

April 2017



Diagnostic Study of
**Barriers for
 Strengthening
 Livelihoods of
 Low-Income
 Rural Women in
 Uzbekistan**

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Acronyms and Abbreviations

ATM	automatic teller machine
BWA	Business Women’s Association
CALISS	Central Asian Longitudinal Inclusive Society Survey
CDD	community-driven development
CER	Center for Economic Research
CEDAW	Convention on Elimination of All Forms of Discrimination against Women
CENTER	the Scientific Research Center on Employment and Labor Safety under the Ministry of Labor
CSB	citizens’ self-governing bodies
CSO	civil society organization
ECA	Europe and Central Asia
FGD	focus group discussion
GDP	gross domestic product
GoU	Government of Uzbekistan
ha	hectare
ILO	International Labour Organization
KII	key informant interview
MCO	microcredit organization
NGO	nongovernmental organization
OECD	Organisation for Economic Co-operation and Development
SSVE	specialized secondary vocational education
TTL	task team leader
UFGE	Umbrella Facility for Gender Equality
UNECE	United Nations Economic Commission for Europe

Currency Conversion

US\$1 = UZS 2,924 to 2,964 between June and July 2016, according to the National Bank of Uzbekistan

Glossary

<i>aul</i>	A village (Turkic).
<i>dekhan</i>	A small-scale household farm, usually up to 1 ha, which may or may not be registered as a legal entity (Uzbek).
<i>chernaya kassa</i>	An informal saving group practice/network (Russian).
<i>gap</i>	An informal social and saving practice/network (Uzbek).
<i>hashars</i>	Work parties (Uzbek); community work activities done on a voluntary basis.
<i>hokimiyat</i>	A territorial public and administrative authority (Uzbek).
<i>hokim</i>	The head of a <i>hokimiyat</i> (Uzbek).
<i>kelin</i>	A young woman of marriage age; a daughter-in-law; a bride (Uzbek).
labor force participation	Calculated by expressing the number of persons in the labor force as a percentage of the working-age population. The labor force is the sum of the number of persons employed and the number of persons unemployed. The working-age population is often defined as all persons aged 15 and older, but this may vary from country to country. ¹
livelihood	A means of making a living. It encompasses people's capabilities, assets, income, and activities required to secure the necessities of life. A livelihood is sustainable when it enables people to cope with and recover from shocks and stresses (such as natural disasters and economic or social upheavals) and enhance their well-being and that of future generations without undermining the natural environment or resource base. ²
livelihood analysis	Cross-sectoral and seeks to take into account the totality of economic, political, social, and cultural factors that affect people's lives and livelihoods, from the local up to the national and international levels. ³

¹ ILO n.d. In Uzbekistan, the minimum working age is 16, while the retirement age is 60 for men and 55 for women.

² British Red Cross 2017; International Federation of Red Cross and Red Crescent Societies n.d.

³ Collinson 2003.

Glossary

livelihood programming/support	In a development context, typically focuses on livelihood promotion; for example, improving resilience of household livelihoods, diversifying livelihood strategies, improving access to markets, and so on. In other contexts, (e.g., ante- or postcrisis), it can focus on livelihood protection/mitigation or recovery/rehabilitation. ⁴
livelihood strategies	Generally understood as the strategies that people normally use in stable and peaceful times to meet basic needs and to contribute to future well-being. Coping strategies, in contrast, are temporary responses to shock or emergencies but can become de facto livelihood strategies under protracted conditions. ⁵
<i>mahalla</i>	An informal self-governance body; neighborhood community (Uzbek).
main crops	State-mandated crops subject to state procurement quota, usually wheat and cotton.
<i>maslakhatchi</i>	An adviser on religious education and spiritual and moral upbringing.
<i>mirob</i>	An irrigation canal water superintendent; a person responsible for distributing irrigation water (Uzbek).
one-window center	A simplified mechanism to provide services to the population; a one-stop shop where citizens and businesses can receive or file necessary documents and/or services.
private farm	Large commercial entities that lease land of 50 ha or more from the state.
secondary crops	Crops that farmers grow on land that is free from main crops, or the land where they grow wheat (second harvest); not subject to state procurement quotas.
self-employment	The state of working for oneself as a freelancer or the owner of a business rather than for an employer.
<i>tomorkas</i>	Household plots (Uzbek); also referred to in literature as “kitchen gardens” or “garden plots.”

