



The Ministry of labour  
and social protection of population  
of the Republic of Uzbekistan

# POLICY PAPER



Uzbekistan

English version

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## EFFECTIVE EMPLOYMENT POLICY: ACHIEVING WOMEN'S LABOUR CAPACITIES IN THE REPUBLIC OF UZBEKISTAN

### INTRODUCTION

The United Nations recognizes equal rights and opportunities for men and women as one of its core values. Promoting gender equality through the empowerment of women is one of the Millennium Development Goals (MDGs) enshrined in the United Nations Millennium Declaration, which was ratified in 2000 by 147 heads of states and representatives of 191 countries, including Uzbekistan.

Gender equality in the labour market and in employment entails equal access to all opportunities and covers all types of salaried work across all activity and employment sectors. However, recognizing that gender equality is not simply an issue of justice or a matter of respecting human rights is critical.

Research conducted in numerous countries around the world shows that there is a positive correlation between the rise in women's educational levels and a country's per capita GDP<sup>1</sup>. In addition, increases in women's share of disposable family income leads to increases in expenditure on food, children's education and clothing and a decrease in expenditures on alcohol and cigarettes<sup>2</sup>. Conversely, such a trend also shows that expenditures on alcohol and cigarettes decrease.

Therefore, gender equality is a major goal of a country's development. At the same time, it is important to consider a country's national characteristics and culture and to understand that there are different means to achieve equality of women and men in the labour market. The underlying principle of gender equality is that men and women should have equal opportunities to achieve their human potential, and should enjoy equal rights and access to education, resources and other activities.

To attain these goals, a comprehensive methodology of gender mainstreaming<sup>3</sup> should be applied to strategic decision making in the employment sector while special policy measures should be introduced to equalize women's position in the labour market.

Policy instruments for ensuring equal rights and opportunities for men and women in the employment sector are subject to a country's characteristics and defined by its socio-economic and institutional conditions as well as to its current stage of development.

Since gaining its independence in 1991, Uzbekistan has seen much progress in ensuring gender equality, improving women's status, and extending their rights. The existing regulatory framework guarantees that men and women have equal rights and access to all opportunities provided by the labour market.

1. Chen, D. H. C. (2004) Gender Equality and Economic Development. The Role for Information and Communication Technologies. World Bank Policy Research Working Paper 3285, p.28.

2. See: Rubalcava, L., G. Teruel, and D. Thomas (2009) Investments, Time Preferences, and Public Transfers Paid to Women. Economic Development and Cultural Change 57 (3): 507–538. Attanasio, O., and V. Lechene (2002) Tests of Income Pooling in Household Decisions. Review of Economic Dynamics 5 (4): 720–748; Phipps, S.A., and P.S. Burton (1998) What's Mine is Yours? The Influence of Male and Female Incomes on Patterns of Household Expenditure. *Economica* 65 (260), pp.599–613.

3. Gender mainstreaming is "the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated". (The report of the Economic and Social Council for 1997, the United Nations, 1997)

Nevertheless, as elsewhere in the world, the issue of ensuring gender equality in the labour market is highly topical. It should be noted that even official indicators of gender inequality should not automatically be regarded as proof of the unequal position of men and women in the employment sector unless the latter are manifestly the result of restrictions in accessing opportunities by women or men.

Women account for approximately 47 percent of Uzbekistan's workforce. However, according to the State Committee of the Republic of Uzbekistan on statistic, the extent of women's participation in the labour market is lower. Women's level of economic activity<sup>4</sup> is 8.3 percent lower than that of men and stands at 68.2 percent compared to 76.5 percent for men. Meanwhile, the employment rate is 9.1 percent lower and stands at 64 percent compared to 73 percent for men.

At the same time the level of economic inactivity of women is 17.5 percent higher than that of men (33.9 percent to 16.3 percent). Women also accounted for more than half of the registered unemployed. In 2010, women accounted for 68.1 percent of the country's officially unemployed persons<sup>5</sup>.

Women and men occupy separate employment and professional spheres, thereby demonstrating the existence of gender differentiation in the labour market. Women traditionally dominate in lower paid jobs, such as healthcare, sports and the social services sector, whereas women's representation exceeds 75 percent of the total number of people employed. Women are also more highly represented in the education, culture, arts and sciences sectors where two-thirds of workers are female. Men are generally better represented in workplaces with higher wages such as construction, transport and communications. In the later employment sectors, women make up only 11.1 percent and 15.5 percent of workers respectively.

To understand the reasons behind gender dissimilarities, there is a need for a comprehensive analysis of the socio-economic and institutional processes which give rise to these inequalities.

The aim of this policy paper is to analyse the existing status of women and men in Uzbekistan's labour market and to offer recommendations to increase the effectiveness of the state's employment policy in order to achieve women's increased labour capacities.

The tasks of this research paper are to:

- provide a gender analysis of Uzbekistan's labour market;
- provide a gender assessment of the institutional framework to promote the development of gender equality of the country's labour market;
- provide a gender analysis of the technical aspects of Uzbekistan's employment policy and the process of policy development, as well as achievement of results;
- identify opportunities and limitations in the application of international best practices for the integration of gender mainstreaming in Uzbek national labour and employment policies, as well as identify special assistance measures to promote employment and increase women's educational level;
- develop recommendations to increase the state's effectiveness in employment policy with the goal of creating equal conditions and opportunities for women and men.

The methodology of this paper will use the following instruments:

- Analysis tools from the Guidelines on Gender in Employment Policies<sup>6</sup> and Practical guide on introducing gender mainstreaming<sup>7</sup>.
- Official statistical data, as well as other statistical and analytical sources of international organizations (including the United Nations, World Bank, etc) and research institutions.

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4. The level of economic activity of a population represents the ratio of number of employed and jobless in relation to the total number of able-bodied population.

5. According to the Ministry of Labour and Social Protection of Population of Uzbekistan.

6. Guidelines on Gender in Employment Policies: Information Resource Book. International Labour Organization, 2009.

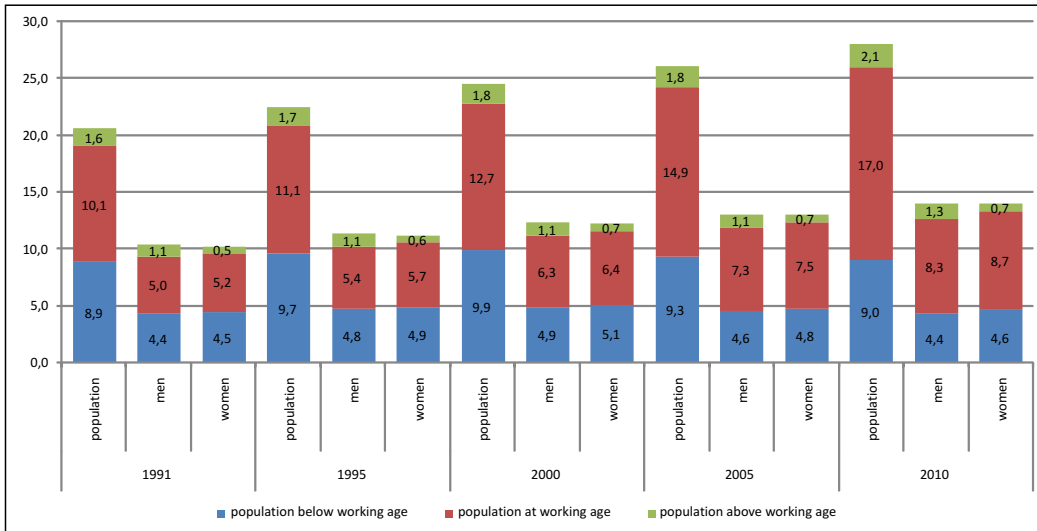
7. Practical guide on introducing gender mainstreaming, UNDP, 2007

## SECTION 1: GENDER ANALYSIS OF THE LABOUR MARKET IN UZBEKISTAN

### 1.1. Gender aspects of demographic trends

Uzbekistan's population reached over 28 million people at the beginning of 2010, an increase of 36 percent in comparison to the same period in 1991. The percentage of the country's working age population has increased by 68.3 percent over the last 20 years (see Figure 1). The working age population grew steadily during this period in relative terms as well as an overall trend which has in turn put pressure on the labour market to create jobs, and has created major internal challenges for the government.

**Figure 1. Population characteristics by gender and age in millions (at beginning of the year)**



Source: The State Committee of the Republic of Uzbekistan on statistic

From 2000-2005, the growth of the country's urban population was much slower than that of rural areas and averaged approximately 0.6 percent per year. The percentage of the urban population fell by 1.3 percent during this period. Conversely, the urban population increased in 2008 due to administrative policy decisions which resulted in a number of rural settlements achieving the status of urban settlements. These changes have given rise to a situation where more than 52 percent of the available working population lives in urban areas.

The population's male to female ratio has been approximately equal during the past 20 years. However, the percentage of available working women stands at 1.4 to 1.6 percent less than for men. The age of available working women is also generally lower than the average age of the (male) working age population.

The gender composition of the population is mainly identified by the annual fertility and mortality rates. Although for many years, the percentage of newborn girls was lower than that of boys, the number of women in the 25-40 age category is now higher than that of men due to higher mortality rates among male adolescents. In age groups 40 years and above, the proportion of women gradually increases. At the same time, the number of men in the 70+ years age category decreases sharply.

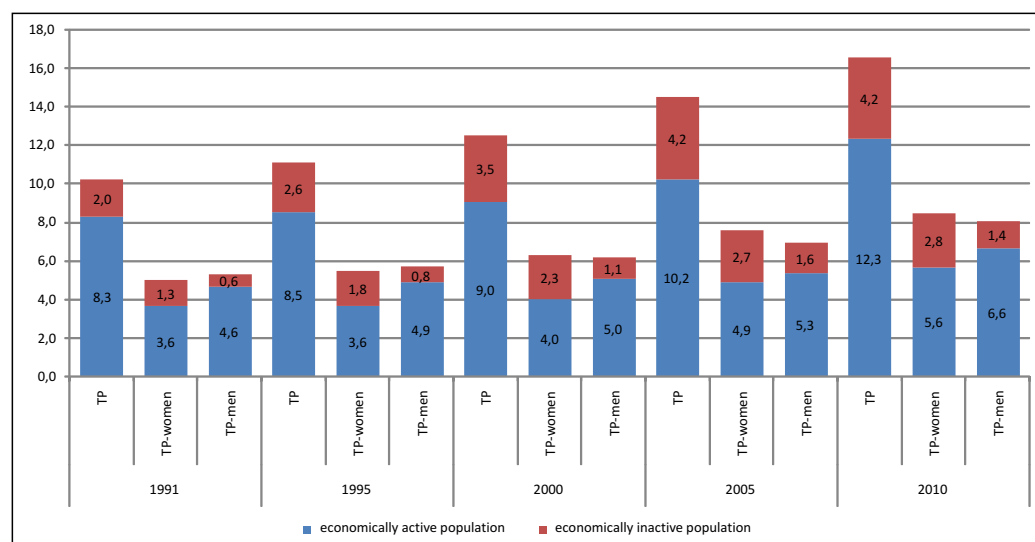
The data presented in Figure 1 shows an alarming trend: the number and percentage of young people is progressively decreasing due to lower fertility levels. In 1991, the percentage of the population under the age of 16 years of age was 43 percent, while in 2010 that number had fallen to 32 percent. The population of older adults has increased. At present, the proportion of people above 60 years of age stands at less than percent<sup>8</sup>.

8. There are different criteria for evaluating the old-aged population. They differ by the ceiling figure which is taken as the 'age of aging'. This is usually 60 or 65 years. For example, according to the scale of the demographic aging of the Divine Garnier-Rosset model, if the proportion of persons aged 60 and over do not exceed 8 percent, the country is characterised as 'demographically young'.

However, the trends suggest that with time boys and girls from the less-numerous age groups will enter the labour market, which will lead to a gradual decrease of the country's share of the working age population. In terms of demographic trends, significant distortions are, however, not observed with respect to gender groups.

## 1.2. The economic activity of women and men: gender issues in the labour market

**Figure 2. Characteristics of labour resources  
(millions as proportion of the population.)**



**Source:** *The State Committee of the Republic of Uzbekistan on statistic*

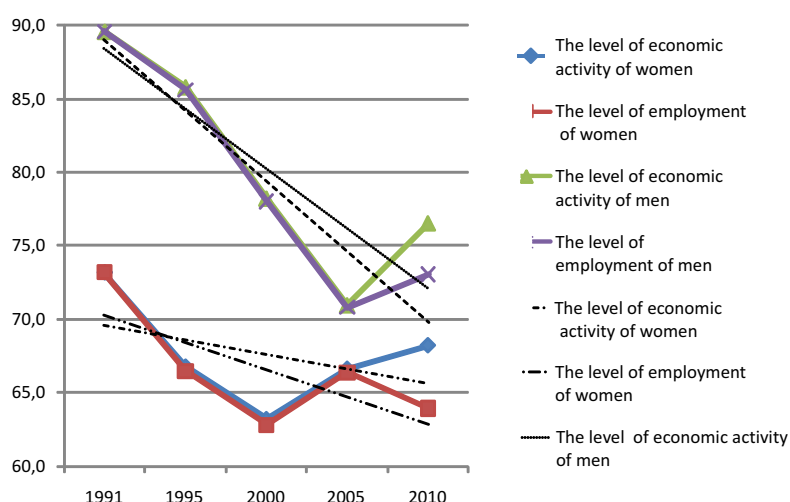
In 2010, Uzbekistan's workforce totaled approximately 16.5 million people, which included just over 8.4 million women and 8 million men (see Figure 2). Over the past 20 years, the number of individuals able to work has been falling behind that of the working age population. In relation to this, these indicators decreased from 100.9 percent in 1991 to 97.4 percent in 2010. Despite an increase in the number of economically active people, the percentage of this group in the structure of the workforce decreased from 80.4 percent in 1991 to 74.4 percent in 2010.

In the years following Uzbekistan's independence, the disparities in terms of gender participation in the labour market have diminished.

According to official statistics, women make up approximately 48.8 percent of the working age population, while the percentage of employed women stands at 46 percent. This slight variance suggests that women and men have equal opportunities when accessing the labour market. Following Uzbekistan's independence, gender disparities in terms of female participation in the labour market leveled out. In 1990, the level of economically-active men was approximately 89.6 percent,<sup>9</sup> while in the 2000s, a significant reduction occurred (see Figure 2). By the end of 2010, 76.5 percent of working age men were economically active in the labour market. The level of women's participation in the labour market did not decline significantly. In 1991, 73.2 percent of working age women was economically active while 68.2 percent were in 2010. Thus, over the past 20 years, the gender difference in the level of economic activity decreased from 16.4 percent to 8.3 percent in favour of men.

9. These figures do not adequately reflect the real situation with economic activity in Uzbekistan, and the potential for international comparison is limited. According to the ILO methodology, calculation of the level of economic activity is dependent on the number of employed and jobless, and also on the number of people at the age of economic activity (from 15 to 72 years). In this case the level of economic activity is calculated in relation to the number of people available for work. The statistics for unemployment in Uzbekistan assumes calculation of only those unemployed registered in local labour authorities as persons looking for job. Thus, indicators of the level of economic activity can be underestimated because unregistered jobless people are not included.

