswomen remarked that they often lack parental capital to help them set up in business and to use as a security for obtaining credit. Also, if their husband is also in business and a divorce occurs, the ex-husband keeps a large share of available capital.

A third of the respondents (32.7%) said that equality has not yet been achieved in access to business information. Businesswomen believe that they have less access to such information than businessmen, because they find it harder to establish business contacts (with government structures and with other business people, who are able to provide business information). In many cases business people of both sexes were unaware of how to find business information and how much it might cost.

Nearly a third of respondents (30.9%) said that there is a lack of equality in sharing of capi-

tal, which has been accumulated from business, between spouses. In many cases the head of the family – a man – is in business and if his wife also decides to pursue a business, the husband takes a hostile attitude and may view his wife as a potential business competitor. A similar situation (in reverse) was often observed if the spouse who was initially in business was the wife, and business capital initially belonged to her. But most of the respondents who pointed to this issue as a source of inequality were women and not men.

Import-export business is associated with high risks. A business person operating in this field must have sufficient capital, strong links with business partners and government structures, sufficient acquaintance with national and international law, ability to analyze information on market supply and demand for his goods, reliable investors, knowledge of his competitors, and many other advantages. Nearly a quarter (23%) of respondents, who are sceptical about gender equality in business, said that equality in the import-export sector has not been achieved. Businesswomen are in the majority among those who call attention to this problem.

Launch of a small enterprise requires completion of a huge number of forms and submission of a huge number of documents, as well as obtaining a license. The task is too arduous for many business people, who therefore prefer to operate as self-employed individuals, which is

often possible without obtaining a license. Over a fifth (21.5%) of respondents who deny gender equality in business say that men and women are in an unequal situation as regards opening an enterprise and the same share (21.6%) say that obtaining a license is not as easy for one sex as for the other. Businesswomen said that they do not have as much free time and resources as men for preparing the necessary documents, they lack information about how this should be done, and they do not know where to obtain relevant advice. Businesswomen are more taken up with home and family duties, and in case of divorce the full weight of responsibility is on their shoulders. Women were in the majority of those who saw opening of enterprises as a source of inequality between the sexes in business.

Obtaining of a patent (attestation of registration) for activity as a self-employed individual was seen as less of a problem: only 13.4% of the respondents indicated this as an issue, in which gender inequality exists. Registration as a self-employed individual can be carried out at a local tax office, which makes it convenient for women. All the procedures can be carried out locally and there is no need to spend money and time on a trip to the regional center. Nevertheless, women were in the majority of those who saw obtaining of a patent as a source of inequality. Women respondents were in favour of law amendments, which would allow several applicants to pay for a single patent: this could benefit mothers with many children, mothers

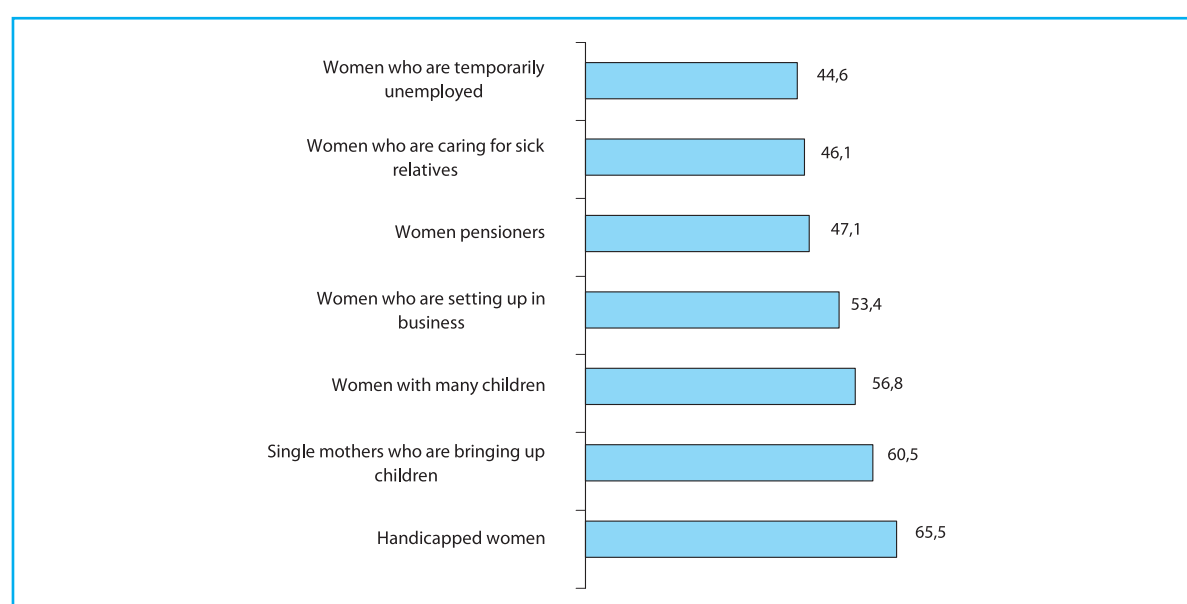


Diagram 44. Rating of female business groups in particular need of state assistance, % of positive responses

without a husband to support them, as well as women invalids and pensioners.

These answers helped to define specific groups in the female business community. Who need government assistance. It is worth noting that both businessmen and businesswomen called attention to the nature of the problems, which indicates willingness of businessmen to help solve the problems of their female colleagues and of other vulnerable groups. A rating of female business groups who are in particular need of state assistance was compiled on the basis of the results.

Business people who expressed the view

that specific groups of businesswomen need state help were asked to describe the ways in which national legislation could be improved. As many as 92.8% of respondents said that national legislation should contain special norms and economic incentives for specific groups in the female business community. Both men and women subscribed to this view and indicated ways of improving laws.

Using this information a rating of desirable improvements to national legislation was prepared with respect to organization and development of business taking account of gender principles.

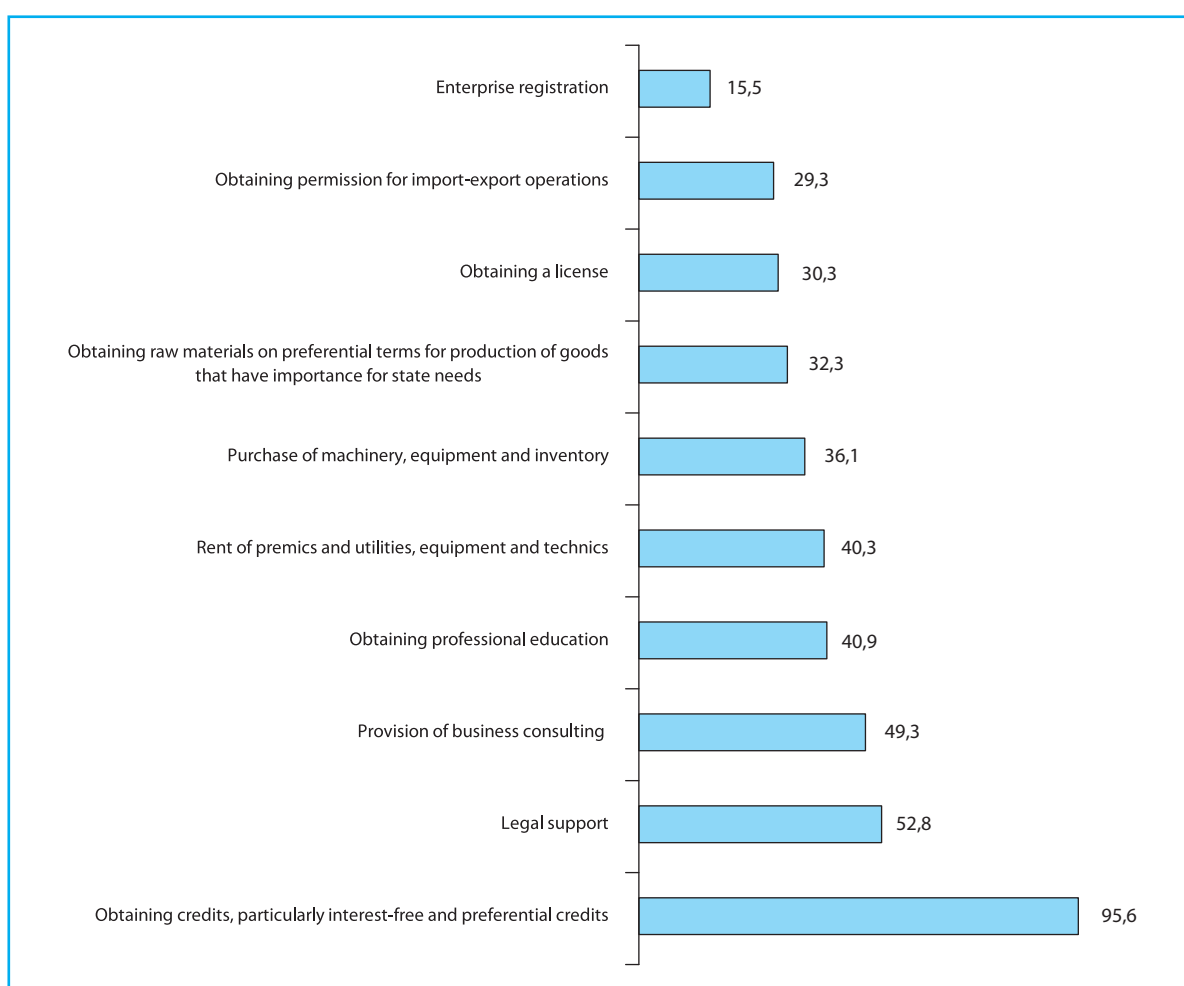


Diagram 45. Rating of proposals for improving national legislation with respect to organization and development of business, % of positive responses

These recommendations for improvement of national legislation concerning support for specific groups in the female business community were taken into account in drafting of

amendments and additions to acting legislation and in drafting of a proposed new law on state support for small and medium business in Turkmenistan.