⁴ Maxwell 1999, in ENN 2017.

⁵ ENN 2017.

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Executive Summary

Background and Context

Due to the strong economic growth maintained in the last 15 years, Uzbekistan made progress in reducing gender inequality. At the same time, a number of demographic and structural challenges remains; and effectively engaging women in the economy is one of them. While modernizing various sectors of the economy will foster progress and development, it may also result in setbacks for women, as they lack the skills and education needed to successfully adjust to a changing reality. While women constitute around 50 percent of the national population, their participation in the formal labor market is limited. Active women's participation offers a reserved potential for further national economic growth and improved livelihoods for women in Uzbekistan.

The link between women's productive participation in the country's economy and improved economic indicators is well documented across the world. Hence, to maintain strong economic growth, it is in Uzbekistan's national interest to improve women's participation in the formal economy. Not only can significant economic benefits be realized by mobilizing such latent productive potential, but it can be achieved in parallel with improving women's capacity to make decisions about their own lives and act on them.

Study Objective and Approach

The objective of this study is to examine how gender influences opportunities and risks in accessing livelihoods in Uzbekistan. It seeks to identify the constraints to, and opportunities for, increased socio-economic resilience among rural women in Uzbekistan, and it has the potential to inform livelihoods programming. The study focuses on women in rural areas, as they represent a large portion of productive members of Uzbek society who are insufficiently integrated into the formal labor market.

The study adopts a capability approach⁶ to understand the distinct aspirations, opportunities, and barriers for rural women in income-generating activities. It focuses on supply-side challenges faced by women and enablers of women's work (e.g., low labor demand and lack of formal employment opportunities). The study is centered on the premise that a gender-inclusive approach should be an integral goal of livelihood support in Uzbekistan.

The study is structured around an analytical framework (adapted from the 2012 *World Development Report on Gender Equality and Development*) that is composed of three pillars of outcomes: (1) physical and human capital; (2) access to livelihoods/income-generating activities; and (3) voice—that is, the ability to make one's own choices within the household, community, and public sphere. This framework promotes women's capabilities as the central lens and employs analyses focused on the mutually reinforcing nature of those outcomes.

The study employs a mixed-method approach that generates primary qualitative data and draws on secondary quantitative data sources. Primary qualitative data was collected from 28 focus group discussions (FGDs) and 44 key informant interviews (KIIs) that took place in four regions. A total of

⁶ After Sen 2001.

296 people participated: 203 women and 93 men. Secondary quantitative data was derived from two sources: (1) a 2013 Central Asian Longitudinal Inclusive Society Survey (CALISS) and (2) official data from the State Committee on Statistics, analyzed by the Scientific Research Center on Employment and Labor Safety under the Ministry of Labor. A technical working group composed of representatives from key national institutions was established to help analyze national policies related to women's economic empowerment and to access official statistical data.

Pillar 1: Women's Access to Livelihoods

Pillar 1 provides insight into Uzbekistan's labor market, with emphasis on access and prospects for rural women. It features an analysis of current livelihood strategies for women, including barriers to and aspirations for income generation.

Despite decrease in gender disparities, achieved due to significant efforts on behalf of the government, gender gaps still remain in Uzbekistan's formal labor market. While gender gaps are decreasing, several employment sectors retain strong gender dimensions and feature significant differences in average gender income levels. These disparities are also reinforced through cultural norms and expectations.

The Government of Uzbekistan (GoU) aims to increase the labor market participation of "hard-to-employ" groups, including women. In addition to broader policy measures to improve the business climate for small and medium enterprises, job creation is stimulated by offering support to home-based labor (as well as family entrepreneurship and crafts activities), implementing local socioeconomic development and investment programs, and sponsoring public works programs.

While agriculture remains the main option for employment in rural areas, women's participation is mostly informal, unregulated, and part-time. Rural women are often informally engaged in tending *tomorkas* and livestock for little or no remuneration. Women may not always have access to or control over the income received from these activities. Full-time farm-based roles are limited for women, and day labor rates are typically lower than for men. Women expressed strong interest in agricultural subsectors such as horticulture, greenhouses, and food processing. Seasonal agricultural work offers employment opportunities for rural women, but current labor legislation does not clearly regulate seasonal employment and needs to be approved.