**Figure 3. The level of economic activity and employment of women and men (%)**



Linear – linear trend

Source: Calculations based on The State Committee of the Republic of Uzbekistan on statistic's data

Overall, the number of employed people reached 11.6 million in 2010 and represented 68.6 percent of those available to work.

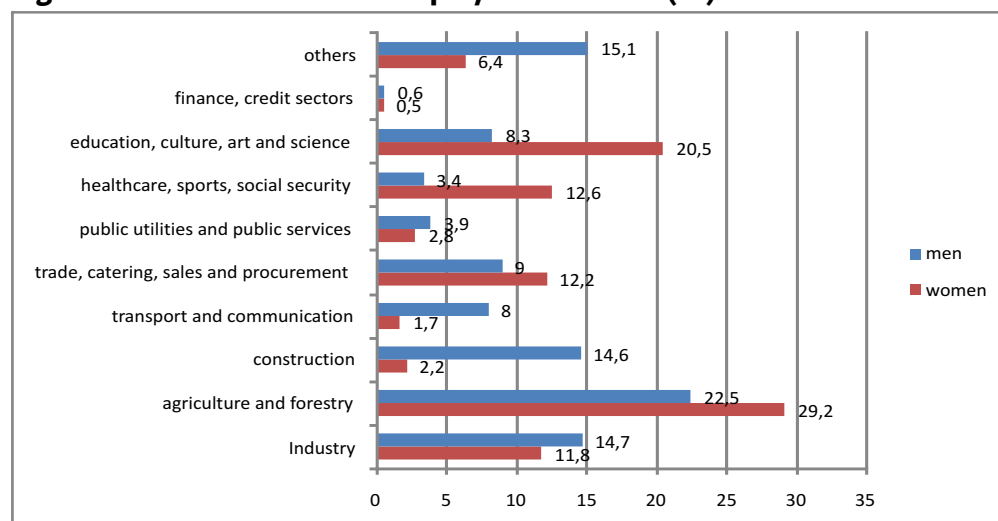
The changes in employment levels observed until 2005 fully coincided with changes in levels of economic activity (see Figure 3). Accordingly, the rate of decline in women's level of employment was lower than for men. During the 2000-2005 period, the employment rates for men and women were oppositely trended-the rate of employment for men decreased while that for women increased.

However, opportunities to achieve labor potential create significant imbalances in real terms, both in the condition of women and men in the labor sector.

Firstly, it should be noted that women and men work in different sectors of the economy (see Figure 4). The sectoral structure of the labour market shows that the proportion of women employed in the public sector is much higher than that of men (over 30 percent for women and only 12 percent for men), while the proportion of men working in construction, and transport and communications, for example, significantly exceeds that of women with a difference of 12.4 percentage points more than men and 6.3 percentage points more than men respectively.

In the agriculture and forestry sectors – the most common area of employment for both men and women – almost 30 percent of women and only 22.5 percent of men are employed.

**Figure 4. Gender structure of employment in 2010 (%)**

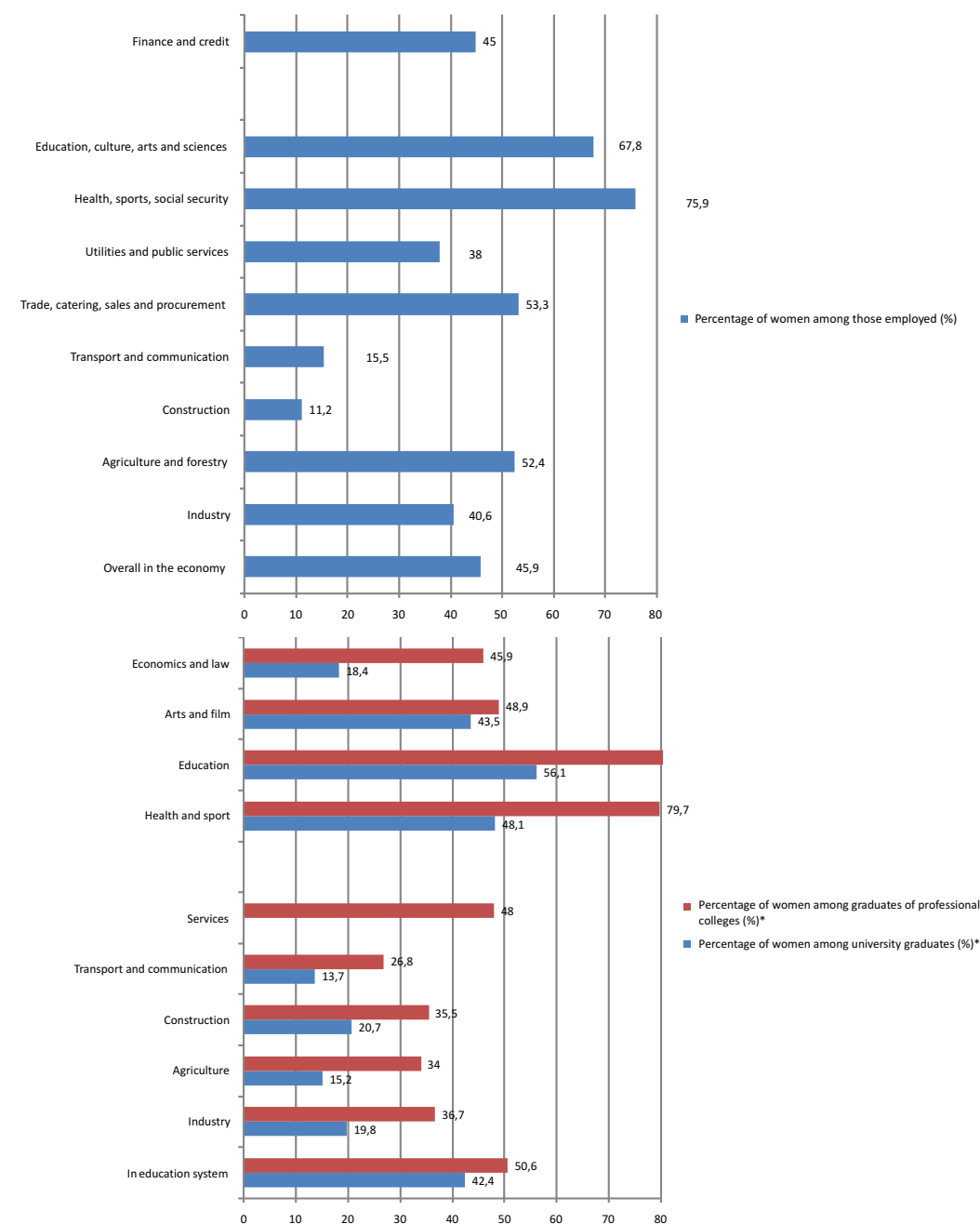


Source: Calculations based on The State Committee of the Republic of Uzbekistan on statistic's data

A comparison between the employment structure and the structure of professional skills training for women (see Figure 5) shows that even in traditionally 'female' occupations (healthcare and education), women are less successful in obtaining well-paid positions, as their graduating numbers from institutions of higher education for these professions are lower. The changes in the the employment market that took place in the 2000s led to a widening of the gender gap. A reduction in the percentage of individuals employed in the agriculture and forestry sectors fell from 34.4 percent in 2000 to 26 percent in 2010. This was largely due to the withdrawal of men who favoured taking jobs in higher-paid manufacturing industries. Meanwhile, women increased their presence in trade and in the hospitality services (e.g. catering and restaurants).

**Figure 5. Areas of employment and professional training of women in 2010 (%)**

\* Data for the 2009-2010 academic year



Source: The State Committee of the Republic of Uzbekistan on statistics

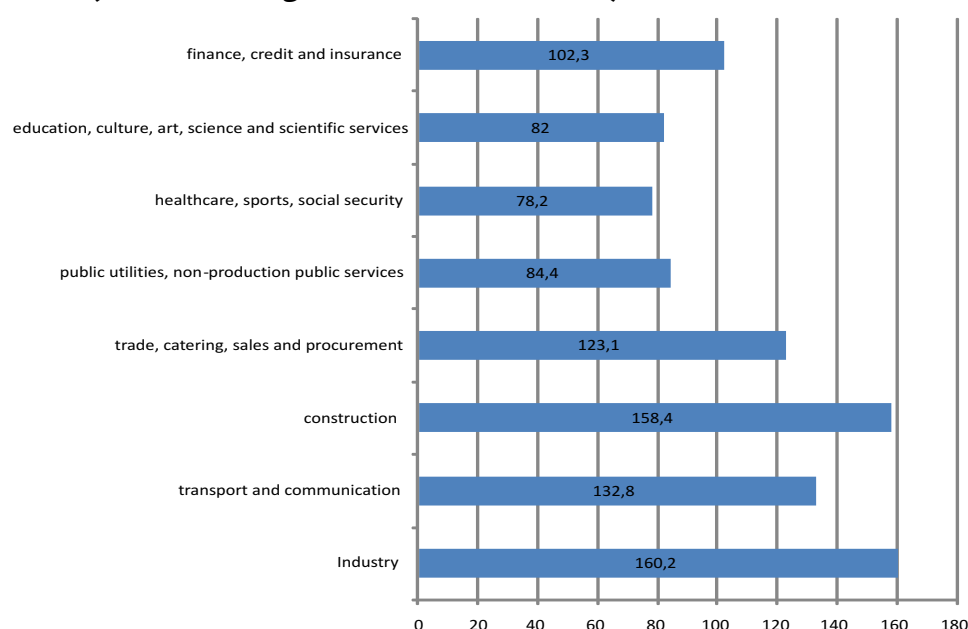
As we have seen above, some sectors have a very definite gender bias. Almost 90 percent of workers in construction are men, as are 85 percent of workers in transport and communications. Women account for 76 percent of all employees in the health, welfare



and sports sectors and comprise 68 percent of workers in the education, culture, arts and sciences sectors. In contrast to the situation in the year 2000, women have also become prominent in the agriculture, forestry, trade, and public services and hospitality sectors.

There are also significant differences in wages between men and women in the labour market. Statistics show that women are more numerous in relatively low-paid industries, while those dominated by men, such as transport and communications receive 33 percent higher wages than the national average, and those engaged in construction, 58 percent higher.

**Figure 6. Differentiation of wages by industries and regions**  
(% to the average level in December 2010)



Source: Ministry of Labour and Social Protection of the Population

However, there are some positive statistics. For example, in the trade sector, which employs more than 12 percent of all working women and where their share of the workforce stands at 52 percent, and wages are 123 percent of the average wage. Relatively high wages – 160 percent greater than the average wage is typical for the manufacturing sector, which employs 12 percent of women.

Nevertheless, these statistics should be interpreted with caution. In contrast to the trade, hospitality, sales and services sectors, where jobs are comparable in terms of required qualifications and other conditions affecting wages, the manufacturing sector provides extremely heterogeneous types of work. Women in the manufacturing sectors are mainly concentrated in labour-intensive industries (textiles, sewing and knitting, food, etc.), where wages are lower than in the capital-consuming industries in which the vast majority of workers are men.

The average wages in the healthcare, physical education and social security sectors are 78.2 percent of the average economy-wide level (see Figure 6). In the education, culture, arts and science sectors, the figure is slightly above 82 percent.

Cross-sectoral and inter-professional differences in wages are one of the main reasons for the existence and consolidation of gender disparities in the labour market. Studies conducted in many countries show that an increase in wages in particular industries and/or professions leads to the displacement of women by men. As was observed in the 2000s, the outflow of men from the agriculture and forestry sector in Uzbekistan may be partially explained by the reduction in its relative wages<sup>10</sup>. The excess of average wages in the private sector over public sector salaries maintains the status of the latter as that of a sector predominantly reserved for female employment.

10. The decline in relative real wages that took place in the 2000s was linked, on the one hand to the reduced demand for labour in agriculture resulting from the transformation of *shirkats*, which were mostly ineffective into farms. As a result real wages did not change nor decreased. However, the increasing demand for labour in more cost-effective (compared to agriculture) industries (such as industry, services, etc) led to an increase in real wages.

According to official statistics, women dominate among the registered unemployed: in 2010 their proportion was 68.1 percent, and over the last decade has always hovered around 60 percent. This rate is slightly higher than for men, and indicates a relatively low demand for women in the labour market. These figures confirm reports that the proportion of women who lost their jobs in the 2000s increased significantly from 30.7 percent in 2003 to 47 percent in 2007.<sup>11</sup>

In order to develop the principles and policy directions to equalize employment opportunities for women and men (i.e. gender mainstreaming in employment), it is important to go beyond the statistics concerning gender inequality and understand their basis and also understand which inequality factors can be influenced through implementation of appropriate policy measures.

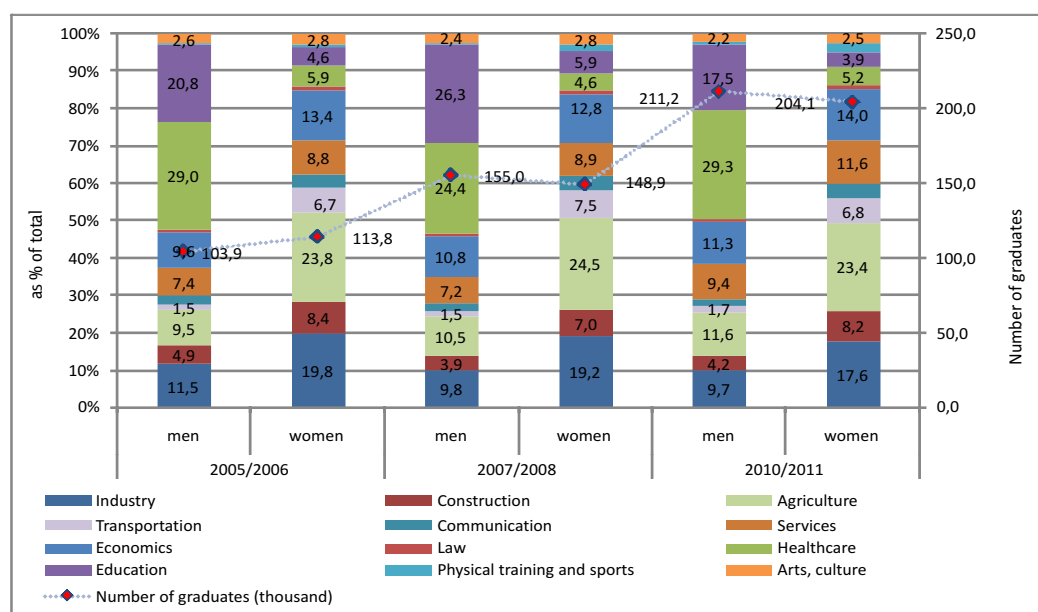
## SECTION 2. REASONS FOR GENDER DISPARITIES IN THE LABOUR MARKET

### 2.1. Gender disparities in professional education

The introduction of compulsory secondary professional education provides parity in women's access to specialized secondary schools. In professional colleges, the attendance ratio of young women and men are almost the same. However, a specific problem in relation to the professional education for girls has arisen in terms of an imbalance in the professions studied: nearly half of female college graduates (46.8 percent in 2010) have specialized in the healthcare and education sectors while only 9-10 percent of male graduates choose these fields (see Figure 7).

