

KYRGYZSTAN

WOMEN ENTREPRENEURS

April 2021

Overview of Women Entrepreneurs and Entrepreneurship

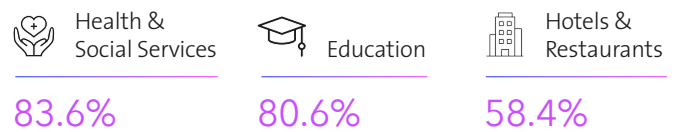
Economic diversification, increased private sector development and improved occupational skills are needed in Kyrgyzstan for the country to realize its full potential. Currently, the economy is vulnerable to external shocks because it relies heavily on one gold mine, Kumtor, which accounts for about eight percent of Gross Domestic Product (GDP), and worker remittances that are equivalent to 28 percent of GDP.

A Government Decree in 2012 established the “National Strategy of the Kyrgyz Republic to Achieve Gender Equality”, and the “National Action Plan to Achieve Gender Equality in the Kyrgyz Republic.” The Decree outlines steps to expand economic opportunities for women, such as assessing the barriers to their employment and promoting employer knowledge on gender-sensitive issues and labor legislation. It highlights strategies to promote women entrepreneurship including providing them with access to finance. Vocational training courses for women are also mentioned in the Decree, as are partnerships with the private sector to boost women’s business potential.

In 2020, the government approved a five-year program to support and develop women’s entrepreneurship. It made financial services more accessible to economically active women through special loans and financial instruments in state banks. The government has promised to ensure that 40 percent of a “Guarantee Fund” for entrepreneurship will be provided to women.

The National Bank of Kyrgyzstan is working [to expand retail banking services](#) to remote regions not covered by credit organizations. According to [the Asian Development Bank](#),

Women are predominate in the following sectors:



The more highly paid technical sectors are dominated by men.

[A business assessment by the ILO](#) indicates that the major barriers facing women entrepreneurs in Kyrgyzstan include a lack of access to information, limited access to finance for business start-ups, unfavourable tax policies and difficult administrative procedures.

There is a lack of official state support for women entrepreneurship or programs for their development. Moreover, the importance of women entrepreneurs is not generally recognized. The ILO business assessment showed that many women believe that traditional gender perceptions still have a significant impact on the development of female entrepreneurship and on the status of women in the society.

Other obstacles include the treatment and role of women in the traditional kinship system and few opportunities for women to learn business literacy or access financial resources. Gender-based discrimination due to maternity and pregnancy is another challenge to women entrepreneurs.

Gender-based discrimination is rooted in family life, not the outside world, according to an [ILO working paper on women’s entrepreneurship](#). For many family members, a woman’s place is primarily in the home. Only if she is successful in both roles at the same time, is she able to continue her business.

Women entrepreneurs in Kyrgyzstan: What the data shows

According to the [National Statistic Committee in 2020](#),

women
comprise only



of heads
of operating
businesses.

Just over



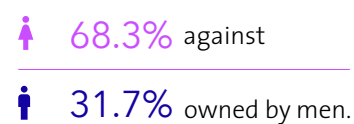
of those women
are in sales,

and nearly



are in clothing and
manufacturing.

Men are more represented in the higher income business spheres. **Micro, Small and Medium Enterprises (MSME) comprise:**



There is an absence of studies focusing on gender and Kyrgyz enterprises and therefore there is no official data to determine the share and role of women entrepreneurship in MSME development. However, educated women are strongly represented in the MSME sector.

Nevertheless, they face obstacles in creating, managing, and developing their own businesses due to discriminatory socio-cultural norms; policies and laws that do not consider the needs and interests of women; limited opportunities for capacity development; and limited access to finance, credit, and ICT. Many women have problems doing business with tax and local bodies because they do not have the requisite business skills to deal with the bureaucracy to establish an enterprise.

The impact of COVID-19 on women entrepreneurs

The COVID-19 pandemic revealed that overall unpreparedness to crises in Kyrgyzstan has had devastating consequences for social and economic wellbeing and livelihoods of rural communities, especially women. Movement restrictions could be the cause of disruption of production and processing of food during the agricultural season, posing severe risks to the incomes and livelihoods of farming women, who already face economic insecurity due to limited financial resources and climate change, according to the [World Bank Kyrgyzstan overview](#).

The most-affected sectors of the economy will be tourism, trade and consumer services, and construction—each of which can expect contractions in gross value added of

 20% or more.

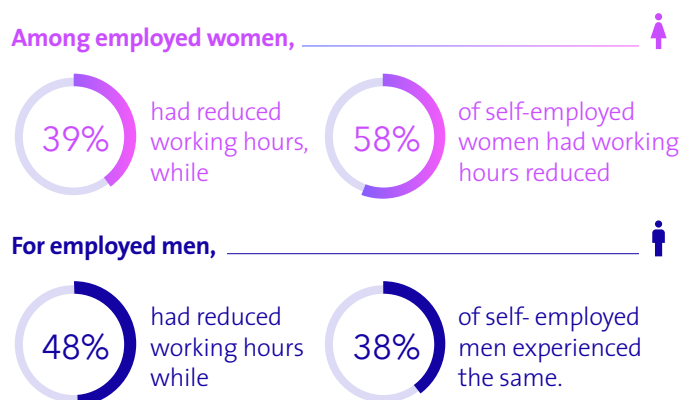
The Kyrgyz Republic unemployment rate is expected to rise to

 13.6%

and could even reach

 21%

According to [UN Women](#), self-employed women and employed men have been the most affected by lockdown measures.



The economic and social burdens of the COVID-19 crisis are being disproportionately borne by the poor and vulnerable communities of the Kyrgyz Republic. Workers in the informal economy, particularly those in urban areas are among those hard hit by the pandemic, according to [a joint ADB-UNDP paper](#) on COVID-19.

Key opportunities for private sector and business investors to support empowerment and business advancement of women entrepreneurs

- Create financial instruments to support women entrepreneurs to start their own business
- Provide free or subsidized business courses for women entrepreneurs.
- Support public discussions on women entrepreneurs in Kyrgyzstan and involve the media
- Initiate studies the conditions that women face in the current business environment.

Key opportunities for government and other entities to support empowerment and business advancement of women entrepreneurs

- Simplify state registration, licensing, and reporting procedures for women entrepreneurs
- Ensure meaningful participation of women entrepreneurs in decision-making related to SMEs, including participation in Government and Parliament.

- Adopt laws that reduce the tax burden for women entrepreneurs if the entity invests in the improvement of social infrastructure.
- Develop long-term lending and micro-credit institutions for women's entrepreneurship

Resource materials on skills development, business growth, funds, and associations available for women entrepreneurs in the country

- "Aiyl Bank" and "RSK Bank" support loans to women in Kyrgyzstan.
- The "Guarantee Fund" is providing support to women entrepreneurs and has its own financial portfolio which is planned to support lending to women's business.
- The Women's Forum "Kurak" is a non-profit public organization that brings together women from different spheres, including business, to improve their standard of living and their spiritual, personal, and professional growth.