Nonfarm opportunities for rural women are limited, but home-based enterprises and small business activities are increasing. Beyond state-based organizations, there is limited large-scale private enterprise in rural Uzbekistan. The most common forms of part-time, nonfarm employment for rural women are tailoring/sewing and baking/cooking to serve local customers.

Employment provides rural women with some degree of independence and often allows them to make valuable contributions to their households. Furthermore, women tend to allocate their income to expenses such as their children's education, which can create a virtuous cycle of increased opportunities for children (particularly daughters). Often, women's nonfarm entrepreneurial activities offset the seasonal nature of agricultural income, stabilizing a household's annual income.

A range of barriers—from social and cultural to infrastructure and finance—limit rural women's opportunities for entrepreneurship and employment. These include the burden of domestic responsibilities (women shoulder the bulk of household duties); an expectation to be the sole caregiver and breadwinner for family members when men migrate for labor; limited availability and access to financial

and business resources, centralized utility services, and community infrastructure; limited skills; traditional household and community attitudes toward women; and restrictions on movements outside the household.

There is evidence that attitudes and norms for women’s entrepreneurship are evolving. Concurrently, barriers to entrepreneurial activities are decreasing, and women’s interest in business is increasing. Women’s entrepreneurship—which is often in fields of interest to other women—may have the potential both to improve local women’s employment opportunities and to contribute to more positive community attitudes toward women’s work ambitions. Alongside roles in public organizations, small-scale enterprise and home production activities are most appealing to rural women.

Pillar 2: Women and Physical and Human Capital

Pillar 2 provides insight into the status of gender from a physical and human capital perspective. Key elements of human capital are focused on access to education and skills-training opportunities for women, while physical capital includes women’s access to finance, institutional resources, and local infrastructure.

Findings from the study support international evidence, which suggests a positive link between female enrollment in education and greater participation in the formal labor force in later life. However, despite gender parity in early education enrollments, female attendance in higher education decreases, particularly in rural areas and for multiple reasons, including high costs. Employment status in Uzbekistan is more positively correlated with education for women than it is for men.

Despite challenges to girls’ education, there is general understanding and support for girls pursuing higher education. This was often evident in wealthier households. However, where household financial resources are limited, boys’ education typically gets prioritized. Evolving gender norms view female education as beneficial for women’s combined future roles as wives, mothers, and employees/small business owners, which signifies that a major values shift is under way in Uzbekistan.

Limited access to affordable and quality child care and preschool services in rural areas presents a major barrier for women’s employment, particularly for young mothers. Without reliable, good quality, trustworthy child care services, women are more confined to the household to care for children. Where such services are available, inflexible employment conditions and sometimes inconvenient hours of child care and preschool services limit women’s employment opportunities.

In Uzbekistan, access to financial services lags behind regional and global averages. The country suffers from a low level of trust in financial institutions, particularly in rural areas. Financial inclusion is lowest among youth and women. Some people reported having poor experiences interacting with banks and not understanding or trusting formal banking processes. Additionally, many rural households have insufficient collateral to qualify for loans. Even when people have bank accounts, very few keep their savings in financial institutions.

However, many rural households access informal credit, including through traditional community networks, which are more commonly used by women. Households tend to utilize family and friends for loans or informal savings networks for storing money and for loans. Such informal networks reportedly support female entrepreneurship and income-generating activities.

Microfinance schemes offer women access to credit and are available through commercial banks and microcredit organizations (MCOs), but these microfinance products have not achieved

significant market penetration.⁷ Microcredit products offered through the banks have high collateral requirements and complicated and time-consuming application procedures. They are offered on a non-cash basis only, which limits their appeal to potential customers. The MCOs offer better conditions than banks, but such organizations suffer from funding limitations.

Rural Uzbekistan suffers from infrastructure and centralized utilities deficit. This has negative impacts on women’s roles and employment prospects. Rural areas suffer from the poorest access to and quality of infrastructure (including roads and built infrastructure) and centralized utility services (drinking water, electricity, gas, district heating). Access to centralized household utility services has a significant impact on women’s time and labor burdens around the household, and hence their participation in the labor force. For example, women (and sometimes children) can be required to collect, decant, and boil water for household use on a daily basis, as well as collect and manage fuels to use for heating.