Less than 30 percent of female graduates choose to follow a profession in the productive sectors of the economy, including the agrarian sector. Taking into account the fact that the creation of employment opportunities for mid-level medical personnel takes place at a much slower rate than the training of specialists in this field, there is a high probability that female graduates of medical colleges will face significant challenges to find work. The same holds true for female graduates of teacher training colleges, as employment in schools is complicated due to existing administrative restrictions that prohibit the employment of individuals without higher education qualifications.

**Figure 7. Numbers and structure of graduates of professional colleges at the beginning of academic year**



Source: Calculations based on The State Committee of the Republic of Uzbekistan on statistic data

11. Women and Men of Uzbekistan. 2000 -2 005. Statistical Compendium, –Tashkent, 2007, p. 119.  
Women and Men of Uzbekistan, 2007. Statistical Compendium, – Tashkent, 2010, p.165.



When choosing a profession, young women are motivated not by the need to improve their employment chances and to successfully adapt to the requirements of the labour market, but rather by aspirations to gain skills useful in family life, i.e. as a nurse, tutor and seamstress. However, this is not the only reason for gender imbalances in secondary education: there are also restrictions due to access to a number of professions as a result of the disproportionate territorial dislocation of professional colleges.

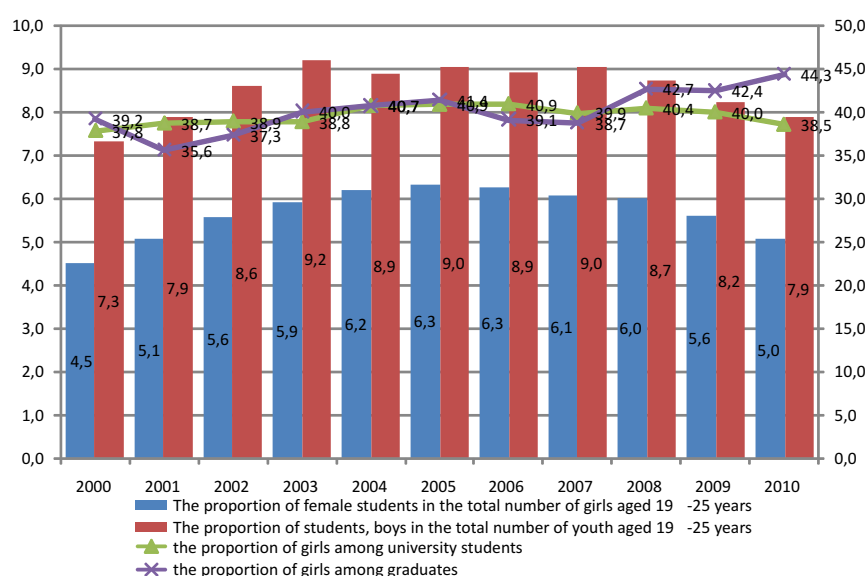
Following a critical analysis of existing demand for college graduates for all professional economic sectors and taking into account the fact that teaching and medical colleges are widespread everywhere (including in rural areas) while other specialized professional courses do not exist in each district and region, the country's Cabinet Ministers adopted on 21 June 2011 a Resolution "On enrollment in special, professional secondary educational institutions of the Republic of Uzbekistan for the 2011-2012 academic year". This document orders an expansion of professional training programmes available at regional colleges for the 2011-2012 academic year.

The system of training specialized professionals has until now been insufficiently effective and has not taken into account the particular needs of each region and their economic realities which require specific types of trainings to equip professionals with relevant skills. There is an urgent need to understand that the type of college student presently graduating only results in cementing existing disparities and gender stereotypes. When training students for a specialized profession, the type of available work must be taken into account. Otherwise the result will be a steady growth in youth unemployment especially for women in regions where the workforce has swelled as a result of graduates from the teaching and medical colleges. In fact, the actual market demand for such specialists is lower than the number of graduates entering the workforce.

The same gender imbalance occurs in higher education. Distinctions exist not only in the types of professions chosen but also in the actual number of girls and young men studying in institutions of higher education.

During the 2010-2011 academic year, Uzbekistan had 65 institutions of higher education. There were approximately 274,500 students studying in these institutions of which 38.5 percent were female and 61.5 percent male. Approximately only 5 percent of adult-aged women<sup>12</sup> are enrolled in universities, whereas this figure stands at almost 8 percent (see Figure 8) for men. Although from the mid-2000s, the level of admissions to higher educational institutions fell for both men and women, the rate was faster among women. One reason for this trend was the abolishment in 2004 of distance learning education in Uzbekistan.

**Figure 8. Participation of young women and men in higher education (%)**



Source: Calculations based on The State Committee of the Republic of Uzbekistan on statistic's data

12. 19-25 years of age

Women account for 38.6 percent of students enrolled at Bachelor's level and about 35.9 percent of students studying for a Master's degree. Each higher education institution is characterized by its specificities: for example, at technical higher education institutions, 18 percent of Bachelors' students and 19 percent of Master's students are women. In universities with humanities and education faculties, the percentage of women is higher. Overall, at the republican level, these figures stand at 51.2 percent and 56 percent respectively for humanities courses and 62 percent and 65 percent for teacher training institutions.

It should be noted that despite the decrease in the number of women moving from Bachelors to Masters' degree studies, gender distinctions are still somewhat blurred at higher levels of postgraduate studies. In 2010, the number of female postgraduate students stood at 1,148 or 42 percent of the total number of postgraduate students. Meanwhile, there were 91 women or 41.9 percent of the total number of doctoral candidates who chose to pursue a doctorate.

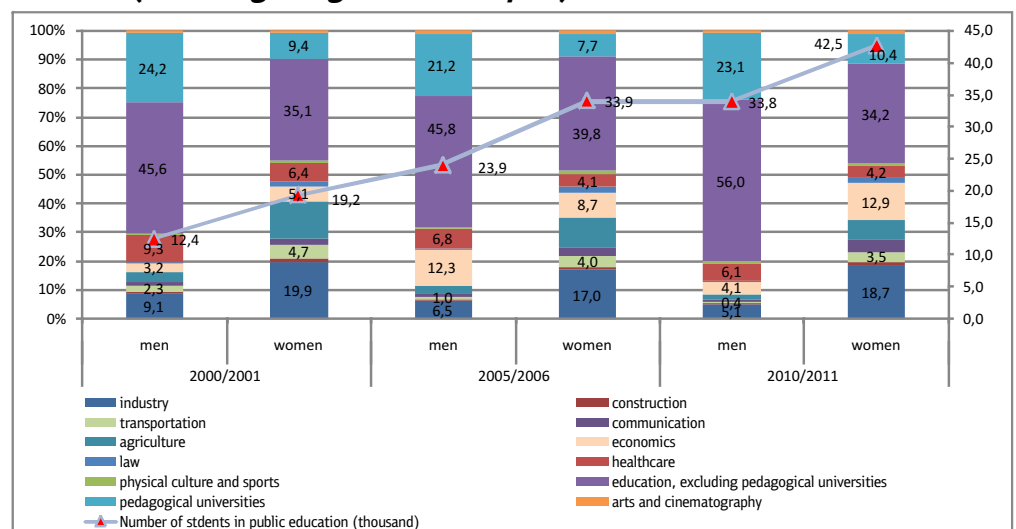
In general, woman accounted for approximately 45 percent of the graduates from higher education institutions during the 2000s. Although there is a rising trend in the number of female university graduates, this may change as a result of a decrease in the relative number of females among all students (see Figure 7). The lower participation of women in higher education in comparison to men and the decrease of their numbers among students and graduates could become a major obstacle to increasing women's competitiveness in the labour market.

According to the data presented in Figure 9, there are gender distinctions in the chosen educational specialization. One in every four female graduates finishes pedagogical universities, and in general 80 percent of all female graduates receive diplomas from higher education institutions relating to education.

Medical training institutes are also popular among women, although the demand for health specialists has decreased over the last 10 years. At the beginning of 2000, just over 9 percent of women graduated from medical educational institutions, but currently the percentage has decreased to only 6 percent. It should be noted that interest in higher medical education has decreased among both men and women, although the proportion of women graduating is over 50 percent as a result of the higher outflow of men.

It is a condition for men to obtain diplomas necessary to work in male-dominated sectors such as construction, transport and communications. Women account for less than one quarter of graduates of relevant higher education institutions. There are also less women graduating from economic and legal higher education institutions (20.3 percent and 16.4 percent respectively in the 2010-2011 academic year). Thus, it is clear that the higher education system currently replicates the gender segregated structure of labour supply and promotes the placement of men and women to different sectors of the economy.

**Figure 9. Number and categories of graduates in higher education institutions (at the beginning of academic year)**



Source: Calculations based on The State Committee of the Republic of Uzbekistan on statistic data

Gender imbalances and women's limited access to higher education are also linked to the unwillingness of parents to send their daughters to study far from home for long periods of time. Two-thirds of all higher education institutions are concentrated in only three regions (Tashkent, Samarkand and Andijan) with almost half of these located in Tashkent. Students in the regions are limited in what they are able to study as some subjects may not be available in every region. This reduces opportunities for both young men and women to study at university due to the high costs of accommodation, as well as tuition fees.

There are further challenges for potential female students due to Uzbekistan's historical and cultural heritage and as a result of how girls are traditionally brought up in their families. Stereotypes in terms of expected female behaviour and social roles are also challenges. These factors influence young women's opportunities in education and in choosing a profession. As a result of girls' subordinate position in their families and later in their marriage, decisions about their educational choices are generally made by parents, close relatives or husbands. Even young adults consider it essential to follow these decisions, meaning that women are limited largely to the education and health sectors. In situations where a choice is to be made between pursuing higher education or marriage, women, or their parents, women often prioritize starting a family. At the same time, women's educational level is also influenced by reproductive issues: women in their twenties have the highest rate of childbirth in Uzbekistan<sup>13</sup>. This is also one of the reasons why the high level of girls' participation in compulsory secondary education is reduced at higher levels of education.

Young women who marry and forego the opportunity to undertake higher education have limited chances of later finding decent work. The absence of any system of correspondence studies in Uzbekistan also reduces women's opportunities for higher education as they would otherwise be able to combine course work with child care and housekeeping. In this regard, it would be expedient to re-introduce the system of distance education for women, especially for women with two or more young children and prioritize their admission, as well as facilitate the payment of their tuition fees, and earning of academic credits.

## **2.2. Women's role in the family and marriage**

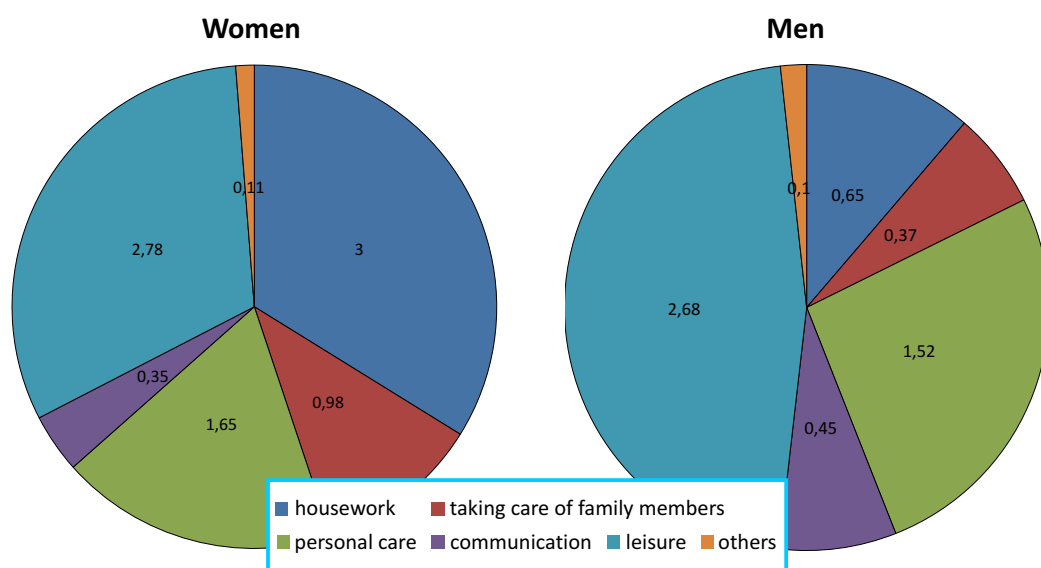
Gender inequality in the workforce is also linked to women's traditional roles. According to statistics research, women engage in various housekeeping activities five times more than men<sup>14</sup>.

The results of a household survey conducted in 2006 by state statistics authorities revealed that on average women carry out more than 8.87 hours of un-paid work per day. This is 3.10 hours higher than for men. In practice, all of this 'additional' time is spent on housekeeping and caring for family members. Women spend an average of almost four hours on such activities, compared with only one hour for men (see Figure 10). As women carry the main burden for housekeeping, they choose those professional sectors and workplaces which allow them to combine paid work and housework. Traditionally, these are in the public sector which allow for a shorter average length of working hours, more flexible work schedules, and labour legislation that is better respected, particularly for guarantees of employment, holidays, sick pay benefits, etc.

13. According to official statistics, there is a slight decreasing trend in the age of women giving birth to their first child (from 23.7 years in 2005 to 23.3 years in 2010)

14. Materials of UNICEF/UNDP-organised seminar on 'Development of female business in Central Asia', Geneva, September, 2011.

**Figure 10. Use of unpaid work hours per day**

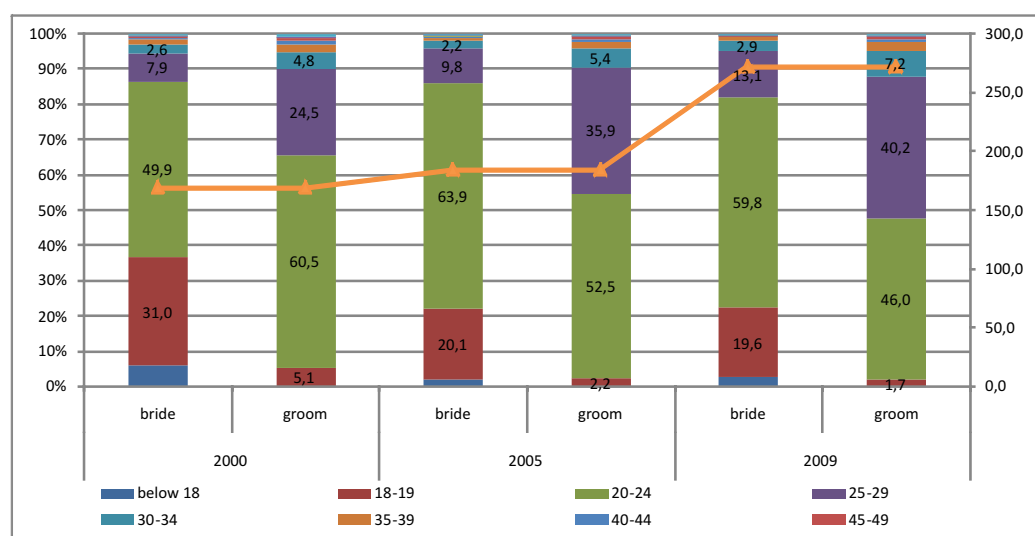


Source: *Women and men of Uzbekistan. 2000-2005. Statistical Compendium. Tashkent, 2007. P129*

It should be stressed that the time required for housekeeping is greater than the number of working hours established in labour legislation and is not regulated, nor remunerated unless the work is carried out by individuals who have been formally hired.