2.7. Principal ways of improving national legislation governing business in order to take account of gender issues

On 18 December 1979 the UN General Assembly approved the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), which came into force as international law on 3 September 1981 after being ratified by individual countries. Nearly 100 countries had agreed to abide by its rulings at the time of the tenth anniversary of CEDAW in 1989.

Creation of CEDAW was the culminating moment of more than 30 years of work by the UN Commission on Women, which was set up in 1946 to monitor the condition of women and support development of women's rights. The Commission was of decisive importance in identifying fields, where women were affected by inequality in comparison with men. Several declarations and conventions were adopted thanks to the efforts of this UN Commission, but none were more central and comprehensive than CEDAW. Turkmenistan adhered to CEDAW and ratified its provisions on 20 December, 1996.

CEDAW regulates the rights of women in various spheres including the economy. CEDAW's provisions emphasize the essential link between adequate economic status of women and the well-being of the family, which is a precondition for the well-being of society as a whole. Any country, which accepts the foundational provisions of CEDAW, is well-placed to make the best-possible contribution to human development. CEDAW "calls attention to the fact that discrimination against women violates principles of equality and respect for human dignity, hinders equal participation of men and women in political, social, economic and cultural life in their countries, puts obstacles in the way of greater prosperity for society and the family, and holds back full realization of women's potential for the benefit of their countries and the human race as a whole."

Studies on ending of discrimination against women in many countries have confirmed that this approach is well-founded. The preamble to CEDAW notes that "states participating in international pacts on human rights assume respon-

sibility for assuring equal opportunities of men and women to take advantage of all economic, social, cultural, civil and political rights."

Articles 10, 11, and 13 of CEDAW affirm the rights of women to education and employment in the economic and social sphere. These requirements are of particular importance, especially in state policy planning. Article 15 asserts full equality of women in civil and commercial matters and also requires all documents that tend to infringe rightful entitlements of women to be "judged void".

The touchstone of CEDAW is an extended understanding of the concept of human rights. The document officially acknowledges the impact of cultural milieu and traditions on limitation to full assumption by women of their basis rights. This is manifested in stereotypes of thought, customs and norms, which entail a number of legal, political and economic obstacles to improvement of the situation of women.

The level of socio-economic development of the world's countries has emerged as a decisive factor for a global approach to understanding of the importance of removing all forms of discrimination towards women. The belief is that a high level of socio-economic development will necessarily lead to a correct understanding and use of efficient gender principles. Inadequate participation of women in socio-economic transformation of their country is viewed as unacceptable and, in most cases, such lack of participation is associated with an inadequate overall level of socio-economic development.

CEDAW contains detailed approaches for addressing these issues. In particular, participating countries are asked to improve principles of cooperation in the private sector, principles of credit provision, goods distribution and application of new technology. Many studies have provided evidence that women do not take a sufficient role in implementation of economic reforms. This issue is particularly acute in participating countries with strongly developed agricultural sectors, since women often take an inadequate part in implementation of agricultural reforms.

The task of increasing women's access to economic resources encounters different

³ Convention on Elimination of All Forms of Discrimination Against Women. United Nations, p.1.

⁴ Convention on Elimination of All Forms of Discrimination Against Women. United Nations, p.2.

obstacles in different participating countries and each country takes a decision on the basis of its specific legislative base and economic capabilities. Many participating countries admit that equal legal conditions for women's access to economic resources do not guarantee that the conditions can be applied in practice, so that special legal rules and programmes need to be implemented in order to stimulate participation by women in the country's economic life.

Many countries of the world have already chosen a strategy, which ensures that social and economic transformation is on the basis of a non-discriminatory policy towards women, particularly with respect to business, change in the social status of women, provision of equal rights for men and women in business life and employment, ensuring that women obtain all the information they need in order to enhance their status, and inclusion of women in the process of economic reform.

Studies of gender differences in business in Turkmenistan confirm the need for improvement of legislation in order to broaden the economic opportunities for conduct of business, for both men and women. A balanced approach, which aims to broaden business opportunities for both sexes, is the best way to overcome gender dissymmetries in employment and income.

Studies of gender differences in business show that, on the one hand, the institutional environment, as set out in legislation, does not place any limitations on development of women's business. But, on the other hand, it also provides no specific incentives or dispensations, which would encourage development of women's business. Women need stronger, properly targeted support from the state. The aim in the near future should be to design self-sufficient programmes of support for handicapped women, single mothers, mothers with many children and women who are starting out in business. Mechanisms for support of women's business should be linked to basic government support measures for business as a whole, taking account of regional specifics, resources and capacities. The importance of such initiatives for improvement of national legislation in Turkmenistan cannot be overestimated, since no single regulatory or legal act or programme for support of women's business has been put forward to date throughout the

period of economic reform. At the same time it should be emphasized that such processes need to move forward gradually.

The draft of a national law for Turkmenistan, entitled, "On state support for and development of small and medium-sized business", has been prepared as part of the current research. The main aim of the draft is to create mechanisms of state support for small and medium business as a whole, including specific mechanisms for stimulating development of women's business in particular. This should help to provide equal access to economic opportunities, and particularly to business opportunities, for men and women.

The draft law, "On state support for and development of small and medium-sized business", defines the legal foundations for state policy in support for small and medium business in Turkmenistan, and sets out forms and methods for the state to encourage and regulate business in order to provide men and women with the necessary conditions and opportunities to achieve economic growth, by applying their initiative and enterprises in the interests of development of the national economy.

The law draft defines main directions for state policy in supporting small and medium business, main principles, types and forms of state support for small and medium business, methods for implementation of this policy based on design of a state programme, as well as financing conditions. An important aspect of the measures will be creation of state and municipal structures with responsibility for implementing the state programme of support for small and medium business: the draft law envisages a procedure for creation of state commissions attached to Turkmenistan's Cabinet of Ministers and to local administrations, whose task will be to support and develop small and medium business. Implementation of the draft law and the programme of support for small and medium business will depend on mechanisms of financial support for initiatives by businessmen, including provision of financing for this purpose by business people themselves. The draft law therefore recommends creation of support funds for small and medium business, including at regional level.

The business sector should participate in realization of long-term state programmes. In order

to achieve this, the state programme of support for small and medium business should include specific volumes of state procurement (goods, works and services) to be obtained from small business, with specification of the types of goods, works and services and the regions, where they are to be provided. Implementation of state orders should be carried out on a competitive basis, following presentation of business plans by small business people. Products, works and services provided by small businesses to meet state orders must carry price ceilings and limits on cost growth. The law draft includes special conditions of state registration of legal entities and investment projects for small business people who are carrying out state orders, as

well as business licensing without payment of duties for registration and licensing.

Specific articles of the law draft are devoted to support for small and medium business in specific spheres: credit and financial, real estate, information, and import-export. Legal norms governing conduct of checks of businesses by administrative organizations are regulated and guarantees are given against unjustified interference in the activities of small and medium business.

The full text of the draft law, "On state support for and development of small and medium-sized business", is presented in Appendix 1 of this Report.

CONCLUSIONS AND RECOMMENDATIONS

This Study has looked at various aspects of gender distinctions in order to reveal all of the factors, which have impact on achievement of equal access for men and women to economic opportunities. This complex approach had enabled reflection of both productive and reproductive activity and provided an assessment of these phenomena, with particular reference to gender principles.

This demonstrates that women's business is steadily strengthening its positions with respect to the principal institution in any market economy, i.e. private property. Turkmen society, like societies all over the world, is accepting the increasing role of women in business as an essential and indisputable condition for changeover to a market economy and for provision of equal availability to both sexes of economic opportunities for raising standards of living.

The enterprise sector in Turkmenistan has a relatively young profile. The average age of small business people is 38 years, and this is the average age of both men and women in business, suggesting that men and women have more equal access to economic opportunities at a young age. The research found that people aged between 18 and 35 were 44.1% of the entire small business community, while people of a more mature age (between 36 and 55) were 50.5% of the total and those aged more than 56 accounted for a relatively small 54% share.

Women outnumber men in all age groups except for 18-25, where men were 54.1% of the total and women were 45.9%. This is because 18-25 is the age at which women get married and have children, which puts major obstacles in any pursuit of business. Women have more opportunities to pursue business activities when they are older, since their children are then more mature and can lend their assistance in the business.

Levels of education in the small business sector are fairly high. The research results showed that 78.7% of respondents had initial professional or intermediate professional education, or had completed or partially completed a course of higher education, or even had post-graduate qualifications. This shows that personnel quality in the small business sector is high.

Exact equality between the genders is only found among business people whose education is limited to secondary school, attendance at which is compulsory in Turkmenistan. There is a slight difference between the shares of men and women among all those who have completed higher education (51% men and 49% women). Women are in the majority among those who have completed intermediate professional education (technical college and institutes), whereas men are in the majority among those who have initial professional education (lycees and courses up to one year). Women are more likely than men to have incomplete higher education, while post-graduate qualifications are more common among men. Further research on these issues shows that women cut short their higher education and have fewer opportunities to obtain post-graduate qualifications mainly because of family duties and financial limitations.

Most small business people (67.6%) are married, which explains why family business has undergone extensive development in Turkmenistan. However, businessmen are more likely to be married than businesswomen. There are more women than men among divorced and widowed business people. On the one hand, lack of a partner forces women to find ways of supporting their family, but, on the other hand, women often have more opportunity to pursue business precisely because they are alone. Circumstances differ, but in most cases the prime reason for women to pursue business activities is a lack of any other work or occupation.