Poor access to and availability of centralized utility services can adversely impact both farm and nonfarm activities. Some female entrepreneurs reported that poor utility service limited their ability to grow their agricultural production and nonagricultural business. Poor service increases expenses, reduces productivity, and discourages overall business investment.

Improvements in rural community infrastructure—from child care and preschool facilities to roads and market places—can go a long way toward improving women’s business opportunities. Many women requested improvements to community infrastructure to help foster women’s business opportunities. In particular, many suggested establishing multi-service centers that can house multiple businesses run by women.

Pillar 3: Women’s Voice

Pillar 3 of the analytical framework outlines avenues and institutions through which women’s voices can be heard. Pathways for conveying and amplifying women’s voices include the national legal and policy environment; institutions with mandates to support women; technology; and women’s households and communities.

Uzbekistan is party to international conventions on women’s rights, and at the national level there are provisions for gender equality. However, some major deficiencies exist in translating conventions into law, and discrimination against women remains. Women are underrepresented in senior political positions and retain only a minority voice in government positions at all levels. Gender-disaggregated data collection continues to be insufficient.

A number of local institutions voice support on behalf of women. The strongest advocate is the Women’s Committee, a nongovernmental organization (NGO). The Women’s Committee contains affiliated public institutions that promote women’s issues (including entrepreneurship) through various mediums. It is regarded as a first point of contact for women when dealing with local authorities. Other local institutions for women’s employment and business support include the *maslakhatchi* (a consultant of local self-governing body overseeing the issues of religious, spiritual and moral education; a respected, usually elderly woman); the local *hokimiyat* (a local government agency); employment centers (which provide employment advice and vocational training); the Business Women’s Association (which supports

⁷ The Presidential Decree (March 18, 2017) aims to simplify the process of accessing microcredit for individual and family-based small businesses.

enterprise and access to credit); and one-window centers (which provide government services to entrepreneurs). However, rural women vary in their knowledge and utilization of such services.

Decentralized delivery of services, including local business development, has the potential to better serve the needs of rural women, but more participatory approaches are required. *Mahallas*—citizens' local self-government bodies that serve as intermediaries between the needs of citizens and local administrations—have a mandate to support local business development. The law also defines a number of financing sources on which they can rely. However, in practice, *mahallas* suffer significant operational challenges, and hence their impact is limited. Better results may be achieved by adopting more community-driven development (CDD) approaches.

Information and communication technologies are helping facilitate business opportunities and efficiencies for some female entrepreneurs. Most rural women get information from more traditional media outlets, such as television, radio, and newspapers, and get local information from *mahalla* committees. However, new technologies such as mobile phones are increasingly being used as sources of information. While many rural women use mobile phones for social purposes, some female entrepreneurs use them for business activities.

Within a household (and a local community), women's voices are amplified when they engage in paid activities and contribute to household income. This is particularly the case in poorer households, where a second income is relatively more valuable to a household budget. Furthermore, women's voices on critical development issues—such as education—are strengthened when they earn income, as it is reportedly one of the first areas where their income is directed.

Policy and Operational Recommendations

The audience for this study is the GoU and the World Bank. Based on the study's findings, we present a set of proposed policies and operational actions recommended for consideration. These are further elaborated on in Chapter 7.

To promote improved women's access to livelihoods:

Policy Recommendations

- Empower local authorities at regional and local levels to draw on existing administrative resources to support existing female entrepreneurs in rural areas to expand their businesses and employ more women, and connect rural businesses to urban markets.
- Introduce incentives to support female employment and entrepreneurship in agricultural subsectors in which women have expressed interest in working.
- Collect gender-disaggregated data on key parameters of the labor market.
- Monitor the gender impact of labor activation programs.
- Enhance monitoring of labor conditions and remuneration of seasonal workers, as well as develop regulation and incentives for private recruitment services.
- Encourage the employment of women in sectors traditionally dominated by men.

Operational Recommendations

- Conduct public awareness and promotional campaigns that highlight the experience of successful female entrepreneurs to help encourage girls and women to pursue business activities and to educate men about the benefits of women's increased freedom and employment.
- Conduct gender-focused market research and value chain analysis to identify areas where demand for services and goods produced by rural women is high and/or predicted to increase.
- Establish strategic hubs that link a network of rural female suppliers to value chains in urban demand centers.
- Conduct targeted information campaigns and training activities for women farmers.
- Make regular agricultural extension services more accessible to women and more focused on their needs.