A difference in the ages at which women and men get married also affect gender inequality in the labour market and are also a cause for women's low level of participation in the higher education system. Some young women marry before they complete secondary education. In 2009, the number of young men marrying before the age of 18 years was 400 times lower than the number of girls of the same age. However, in the last decade the average age for marriage rose for both men and women. The number of early marriages is gradually decreasing and the vast majority of women now marry between the ages of 18-24 years (see Figure 11). For men, the average age for marriage is between 20-29-years. Thus, by the time of marriage, the majority of men and women have completed secondary education and found employment.

**Figure 11. Number and distribution of marriages (by age of men and women throughout Uzbekistan)**



Source: *The State Committee of the Republic of Uzbekistan on statistic*

A person's employment opportunities, choice of workplace and salary level depend on their levels of education and experience. Where there is competition for jobs, and particularly when there are some numbers of jobless in a country, an employer inevitably selects the candidate with the required levels of education and experience. Invariably, an employer will select a man without discriminating against women on the basis of gender. As a consequence, women often have to quickly choose a profession which will cost them little in terms of expenses and time. However, this influences their long-term economic situation. Empirical data suggests that the later women enter the workforce – including as a result of childbirth – the more they will experience difficulties in finding employment and adapting to the workplace. In addition, there is a high probability that they will experience a common psychological syndrome linked to desperation and low self-esteem). Furthermore, it is likely that an underdeveloped household infrastructure (i.e. no electricity or lack of access to kindergartens) prevents many women from fulfilling their potential in society and in the workforce.

### **2.3. Availability of preschool education centers**

The insufficient number and comparatively high costs of preschool institutions, especially in rural areas, means that women often have to stay at home, a situation that, according to employers, decreases their competitiveness.

Currently, the country has 5,400 general pre-school education centers and special needs institutions. The majority of institutions (approximately 97 percent) are under the jurisdiction of the Republic of Uzbekistan's Ministry of Public Education. Approximately 3,000 (56.5 percent) centers are located in cities while 2,300 (43.5 percent) are located in rural areas. From the early 1990s until 2010, the number of kindergartens sharply decreased, especially in rural areas. In total, reductions were 1.8 times greater at national level while they were 2.8 times greater in villages. A sharp decrease in the number of preschool institutions can be linked to structural transformations in the economy (e.g. privatisation of large companies) and reforms in agriculture (e.g. transformation of collective and state farms into *shirkats* and subsequently into farms). As a result preschool institutions, especially those in small settlements, belonging to state companies, collective farms and state farms, began closing down due to the lack of required funding. Of the total number of children aged between 1-6 years, 84.6 percent do not have access to preschool institutions in their vicinity while this figure rises to 90.8 percent in villages. Access of children to preschool institutions decreased by over 2.2 times between 1991-2010. At the same time, the number of available places in preschool institutions throughout Uzbekistan is greater than the number of children attending them. The occupancy rate decreased from 109.1 percent in 1991 to 76.2 percent in 2010. In rural areas, the rate fell from 105.1 percent to 69.8 percent.

A key reason for the low coverage of children by preschool institutions and the high vacancy rate is the inappropriate location of institutions in remote regions. Most kindergartens are located in cities and large settlements. An increase in subsidies for preschool institutions' services has also affected children's access to preschool education. Currently the cost of educating one child in a preschool institution exceeds the officially established/ recommended amount for urban areas<sup>15</sup>. The difference in available subsidies vs. the real education cost can reach up to 200 percent. The payment for one or two children often exceeds (or is equal to) the total salary of both parents. As a consequence, families prefer not to spend money on kindergartens and women remain at home to look after children. Previously the additional kindergarten costs for children were covered by companies, but the majority of them have stopped sponsoring pre-school institutions to reduce their costs.

15. Footnote 15: 70-100 percent of the minimum wage for one child and 50 percent if more than one child in the family visits the institution.

The factors impacting preschool centers described above have resulted in limitations for women's opportunities in choosing their ideal type of work and achieving their employment potential. Despite a fall in the number of children of preschool age since the early 1990s, the number of unemployed women taking care of children increased by 22 percent while the number of housewives, voluntary unemployed persons, and other unemployed persons receiving income from personal and real estate increased by more than 24 times<sup>16</sup>. The majority of these categories of people live in rural areas (see Table 1).

**Table 1. Availability of preschool centers and economic activity of women**

	1991	1995	2001	2005	2010
Number of births (000s)	723.4	678.0	513.0	533.5	634.0
<i>In rural areas</i>	...	469.1	353.5	368.8	...
Number of children aged between 1-6 years	3,816	3,899	3,312	2,977	3,396
<i>In rural areas</i>	...	...	2,438	2,131	1,783
Unemployed women taking care of children (000s)	948.5	1,284.4	1,306.7	1,531.8	1,158.3
<i>In rural areas</i>	...	...	963.7	1,139.9	663.3
Housewives, voluntary unemployed persons, and other unemployed persons receiving income from personal resources and real estate (000s)	51.5	479.7	1,166.6	1,296.1	1,251.8
<i>In rural areas</i>	...	...	1,008.9	1,222.6	926.8
Number of preschool institutions	9,834	8,464	6,865	6,264	5,375
<i>In rural areas</i>	6,474	5,258	4,069	3,883	2,339
Number of children in preschool institutions	1,339.5	955.2	642.5	565.6	522.9
<i>In rural areas</i>	685.8	455.1	274.1	248.0	164.9
Coverage of 1- to 6-year-old children by preschool institutions (%)	35.1	24.5	19.4	19.0	15.4
<i>In rural areas</i>	...	...	11.2	11.6	9.2
Percentage of occupation of existing places in preschool institutions by children based on 100 available places	109.1	87.9	75.1	71.4	76.2
<i>In rural areas</i>	105.1	83.7	68.5	65.8	68.9

Source: Calculations based on the data provided by The State Committee of the Republic of Uzbekistan on statistic and the Ministry of Labour and Social Protection of Population

The operating hours of kindergartens also raise some issues for female employability. Working hours generally range from 0900 to 1800 hours. However, in reality they normally operate only until 1700-1730 hours<sup>17</sup>. These limited hours require one parent to work in a job with a flexible working schedule, preferably close to the family home. The number of such vacancies is limited, thereby compelling one parent (usually the mother) either not to work, or to agree to informal work with the condition of a shorter working day. Furthermore, parents who have a six-day working week also face the problem of looking after children on Saturdays.

16. Housewives who look after children play a considerable part in the composition of this group.

17. Domestic legislation does not establish specific working hours for preschool institutions and specific durations for children to stay in kindergartens. In state kindergartens the hours are defined by the charter of preschool institutions and the decision of the founder, and in non-state kindergartens, by the charter of kindergartens and the contract signed between the head (or the founder) of the kindergarten and parents or persons replacing them (Cabinet of Ministers Resolution, 25 October 2007, No. 225 "On adopting legal normative acts in the sphere of preschool education").



As kindergartens operate a five-day schedule, one parent (again, usually the mother) may be obliged to refuse employment. It must also be noted that it is largely women who are employed at workplaces where a six-day working week is the norm (e.g. schools, polyclinics, hospitals, the service sector, etc.). As an alternative, a six-day operating schedule for kindergartens could be introduced and the duration of operating hours should extend until 1900 hours. This solution would also offer additional workplaces for tutors and nurses, as the operating hours would be longer.

Similar problems exist with childcare at elementary schools. Even if a mother manages to work while her child is in kindergarten, when elementary school begins, children generally finish their lessons at Noon for all elementary grades. In April 2010, teachers of prolonged day groups were dismissed all over the country<sup>18</sup>. This, in turn caused a reduction in classes, and reduced schools' ability to keep children until the evening. Additional and after-hour classes currently operating at schools are expensive, and many families are unable to afford the 5,000-7,000 Uzbek *soums* per day fees (or 120-150 thousand *soums* per month).

The network of preschool institutions, in addition to the educational benefits they provide, solve problems related to women's employment. Research shows that more than 77 percent of women whose children attend preschool centers work in the manufacturing and social services sectors full-time while a further 10 percent work part-time in an official capacity.

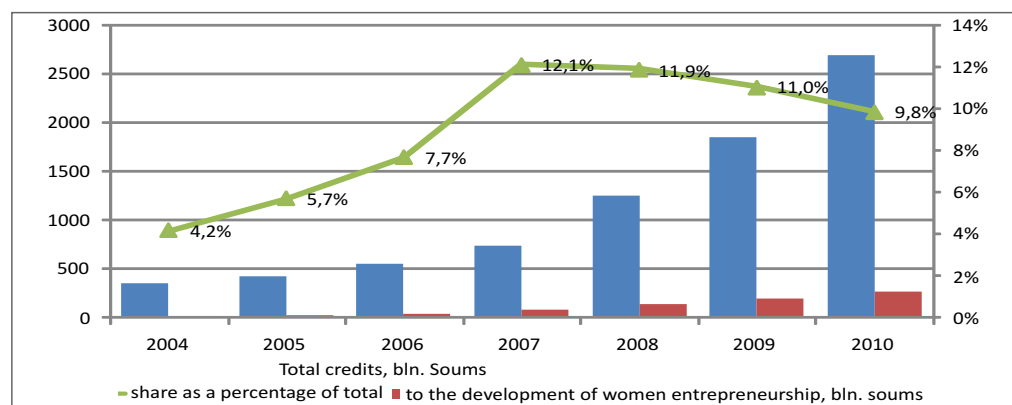
It is clear that the development of a network of preschool centers will positively affect women's employment opportunities and increase their level of economic activity. At the same time, it is also apparent that an increase in access to these institutions can only be provided through large-scale public expenditure programmes as the potential contribution of parents is limited. The creation of a network of private preschool centers could also increase preschool access for children. However, the costs would once again be borne by parents and this is unlikely to become a widespread and accepted trend across the country.

## 2.4. Availability of resources

In Uzbekistan, particular attention has been invested in developing women's entrepreneurial capacities through the allocation of loans for businesswomen. The volume of credits for the development of women's businesses is increasing in nominal and real terms year by year<sup>20</sup>. According to the Central bank, 264.9 billion *soums* were allocated to businesswomen in 2010, a figure which is 30 % higher than in 2009 (see Figure 12).

The Mikrocreditbank Joint Stock Bank allocated in 2010 26.1 billion *soums* to women wanting to partake in business activities, which is 41.8 percent higher than in 2009. These funds enabled 17,000 workplaces to be created all over Uzbekistan.

**Figure 12. Level of credits provided to businesswomen during 2004-2010 in Uzbekistan**



Source: Central Bank of Uzbekistan.

18. There was no normative legal act sanctioning reducing the prolonged school day of teaching staff groups. However, the budgetary allocations to support the prolonged groups at schools were reduced. Currently schools decide themselves whether to open such groups or not, but the expenses for opening and supporting such groups (including payment of compensation to teachers of such groups) must be covered by parents' contributions.)

20. During 2005-2010, the rates of nominal growth of the allocated credits to businesswomen surpassed the gross domestic product deflator.

According to a report of the Women's Committee and the Mikrocreditbank JSB, annual training seminars are held all over the country for women living in rural areas wishing to start a business.

Despite these positive trends, the percentage of loans allocated to businesswomen is only approximately 10 percent and has been gradually decreasing over the last three years. Such a low share of loans allocated to businesswomen is linked to other factors, in particular to the problem of mortgage conditions to obtain a loan. Women starting small business are particularly concerned with maintaining their household or starting a small home production-based businesses, and usually do not own property or have access to additional property which could be used as a loan guarantee. This situation complicates the process of obtaining credit, and often makes a loan inaccessible for many women. The situation is less complicated for men, as they generally own property, and therefore providing a guarantee is not as difficult as it is for women.

New conditions for preferential credit and financing of business projects by commercial banks in Uzbekistan are a suitable alternative. Their creation has occurred as a result of the "Year of the Family",<sup>21</sup> a state initiative aimed at creating better living conditions for the population by promoting small business development and encouraging private entrepreneurship and involving women and graduates of professional colleges. Through this programme, financial support is provided to businesswomen and workplaces for women are created through the development of small companies. Women are also involved in social production and family businesses through the allocation of loans together with the allocation of soft loans for the financing of projects of professional college graduates.

Plans have been made to support entrepreneurs by making available this year funds and bank loans worth 4.5 trillion *soums*, of which more than 843 billion *soums* will be microcredits. These capital investments will be aimed at financing business projects linked to production and the development of the services sector by purchasing modern equipment and new technologies, as well as supporting the growth of family businesses. The total figures also include the allocation of soft loans of 28.3 billion *soums* to finance projects for graduates of professional colleges. Finally, 365 billion *soums* will be made available to support businesswomen.

In the first quarter of 2012, Uzbekistan's commercial banks lent 1 trillion and 185 billion *soums* to small businesses and private entrepreneurs, which is 1.4 times more than for the same period in 2011. Of this total, 97.9 billion *soums* were allocated to support the development of women's businesses, and 9.6 billion *soums* were made available to assist in financing business projects of college graduates. This represented 1.3 and 2.3 times more funds made available respectively in comparison to last year's numbers.<sup>22</sup>

There have been major successes resulting from reforms carried out in the banking and financial system. In particular, the volume of loans allocated in 2011 for small businesses and private entrepreneurs increased by 1.5 times in comparison to 2010, totaling 4 trillion and 41 billion *soums*. The loans allocated for small business resulted in 291,000 new workplaces being created in 2011. A total of almost 317 million *soums* was allocated by commercial banks to 2,774 small businesses to support home-based commercial activities in 2011, resulting in the creation of 4,598 new home-based workplaces.<sup>23</sup>

In relation to the low representation of women among property owners, uncertainty about the minimum levels of funds to be made available to women by commercial banks is also an obstacle to increasing the availability of funds for them. Furthermore, the development and realization of many business initiatives are gender depersonalized, which also calls challenges the development of women's businesses.

The preparation of this policy paper included detailed interviews with businesswomen<sup>24</sup> which suggests that in order for women's businesses and employment opportunities to develop effectively, changes in business policy and lifestyle must be improved.

21. The Resolution of the President of the Republic of Uzbekistan "On the State Programme 'Year of the family'", 27 February 2012.

22. [http://www.jahonnews.uz/rus/rubriki/ekonomika/v\\_ramkax\\_gosudarstvennoy\\_progr257ammi.mgr](http://www.jahonnews.uz/rus/rubriki/ekonomika/v_ramkax_gosudarstvennoy_progr257ammi.mgr), IA «Jahon» news agency of the Ministry of Foreign Affairs of the Republic of Uzbekistan, 19 April 2012.

23. Uzbekistan's MT Democratic Party Central council's information service (<http://mt.uz/ru/home.html>), 16 April 2012.

24. Twenty businesswomen were interviewed for this research.

Domestic responsibilities must also be reduced to allow time for gainful activity. The interview responses highlighted that women remain responsible for housekeeping and caring for children and/or other members of the family. They are obligated to fulfill these responsibilities despite the opportunities available to them to become engaged in economic activity and the state support system to develop private businesses and entrepreneurship.

Research also suggests that women generally prefer to be engaged in small businesses as this allows domestic work to be carried out as well. The traditions and culture of Uzbekistan and its emphasis on women's role in the family appear to predetermine women's choices in favour of small businesses.