Family relationships are often a valuable support to the business person, and business people themselves acknowledge material and moral responsibility for other members of their family. It was found that 41.9% of business people consider themselves to be the heads of the family. Others judged their parents, spouse or even close relatives to be the head of the family. Men were in the majority among those who described themselves as the head of the family. Businesswomen very often referred to their husbands as the leader of the family whereas businessmen very rarely said the same about their wives. This indicates that, for women, the prime place of the man in the family is not measured purely by material income, but is based

on moral foundations of preserving the family and bringing up children together. Particularly since most (76.5%) of respondents had children and gender differences were not large in this respect: 78% of men had children, compared with 74.9% of women.

Most business people (66.3%) said that their children help to carry out household duties, providing much-needed support. It was found that children are more likely to provide such help in families of businesswomen. The second main source of help in running the household is a spouse (62% of respondents said that their spouse provides such assistance). The third most important source of support in the home are relatives (28.4% of respondents gave this answer). These data show that development of family business depends on mutual support, which is a very effective mechanism, since it provides business people with a strong base in the home. It was found that businessmen more often benefit from the support of a spouse than businesswomen, while the numbers of businessmen and women who receive support from relatives in managing their household is roughly equal.

Business people also often obtain material assistance from their family. It was found that 72.3% of respondents obtain material help from family and close relatives, and that differences between the sexes in that respect are insignificant. Only 13.1% of business people said that they were the only breadwinners in the family and men were in the majority among such respondents. The situation of other business people varied: 3.8% said that their spouse supported the family (this answer was given by more men than women), 0.5% said that the family was dependent on their children's income (more women than men gave this answer), 1.3% named relatives as the main breadwinners (more men than women), while 9% (mainly men) referred to some other situation. These responses show that family income provides the necessary capital for development of small business.

It is reasonable to suppose that division of the burden of parental and household tasks has impact on conduct of a business, so the survey made an assessment of the scale of that burden among men and women.

It was found that the biggest groups of business people carry out parental duties together

with their spouse (35%). Large and well-integrated families divide parental duties among all family members (12.2% of positive responses). Those who said that parental functions are partly or fully the responsibility of spouses, relatives and children were 14.6% of respondents, while business people who do not have parental duties because their children are grown-up were 6.1% of respondents, and 8.3% of surveyed business people said that they have sole responsibility for parental tasks (women were in an absolute majority in this last category). These results suggest an overall picture in which family traditions in the enterprises sector assist in development of business and business people obtain significant help from their families. However, not all business people are equally fortunate in this respect and the burden of parental duties remains high for some groups of women.

Support from the family in household tasks is also considerable. The biggest group of business people (47.9% of the total) said that all members of their family lend a hand with household tasks. The specific helpers in the family circle were various. A spouse is the main source of help in the home for 19.5% of business people, while others said that they are partly of wholly dependent on children or relatives (18.5%), or hired help (1.4%). Only 4.4% of business people said that they are solely responsible for running their family household.

The gender division of respondents showed that provision of help by all members of the family is more frequent among businessmen than businesswomen. Men were also in the majority among those who said that household tasks are fully or partly the responsibility of their spouse. Most of the respondents who said that they share responsibility for managing the household on a parity basis with their spouse were women. Help from relatives and children was more likely in the case of businesswomen and women were in the majority of those who take full responsibility for the household themselves.

Attitudes of the rest of the family towards activity of the business person vary, but the biggest group of respondents said that their families approve of their work, although they can only provide moral support (54.4%). Nearly a third of respondents (31.1%) get both moral and material support from their families, and a small share (3.5%) said that for various reasons,

they receive only material support. The last response was mainly given by business people who live away from their parents and already had their own families. The share of respondents who said that their families view their business activities with indifference or hostility were 7.2% and 3.8%, respectively.

The numbers of men and women who receive both moral and material support from their families are equal, or the differences are insignificant. However, women are a larger share of those who experience indifference or hostility from their families towards their business activity.

It is reasonable to suppose that problems in daily life also have impact on business results, and male and female business people were questioned in order to determine to what extent this is the case. The problems, which business people encounter, are various, but the ratings, which were compiled on the basis of survey results, suggest that many of them are short of money for development of the business due to the need to maintain their families. Many business people also said that they find it hard to carry the business themselves, since they do not obtain assistance from other family members and performance of household functions leaves insufficient time for proper conduct of the business. Some business people complained of poor health or said that they have to care for members of their family who are ill. Divorce was also a cause of difficulties for business people in cases where a large part of common property was taken by their former spouse, making it hard to develop the business. However, a significant share of respondents (39.4%) said that they have no difficulties in daily life.

Numbers of respondents of the two sexes who referred to problems supporting their family or time spent caring for sick family members were roughly equal. Women were in the majority among respondents, who said that they find it hard managing the business alone, and they were in an absolute majority among those who lack time to develop the business due to weight of family responsibilities. Division of property after divorce was also more of a problem for women. And women were more likely than men to spend time caring for sick members of the family.

It was supposed that, in addition to daily

problems, traditions and established thought stereotypes also have an impact on success in developing business. Respondents were questioned in order to investigate this issue and gender distinctions were noted. However, a majority of respondents (58.2%) said that their business is not subject to any impact from traditional modes of behaviour and thought. This suggests that small business in Turkmenistan is relatively free from limitations due to established thought stereotypes.

In order to examine this issue in more depth and detail a rating was compiled of traditions and thought stereotypes encountered by respondents (those 41.8% of respondents who admit impact on their business from such stereotypes). A fifth (20%) of respondents indicated the frequently held belief that a woman should be the guardian of the home and be responsible only for family duties (the absolute majority of those who referred to this belief were women). The low share of businessmen who refer to this belief suggests that they do not share it.

Nearly a fifth (18.8%) of business people referred to the belief that men are better suited to business than women, and an absolute majority of these respondents were women. This gender breakdown of responses again suggests that businessmen do not hold the relevant belief and that women are themselves perpetuating formation of the relevant thought stereotype.

Respondents were also asked to assess impact on business of the thought stereotype, according to which a single women should not be involved in business. Only 5.2% viewed this belief as having importance, and the absolute majorities were women. So, again, men are found to be less receptive to this thought stereotype.

All of the data discussed above show that contemporary society in Turkmenistan is ready to accept women as business leaders, However, that cannot happen unless men and women have access to equal economic opportunities.

The studies carried out in Turkmenistan on gender distinctions in business indicate that, although legislative provisions treat men and women equally, the economic opportunities for men and women to conduct business are not, in fact, equal.

Ratings of financial and organizational problems, compiled as part of the research, show that financial problems have the greatest significance. The share of respondents who had difficulty obtaining bank credits was 44.8%. Overall, 34% of business people were unable to resolve financial difficulties and most of these respondents were women. As a result businesswomen were less able to sell their products (works, services) in sufficient volumes and to expand their markets. Businessmen with financial difficulties complained of not being able to buy equipment, not being able to buy a license for business activity, and other limitations.

The research results showed that 22.2% of business people need additional training, since many of them have changed their profession in order to start up in business. Many business people said that they need to expand their knowledge in order to manage their business efficiently. Women were in the majority among respondents who said that they needed additional education.

All of these factors together have significance for income levels in the small business sector. The average monthly income level per small businessman in Turkmenistan in 2005 was 4.681 million manats. However, the average for businessmen was 19.2% higher than the overall average, and the income of businesswomen was 18.5% lower than the average. The average monthly income of businesswomen was therefore 1.5 times lower than the average for businessmen.

Business people use a significant share of their income to support their family. In Turkmenistan the average share of income generated by a business person in his or her family budget is 50.9%. For businessmen this share is higher, averaging 54.5%, while it is lower for businesswomen, averaging 47.4%. However, these gender differences are not large, which suggests that women are capable of providing for their family out of their business income, provided that their access to capital and resources is on a par with men.

Significant differences in income levels between the sexes were mainly due to the types of business, in which they were engaged, and the problems, which they encountered in the conduct of their business. The highest income levels were found among women heads of small enterprises and male self-

employed individuals. Female heads of small enterprises were more likely to have higher incomes, even though there were very few women in charge of small businesses in the industrial and construction sectors. Women tended to be in charge of small enterprises in the spheres of transport and communications, education, health, and tourism, and had higher levels of income than men. There were roughly equal numbers of men and women in charge of wholesale and retail trading firms, but incomes of women enterprise heads in this sector were also higher than those of men. However, men were in the majority among heads of agricultural enterprises and they also tended to have higher income levels than women enterprise heads in this sector.

There are some small-firm sectors where women predominate, but receive lower incomes. For example, catering enterprises are more likely to be headed by women, but female heads of such enterprises earn less than their male peers. The same is true in the consumer service sector.

Self-employed women are also making headway in traditionally male sectors, although average monthly income of self-employed women is lower than average monthly income of the male self-employed. Survey results showed that self-employed women in the transport sector earn more than their male counterparts, although there are few women in this sector. Women predominate in education with respect to numbers and income levels. Numbers of the two sexes are evenly balanced in the auditing and management sectors but self-employed women earn more than men in these forms of business.

Self-employed women in some other sectors do less well than men in terms of income. There are more women than men in the rental business, but their income levels are lower. The same is true in home and small-scale manufacturing, food production and trade. Male self-employed individuals also dominate in construction, both in terms of numbers and income levels.

The research found that women's small business is more subject to various kinds of risk than men's small business. Businesses run by women are more often closed down than businesses run by men, and women are more likely to close down their own business. The main problem in this respect is shortage of capital.

