

# TAJIKISTAN

## WOMEN ENTREPRENEURS

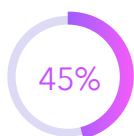
April 2021

### Overview of Women Entrepreneurs and Entrepreneurship

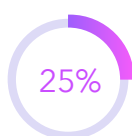
According to the World Bank Doing Business 2020 report, Tajikistan ranks among the top 10 reformers, and has implemented policies to facilitate micro, small and medium sized enterprises (MSMEs), including improving business registration, property registration, and severance payments.

Women's representation among registered owners of individual enterprises has increased, but female management of small, medium-and large-sized firms, remains relatively low.

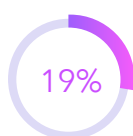
According to the *Gender Responsive Investment Climate Assessment* conducted by EBRD, women-led businesses in Tajikistan are small and tend to be in low productivity sectors. Nearly 40 percent of all women-led businesses are patent holders or individual entrepreneurs.



of women-led businesses are in trade,



in services,



in agriculture.

Individual entrepreneurs account for most of the registered companies. Approximately 90 per cent of all SMEs are individual entrepreneurs classified as patent-holders, which is a form of business registration that allows owners to operate under a simplified tax arrangement; or certificate holders and dekhkan farmers, which are privately owned farms that were established after 1997 with the dissolution of Soviet-era state collective farms. Dekhan farmers account for 61 per cent of all individual entrepreneurs.

Efforts to promote the development of the private sector are guided by the State Program for Supporting Entrepreneurship. The Programme offers such measures as state subsidies, concessional lending, reduction of tax rates, and simplification of customs procedures.

The National Strategy for Enhancing the Role of Women in the Republic of Tajikistan gives priority to family and home-based businesses, and aims for a more equitable distribution of labour, increased female agricultural employment, and retraining for unemployed women.

The Task Force on Women Entrepreneurship Support, which operates under the State Committee on Investment and State Property Management, is a public-private partnership to advance policies and programmes that support women entrepreneurship. In addition, the Tajikistan Investment Council is a public-private sector body that helps to improve the business environment for private sector development.

Other entities that are aimed at enhancing women's enterprises are: Interdepartmental Working Group on Supporting Women's Entrepreneurship; and the Standing Working Group on Enhancing Entrepreneurship Development Among Youth, Women and People with Disabilities. A regular Women's Entrepreneurship forum fosters exchanges to bolster women's enterprises.

Women entrepreneurs in Tajikistan face challenges such as prevailing gender norms and social constraints. Roughly 15 percent of women believe that their spouse or other family members heavily influence their decisions. Furthermore, the burden of domestic work and care responsibilities leave women entrepreneurs with less paid working time than their male counterparts.

Women also experience greater bureaucratic obstacles in registering a business than men. They are more likely to cite taxation as particularly onerous and, in some cases, report discrimination and harassment by tax authorities.

They face unequal access to human and social assets, such as business networks, specialized knowledge and skills, and even business-related information. On the financial front, they lack access to key resources such as land or credit.

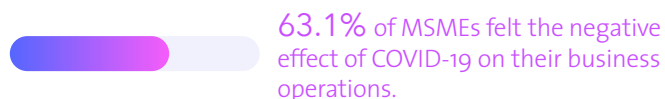
### Women entrepreneurs in Tajikistan: What the data shows

Women comprise 23.5 percent of individual entrepreneurs. Women are head of just over 22 percent of dekhkan farms. Women represent 22.5 percent of hospitality executives and managers in stores and related areas. Twenty-six percent of managers in manufacturing are women. Women own 11 percent of the total crop area in dekhkan farms, according to the State Statistics Agency.

The microfinance sector in Tajikistan has been growing rapidly in the past several years and provides an important source of finance to MSMEs. According to the World Bank, the proportion of women with bank accounts rose rapidly from just over 9 percent in 2014 to slightly more than 42 percent in 2017. In addition, savings in financial institutions increased from 0.9 percent of women in 2014 to 9.4 percent in 2017.

## Impact of COVID-19 on women entrepreneurs

According to a UNDP survey of micro, small and medium-sized enterprises,



Border closures and travel restrictions have had a detrimental effect on enterprises in the tourism and hospitality sector. Individual entrepreneurs and enterprises in the services sector were also significantly affected, with many hairdressers, beauty salons, restaurants and cafeterias temporarily closed due to imposed restrictions.

COVID-19 resulted in a temporary disconnect between MSMEs and their vendors, suppliers, clients, and markets, suggesting a significant, and most likely lasting impact on supply chains and value chains.

In total,



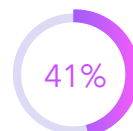
of MSMEs reported that their supply chains or value chains have been negatively affected by the coronavirus pandemic.

Nearly



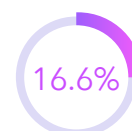
of MSMEs, whose supply chains have been affected, stated that disrupted production and commercial distribution networks have resulted in reduced sales and turnover.

Just over



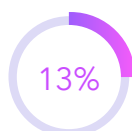
of affected MSMEs indicated disruption in their interaction with customers.

A further



of MSMEs reported constrained access to local markets like bazaars and grocery stores.

Nearly



of MSMEs stated that they had difficulties sourcing or procuring supplies from vendors.

In general, MSMEs in rural areas are disadvantaged compared to MSMEs in urban areas in terms of access to professional business advisory services and ability to diversify their markets.

The most shared negative implications of MSMEs included the inability to repay outstanding loans, pay taxes, produce goods, or provide services, scale up commercial operations, and remunerate workers.

Roughly 28 percent of MSMEs used business coping strategies in response to the coronavirus. Just over 40 percent of MSMEs scaled down the production of goods and services. Slightly more than 27 percent introduced new products or services. Nearly 25 percent transitioned to online marketing and sales. Roughly 17.4 percent contracted with new vendors or suppliers. More than 85 percent of affected MSMEs saw a decrease in their customer base, but only 22.5 percent of businesses used text messaging and only 4.1 percent of businesses used web-based resources to reach out to clients to market their products.

## Opportunities and entry points for the government and other entities to support women's business advancement

- Provide childcare support and offer services to ease household chores
- Foster cross-border trade
- Provide IT and finance training
- Support home-based work and e-commerce
- Simplify tax administration and expand on-line business registration and closure procedures
- Continue COVID-19 support to SME businesses and introduce special post-COVID-19 packages and incentives.
- Simplify accounting requirements which disproportionately impact small businesses.
- Foster legislation that supports sectors with high female participation, like handicrafts, trade, and agriculture