When women choose to be engaged in small businesses in the home, additional challenges arise which include domestic distractions and other obstacles that limit their ability to completely involve themselves in business activities. Furthermore, there are challenges related to existing regulations with regards to managing a business from non-residential premises. According to Uzbek Republican law, the location must be registered as "uninhabited premises" in order to obtain a permit to conduct business activity<sup>25</sup>

To allow for business activity, it is necessary to either acquire/rent a non-residential premise or register the available premises as uninhabited.

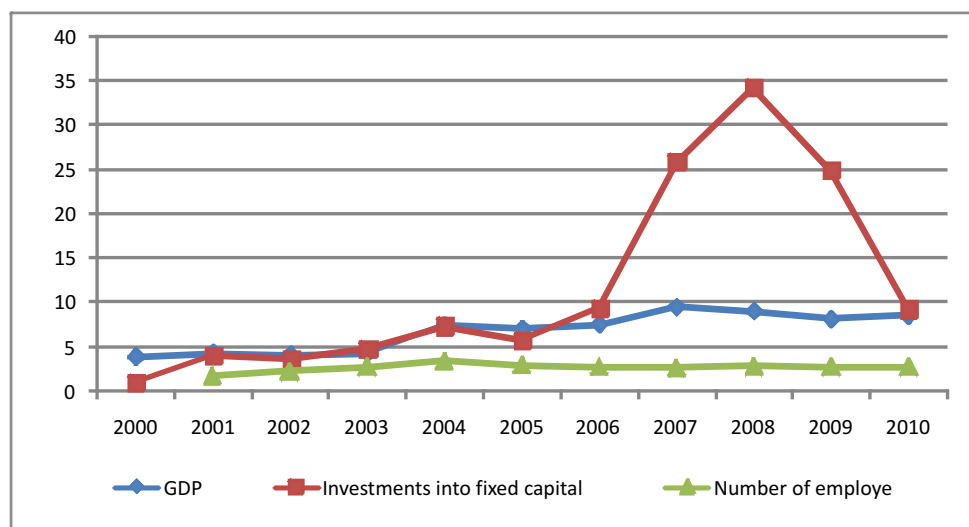
Women starting businesses do not always possess the required business knowledge and skills. The lack of available information and specialized advisory centres in the regions and inadequate legal support also create obstacles for the development of women's businesses in the country.

## 2.5. Gender aspects of state policy in the investments, taxation and pensions sectors

Increases in the volume of investment leads to growth in gross domestic product (GDP) and can also lead to significant employment growth (see Figure 13). The growth of employment is almost identical in all regions irrespective of where investments are concentrated. Over the last decade, investment streams have been redistributed to capital-intensive sectors and production. Labour-intensive sectors are receiving less investments year-by-year.

The current investment policy is not sensitive to gender aspects of employment and is directed at achieving the highest possible economic efficiency in all key economic sectors.

**Figure 13. Gross domestic product, investment and employment growth rates (Percentage in comparison to previous year)**



Source: The State Committee of the Republic of Uzbekistan on statistic

25. Annex No. 1 to the Resolution of the Cabinet of Ministers of Uzbekistan dated 20 August 2003, No. 357 "Rules of state registration order, counting of business subjects and registration of permission documents" with changes introduced by the Resolution of the Cabinet of Ministers of Uzbekistan dated 12 October 2009, No. 272.

The tax system itself is gender neutral. However, there are significant disparities in terms of how taxes are imposed across the various sectors and independent companies

The most onerous taxes are those applied to labour. Taxes paid by the employer and the worker for the net earnings of the worker amount to two minimum salaries and represent half of this sum. When net earnings increase to 500,000 *soums* the tax burden increases to 58 percent. Net earnings of 1 million *soums* require payment of taxes at a rate of 64 percent (see Table 2). When all other taxes are calculated, it is clear that labour-intensive production, the sector in which most women work, becomes unprofitable within the current taxation system.

**Table 2. Taxation of salary fund on tax and obligatory payments' rates operating for June 2010 (*soums*)**

Salary fund	Income tax	Contributions to pension fund	Uniform social payment	Netsalary	Sum of taxes and obligatory payments	Ratio of taxes and payments to a 'pure' salary (%)
100,000	11,000	4,000	25,000	85,000	40,000	47.1
200,000	22,000	8,000	50,000	170,000	80,000	47.1
300,000	37,435	12,000	75,000	250,565	124,435	49.7
400,000	55,595	16,000	100,000	328,405	171,595	52.3
500,000	77,595	20,000	125,000	402,405	222,595	55.3
600,000	99,595	24,000	150,000	476,405	273,595	57.4
700,000	121,595	28,000	175,000	550,405	324,595	59.0
800,000	143,595	32,000	200,000	624,405	375,595	60.2
900,000	165,595	36,000	225,000	698,405	426,595	61.1
1,000,000	187,595	40,000	250,000	772,405	477,595	61.8
1,100,000	209,595	44,000	275,000	846,405	528,595	62.5
1,200,000	231,595	48,000	300,000	920,405	579,595	63.0
1,300,000	253,595	52,000	325,000	994,405	630,595	63.4
1,400,000	275,595	56,000	350,000	1,068,405	681,595	63.8
1,500,000	297,595	60,000	375,000	1,142,405	732,595	64.1

Source: Authors' calculations

The current tax system results in labour-intensive enterprises bearing the highest tax burden. Companies with a low share of added costs bear the smallest burden, with capital-intensive production occupying an intermediate position (see Table 3). A difference in taxation of between 1.5-2 times may exist depending on the structure of expenditures. In labour-intensive industries, the total share of taxes and mandatory payments on gross income reach 60-65 percent.

Table 4 below shows that taxes on labour (such as income tax, uniform social payments, pension fund contributions) are the principal factors that cause high tax burdens on labour-intensive sectors. For each 10 million *soums* of gross income, taxes on workers in labour-intensive production amount to 2.1 million *soums*, while for capital-consuming production and production with low added cost, it amounts to only 600,000 *soums*. The percentage for the above types of taxes alone in labour-intensive companies is comparable to the sum of all taxes paid by companies with low added cost (2.1 million *soums* against 2.4 million *soums*). It also accounts for 55 percent of the total amount of taxes for capital-intensive enterprises (2.1 million *soums* against 3.8 million *soums*).

**Table 3. Tax burden on labour-intensive and capital-consuming companies  
(000s soums)**

	Labor - intensive production	Capital - consuming production	Production with low share of added cost
Share of salary expenses within income	56.0%	16.0%	16.0%
Share of added cost within income	90.0%	90.0%	50.0%
Gross income	10,000	10,000	10,000
<b>Taxes on gross income (3.2%)<sup>26</sup></b>	<b>320</b>	<b>320</b>	<b>320</b>
<b>Property tax (is set conditionally)</b>	<b>100</b>	<b>500</b>	<b>100</b>
Net salary	3,500	1,000	1,000
<b>Taxes on labour<sup>27</sup></b>	<b>2,100</b>	<b>600</b>	<b>600</b>
Raw and other materials	1,000	1,000	5,000
<b>VAT (20%)</b>	<b>1,800</b>	<b>1,800</b>	<b>1,000</b>
Expenses on purchase and repair of equipment	500	2,500	500
Gross profit	680	2,280	1,480
<b>Profit tax (20%)</b>	<b>136</b>	<b>456</b>	<b>296</b>
Net profit	544	1,824	1,184
<b>Tax on social infrastructure (8% of net profit)</b>	<b>44</b>	<b>146</b>	<b>95</b>
<b>Total taxes</b>	<b>4,500</b>	<b>3,822</b>	<b>2,411</b>
<b>Tax burden (% of income)</b>	<b>45.0%</b>	<b>38.2%</b>	<b>24.1%</b>

Source: Authors' calculations

**Note<sup>1</sup>:** models of companies are conditional

**Note<sup>2</sup>:** The high costly expenses within sectors are coloured blue

Tax legislation applied to businesses does not directly provide a separate set of privileges for women. The tax rates, the system of tax deductions and taxation mechanisms do not depend on the gender of the company's director, nor on the number of women working within it.

Some mechanisms do indirectly influence the potential increase of women's employment. For instance, companies using home workers are free from property tax on property transferred for use by home-workers. Considering that a major proportion of home-workers are women, this tax privilege theoretically influences their employment. However, reliable data is unavailable to show how much women's employment is assisted by this mechanism.

Taxation of individuals features a number of privileges for women. Accordingly women who are mothers of two or more children until the age of 16 years are partially exempt from taxation. Only income not exceeding four times the minimal wage is tax free. Beyond this amount, individuals are required to pay additional taxes on the income that exceeds four times the minimal wage (Article 180). The level of taxable income levied on women in hazardous professions and working under severe conditions should not exceed 20 percent (Article 181). Individual property tax on individuals is not applied to the property of women having 10 or more children (Article 275). Mothers having received awards and medals for having many children are not liable for payment of state taxes if notarized copies of their award certificates are provided (Article 331) to the tax authorities. However, these privileges do not significantly influence women's employment and also do not adhere to the principles of gender mainstreaming.

Disparities exist in the pension system. According to the 3 October 1993 Law of the Republic of Uzbekistan "Concerning the State Provision of Pensions to Citizens",

26. Collections for school education, road fund payments, contributions to pension funds.

27. Income tax, uniform social payment, contributions to pension funds

pensions are made available due to age, disability, or because of the loss of the family's principal breadwinner. At the beginning of 2010, Uzbekistan had more than 2.8 million pensioners, of which approximately 75 percent were aged pensioners (see Table 4). Despite women outnumbering men in this group of pensioners, the level of pension security for women stands at 94 percent while for men it reaches 106 percent.<sup>28</sup> This distinction is a consequence of women's employment rate being lower than that of men.

**Table 4. Number of people registered with pension fund authorities by types of pensions and grant on 1 January 2010 (000s)**

Categories	All		
		Women	Men
<b>Total pensioners</b>	<b>2,8298</b>	<b>1,5518</b>	<b>1278</b>
Based on age	2,034.1	1,262.4	771.7
Based on disability	590.8	289.4	301.4
Based on loss of family's main bread-winner	204.9	0.0	204.9

*Source: Ministry of Labour and Social Protection of Population*

Pensions based on age are paid when reaching the retirement age of 55 years for women and 60 years for men and are disbursed as long as the necessary years of work history have been accrued. Women require twenty years of work history whereas men need 25 years.

Pensions based on age are calculated in two ways:

- 1- Basic pension, which represents 55 percent of average earnings for any five years of work, and cannot be below the established minimum;
- 2- One percent is added to the basic pension for every year of work over the established minimum, but may not exceed the established minimum wage limit.<sup>29</sup>

If a person does not have the necessary period of work history, the pension is correspondingly reduced.

As women are generally employed in low-paid jobs, their accrued pension benefits are below that of men's.

Earlier retirement for women is beneficial in comparison to that of men as they can receive their pensions without working. When retiring, the working person loses their salary and receives 55 percent of the average amount. Although retirement does not constitute a basis for ending a worker's contract, employers often prefer to free a post and choose not to extend the contract. In this case women and men of similar age, in identical positions and having equal work capacities, receive different pension incomes. Moreover, an employer may choose to select a man over a woman of preretirement age as women retire five years earlier than men.

Upon registration of pensioners at age of retirement, women who have had children generally have three years added to their work history for each child, but only up to a total of six years. Although additional children also require time and resources to take care of, they are excluded from pension calculations. As noted earlier, according to existing legislation, for each additional working year, one percent is added to the pension. However, working years do not take into account the time involved in giving birth and taking care of children and are thus not included in pension calculations.

The situation for mothers of disabled children is also challenging. Invariably, it is the mother who looks after a disabled child, thereby limiting her opportunities to work outside of the home. This may result in an absence of several years that can be added to work history and to accrued retirement benefits.

28. Ratio between the number of pensioners to the number of people in the population above able-bodied age

29. However, in practice the period over the last five years is used.



Unemployed persons receive a pension at minimum level upon reaching retirement age. Women make up the highest proportion of unemployed persons and represent 79.3 percent of the five thousand eight hundred individuals receiving a social pension. When reaching retirement age, women are thus more likely to receive an inadequate pension.

Women take time off for sick leave and childcare more often than men. Although this time is counted as working time, this situation eventually impacts on pensions as the average income received for taking such leave is lower than the normal pay rate. As a result, the amount of pension money made available to women and men performing identical work are at variance when retiring.

### **SECTION 3. THE INSTITUTIONAL ENVIRONMENT FOR ACHIEVING GENDER EQUALITY IN THE LABOUR MARKET**

The achievement of gender equality in Uzbekistan is a commitment which was undertaken following the signing of several international conventions and treaties. Uzbekistan has ratified the Beijing Declaration and Platform for Action, the United Nations Convention on the Elimination of All Forms of Discrimination against Women, the United Nations Convention against Discrimination in Education, the International Labour Organization (ILO) Convention on Discrimination in Respect Employment and Occupation, the ILO Convention on Employment Policy, and the United Nations Convention on the Political Rights of Women.

The Constitution of the Republic of Uzbekistan has enshrined equality between men and women in all spheres of life. Article 46 reads: "Women and men have equal rights".<sup>30</sup> In addition, the right to equal work and equal pay is enshrined in article 35 of the Constitution: "Everyone has the right to work, to free choice of employment, to just conditions of work and to protection against unemployment in the manner prescribed by law". Article 41 also provides for the right of universal education.

According to article 18 of the Constitution, "All citizens of the Republic of Uzbekistan shall have equal rights and freedoms and are equal under the law without discrimination based on sex, race, nationality, language, religion, social origin, belief, personal and social status". However, the same article states: "Privileges can only be established by law and must comply with the principles of social justice". In other words, the Constitution provides for the potential of protective policies for those who, from the standpoint of the state, are in need of support and/or protection. In this regard, the implementation of gender-oriented policy, including provision of preferences, and additional benefits to one of the gender groups, is supported by Uzbekistan's Constitution.

However, patriarchal state policy is also evident in Uzbekistan's labour legislation. For example, Article 6 of the Uzbek Republic's Labour Code states that "differences in employment due to the <...> special concerns of the state for persons in need of increased social protection (women, minors, disabled, etc.)" are not regarded as discrimination.<sup>31</sup> The Labour Code contains a number of regulations that protect women, among them, a ban on women's employment for jobs with unfavourable labour conditions and for work involving lifting and moving heavy loads exceeding the maximum permissible standards set by the state (Article 225). There are also special measures to support and protect pregnant women and women with young children. For example, employers do not have the right to appoint a probationary period for woman in these conditions (Article 84), and also cannot dismiss her (Article 237). There are restrictions placed on women's involvement in night and overtime work, work on weekends and business trip assignments. In the case of pregnant women and women with children below three years of age, night work is permitted only if there is a "medical certificate confirming that such work does not endanger the health of mother and child" (Article 228). It is important to note the norm provided in Article 228/1 provides for a shortened working week for women with children of less than three years of age and employed in the public sector. At the same time, the wage level is set at an amount corresponding to a full working day.

30. The Constitution of the Republic of Uzbekistan with changes dated 18 April 2011.

31. Labour Code of the Republic of Uzbekistan dated 21 December 1995 (as amended on 22 December 2010)

Overall, the Labour Code supports the traditional division of gender roles. The code, for example, establishes an obligation for the employer to set a shorter working day or week at the request of women with children under 14 years of age and/or for a disabled child under 16 years of age. Meanwhile, this option is not available for men according to Article 229. The right to a three day paid and fourteen day unpaid leave is reserved for mothers with two or more children under the age of 12 years or for a disabled child under the age of 16 years, but does not apply to fathers (Article 232). Women also have the right to take additional breaks during the working day to feed a child (Article 236).