One positive gender trend is that women are in the majority among newcomers to business. This reflects personnel turnover as the mixed economy develops. A large number of women are moving from the state sector to work at small enterprises and as self-employed individuals. Other women find work in the small business sector after previously working in cooperatives and joint ventures, after completing school education, or after completing higher education. Influx of previously unemployed women to the small business sector is also greater than influx of previously unemployed men: the share of women respondents who had previously been unemployed in the total number of female respondents was 14.9%, compared with 6.7% share of those who were previously unemployed in the total number of male respondents. The majority of men who come to the small business sector were previously employed in agricultural enterprises, foreign enterprises and peasants' farming.

Shortcomings in legislation are one of the factors, which business people mention as an obstacle to development of their business. Many legal provisions governing small business need to be revised, since versions of legal norms in some older laws contradict the versions in more recent laws, and some laws do not have sufficiently clear implementation mechanisms. These factors combine to hinder faster development of the enterprise sector. Nearly a half (47.8%) of business people said business legislation is in need of improvement. The shares of men and women in the total number of respondents who expressed this view were roughly equal.

Business people were particularly concerned by problems connected with integration of state policy towards the small business sector. As many as 42.4% of respondents were in favor of a well-defined state policy towards the small business sector, based on implementation of new laws and state programmes for development of the sector. Equal shares of men and women supported such a new approach. Furthermore, 92.8% of business people approved the idea that legislation in Turkmenistan should contain special legal norms and economic incentives for specific female business groups.

This is natural in view of the fact that no single normative act or special programmes for

support of enterprise initiatives by women has been put forward since economic reforms began in Turkmenistan. On the one hand the institutional environment places no limits on development of women's business, but on the other hand there are no special conditions and incentives to foster its development. The situation in Turkmenistan is particularly complicated because the country's legal base for conduct of business needs overall improvement and doing business in the current legal environment presents many difficulties for both men and women.

There is an objective need at present for further improvement of business legislation in Turkmenistan, and both government and non-government structures are ready to work on this issue. The draft of a law, "On state support for and development of small and medium-sized business", has been prepared as part of the current research, primarily with a view to creating mechanisms for state support of small and medium business. The measures called for by the law should help to put conditions in place for equal access of men and women to economic opportunities.

The draft national law for Turkmenistan, "On state support and development of small and medium business", contains:

- legal foundations for state policy in support for small and medium business in Turkmenistan;
- forms and methods of stimulating and regulating business activity of both men and women in order to create the conditions and potential for economic growth, manifestation of initiative and enterprise spirit, personal development and development of the national economy;

The law draft defines main directions for state policy in providing support to small and medium business, as well as main principles of such support, its types and forms, procedures for design of a state programme of support for small and medium business together with plans for its financing, procedures for creation and functioning of state structures responsible for implementing the policy of support, and procedures for functioning of institutions, which are needed to ensure development and support for small and medium business.

The draft law stipulates special conditions for state registration and licensing of those engaged in small and medium business as well as incentives for businessmen, involved in execution of state orders for products, works or services.

Separate articles of the law deal with issues of support in the spheres of credit and finance, property and information provision, as well as support for import-export activity by small and medium business agents, legal norms for participation by small and medium business agents in state orders for products, words or service, procedures for inspections of small and medium businesses, and provision of guarantees against unjustified interference in the operations of small and medium businesses.

In order to help resolve credit issues for small and medium businesses the draft law calls for creation of a mutual credit society, whose members would pool their resources in order to provide financial support to the small business sector. This would enable small business agents to draw on non-state sources of funding, as well as using state credits, which is very important for meeting the growing credit needs of small and medium businesses.

Gender aspects receive attention in the law draft thanks to a special provision, by which state support for small and medium business will be provided irrespective of the specific business type, its organizational and legal form, and gender of business people.

The draft law gives special attention to improvement of qualifications and re-profiling of newcomers to small and medium business, and particularly young people, the unemployed, women on leave from work due to childbirth and without any specific professional aptitude, mothers of handicapped children, mothers with many children, single mothers and other vulnerable groups, in order to encourage their involvement in small business. These measures will be implemented in a way that meshes with ongoing education reforms, thus acting as a serious stimulus for development of small and medium business in general and women's business in particular.

The draft law defines main employment priorities in the small and medium business sector, with reference to women, the handicapped, young people, former military personnel, the

unemployed, refugees and forced migrants, as well as other vulnerable groups. The draft envisages a system of preferential credits for small and medium businesses, which are carrying out state orders as part of the state programme of small and medium business support, via preferential interest rates on credit or compensation for income that is not received due to servicing of a credit facility.

Credits on these special terms will be available to small and medium businesses, which create new jobs, particularly in heavily populated areas and in the countryside, and to businesses which create jobs for women (no less than 51% of average staff numbers at the firm). A full version of the draft law, "On state support for and development of small and medium-sized business", is attached to the current Report as Appendix 1.

Enactment of this draft law should enable work to proceed with design of a state programme of support for small and medium business in the period up to 2030, including priorities, methods and resources for its implementation. This programme should be designed with involvement by government and non-government structures in order to achieve a balance of interests between the state and business. The main principles of the state programme for support of small and medium business up to 2030 should be harmonized with other government programmes, which are being developed in Turkmenistan at the present time.

Special programmes also need to be designed for specific groups of business-women. Groups, which have need of such programmes, include women with handicaps, who want to become involved in business, single mothers, mothers with large families, women pensioners, and women who are starting out in business. Each of these target groups has different starting conditions with respect to educational level, availability of capital and competences for managing a business. So each target group will require a different approach.

Together these measures will enable major advances in the small business sector and will extend access of men and women to economic opportunities by implementation of rights that are already enshrined or will be enshrined in national legislation.

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APPENDIX

DRAFT LAW OF TURKMENISTAN

On state support for and development of small and medium-sized business

CHAPTER 1. GENERAL PROVISIONS

Article 1. Area of regulation and sphere of application of the present Law

The present law defines the legal foundations for state policy with respect to support for small and medium-sized business in Turkmenistan, and establishes forms and methods of state encouragement and regulation of business, irrespective of types of economic activity and organizational-legal forms and forms of ownership, with the aim of creating essential conditions and opportunities for small business to contribute to economic growth and realization of initiative and enterprise spirit in the interests of development of the national economy.

Article 2. Subjects of small and medium-sized business

1. Subjects of small and medium-sized business are defined as small and medium-sized enterprises (legal persons) in the non-state sector and self-employed individuals (natural persons, who do business without creation of a legal person).

2. Small and medium-sized enterprises are defined as such by the State Classifier of types of enterprises in Turkmenistan using criteria of employee numbers and type of economic activity.

3. In order to achieve a differentiated approach to various categories of business people with respect to provision of state support in access to credit, resources and raw materials, and with respect to application of the rules set out in the present Law and of various preferences, it is stipulated that:

3.1. Subjects of small business are defined as:

- a) self-employed individuals (individuals who do business without creating a legal entity);
- b) micro enterprises with employee numbers:
 - not exceeding 10 people for enterprises in industry, and in production and supply of electricity, gas and water;
 - not exceeding 5 people in other sectors;
- c) small enterprises whose employee numbers:
 - do not exceed 50 on average for enterprises in industry, and in production and supply of electricity, gas and water;
 - do not exceed 25 people for enterprises in other sectors.

3.2. Medium-sized enterprises are defined as enterprises whose employee numbers:

- do not exceed 200 people for enterprises in industry, and in production and supply of electricity, gas and water;
- do not exceed 100 people for enterprises in other sectors.

4. Average employee numbers of micro, small and medium-sized enterprises are determined for a given business year based on all their employees, including those on temporary contracts and those who work in sub-divisions (representative offices and branches), which are not independent legal persons.

5. Small businesses, which exceed limits, set out in the current Law, on the average number of

employees that allow them to qualify as a small business, forfeit that status and the preferences and incentives envisaged in the present Law of Turkmenistan during the period, in which the excess occurs, and during the subsequent tax period.

6. Organizations are classified as subjects of small and medium-sized business on the basis of a certificate from the Turkmenistan State Committee for Statistics, delivered in accordance with the Turkmenistan State Classifier and other regulatory documents.

7. Subjects of small and medium-sized business, which apply for the state support set out in the present Law, must present a certificate to the relevant government department confirming their conformity with the established criteria.

8. No special registration as a subject of small and medium-sized business by other departments of state and municipal government is required.

Article 3. Legislation of Turkmenistan on state support for small and medium-sized business

1. Legislation of Turkmenistan on state support for small and medium-sized business is based on the Constitution of Turkmenistan and consists of the present Law and other regulatory legal acts of Turkmenistan, governing business issues.

2. If rules contained in international agreements, to which Turkmenistan is party, are different from rules contained in the present Law, the former take precedence.

Article 4. Sphere of application of the present Law

The present Law applies to subjects of small and medium-sized business which meet the criteria defined in Article 2 of the present Law.

CHAPTER II. STATE SUPPORT FOR SMALL AND MEDIUM-SIZED BUSINESS

Article 5. Main directions of state policy for support of small and medium-sized business

1. Activity in accordance with the present Law by departments of state government, local executive power and local self-government for support of small and medium-sized business aims to:

- establish a procedure for activities by state and municipal government departments for support of small and medium-sized business;
- define general principles, priority directions and methods of realization of state policy for support of small and medium-sized business;
- carry out analysis of the current situation of small and medium-sized business, of the efficiency of measures of state support for small and medium-sized business, and of forecasts for development of such business;
- organize statistical observation by the state of the situation and development of small and medium-sized business;
- define main indicators for development of small and medium-sized business and ways of achieving these indicators in the short, medium and long terms;
- coordinate the activity of state and municipal government departments in realization of state policy for support of small and medium-sized business;
- ensure control and monitor observance of legislation in realization of state policy for support of small and medium-sized business;
- design new and monitor existing regulatory legal acts for encouragement of small and medium-sized business;
- design and implement state programmes for support and development of small and medium-sized business;
- create production infrastructure for small and medium-sized business;

- support import-export activity by small and medium-sized business, including assistance in development of links with foreign partners in the spheres of trade, science and technology, production and information;
- create preferential conditions for access by subjects of small and medium-sized business to financial, material-technical, informational and investment resources of the state, as well as to scientific and technical innovations and technology;
- involve subjects of small and medium-sized business in design and implementation of state economic development programmes, as well as state procurement of goods (works and services), including goods (works and services) in the social sphere;
- coordinate scientific research, training, re-training and raising of qualifications for personnel in the small and medium-sized business sector;
- carry out other measures to encourage and support subjects of small and medium-sized business.

2. Departments of state government, local executive power and local self-government should work together to ensure implementation of a unified state policy for support of small and medium-sized business.

Article 6. Main principles, types and forms of state support for small and medium-sized business

1. State support for small and medium-sized business is provided in a way that ensures maximum availability of such support for each subject of small and medium-sized business, as well as openness, transparency, and flexibility in implementation.

2. State support for small and medium-sized business includes financial, property, and informational support, as well as support in import-export activities and inter-regional cooperation, creation of a mechanism for participation of subjects of small and medium-sized business in delivery of goods, accomplishment of works and provision of services for state needs, creation and development of infrastructure at regional and local levels, stimulation of employment in small and medium-sized business, and raising of levels of qualification among personnel.

3. Over and above the forms of state support for small and medium-sized business envisaged in the present Law, departments of state government, local executive power and local self-government have the right to deploy additional types and forms of state support from their own means and resources. In such instances, departments of state government, local executive government and local self-government can establish additional conditions, which give subjects of small and medium-sized business rights to such state support.

Article 7. Main directions for state support of small and medium-sized business

1. State support for small and medium-sized business is implemented through:

- provision of modern equipment and technologies, leasing and educational services to subjects of small and medium-sized business, as well as creation of a network of techno-parks and technopolises, business incubators, production and technical centers, and other forms of support for development of production infrastructure in the small and medium-sized business sector;
- support in organization of specialized wholesale markets and markets for products (works and services) of small and medium-sized businesses, including provision for leasing on preferential terms of constructions, buildings, equipment, production and service premises, and other property in state or municipal ownership;
- creation of a suitable information network for obtaining and exchanging economic, legal, statistical, productive, technical and other information, which is essential for efficient development of small and medium-sized business;
- assistance to subjects of small and medium-sized business in development of their export potential, and representation of the country's interests abroad, including participation by small and medium-sized business in international exhibitions and markets;

- establishment of a “most-favored” regime for subjects of small and medium-sized business in trade operations, including a preferential regime for processing of customs documents;
- establishment of a simplified regime of state registration and licensing for activity by subjects of small and medium-sized business;
- stimulation of investment by subjects of small and medium-sized business in creation of new jobs, particularly in heavily populated regions and in sectors and spheres, which have special priority for the state;
- provision of state guarantees for investments by subjects of small and medium-sized business in implementation of state economic development programmes;
- creation of conditions for long-term partnership between the state and subjects of small and medium-sized business through measures to encourage involvement of small and medium-sized business in state procurement (delivery of goods, works and services for state needs, including social goods, works and services);
- design and approval of special credit programmes for subjects of small and medium-sized business using various sources of financing, including budget and mixed forms of financing;
- training, retraining and improvement of the qualifications of specialists in central and local executive government departments as well as specialists in local self-government with responsibility for supporting small and medium-sized business;
- raising of qualifications and professional retraining for people starting up in small business, as well as young people, the unemployed, mothers of handicapped children, mothers with large families, single mothers and other socially vulnerable people in order to help them to participate in the small and medium-sized business sector;
- creation of favourable conditions for subjects of small and medium-sized business to make use of vacant non-residential premises and idle equipment in state and municipal ownership;
- help to social organizations (unions, associations) and other institutions and organizations in fulfilment of their proper tasks with respect to development of small and medium-sized business;
- other measures for stimulation, development and support of subjects of small and medium-sized business.

2. Principle measures for support of small and medium-sized business in the productive and technical, informational, investment, innovation, import-export and personnel spheres may be implemented through provision of subsidies, grants and preferences, or through partial or complete compensation of costs, using government financing and other sources of financing, which are permissible in accordance with laws of Turkmenistan, from the state (or regional or municipal) support fund for small and medium-sized business.

3. The scale of subsidies, grants and preferences and the procedure for providing them are defined on the basis of agreements between subjects of small and medium-sized business and the party, which provides the preferences and compensations, including the state (or regional or municipal) fund for support of small and medium-sized business.

Article 8. The state programme of support for small and medium-sized business

1. For the purposes of state policy of support to small and medium-sized business a state programme should be designed, addressing short-, medium- and long-term issues.

Local departments of executive power and local self-government departments should design regional programmes for support and development of small and medium-sized business, to be financed from resources of the state budget and local budgets.

2. When the period of application of the state programme for support of small and medium-sized business comes to an end, it is amended and expanded to reflect changes in the market economy and is approved by the President of Turkmenistan for a further period of application. Implementation of the state programme of support for small and medium-sized business is compulsory for gov-

ernment departments, local executive departments, and departments of local self-government.

3. The state programme for support of small and medium-sized business is to be developed taking account of forecasts for the country's socio-economic development, as well as programmes of development for priority sectors of the economy and other state programmes.

4. The state programme for support and development of small and medium-sized business consists of a package of measures for implementation of state policy in development and support of small and medium-sized business, and contains the following main provisions:

- definition of the most promising directions for development of small and medium-sized business and types of economic activity, which have priority importance for the state, as well as volumes of state procurement (by ministries and government offices), in which competitive participation by small and medium-sized business is compulsory;
- definition of responsibilities of ministries and government offices for selecting subjects of small and medium-sized business to carry out state procurement orders, as well as improvement of the efficiency of competitive selection of subjects to carry out state orders based on choice of a proposal, which ensures optimal use of budget money and meets necessary requirements for implementation of the order;
- design of organizational schemes, rules and procedures for competitive selection of subjects of small and medium-sized business to implement state orders for production of goods, works or services;
- annual definition of the volume of resources necessary for implementation of the programme of state support for small and medium-sized business (by sources of financing and by regions);
- improvement and monitoring of the legal base for development of small and medium-sized business, taking account of implementation of the state programme for support of small and medium-sized business;
- design and improvement of the legal base for licensing of the activity of subjects of small and medium-sized business and regulation of the conduct of inspections of subjects of small and medium-sized business by controlling organs;
- measures for development of infrastructure to support small and medium-sized business, taking account of regional specifics;
- encouraging participation of vulnerable social groups in small and medium-sized business, including women, young people, the handicapped, former military personnel, the unemployed, refugees and forced migrants, and others;
- design of support mechanisms for small and medium-sized business in the spheres of credit, finance and property, as well as mechanisms for protection of ownership rights in the small and medium-sized business sector;
- involvement of subjects of small and medium-sized business in research & development, work on prototypes and other technological innovations, as well as their involvement in innovation programs and technologies for realization of state projects for economic development;
- design of privatization and denationalization programmes based on transfer to the small and medium-sized business sector of uncompleted construction projects, buildings that are no longer needed by the state, as well as unprofitable and loss-making state enterprises in instances where there is a potential for making profits, expanding production, creating jobs and carrying out modernization of technologies;
- giving subjects of small and medium-sized business priority rights to purchase government-owned premises and fixed assets, which they currently lease, taking account of investments which the businesses have made in those assets;
- resolution of other issues connected with implementation of state policy for support, development and protection of the rights of subjects of small and medium-sized business.

Regional programmes for implementation of economic policy in the sphere of support for small and medium-sized business should be designed to accord with the principles set out in the present Article.

5. Financing of the state programme for support and development of small and medium-sized business is provided from budget resources and other sources of financing, which are permissible in accordance with legislation of Turkmenistan, through the state (or regional) fund for support and development of small and medium-sized business.

The volume of compulsory annual funding for implementation of the state programme for support and development of small and medium-sized business is defined in a distinct line of the expenditures section of the state budget based on proposals by the Cabinet of Ministers of Turkmenistan

Financing of regional programmes for support and development of small and medium-sized business uses budget resources, which are earmarked for that purpose, as well as resources of local budgets and other local sources of financing, which are permissible in accordance with laws of Turkmenistan.

6. The Cabinet of Ministers of Turkmenistan organizes and coordinates implementation of the state programme for support and development of small and medium-sized business through commissions for support and development of small and medium-sized business, which are attached to the Cabinet of Ministers and to departments of local executive power. The state commissions prepare monthly reports on progress in implementation of the state programme and cooperate with ministries, government offices and other economic structures in order to carry out priority tasks, defined by the state programme for support and development of small and medium-sized business.

Organization and coordination of regional programmes for support and development of small business are carried out by respective regional commissions, which are created at the local level.

7. The state commission for support and development of small and medium-sized business attached to the Cabinet of Ministers of Turkmenistan presents an annual report to the President of Turkmenistan on the state of development of small and medium-sized business, including overall analysis of implementation of measures as part of state and regional programmes and a report on use of state budget resources and other financial resources for purposes of state support and development of small and medium-sized business.