The legal measures described above support the employer's view that employing women is more expensive than hiring men, although women's wages are on average lower than men's. For employers, labour costs include not only wages. The existence of additional benefits and guarantees for women makes their employment more costly because their resulting loss of productivity is below average. For example, the restriction on working hours for women with children under three years of age and working in the public sector, as well as the limitations associated with night/overtime/weekend work and assignments, do not allow the employer to make full use of women workers' labour. Such benefits, as additional paid leave for women with children under 12 years of age, and the granting of feeding breaks, also paid for by the employer, mean that the employer pays for hours not worked. Given the above, as well as the fact that women in most cases take sick leave when their children are ill, means that women's ability to compete with men is reduced (provided that all other criteria are equal). However, women's rights in connection with pregnancy and childbirth do not contradict the principles of gender mainstreaming as women's reproductive behaviour needs support and protection. In line with the concept of gender equality, the differences between men and women due to women's fertility should not apply to the upbringing of children. In other words, while pregnancy and childbirth are solely the prerogative of women, the responsibility of their education and care must be equally shared by both parents.

At present, the possibility for men's participation in the upbringing of children is provided for by the Labour Code's Article 234 which states that leave to take care of children up until the age of two years can also be fully or partially used by the father. The other guarantees and privileges granted to women in relation to maternity, apply to fathers only in the absence of a mother.

The Labour Code's gender bias can be observed by virtue of the fact that women are identified as a special group of employed people. Only one article contains a rule governing the participation of men in the labour market. Article 65 of the Code and Article 34 of the Law "On Employment of the Population" provides for appointments or payments to be made for unemployed men aged up to 35 years with no less than three dependents<sup>32</sup>. The entitlement requires as a condition participation in remunerated public works. This measure can be viewed positively as it provides unemployed men with a job and earnings. However, this practice is not only discriminatory towards one group of unemployed men, but also reduces the possibility of participation of older unemployed women and men and/or with more dependents in paid public works.

The Labour Code contains a number of rules relevant to the principles of gender mainstreaming. Thus, Article 68 requires additional employment guarantees not only for women, but for all those "experiencing difficulties in finding work and not being able to compete on an equal footing in the labour market, including single parents and large families with children aged up to 14 years and children with disabilities". The implementation of this rule proposed in the framework for an active employment policy, provides for the creation of "additional jobs, specialized companies, <...> organization of special training programmes, establishment of a minimum number of jobs by enterprises, institutions and organizations for these categories of citizens, as well as other measures provided by the law". These guarantees are supported by Article 7 of the Law of the Republic of Uzbekistan "On Employment of the Population".

32. Law of the Republic of Uzbekistan "On Employment of the Population" dated 13 January 1992, as amended on 21 June 2006.

In contrast to the Labour Code, the Law "On Employment of the Population" does not contain specific provisions related to the gender of the employed or unemployed person (except for the aforementioned Article 34). Some of the code's provisions defining the principles of state policy on employment contain special measures for categories of the population that are in need of social protection and experiencing difficulties in finding a job. This position is consistent with gender mainstreaming in that specific employment provisions are aimed at assisting citizens – regardless of gender – in need of protection and support. Thus, the criteria for selecting the target group in this case should be not gender, but reduced competitiveness in the labour market.

## **SECTION 4. WAYS TO IMPROVE THE EFFECTIVENESS OF STATE EMPLOYMENT POLICY TO PROMOTE GENDER EQUALITY**

### **4.1. International experience in integrating gender mainstreaming in national employment policies**

#### **4.1.1. Gender mainstreaming: the main stages in intervening in the process of strategic policy making**

According to the definition formulated by the UN in 1997, gender mainstreaming is "the process of assessing the implications for women and men of any planned measures including legislation, policies or programs in all areas and at all levels. It is a strategy by which the problems faced by women and men, and their experience should be one of the essential dimensions in the design, implementation, monitoring and evaluation of policies and programs in all political, economic and societal spheres so that both men and women benefit equally of such efforts, and inequality is not perpetuated".<sup>33</sup>

It is clear that the main goal of gender mainstreaming is the equalization of opportunities for women and men in all spheres of life. This does not necessarily mean the pursuit of absolute gender equality. The World Bank report on "Gender and Development" states that "equality implies that women and men are free to choose different or similar roles and achieve different or similar results – in line with their preferences and goals".<sup>34</sup> In other words, the observed manifestations of gender inequality cannot be unambiguously interpreted as evidence of the unequal status of women and men, and should not automatically be subject to state regulation. Gender mainstreaming requires the development at state level of mechanisms to ensure the reduction of gender inequalities and prevent the appearance of inequalities, only if the differences between men and women are a consequence of their unequal access to opportunities for self-realization and self-sufficiency and lead to discrimination of one of the gender groups.

Gender mainstreaming is a tool for state gender policy. For this reason, regulation or government strategy documents relating to gender should not be considered as an example of the introduction of gender mainstreaming. State-sponsored integrated gender mainstreaming should be applied at all stages of the adoption of policy decisions and should include the development of legislative and other normative acts, as well as government programmes and policies. In practice, introduction of gender mainstreaming involves the following stages and steps:

#### **1. Preparatory phase:**

- Identification of interested and qualified persons to participate in the development of decisions and decision-making;
- Identification of the possible consequences for women and men as a result of the implementation of decisions;
- Adjustment of the strategic goal of decision making by taking into account the different potential impact on men and women;

33. From "A practical guide to gender mainstreaming", UNDP, 2007, p.12

34. Gender and Development. Promoting development through gender equality in rights, access to resource and opportunities to express their interests. Translated from English, 2002, p. 3.

1. Assessment the situation:
  - Gender analysis of the sectoral context in which a decision is made;
  - Gender analysis of the legislation, programmes and strategies implemented in this sector;
  - Identification of key issues that require gender mainstreaming;
2. Development of a strategic decision:
  - Development of a list of specific activities that contribute to the achievement of strategic goals with regard to the interests and needs of women and men, as well as assignment of responsibility to individuals and/or organizations for the implementation of decisions;
  - Identification of a budget for planned activities;
  - Development of guidelines for monitoring the effectiveness of a decision, including the methodology for collecting necessary monitoring information;
3. Analysis of the effects of a decision:
  - Analysis and evaluation of strategic decisions in terms of the impact on the behaviour and status of women and men;
  - Adjustment of the decision in such a way as to be more in line with the goal of achieving gender equality;
  - Dissemination of information on the implementation of strategic decisions.

At all stages of gender mainstreaming, it is necessary to keep in mind that the achievement of gender equality implies consideration of the interests and needs of both gender groups, not just women. Gender-neutral solutions while at first glance may promote gender equality may in fact lead to the opposite of desired results as they may not take into account the real situation in which women and men have different employment opportunities and may have a different impact as a result of participation in the labour market.

#### ***4.1.2. Review of foreign experience for gender mainstream in national labour and employment policies***

The overall goal of integrating gender mainstreaming into national labour and employment policies is to provide equal opportunities for men and women to achieve their employment potential. In this regard, the activities of the state may be directed towards the inclusion of women in the labour market and to secure their employment. However, employment policy can also contribute to indirectly achieving gender equality in rights and opportunities without direct reference to the targeted groups of men and women.

National employment policy is implemented through state regulation of processes occurring in the labour market, as well as in labour relations. European countries and the United States (US) have gained experience of gender mainstreaming in the framework of active employment policy and the regulation of relations between workers and employers.

##### ***The policy of regulating the labour market***

The main purpose of a pro-active employment policy is to reduce the job search period for the unemployed and to assist individuals entering the labour market to find employment. In order to implement a gender-based approach, it is essential that men and women have equal access to the programmes established as a result of a pro-active employment policy.

The main instruments of a pro-active employment policy are:

- ☒ Promotion of employment
- ☒ Creation of workplaces
- ☒ Support for entrepreneurship

These aims are achieved largely with employment subsidies or by reducing the size of contributions to social funds. The mechanisms differ from country to country.

The mechanisms differ from country to country. In Sweden, for example, a programme of job creation implies that the employer receives a subsidy, the amount of which corresponds to its contribution to the social insurance fund. This subsidy will be disbursed if the company hires an individual who has received at least one year of unemployment or sickness benefits at the time of hiring. Such a payment exists for the period of time equal to the period of time the individual has been out of work, but not for more than five years. A gender-based approach in this case takes place, as, according to statistics, women constitute the vast majority of long-term unemployed. A similar subsidy mechanism operates in Austria and Slovakia. However, there is no evidence yet of the effectiveness of these programmes in terms of reducing the length of women's unemployment women.

Within the framework of a pro-active employment policy, job creation is usually carried out in the public sector. Although unambiguous examples of the application of gender mainstreaming have not yet been identified, an indirect impact on increasing the potential for women's employment has been observed in some cases. For example, a programme of public works in the Republic of Ireland was initiated and aimed at assisting the long-term unemployed and those who had not participated in the labour market for a long time. Participants in the scheme were given the opportunity of temporary employment, as well as part-time work to perform tasks to meet local community needs. Experts concluded that the programme had a double impact on women's employment which was positive; firstly, because temporary and part-time work is suitable for women who are unable to work full time (ie single mothers); and secondly, because employment created under this programme provides the community with jobs that are usually undertaken by women within the household<sup>35</sup>. Thus, the workload on women is decreased, allowing them to more fully realize their potential in the labour market.

Support for female entrepreneurship involves the granting of resources to women to organize their own businesses. Tools to support businesses can include issuing microcredits (France and Spain), providing training and education (Hungary), or reducing contributions to the social insurance fund (Spain).

### ***Regulation of labour relations through policy***

The implementation of national employment policies through the regulation of labour relations includes many tools that have an impact on employees and employers. The introduction of gender mainstreaming in this sector may have direct and indirect effects in providing equal opportunities for women and men.

#### **Hiring and firing**

Rules prohibiting discrimination are contained in the constitutions of most countries. Some also have additional legislation prohibiting discrimination in hiring and firing. In Austria and Germany, for example, discrimination is prohibited on the grounds of gender, age, race, etc. In Bosnia and Herzegovina, Kosovo and Moldova, the prohibition of gender discrimination has its own specific legislation.

Government policy and procedures regarding procedures for laying-off workers can influence equality in employment opportunities for women and men. In countries where benefits are provided to employees laid off by an employer, the amount of such benefits are often tied to the length of work experience --employment (e.g. specific experience). Gender mainstreaming in such situations requires consideration of the fact that the presence of gender disparities in the length of specific experience leads to a violation of the principle of equal opportunities for women and men.

#### **Wages.**

Gender differences in wages are one of the most obvious examples of the unequal status of women and men in the labour market. In developed countries, the principle of equal pay for equal work was first enacted in the 20<sup>th</sup> century. In the US, for example, a law was adopted in 1963. Although the gender pay gap still exists employment policies can help reduce it.

35. Gender mainstreaming of employment policies – A comparative review of 30 European countries. Luxembourg: Office for Official Publications of the European Communities, 2008, p. 44.



In many countries, labour legislation obliges employers to pay equally for work of equal complexity, duration, quantity and quality. For example, the Labour Code of the Russian Federation "prohibits any discrimination in establishment and change of wages and other terms of remuneration" (Article 132).

The introduction of gender mainstreaming in employment policy takes place through the adoption of additional laws which support the goal of achieving equality in wages. Since 2004, Luxembourg has a law requiring collective agreements to include provisions supporting the principle of equal pay for male and female labour. Similar regulations have been introduced in Finland, France, Sweden, and other countries. Meanwhile in Sweden, any workplace with more than 10 employed persons should annually conduct an analysis of gender differences in pay and develop a plan to address them. Failure to comply with this provision entails penalties.

The main problem in implementing the principle of equal pay is the difficulty of comparing various types of work. In the US and European Union some countries, specifically Austria, Belgium, and the United Kingdom, have introduced 'work assessments' which have gained widespread application through a comparison of the content and complexity of the work, skills required for performance, and other criteria. It should be noted that the methodology for assessing the different types of work is diverse and constantly evolving.

Another instrument of state policy for employment-related pay is the setting of a minimum wage. This instrument indirectly affects the gender wages gap. Its application to date is not considered as an example of gender mainstreaming. However, it should be taken into consideration that because women are mainly concentrated in low-paid jobs, the principles underlying the use of minimum wage as a control mechanism may have a significant impact on the extent of the gender wage gap.

A country's public sector is often dominated by female workers and state policy to equalize the relative wages of public sector employees can potentially help reduce differences in male and female income as well. This policy was implemented in Lithuania in 2006 when earnings were increased in the health, education, culture and arts, and social services sectors. However, this measure may worsen women's situation in the long-term if higher wages in these sectors then attract more men, and as a result, drive women into less well-paid jobs within the same sector.

#### Promoting Career Development

The main purpose of actions taken to promote career development is the reduction of vertical gender differences. There are number of programmes to facilitate the professional growth of women, and to disseminate information about their capabilities. For example, Norway has for many years had legislation to provide for gender balance whereby public company board of directors have at least 40 percent female representation and not more than 60 percent male representation. Since 2006, this provision also applies to joint stock companies in the private sector. Greece has a 30 percent quota for women's representation in public sector leadership positions. Special initiatives have been developed for women employed in the private sector as well and include informational assistance, training, and skills development to facilitate their promotion to managerial positions. In addition, Norway has developed a database containing information on highly qualified women who have the potential to become effective leaders.

#### Granting of leave for childcare

It is recognized that the unequal position of men and women in the labour market is largely due to interruptions in women's career due to childbirth and raising children. The negative impact on women's employment has several implications. Firstly, it creates a situation in which women choose careers and employment which are characterized by relatively low costs arising from disruption to their careers. Secondly, employers may give preference to men when funding training for employees. These factors consolidate gender disparities in the labour market. Thirdly, possible interruptions in women's careers may make employers reluctant to hire women, thereby reducing the likelihood of their hiring. In this situation, the introduction of gender mainstreaming should be included in the employment policy strategies so that men become involved in the raising of children along with women.



Currently, legislation of most European countries provides for the right of fathers to take parental leave for childbirth. Ideally, the fixed leave period could be divided between the mother and father (as in the Czech Republic and Slovakia), or provided for fathers. However, paternal leave should not be substituted by mother's leave. Only in the latter case can legislation represent gender mainstreaming as the family will have an incentive to engage fathers in the raising of their children. If the choice of deciding which parent will take leave is given to the family, it will almost assuredly always be the woman who will take leave. As a result, the woman will lose contact with the labour market.

A good example of gender mainstreaming can be observed in Italy where leave for childcare lasts for ten months and begins at the end of maternity leave. Both the father and mother can take no more than six months. However, if the father takes leave for more than three months, the total duration of leave for childcare is extended to 11 months. In Germany, leave for childcare can be extended from 12 to 14 months if the father wishes to avail himself of this right.

Special paternal leave of varying lengths of time are provided for in the laws of Norway, Portugal, and Spain. In Lithuania, fathers are entitled to a fully-paid month-long paternity leave immediately following birth.