8. Social organizations (unions and associations), finance and credit institutions, and other economic organizations, which are involved in issues of small and medium-sized business development, have the right to independently develop and implement programmes of support and development for small and medium-sized business (provided that such programmes do not contradict provisions of the present Law), and to present such programmes to state commissions for support and development of small and medium-sized business attached to local departments of executive power, and also to put forward proposals on inclusion of specific drafts and measures in state or regional programmes for support and development of small and medium-sized business.

9. Departments of local self-government may assume special powers for implementation of the state programme for support and development of small and medium-sized business as provided for by the Cabinet of Ministers of Turkmenistan, and may apply additional measures for support of small and medium-sized business using their own means and resources.

Article 9. State commissions for support and development of small and medium-sized business, attached to the Cabinet of Ministers of Turkmenistan and to departments of local self-government

1. State commissions for support and development of small and medium-sized business should be set up and attached to the Cabinet of Ministers of Turkmenistan and to departments of local self-government in order to further implementation of programmes for support and development of small and medium-sized business.

2. The main tasks of state commissions for support and development of small and medium-sized business attached to the Cabinet of Ministers of Turkmenistan and to departments of local self-government are to:

- lend assistance in practical implementation of measures, provided for under the present Law;
- represent the interests, protect the lawful rights and take account of the proposals of small business people during decision-making in departments of state government and of local self-government;
- support and publicize initiatives by the small and medium-sized business sector, which are initiated by social unions and associations or by small and medium-sized businesses themselves;
- participate in preparation of draft legislation of Turkmenistan on issues of development of small and medium-sized business, and submit such drafts to legislative bodies and other relevant government establishments;
- contribute to design, coordination and implementation of the state programme for support of small and medium-sized business, as well as other programmes and projects for support and protection of the rights of subjects of small and medium-sized business.

3. State commissions for support and development of small and medium-sized business, including those attached to departments of local self-government, may have representatives of the small-business sector, of social unions (organizations), of the chamber of commerce and industry, as well as academics and representatives of relevant state bodies among their members in addition to members who are full-time officials.

4. State commissions for support and development of small and medium-sized business attached to departments of local executive power present an annual report on their activity to the state commission for support and development of small and medium-sized business, which is attached to the Cabinet of Ministers of Turkmenistan.

5. The Resolution on state commissions for support and development of small and medium-sized business attached to the Cabinet of Ministers of Turkmenistan and to departments of local executive power is subject to approval by the Cabinet of Ministers of Turkmenistan.

Article 10. Funds for support of small and medium-sized business

1. A fund for support of small and medium-sized business is a non-profit organization with the status of a legal entity, which is set up for financing of programmes, projects and measures that aim to support and develop small and medium-sized business.

2. State and regional funds for support of small and medium-sized business are non-profit organizations with the status of legal entities, set up with participation by departments of state government, and departments of local executive power and local self-government in order to ensure efficient implementation of state policy for support and development of small and medium-sized business.

3. The state fund for development and support of small and medium-sized business is created by the Cabinet of Ministers of Turkmenistan, which also determines membership of the council of the fund. The fund is entitled to take part in creation of regional funds for support of small and medium-sized business.

4. Funds for support of small and medium-sized business accumulate financial resources by generating income from their own activities, by accepting voluntary contributions from legal entities and natural persons, and in the form of interest on loans, which are provided to subjects of small and medium-sized business on a competitive basis, as well as receiving budget money and other means, which are permissible under the laws of Turkmenistan.

5. Main activities of funds for support of small and medium-sized business are:

- raising finance for realization of programmes, projects and measures in the sphere of small and medium-sized business;

- taking part in preparation and implementation of state, regional, and municipal programmes for support of small and medium-sized business;
- provision of funding, in the form of loans or grants, to subjects of small and medium-sized business and infrastructure organizations whose purpose is to support small and medium-sized business;
- provision of pledges and guarantees on financial commitments incurred by subjects of small and medium-sized business;
- financing of initiatives for training, retraining and raising of qualifications of personnel in the sphere of small and medium-sized business;
- financing of scientific research, and of scientific and practical conferences on issues of small and medium-sized business development, as well as financing of sociological surveys, which aim to study socio-economic trends and other trends in development of small and medium-sized business;
- financing of innovative activities, stimulation of scientific developments and production of essentially new products, as well as assistance with priority aspects of small and medium-sized business;
- providing assistance to attract domestic and foreign investments for implementation of priority projects in small and medium-sized business;
- funding of informational, legal and consulting services for subjects of small and medium-sized business and for other items, intended to support small and medium-sized business.

6. Rules for assignment of financial resources from the state fund and from regional funds for support of small and medium-sized business are established by the funds themselves on the basis of feasibility analysis of programmes, projects and measures for support of small and medium-sized business.

7. Cooperation between state and regional funds for support of small and medium-sized business is based on principles of equality of the parties, mutual economic advantage and responsibility.

8. State and regional funds for support of small and medium-sized business have the right to design conditions and carry out competitions for placement of budget funds with subjects of small and medium-sized business, and to carry out expert assessment of business plans, projects and programmes, which are designed to develop and support small and medium-sized business.

Article 11. Infrastructure for development and support of small and medium-sized business

1. Infrastructure to be created for implementation of state policy to support small and medium-sized business includes funds for support of small and medium-sized business, agencies for development of small and medium-sized business, specialized leasing companies, business and service centers, techno-parks, business incubators, mutual credit societies, professional social unions and associations, and other non-profit organizations for subjects of small and medium-sized business, as well as other organizations, whose purpose is to support small and medium-sized business (hereinafter all of these are referred to as infrastructure support organizations for small and medium-sized business).

2. Creation of infrastructure for support of small and medium-sized business can be on the initiative of (and with participation by) central government, local executive power or local self-government, or creation of infrastructure can be the responsibility of natural persons and organizations irrespective of their organizational and legal status and form of ownership, in accordance with current legislation on social organizations and commercial enterprises.

3. Central government, local executive power and local self-government lease buildings and non-residential premises to organizations that provide infrastructure support to small and medium-sized business, and also provide other forms of assistance to such organizations.

Article 12. State registration and licensing for subjects of small and medium-sized business

1. State registration and re-registration as well as liquidation and exclusion from the state register of subjects of small and medium-sized business are carried out in accordance with laws of Turkmenistan without payment of duties.

2. Preparation and issue of licenses, as well as extension and curtailment of the period of validity of licenses issued by ministries and government offices to subjects of small and medium-sized business are carried out in accordance with legislation of Turkmenistan without payment of duties.

3. Subjects of small and medium-sized business have unlimited rights to obtain all information connected with registration and liquidation of economic subjects, and with issue, suspension and cancellation of licenses.

4. Officials of ministries and government offices, which are responsible for registration of subjects of small and medium-sized business and for issue of licenses, should not place any obstacles in the way of preparation of documents and issue of licenses.

Article 13. Rules for presentation of accounts by subjects of small and medium-sized business

Rules for presentation to official bodies of operating statistics and financial reporting by small and medium-sized business are governed by laws of Turkmenistan. .

Article 14. Financial support for small and medium-sized business

1. Financial support for subjects of small and medium-sized business and organizations that provide infrastructure support to small and medium-sized business is implemented through provision to businesses of money and of state and municipal guarantees from state budgets at various levels of government in accordance with state and regional programmes for support and development of small and medium-sized business, and also from off-budget funds, funds for small and medium-sized business support, and mutual credit societies.

2. Financial support to small and medium-sized business from state budgets at various levels of government is provided in the following forms:

- subsidies to subjects of small and medium-sized business;
- grants to subjects of small and medium-sized business;
- budget credits and loans;
- state and municipal guarantees;
- in other forms, which are permitted by laws of Turkmenistan.

3. Conditions and rules for provision of budget subsidies, grants, credits and loans are as set out in the Budget Law and other legislative acts.

4. Funds for support of small and medium-sized business, which have responsibility for financing state and regional programmes for support and development of such business, assign budget financing to subjects of small and medium-sized business and infrastructure organizations that support it in the framework of relevant state and regional programmes.

5. Government budget financing of subjects of small and medium-sized business and organizations that provide infrastructure for such business is exclusively on a competitive basis, with the following exceptions:

- state and regional programmes of support for small and medium-sized business, which involve financing in the form of subsidies and grants;
- long-term projects, which are continuations of projects carried out in accordance with state and regional programmes for support of small and medium-sized business;
- instances when those implementing a state procurement order are defined by relevant legal acts of the President of Turkmenistan and the Cabinet of Ministers of Turkmenistan,

6. Government bodies and organizations, which are responsible for financing of state and regional programmes of support for small and medium-sized business:

- take decisions on organization of competitions for assignment of budget funds to subjects of small and medium-sized business and decide the terms, on which such competitions are held;
- confirm a list of organizations, which hold the competitions and carry out expert assessment of business plans, projects and programmes, and also confirm composition of respective competition committees and expert groups;
- make agreements and ensure that competition winners receive financing;
- carry out monitoring and control over correct use of budget funds and ensure that accounts are presented.

7. Funds for support of small and medium-sized business can design competition conditions and hold competitions for assignment of budget funds to subjects of small and medium-sized business, provided that they are empowered to do so by state bodies and organizations with responsibility for budget financing of state and regional programmes of support for small and medium-sized business.

8. Conditions and rules for provision of state guarantees are established by laws of Turkmenistan.

Article 15. Provision of credit to subjects of small and medium-sized business

1. Issue of credit to subjects of small and medium-sized business, which are responsible for fulfilling state orders as part of the state programme for support and development of small and medium-sized business, can be carried out using a preferential interest rate based on compensation of lost income due to servicing of the credit where the compensation is provided by the state (regional) fund for support of small and medium-sized business.

2. The state (regional) fund for support of small and medium-sized business has the right to partly or fully compensate income losses of enterprises, organizations, institutions and banks due to lowering of interest rates on credit issued to subjects of small and medium-sized business by the respective enterprises, organizations, institutions and banks.

The rules, conditions and scale of compensation for issue of a credit at a preferential interest rate is established by an agreement between the enterprises, organizations, institutions and banks, which issue the credit to subjects of small and medium-sized business, and the state (regional) fund for support of small and medium-sized business.

3. Subjects of small and medium-sized business are entitled to receive credit at preferential interest rates if they:

- provide employment to handicapped people, young people and women (who must be no less than a third of the average number of personnel at the small enterprise);
- use advanced technologies in production of goods (works, services) to meet state orders;
- develop their import-export activities, particularly through expansion of export potential;
- provide social services to the general public in response to an order placed by executive government;
- carry out R&D or innovation activity;
- provide education services.

Article 16. Insurance of small and medium-sized business

1. Subjects of small and medium-sized business, which are meeting a state order for production of goods (works, services), can obtain insurance on preferential terms.

2. The state (regional) fund for support of small and medium-sized business has the right to compensate, wholly or in part, loss of income by insurance organizations when such organizations insure subjects of small and medium-sized business, which are meeting a state order for production of goods (works, services).

3. The rules, conditions and scale of compensation for insurance of subjects of small and medium-sized business, which are meeting a state order, is established by agreement between insurance organizations and the state (regional) fund for support of small and medium-sized business.

Article 17. Participation of subjects of small and medium-sized business in implementation of state orders for production of goods (works, services)

1. Participation by subjects of small and medium-sized business in implementation of state procurement orders for production of goods (works, services) is based on the following principles:

- guaranteed opportunity for subjects of small and medium-sized business to take part in competitions for placement of state orders at the central and regional level;
- observation by government bodies, departments of state executive power and local self-government departments of legal norms, established in the present Law, during placement of state orders with subjects of small and medium-sized business;
- ensuring of openness and transparency in conduct of competitions for placement of state orders with subjects of small and medium-sized business;
- increased responsibility of ministries and government offices for participation of subjects of small and medium-sized business in implementation of state orders.

2. Subjects of small and medium-sized business that participate in state programmes obtain a share of state orders for production and supply of specific types of products (goods, services) in sectors and spheres, which have priority importance for the state.

Volumes of state orders, deadlines for completion of such orders, and rules, by which a certain share of state orders is reserved for subjects of small and medium-sized business, are established by the state programme for support and development of small and medium-sized business and are approved by the Cabinet of Ministers of Turkmenistan.

3. State orders for production of goods (works, services) are assigned to subjects of small and medium-sized business on a competitive basis and formalized by an agreement on execution of the order with the ministry and government office, which is responsible for delivery of the respective products (works, services) on the domestic or external market.

4. Subjects of small and medium-sized business, which are carrying out a state order, have the right to use raw materials and other necessary inputs as well as fuel, electric energy and equipment at preferential prices, which are fixed in the agreement on execution of the state order.

5. Subjects of small and medium-sized business, which are carrying out a state order, have the right to lease buildings and constructions as well as equipment and technical items at preferential rates, which are fixed in the agreement on execution of the state order.

6. The agreement with subjects of small and medium-sized business for execution of state orders can also include other conditions and preferences.

7. Subjects of small and medium-sized business can be retained for execution of a state order for production of goods (works, services) jointly with other operators (in the role of sub-contractors). In such cases the conditions for participation by subjects of small and medium-sized business in execution of the state order is defined by a sub-contracting agreement.

Article 18. Property support for small and medium-sized business

1. For purposes of the present Law property support for small and medium-sized business refers to sale or lease on preferential terms of property in state or municipal ownership to subjects of small and medium-sized business and organizations that provide infrastructure support to such business, including transfer of buildings, non-residential premises, equipment and technology, as well as property complexes and means of transport under long-term lease with a right of subsequent purchase.

2. Any property, which is transferred to help support subjects of small and medium-sized busi-

ness and providers of infrastructure for small and medium-sized business, must be free of other commitments and be accounted on the relevant state or municipal account, with the exception of types of property, whose transfer is prohibited or limited by laws of Turkmenistan.

3. A decision on volumes and forms of property support is taken by departments of central government, local executive power and local self-government, and also by state commissions for support and development of small and medium-sized business attached to the Cabinet of Ministers of Turkmenistan and to departments of local executive power at the time when respective state or local budgets are being prepared for the next financial year.

4. Establishment of preferential conditions for property support to subjects of small and medium-sized business and organizations providing infrastructure support to small and medium-sized business is for a period of one year with subsequent annual extension subject to decision of central government departments or departments of local executive power together with state commissions for support and development of small and medium-sized business attached to the Cabinet of Ministers of Turkmenistan and to departments of local executive power.

5. Property, which is put at the disposal of subjects of small and medium-sized business and of organizations providing infrastructure support to small and medium-sized business, must be used as intended and in accordance with conditions set out in the agreement with the Ministry of Economics and Finance of Turkmenistan or with departments of local executive government. The period, during which property is transferred, cannot be less than three years, except for instances when subjects of small and medium-sized business themselves request a lease agreement for a shorter period and instances provided for by laws of Turkmenistan.

6. Property, which is leased to subjects of small and medium-sized business and organizations providing infrastructure support to small and medium-sized business as a form of state support for such business, is not subject to sale by the user, nor to transfer of rights of use, transfer of rights of use as a pledge, and contribution of rights of use to charter capital of other economic subjects, unless specially provided for in the agreement.

7. When property is leased to subjects of small and medium-sized business and infrastructure organizations as a form of state support, the standard leasing payments for use of such state or municipal property are lowered. However, the minimum level of payment must cover costs of the party, on whose balance sheet the property is accounted, for maintenance and repair of the property.

8. At the expiry of the lease period and provided that conditions of the agreement have been observed, departments of central government or of local executive power can give priority rights to the subjects of small and medium-sized business and infrastructure support organizations, which benefited from the lease, to lease the property for a further period or to purchase the property without holding of a competition.

Article 19. Information support for small and medium-sized business

1. Information support for small and medium-sized business includes state regulation of the processes of development of an information space, and creation and development of a single information system on activities of departments of central government, local executive power and local self-government with respect to provision of economic, legal, statistical, production and technical, and other information, which is necessary for development and support of small and medium-sized business.

2. Legal support to small and medium-sized business includes propagation of legal information by the state using mass media, creation and maintenance of a government Internet site for subjects of small and medium-sized business, as well as thematic publication of legal acts together with explanatory notes.

Legal support includes provision, either free-of-charge or on preferential terms, of direct legal help to subjects of small and medium-sized business with respect to organization of their business, including assistance in preparation of registration documents, sealing of agreements, representation of the interests and defence of the rights of subjects of small and medium-sized business.

3. Organizations providing infrastructure support to subjects of small and medium-sized business, as well as departments of local executive power and local self-government should assist in efficient development of an information space for subjects of small and medium-sized business and provide them with consulting support.

Article 20. Support for import-export activities of small and medium-sized business

1. State commissions for support of small and medium-sized business attached to the Cabinet of Ministers of Turkmenistan and to departments of local executive power are responsible for implementing a policy that creates favorable conditions for import-export activities by subjects of small and medium-sized business.

2. State support for import-export activities by subjects of small and medium-sized business is defined by the following priorities:

- achieving the country's export potential through development of processing industries and use of local raw materials by subjects of small and medium-sized business;
- implementation of technical assistance programmes together with international funds and organizations;
- installation of equipment and technologies, which meet international standards;
- development of innovation activity on the basis of modern, world-class scientific and technical developments.

3. Funds for support of small and medium-sized business may compensate costs (wholly or in part), which are incurred by subjects of small and medium-sized business due to participation in international exhibitions and fairs and may also compensate other costs incurred by such businesses from promotion of their products on foreign markets, including costs of patenting their products.

4. The extent of partial or complete compensation of costs incurred in connection with participation by subjects of small and medium-sized business in international exhibitions (fairs) and promotion of their products on international markets, as well as the rules and conditions for such compensation, are determined by the Cabinet of Ministers of Turkmenistan in accordance with the state programme for support and development of small and medium-sized business.

5. Sale by subjects of small and medium-sized business of products (works, services) on international markets are exempt from payment of customs duties for export document preparation within limits prescribed by the state programme for support and development of small and medium-sized business.

Article 21. Cooperation between departments of central government, local executive power and local self-government in support for small and medium-sized business

Acting in accordance with their authority for support and development of small and medium-sized business, departments of central government, local executive power and local self-government:

- design joint programmes for development and support of small and medium-sized business;
- exchange information on the situation in the small and medium-sized business sector and on efficiency of measures for its state support;
- provide each other with financial support to further implementation of state and regional programmes of support for small and medium-sized business;

- work together on other tasks, related to implementation of state policy for support of small and medium-sized business.

Article 22. Inspections of economic activity of subjects of small and medium-sized business

1. Inspection of the economic activity of subjects of small and medium-sized business is carried out by controlling bodies in accordance with the resolution, "On rules and time limits for inspection of subjects of small and medium-sized business by government bodies in Turkmenistan" (approved by the Cabinet of Ministers of Turkmenistan), based on a schedule, which is decided by state commissions for support and development of small and medium-sized business attached to local executive government departments.

2. Economic activity of subjects of small and medium-sized business, which pay their tax dues, duties and other official payments fully and punctually, obey other norms and rules, and provide annual auditors' opinions, should not be subject to inspection by controlling bodies more frequently than once in every two years.