Policies that encourage women to stay connected to the labour market have been implemented in some Eastern European countries. In the Czech Republic, for example, parents who are on childcare leave, have the right to work while maintaining benefits. In Hungary the same principle applies, but only after the child reaches one year of age and until he/she reaches two years.

Currently, the second group of employment policy directions is not accompanied by the introduction of gender mainstreaming in any country. These are measures aimed at increasing labour market flexibility. The incorporation of gender mainstreaming should be a strategic objective in implementation as these measures have a significant impact both on women's employment opportunities and women's status in the labour market.

#### Flexible forms of employment.

Despite the cultural, social and institutional differences between countries, women generally bear the burden of housework. Rigid modes of employment limit the ability of women to participate in the labour market while also reducing their competitiveness in the eyes of employers. Flexible forms of employment, and above all the opportunity to work part-time, increase to some extent the employment opportunities for women.

Over the past decade many European countries have significantly increased the proportion of workers employed in temporary positions either as replacement workers or as employees 'on call'. However, experts note that this trend can potentially lead to a growth in inequality as these forms of employment have a large number of female workers and offer little job protection<sup>36</sup>

#### Fixed-term contracts.

The positive effect of fixed-term contracts for women's employment can be observed in countries where an employer bears high costs in connection with the dismissal of an employee. Employment under a fixed-term contract can increase women's opportunities for employment and can constitute the first step in the transition to a permanent employment contract. Fixed-term contracts are currently legal in all Organization for Economic Co-operation and Development (OECD) countries, except Greece and Turkey. At the same time, fixed-term contracts are widespread in countries with strict employment protection legislation, such as Finland, Mexico, Portugal, Spain and Sweden where women constitute a large proportion of people working under such conditions.

#### Education

In the sector of education, state policy can contribute to achieving gender equality in opportunities in the labour market in two ways: firstly, by promoting the education of women, and secondly, by encouraging and empowering women and men to pursue occupations that are traditionally dominated by a particular gender.

36. Gender mainstreaming of employment policies – A comparative review of 30 European countries. Luxembourg: Office for Official Publications of the European Communities, 2008, p. 44.

In Austria, a five-year project aimed at increasing the number of women engaged in scientific research was launched in 2002. Government allocated grants are available to support women who pursue careers in science and technology. Specific actions were undertaken to overcome the 'glass ceiling' that restricts women from attaining senior positions in employment. For instance, summer school classes were offered to women working in the information technology (IT) sector. Research grants were provided to women and gender mainstreaming was introduced in teaching technical subjects with the aim of changing the teaching methodologies. As part of this project, the Vienna University of Technology launched a programme for 'Women's College for Internet Technologies' and Women's Postgraduate College for Internet Technologies which was designed to address the problem of women's poor representation in the IT field.

Education, training and supporting women's choice of a non-traditional career can begin even in primary school. For this reason, Greece has developed a programme to provide training for school teachers to identify gender differences in school curricula and classrooms, and offer professional guidance and consultation for pupils with the aim of combating gender stereotypes in professions, promoting girls' education courses, and providing the necessary core skills for employment in 'typically male' occupations.

In order to change gender stereotypes that support occupational differences, Bosnia and Herzegovina has implemented a project focusing on 'Implementation of gender principles in education and the media' which involved principals and teachers of primary and secondary schools. Much work has also been carried out to develop proposals for teachers on how to organize various activities, workshops, classroom activities, and working with parents to discuss gender stereotyping and prejudices. Another example of gender mainstreaming in education is a Norwegian project entitled 'Girls and Technology in the southern part of Norway', aimed at involving women in the technology sector. It is hoped that as a result of this project, the number of girls choosing to study engineering will increase by 30 percent per year. A similar UK program encourages the involvement of women in sciences. Key aspects of this initiative focus on providing interaction with employers, disseminating information on positive experiences, and creating a database of women professionals.

#### **4.1.3. The experience of Commonwealth of Independent States (CIS) countries in introducing gender mainstreaming**

The constitutions of all Commonwealth of Independent States (CIS) countries include norms regarding the equality of men and women in all sectors of life, thereby guaranteeing equal rights and opportunities for members of both genders. However, in reality, manifestations of gender imbalances continue to exist in many areas, often contravening women's interests. Consequently, countries of the region began to enact laws in the 1990s that promote the role of women and contribute to reducing the degree of gender inequality in the labour market.

The implementation of gender mainstreaming in the work and employment sectors is an evolutionary process. Countries of the region are striving to protect and support women, but are coming to the realization that the strategy of national development should be directed towards equal opportunities for both gender groups.

Work on gender mainstreaming has already taken place in the CIS region. Some countries have developed recommendations on gender mainstreaming for specific ministries and their departments and have engaged in the development and adoption of strategies on labour and employment. For example, the Republic of Kyrgyzstan's *Guidelines for integrating gender mainstreaming in the activities of the Ministry of Labour and Social Protection of the Republic of Kyrgyzstan* (2003) contains an action plan on gender mainstreaming in the Ministry's activities.

The main disadvantage of the recommendations on gender mainstreaming in the CIS region is that there are no specific recommendations on the content of activities of those involved in gender mainstreaming, nor monitoring over the progress of this process. For this reason, prioritization should take place to support activities of international organizations, independent research centres, experts dealing with gender issues, and developing an integration methodology for gender mainstreaming.

The United Nations Development Programme (UNDP) has gained extensive experience in gender mainstreaming. The first edition of the *Practical Guide on Gender Mainstreaming in Central and Eastern Europe and the CIS*, commissioned by the UNDP Regional Centre for Europe and the CIS, was published in 2002. A modified and extended version published in 2007 provides guidelines for specific ministries and agencies responsible for implementing state employment policy, and also presents experiences in relation to the implementation of gender mainstreaming gained in the region<sup>37</sup>

There are limited examples of specific actions to introduce gender mainstreaming in employment policy in the CIS. To some extent, the gender-based approach has been implemented as a result of the Labour Code of the Russian Federation.<sup>38</sup> For example, Article 179 provides that, when reducing the number of personnel with equal productivity and skills, preference should be given to keeping workers with family and with the condition that s/he have two or more dependents. Kazakhstan, Kyrgyzstan, Moldova, and Ukraine also have laws that guarantee women and men equal rights and opportunities.

In the majority of CIS countries, policies aimed at achieving gender equality are paternalistic, protective and supportive of women. For example, in order to prevent a decline in the educational level of women in the Republic of Tajikistan, the Resolution of the Government of the Republic of Tajikistan on the "Procedure for Annual Admission of Girls from Remote Areas of the Country without Admission Exams" was adopted, setting an annual quota for girls enrolling in universities. In Turkmenistan, the main legal document adopted for solving the problem of gender inequality is "State guarantees of equal rights for women". This delineates the principles of state policy implemented in the interests of women.

As has been noted already, solving 'women's issues' only, does not necessarily always comply with the principles of gender mainstreaming. However, transitional measures aimed at combating long-standing inequities are recognized as legitimate, especially in countries with strong patriarchal views on women's role in family and society. Thus, the incorporation of a gender-based approach into the state employment policy of CIS countries is a relatively new method of equalizing opportunities for men and women to achieve their employment potential. It should be noted that the effective integration of gender into national employment policies is impossible without the awareness of individuals, and their involvement in the development and strategic decision-making on gender issues, and without development of specific tools and techniques to promote gender mainstreaming in developing, implementing and evaluating the effectiveness of employment policies.

In this regard, the experience of the Republic of Kyrgyzstan is important. In 2001, the staff of the Ministry of Labour and Social Protection was trained in gender analysis and how to develop a strategy for introducing gender mainstreaming in the work of the ministry. Orientation workshops were conducted to develop gender sensitivity among participants, and improve their gender analysis skills. The training of employees of the ministry continued in 2002-2003 and included a series of training seminars conducted by UNDP for selected units.

- training should be held for employees assigned to develop gender policy in ministries and departments;

37. Practical guide on gender mainstreaming, UNDP, 2007.

38. Labour Code of the Russian Federation, 30 December 2001

- training should be undertaken in stages to gradually deepen knowledge and improve skills of trainees;
- assistance in the form of consultation and additional training should be provided for staff at the initial stage when introducing gender mainstreaming in the work of ministries and departments<sup>39</sup>

#### **4.2. The state's employment policy in Uzbekistan: opportunities and limitations in the introduction of gender mainstreaming**

One of the main instruments of Uzbekistan's employment policy is the development of annual programmes to create jobs and to ensure employment. These programmes are developed and approved at the level of every district, and the working group is headed by the Deputy Governor for Economic and Social Issues. The working group also includes heads of regional departments of economics, statistics, employment assistance centres, and regional offices of banks that provide loans to companies and organizations that create jobs within the programme.

The local centres responsible for assisting in employment opportunities develop the original draft programme. The drafts of the district employment programmes are then directed to the Regional Directorates for Labour and Social Protection of regional *khokimiyats*. On the basis of the district drafts and with input from relevant departments and stakeholders, the regional employment programmes are developed and submitted to the Ministry of Labour and Social Protection of the Population. The ministry coordinates the drafting of the country level programme and sends it to *khokimiyats* for their approval.

The territorial employment programmes contain details of the parameters which include a quantitative description of labour supply and labour demand.

Labour supply or needs assessment in workplaces, are calculated for the year of programme implementation, and then broken down by quarter, and by predicting the number of the following socio-economic groups:

1. New workers entering the labour market:
  - 1.1. Graduates of secondary schools;
  - 1.2. Graduates of academic institutions;
  - 1.3. Graduates of professional colleges;
  - 1.4. Graduates of universities.
2. Laid-off employees:
  - 2.1. Laid-off workers from the agricultural sector;
  - 2.2. Laid-off employees as a result of structural changes in the economy;
  - 2.3. Laid-off employees as a result of the privatisation process;
  - 2.4. Laid-off employees as a result of the closing of unprofitable companies (including bankruptcies).
3. Persons released from penal institutions.
4. Persons discharged from military service.
5. Unemployed and economically-active population, including those individuals voluntarily laid-off.

The development of employment programmes intends to make an impact upon the demand for labour through the creation of new jobs. This process takes into account government implemented programmes, such as anti-crisis programmes, investment programmes, programmes of localization, modernization and technological re-equipment of production, development, production and social infrastructure, agriculture, housing, and socio-economic development programmes to improve the industrial potential of the regions.

39. Gender mainstreaming in the policies of the ministries: the Kyrgyz experience and the model of the Ministry of Labour and Social Protection of the Kyrgyz Republic. Independent analytical study prepared by B.G. Tugelbaeva, E.Z. Turgumbekova and T.K. Tyulekova commissioned by UNDP.

The following objectives are emphasized in employment programmes, through which jobs are created:

1. Creation of major new facilities, renovation and expansion of existing enterprises.
2. Organization of small and micro enterprises:
  - 2.1. in industry;
  - 2.2. in construction and the renovation of houses;
  - 2.3. in other sectors of the economy.
3. Development of private businesses.
4. Development of all forms of home-based work:
  - 4.1. Including in cooperation with companies under labour contracts.
5. Development of agricultural production (poultry, livestock, fisheries, bee-keeping, and creation of greenhouses).
6. Development of industrial, social and marketing infrastructure.
7. Recovery and financial rehabilitation of inactive businesses, including those taken over by commercial banks and other companies.

From 2009, programmes developed at the local level are included in a state programme for the creation of jobs and securing of employment, which is approved annually by the Legislative Chamber of the Oliy Majlis of Uzbekistan. The implementation of these programmes is also introduced into the practice of parliamentary hearings, which is a responsibility of parliamentary control. Based on the forecasts of labour supply and job creation made in the territorial employment programmes, the state programme approves the number of jobs to be created for each of the above objectives for the forthcoming year.

Some important points should be noted when assessing the principles for the development of state job creation programmes and employment opportunities to promote gender equality and equal opportunities to achieve labour potential,

By defining the needs of the workplace, the state attempts to predict changes in labour supply in local and national labour markets as a result of data aggregated from regional employment programmes. However, current forecasting practices do not take into account certain population groups, which can also create demand for jobs. When using a gender-based approach, consideration of those returning to the labour market after a long absence is important. This group is dominated by women, either as a result of them being on leave for childbirth/childcare, or forced to return to the labour market to provide additional family income.

The introduction of gender mainstreaming requires mandatory support for individuals with family responsibilities. In this regard, the need for jobs for single parents and those with many children must be taken into account.

It is also necessary to take into account migration flows: both incoming and outgoing, as they have a significant impact on labour supply and its gender composition. Unfortunately, there are no statistics reflecting the true picture of the gender composition of internal and external migrants, but the lack of consideration of this parameter in predicting changes to labour supply can seriously distort the picture.

Those approaching retirement age should also be highlighted separately. As the probability of losing a job is higher for women on average, women in this age group experience difficulties in securing employment. Ensuring equal opportunities for women and men approaching retirement age requires assistance for unemployed women at pre-retirement age in the framework of employment policy.

Another disadvantage in terms of forecasting employment demands is that this process does not currently detect the qualitative characteristics of labour supply, such as education level, occupation and qualifications obtained in secondary and higher education institutions, which are critical for job creation for the different socio-economic groups. Inclusion of such information would allow for an analysis of the relevance of the educational structure in relation to the needs of the labour market at district/city, and national levels.



Programme planners should take into consideration that assistance in creating employment opportunities should be carried out on the basis of the following criteria:

- professional qualifications of jobs created;
- the nature of employment (permanent, temporary, seasonal workers);
- the mode of employment (full, with reduced working time);
- the level of the proposed employment (employees, owners of private enterprises, employers);
- the expected salary level and its correlation with the local market's average salary level.

The absence of the above information does not allow for an assessment of the extent to which jobs created meet the requirements of full, productive and freely chosen employment and adjusting the target parameters of the programs, taking into account the current characteristics of labour supply.

Employment programmes contribute to the growth of women's employment to some extent, particularly through the development of home-based work which represented approximately 23 percent of jobs created in 2011. The absence of the characteristics of jobs created does not allow an assessment of the extent to which the implementation of programmes will help equalize employment opportunities for women and men. With this approach, it is likely to achieve the opposite result, when the process of job creation leads to further consolidation of gender differences and growth in the gender wage gap.

Despite the lack of gender-based aspects in the original employment programmes, annual territorial programmes to boost women's employment have been developed since 2005 in each district/city, in response to regional programmes to create jobs. They should take into consideration the following recommendations:

- experts on gender issues (e.g. representatives of women's committees) should be involved at the earliest stages possible of programme implementation;
- the method of forecasting labour supply must be changed to include such groups as those returning to the labour market following a long absence (single parents, parents with large families, persons close to retirement age, and migrants both internal and external. The employment forecast should contain the gender composition of all categories. The first step in this respect could be the validation of existing and newly created jobs, including descriptions of the workplaces, not only in terms of the technological requirements, but also recognizing the social dimensions of workers. For instance, the possibility of flexible hours and working conditions, possibility of hiring remote workers, and the possibility of additional training and re-training should be included;
- the qualitative characteristics of potential employees, including age, marital status, education level, professional qualifications, should be taken into account in determining employment demands;
- the forms, modes and conditions of employment should be considered, rather than merely the number of jobs, and wages should be determined when planning job creation;
- other measures of an active employment policy, such as training and retraining, organization of paid public works, etc., which are discussed in Section 5 of this policy paper, should be included in employment programmes;
- methods of monitoring implementation of employment programmes need to be improved. Monitoring should include a system of indicators including those of means and resources, processes and participation, as well as development indicators which feature intermediate and final results of the national gender policy.

The programmes should meet the interests of both men and women. Jobs under the programmes should not only be created in traditionally male sectors, such as construction and communications, but also in the social sector to develop services that facilitate women's work such as childcare, care of the disabled and elderly people.



facilitate women's work such as childcare, care of the disabled and elderly people. This not only provides employment for the population under the programme, and solves urgent social protection-related problems, but also helps to relieve women from the burden of domestic work and enables them to seek other employment. A proportion of jobs created under the programme should provide flexible work opportunities to allow women to combine paid work with domestic work.

## **SECTION 5. CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. Policy instruments to assist employment: possibilities and limitations of their use in Uzbekistan**

Based on this analysis we can conclude that the main objectives aimed at improving the effectiveness of employment opportunities for women are:

1. Growth of women's economic activity and employment level;
2. Reduction of gender difference;
3. Reduction of gender distinctions in wages.

Accordingly, the government policy should focus on solving these problems.

Growth of women's economic activity and employment level in its turn suggests measures to equalize opportunities for women and men to take part in the labor market, as well as facilitate returning of women back to labor market after interruptions connected with childbirth. Another problem in this context is concentration of women in the informal economy sector.

The policy being carried out in this area should be directed primarily at providing people with family responsibilities opportunities for combining work and housekeeping. Besides, in order to implement active employment policy, women employment chances should be promoted.

a) To ensure persons with family responsibilities opportunities to combine work and housekeeping, it is recommended:

- To expand the area of home-based work by implementing programmes to strengthen cooperation between enterprises and the homemaker. It is recommended to introduce as an indicator the involvement of women in this co-operation within the home-working development programmes. To increase incentives of employers to create more home-based workplaces, it is recommended to establish special measures such as excluding costs for the organization and maintenance of home-based workplaces from the tax liabilities base.

- To amend the Labour Code:

- i. providing for the possibility of granting special rights or privileges to women with children, such as additional paid leave, a shorter working week, time allocated to feed children, by either parent and not only by the mother;
- ii. extending guarantees to fathers at the termination of the employment contract;
- iii. ensuring a gradual transition to a practice whereby fathers can also partly use paid leave to care for children under two years of age;
- iv. providing the possibility of combining full-day employment when obtaining social benefits for maternity/paternity leave.

These changes are expected to improve women's employment opportunities and signal the government's commitment to promoting better participation of both parents in childcare and family responsibilities.

In relation to this, one should:

- consider the possibility of making the following changes to the Tax Code, namely to reduce income tax rates for the parent who earns less; and extending this rule to the parents of children under three years of age, combining employment with childcare leave and ensuring that these provisions are available to single mothers as well;
- expand the network of preschool institutions, including daytime nursery-type kindergartens, especially in rural areas;

- raise awareness among women of the benefits of family planning and the ideal age to marry;
- make use of activists from neighborhood committees and from community level to conduct extensive awareness-raising about the need to involve other family members in domestic work and childcare.

b) To increase employment opportunities for women, it is necessary to:

- fully contribute to the development of family businesses and promote the role of women in creating these businesses;<sup>40</sup>
- provide training and retraining for unemployed people in professions where there is strong market demand;
- develop special training and retraining programmes for women wishing to work in financial, legal and technically-oriented professions;
- develop special training and retraining programmes for those returning to the labour market following a lengthy absence due to childcare. In connection to this, it is recommended to encourage private educational institutions to develop and implement special programmes which would include psychological support activities to restore labour skills and expertise;
- Introduce special quota for women within active labor market programs: the share of women among the participants in such programs should not be less than the share of women among the unemployed.

Taking into consideration that marriage and childbirth reduce the level of women's economic activity and, accordingly, opportunities for productive employment, it is necessary to adopt measures on:

- Maintaining family income during periods of women's leave from employment activity;
- Maintaining women's professional knowledge and skills gained during earlier employment experience;
- Preservation of women's desire for employment and professional adaptability. With this aim, some countries offer monetary compensation to pay for kindergarten, provided that a woman will come to work, or increase the period of paid leave to care for a child if the father will be caring for the child along with the mother.

**Reducing gender disparities** implies a reduction of horizontal and vertical segregation. In addressing horizontal segregation, the main work should be carried out in the field of education, since the likelihood and speed of entering into the professions and the industries dominated by employees of the other gender depend on the choice of profession by females and males, opportunities to study in the respective educational institutions. Reducing vertical gender disparities, in contrast, involves the development and implementation of employment policies, as the relevant policy decisions must be made to promote women to move up the career ladder.

a) To reduce professional and sectoral gender disparities it is necessary to:

- critically analyze the structure of studies for academic majors considering gender preferences within each region of Uzbekistan, and, based on it, create educational clusters which will enhance opportunities for females to choose from wider list of academic majors to study in colleges and universities located within internal district/town public transport system. This requires a change from planning trainings according to the capacity of educational institutions to planning based on the needs of different social groups and local labour markets, and to provide as a consequence educational services according to these needs;
- conduct extensive- awareness-raising among the general population, especially parents and girls, to promote the value of education for women;
- work with talented students, which implies identifying talented children in the early stages of their education and identifying their strengths;
- provide female students in professional colleges who show positive results in studying 'non-women's' professions with scholarships (funded by sponsors);

40. An important step in this regard was the adoption of the Law "On family entrepreneurship" in April 2012, which contains norms on additional benefits for persons engaged in entrepreneurship within the family business.

- encourage through targeted recruitment and/or quotas the admission of girls in technical secondary professional schools and higher education institutions specializing in technical or technological subjects;
- conduct regular training for teachers of secondary schools to improve their gender literacy;
- develop a system of career guidance to attract students to professions traditionally practiced by a particular gender;

Taking into account the fact that most girls study in a relatively narrow field of 'female professions' (i.e. education, health, and social services), the following recommendations are made to ensure their integration into the labour market:

- Introduction in the training curricula of these professions topics relating to entrepreneurship skills and other activities. For example, students in teacher training colleges will take courses on the organization of private preschools, home learning through tutoring, whereas accounting students will study small business management, etc.;

- To encourage, as part of the continuous education system, the existence of private training and re-training centers focused on training women on allied trade/professions and maximizing use of their existing professional knowledge and skills.

b) To reduce vertical gender differences, it is necessary to:

- create a national database containing information on women who have the potential to fill leadership positions and to then conduct training and provide study programmes for these women. It is also important to inform employers about the database.

- assist women's entrepreneurship through the establishment of training centres and to provide loans and tax incentives.

- implement a programme of informational and consultative support for women entrepreneurs and women intending to start their own businesses;

**In addition to reducing gender disparities, assisting women's entrepreneurship also contributes to addressing other challenges.** Firstly, women will have the opportunity to use financial and other resources that will make a positive impact on the health, education and nutrition of themselves and their children. Secondly, the level of women's economic activity and their involvement in the workplace is promoted. Thirdly, involvement in the informal economy, characterized by poor working conditions, low wages, and lack of job security, is reduced. Fourthly, dissemination of information on positive examples of women's businesses contributes to weakening gender stereotypes and serves as well as an inspiration to other women. In summary, the development of women's entrepreneurship can be a powerful catalyst to reduce gender inequality.

In addition to the above-mentioned measures, the following recommendations will help reduce gender disparities in the labour market:

- Improving the efficiency of agencies involved in monitoring compliance with labour legislation;

- Changes in mass media representation of women's role in society. This involves the development of recommendations for the media to refrain from replicating images of women as 'housewives' interested only in housekeeping. It is also important to counter traditional gender stereotypes and actively highlight examples of women's successful businesses and the positive consequences of men's role in childcare.

**Reducing gender distinctions in wages** is perhaps the most complex issue in terms of potential government involvement. The state's capacity to influence the level of wages in the economy is limited to tools such as mechanisms for establishing a minimum wage and for wage setting in enterprises and organizations. As women are generally concentrated in low-paid jobs in the public sector, raising the minimum wage of state employees is an option in addressing the gender gap in wages. However, such measures may also adversely affect employment opportunities for women as, firstly, with an increase in the minimum wage, the perception of the employer may be that women are the least productive employees and as a consequence they may lose their jobs, and secondly, a growth in salaries in the public sector budget could attract men who may then gradually replace women.

Equalization of wages for women and men contributes to the reduction of gender inequality. However, this does not eliminate the need for the following activities:

- Conducting research aimed at identifying the causes of gender wage disparities;
- Monitoring wage disparities between women and men in public companies and organizations with the subsequent development of plans to eliminate these disparities; dissemination within the private sector of the resulting information from such experiences;
- Elaboration of methodologies to evaluate and compare experiences according to their complexity, duration, quantity and quality, based on best international practices.

Furthermore, in order to equalize the situation of women in the labour market, it is necessary to make adjustments in state investment, taxation and pensions policies.

*Investment policy.* The largest share of investment is concentrated in sectors where women's levels of employment are low. Thus, investment policy is not responsive to gender issues. Taking into account that significant investments will flow predominately in capital-intensive production, it is necessary to ensure the efficient use of investment streams in labour-intensive industries, in particular in the small enterprise sector.

Investment policy can be an important tool to increase employment. It is also important to pay attention to the social aspects of developing investment programmes. In addition, it is necessary to:

- take into account the number of new jobs created, including for women, and prioritize projects that ensure the creation of new jobs as one of the most important indicators when awarding funds following investment competitions;
- produce criteria to assess the social impact of investments and organize a system to monitor their effectiveness in employment.

*Tax policy.* The country's policy of gradually reducing the tax burden on labour through an annual decrease in tax rates on personal income and a radical reform of social security tax has produced positive results in the growth of employment and job creation.

However, analysis shows that the level of income tax remains high, serving as a disincentive to employment generation, especially in labour-intensive industries. Many entrepreneurs, especially small businesses, use so-called unofficial payment schemes by hiring workers without providing official contracts in order to reduce taxes on labour costs. Coupled with the higher costs of women's labour, which are linked to labour laws and social benefits, the tax on labour is a significant factor that reduces women's competitiveness in the labour market.

To further reduce the negative impact of taxation on the further generation of employment opportunities, it is necessary to reform taxation in the following three sectors:

- Improve the method of taxation on personal income by changing to a two-stage or flat rate system. This measure, in addition to simplifying the administration of the tax system, will have a maximum impact on tax collection and eliminate the incentive to conceal wages and personnel. At the same time, in order to compensate for budgetary losses during the transition to a two-stage or flat tax rate, measures should be introduced to reduce benefits for certain categories of taxpayers;
- Optimize Pension-Fund revenues and expenditures by reducing the rates of single social payments and compensate for losses by increasing the compensation rate for social insurance and implementing measures to improve tax collection;
- Optimize the benefits provided to different categories of taxpayers. The current system of benefits is based on the principle of categories whereby benefits are granted to certain categories of taxpayers. It is recommended to replace this system with a system of tax deductions in connection with significant social development priorities.

*Policy on pensions.* The establishment of an equal retirement age of 60 years – with women given the right to shorten this to 55 years upon providing a written request –

would prevent discrimination in employing women of pre-retirement age, as well as termination of an employment contract on the basis of reaching the official retirement age. In addition, it is recommended to extend childcare privileges for the third child and subsequent children, and for the care of disabled children, and to enable all caregivers (father, mother, guardian, or relative) to avail themselves of this benefit.

## **5.2. Implementing special measures to integrate gender mainstreaming in employment policy.**

The state's labour and employment policy must commit itself to take into account the specific situation, behavior, individual particularities linked to an individual's gender. Integration of gender mainstreaming in strategic decision-making is required not only to ensure that all citizens have decent work. The inefficient utilization of women's labour potential, which is the status quo, has a negative impact upon economic growth, reduces the efficient functioning of the labour market and negatively impacts the country's economy in general.

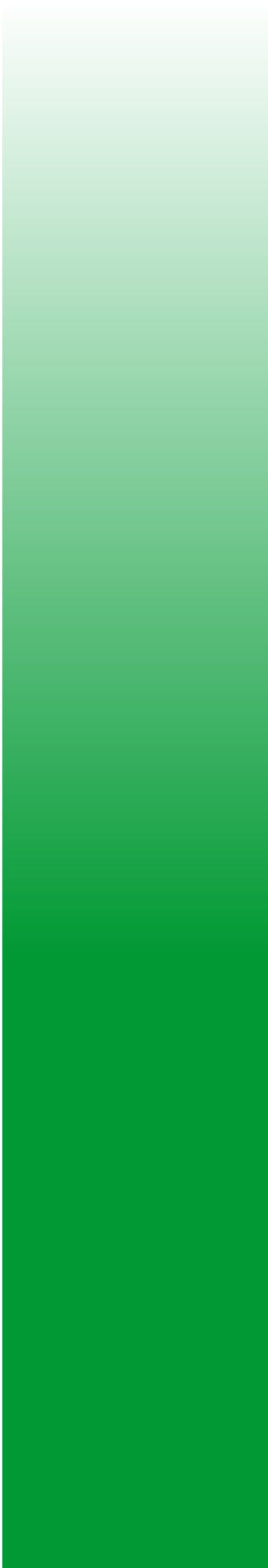
**For the successful integration of gender mainstreaming in employment policies it is necessary to implement the following measures:**

- Develop and approve a strategy for achieving gender equality in the medium- and long-term. The strategy should contain the steps, measures and target indicators – including those relating to employment and the labour market – and provide the general principles, goals and objectives of the national gender policy, gender-oriented economic policy measures, gender approach to social policy planning, public information policy, gender requirements, and criteria for science, culture and education development, etc.
- Regularly conduct educational seminars with experts aimed at increasing gender awareness; learn the methodology to conduct gender analysis and acquire the skills to evaluate the development and adoption of strategic decisions using the perspective of gender mainstreaming;
- Conduct regular monitoring of ongoing programmes in relation to their compliance with the principles of gender mainstreaming, and evaluate their effectiveness in terms of promoting equal opportunities for women and men in the labour market. Strategic planning should use a package of indicators of quality of life that reflect the level of gender equality;
- Conduct discussions on gender issues regularly, with the participation of nongovernmental organizations (NGOs), business representatives and the scientific community;
- Introduce the practice of gender-sensitive budgeting in planning public expenses at all levels<sup>41</sup>

Achieving gender equality to achieve labour potential requires fully understanding gender issues, their causes, consequences, and potential solutions by the authorities, individual citizens and society at large. Therefore, raising gender awareness through training, mass media coverage of the implementation of relevant programmes, research on gender issues and publication of their results, and organization of events to discuss gender issues, are vital in increasing society's gender awareness and people's awareness of their rights and opportunities.

Policy measures based on efficiency and effectiveness will promote women's increased economic activity and employment and reduce gender differences in the labour market. In addition, they will contribute to a more efficient utilization of labour potential, economic growth and development, and, accordingly, improve the welfare of the country's population.

41. Development of gender budgeting involves identification and consideration of the interests of both gender groups in planning the allocation of public funding for all programmes, especially for the regulation of employment, education, health, pensions and social protection.





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UNDP assistance in Uzbekistan focuses on two overall, inter-linked objectives; to support the Government in advancing economic and democratic reforms; and strengthening and fostering the participation of civil society in development processes at national and local levels. UNDP works in three thematic areas – economic governance, good governance and energy and environment.

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