3. Inspections of economic activity of subjects of small and medium-sized business should not last for more than thirty calendar days. This period can be extended in exceptional cases by decision of state commissions for support and development of small and medium-sized business.

4. Economic activity of subjects of small and medium-sized business may also be inspected by the prosecutor's office, departments of the Ministry of Internal Affairs, and national security agencies. Such inspection can be carried out as part of an open criminal case, by authorisation of the prosecutor's office as part of investigations being carried out by the office, or as part of police search activities. In such cases the inspection is limited to that part of economic activity of the subject of small and medium-sized business, which has been linked with opening of the criminal case, prosecutor's investigations, or the object of the police search for no more than five years. This point must be reflected in a ruling of the state commission for support and development of small and medium-sized business attached to departments of local executive power concerning authorisation of the inspection.

5. Subjects of small and medium-sized business have the right not to carry out demands of the controlling and law-enforcement bodies respecting issues, which do not fall in the competence of the inspectors, and to refuse to acquaint them with materials, which are not relevant to the object of the inspection.

6. Inspection of the economic activity of subjects of small and medium-sized business is carried out by officials of controlling and law-enforcement bodies. Such officials are given access for purposes of the inspection on presentation of an extract from an inspection schedule, approved by the state commission for support and development of small and medium-sized business attached to departments of local executive power, as well as a specific authorisation for the inspection listing names of the inspectors and time of the inspections, and proof of identity of the inspectors.

During inspection of the economic activity of subjects of small and medium-sized business officials of the controlling and law-enforcement bodies make an entry in an inspections registration book according to rules established by the state commission for support and development of small and medium-sized business attached to departments of local executive power.

7. Results of inspections are documented in an act (certificate), one copy of which is kept by the inspected subject of small and medium-sized business, another other copy of which is kept by the state commission for support and development of small and medium-sized business attached to departments of local executive power, and a third copy of which is kept by the inspectors.

8. Subjects of small and medium-sized business keep a record book documenting inspections of their economic activity with records of the date and time of inspections, their justification and their results.

9. Officials of state controlling bodies must make an entry in the record book of subjects of small and medium-sized business on the occasion of an inspection, detailing the surnames, official titles and names of organizations of the officials who carried out the inspection.

Article 23. Guarantees against unjustified interference in economic activity of subjects of small and medium-sized business

1. Officials of state bodies cannot interfere in economic activity of subjects of small and medium-sized business.

2. State bodies with responsibility for control and monitoring functions can only prohibit or suspend operations by subjects of small and medium-sized business based on a court decision. Prohibition of suspension of operations by subjects of small and medium-sized business without a court decision is only permissible in exceptional circumstances, as prescribed by laws of Turkmenistan. In such cases the act, which enables prohibition or suspension of activity has validity until delivery of a final decision by a court.

3. Actions by officials, which prevent carrying out of business activities, entail responsibility of the relevant officials as established by laws of Turkmenistan.

4. Damage, including loss of income, inflicted on subjects of small and medium-sized business due to execution of unlawful instructions of state bodies or officials or due to actions by the latter, which violate laws of Turkmenistan and the rights of subjects of small and medium-sized business, entails compensation of that damage by state bodies or by officials.

5. Unlawful prohibitions by state organs or officials, which limit business activity, are void and do not require to be obeyed by subjects of small and medium-sized business.

Article 24. Non-profit unions of subjects of small and medium-sized business

1. Subjects of small and medium-sized business may form non-profit unions with the status of legal entities in accordance with laws of Turkmenistan for the purpose of addressing common issues, linked with development of business activity.

2. Non-profit unions of subjects of small and medium-sized business may carry out productive or other operations for achievement of the goals set out in their charters.

3. Non-profit unions of subjects of small and medium-sized business may take advantage of preferences set out in the present Law if the goals set out in their charters are linked with implementation of the state programme for support and development of small and medium-sized business and if the unions meet requirements on average employee numbers.

Article 25. Mutual credit societies of subjects of small and medium-sized business

1. Subjects of small and medium-sized business can create mutual credit societies, which pool free cash resources of their members in order to provide financial support to members.

2. A mutual credit society is a non-profit organization and is a legal entity, which operates in accordance with laws of Turkmenistan.

3. A mutual credit society determines the rules, periodicity and scale of payments (contributions) by its members based on its charter and other founding documents, as well as the limits, maturity and terms of credit issues to its members.

4. A mutual credit agency of subjects of small and medium-sized business cannot:

- use money resources of legal entities and natural persons who are not members of the society;
- provide money resources to legal entities and natural persons, who are not members of the society.

CHAPTER III. CONCLUDING POINTS

Article 26. Answerability for violation of laws of Turkmenistan on state support for small and medium-sized business

1. When carrying out their operations in accordance with the present Law, subjects of small and medium-sized business must not violate laws of Turkmenistan, the rights of citizens and the interests of citizens, which are protected by law, or the interests of other economic agents.

2. Officials of central government and central government agencies, of local executive power and local self-government are answerable for violations of the present Law and other legal acts of Turkmenistan governing issues of state support for small and medium-sized business in accordance with laws of Turkmenistan.

Article 27. Resolution of disputes

Disputes of subjects of small and medium-sized business concerning application of the provisions of the present Law and other legal acts relative to state support for small and medium-sized business are dealt with according to rules established by laws of Turkmenistan.

Article 28. Enactment of the present Law

The present Law comes into force on the day of its publication.

Gender is a social conception of the differences between men and women, describing the distinctive social characteristics of men and women, as distinct from purely physiological differences. The concept of gender cannot be applied to men and women separately from each other, but only with respect to the connections between them. Gender is a totality of biological, psychological, social and cultural characteristics of the individual.

Gender equality is equality of individuals, taking account of their biological, psychological, social and cultural distinctions.

Gender approach in legislation is a way of assessing the efficacy of legislation by measuring the degree to which it reflects socially conditioned characteristics of legal regulation with reference to sexual differences and difference in family circumstances of the subjects of law, and furthers realization of the basic rights of women in the context of human rights.

Convention is an international agreement at the level of national governments on observance of general, agreed rules.

Monitoring is sustained observation of changes in gender legislation and practical results in the field of gender equality. Monitoring of gender legislation is carried out in order to manage processes of social development

The Halk Maslahaty of Turkmenistan is the permanently functioning higher representative body of popular power, vested with the authority of supreme state power and government. The highest state power and government in Turkmenistan is exercised by the President of Turkmenistan, the Mejlis, the Cabinet of Ministers, and the Supreme Kaziet (Supreme Court).

The Halk Maslahaty includes:

- The President of Turkmenistan;
- Deputies of the Mejlis, the Chairman of the Supreme Kaziet, the Prosecutor General, members of the Cabinet of Ministers, Hakims of Velayats and of the City of Ashgabat;
- The Halk Vekillery;
- heads of parties, of the Youth Organization, of trade unions, and of the Union of Women, who are members of the Galkynysh National Movement, as well as heads of social organizations, and representatives of the Elders of Turkmenistan;
- Hakims of cities, which are administrative centers of Velayats and Etraps, and Archyns of towns and villages, which are administrative centers of Etraps.

The Halk Maslahaty consists of 2507 members.

The Mejlis of Turkmenistan is the state legislative body.

Local executive power is exercised in Velayats (regions) by Hakims of Velayats, in towns by Hakims of towns, and in Etraps by Hakims of Etraps and by Archyns.

Hakims are regional representatives of the President of Turkmenistan (the Head of State), and answerable to him. Hakims are in charge of the activity of executive government bodies in the regions, guaranteeing observance of the Constitution, the laws of Turkmenistan, and the legal acts of the President of Turkmenistan and Cabinet of Ministers. Hakims can issue resolutions, in the limits of their authority, which are compulsory for implementation in the territories, which they govern.

Archyns are heads of local self-government and local executive power in a town (in an Etrap), a village or a group of small villages making up a Gengeshlyk. Archyns ensure implementation of decisions by a Gengesh and acts of state government, they manage facilities that are owned by local government, ensure implementation of local budgets, and decide other issues of local importance. An Archyn, as the head of local self-government, is answerable to the Gengesh and the respective Halk Maslahaty at Etrap or town level. The Archyn, as head of local executive power, is also answerable to

the President of Turkmenistan, and thus to the Hakim of the Velayat, Etrap, or town, and he is responsible for the state of affairs in his territory.

Gengeshes are representative bodies of popular power in a town (in an Etrap), village or Gengeshlyk. A Gengeshlyk is a group of several villages. A Gengesh must be guided by principles of law, collegiality and openness and is answerable to the Halk Maslahaty of an Etrap or town. Decisions taken by a Gengesh within the limits of its authority are compulsory for implementation in the relevant territory.

Business (enterprise) is independent initiative by citizens for the purpose of obtaining profit or income, carried out in their own name, at their own risk and under their proprietorial responsibility, or in the name and under the proprietorial responsibility of a legal entity (enterprise).

Small enterprises are enterprises with average employee numbers not exceeding 50 people (in the sectors of industry, as well as in the electricity, gas, water supply and construction sectors) or 25 people (in all other sectors).

Self employment is the activity of citizens pursuing business without creation of a legal entity on the basis of relevant state registration at the Central State Tax Service of Turkmenistan.

License is a special permission, issued by authorized state bodies to self-employed individuals for them to carry out specific types of economic activity for a specific period subject to specific conditions.

Licensing includes issues of licenses, their renewal, suspension of their validity and their annulment, as well as supervision of the state bodies, which issue licenses, and control over obedience of license requirements and conditions by self-employed individuals, who have obtained licenses.