To improve physical and human capital:*Education: Policy Recommendations*

- Improve the quality and coverage of early childhood education and child care services, including a range of alternative forms.
- Increase funding to child care and preschool education to improve their quality and create legal and policy conditions that are conducive to private investment. Formalize and provide interim financial and resourcing support to family kindergartens in rural areas.
- Synchronize vocational educational opportunities with growth sectors so that women can transition into those sectors.
- Revise the structure of vocational colleges to provide vocational training scholarships to girls and create aspirational quotas for female attendance.
- Strengthen the links between vocational education programs and companies that are able to employ college graduates.

Education: Operational Recommendations

- Make short-term vocational courses available to rural women on business and associated support skills.
- Provide support via incentives to address the female drop-off rate from secondary school to higher education, particularly in fields where demand is predicted to grow.

Financial Services: Policy Recommendations

- Improve women's access to loan services via property registration revisions, where they are registered as co-owners of properties.
- Make loans available that are flexible as per the cycles of seasonal rural production.
- Encourage formal financial institutions to engage in microfinance to help facilitate enterprise growth, particularly for women.

Executive Summary

Financial Services: Operational Recommendations

- Improve the rural population's financial education to help keep financial institutions accountable and customer driven.
- Encourage formal financial institutions to consider alternative forms of collateral for rural households.
- Establish a network of nonbank lending services, which may increase competition and enhance options for consumers.
- Develop financial products that are demand based and flexible enough to recognize regional differences in local economic drivers (e.g., horticulture, dairy production, cotton, textiles, and so on).

Local Infrastructure: Policy Recommendations

- Institute public-private partnerships and tariff reforms to make existing infrastructure utilize resources more efficiently.
- Strengthen the role of local authorities in managing selected local communal services and infrastructure.

Local Infrastructure: Operational Recommendations

- Pilot small-scale models for decentralized utilities infrastructure in rural areas.
- Implement gender mainstreaming across all stages of planning, construction, and financing of infrastructure to ensure equitable access.
- Improve citizen feedback mechanisms for infrastructure and utility providers to promote transparency and accountability for services provided.

To amplify women's voices:

Policy Recommendations

- Promote greater gender equity in senior political and government positions by adopting aspirational quotas.

Operational Recommendations

- Identify and promote successful female entrepreneurs as advocates and role models to increase women's voices.
- Conduct public awareness campaigns about institutions that support rural women's issues in general and women's employment more specifically.
- Incorporate CDD principles into local interventions, with a greater emphasis on women's active participation.
- Draw on information and communication technologies to connect women from rural areas to professional and trade networks in urban centers.

Report Audience and Structure

The intended audience for this report is the GoU and the World Bank. It is hoped that its findings and policy and operational recommendations will contribute to implementable actions that help achieve greater gender equity and improved employment opportunities and living conditions for women in Uzbekistan.

Chapter 1 provides background to the study; it outlines the national context and women’s status in Uzbek society. The objective of the study is also described.

Chapter 2 outlines the analytical framework used as the basis for the report’s structure. The analytical framework is adapted from the 2012 *World Development Report on Gender Equality and Development*. This chapter also describes the study method and sampling strategy. It addresses lessons learned from this research and similar studies, as well as limitations.

Chapters 3, 4, and 5 each investigate one of the three pillars of the analytical framework—women’s access to livelihoods, physical and human capital, and women’s voice. Each chapter combines primary qualitative and secondary quantitative data analysis that lead to the policy and operational recommendations made in Chapter 7.

Chapter 6 provides brief conclusions from the study.

Chapter 7 summarizes policy and operational recommendations drawn from the previous chapters.

The Annex provides details about the qualitative data methodology and sampling strategy.

Chapter

1

Introduction

1.1 Background⁸

Despite maintaining strong economic growth in recent years, Uzbekistan faces some significant demographic and structural challenges; effectively engaging women in the economy is one of them. Uzbekistan's strong economic growth masks significant challenges, which include a predominantly rural population (64 percent);⁹ a growing youth bulge (28.5 percent of the population was less than 15 years old in 2015, and an estimated 1 million young people enter the labor market annually);¹⁰ and women's limited participation in the formal economy. Additionally, the two largest recipients of migrant workers from Uzbekistan—Russia and Kazakhstan—have seen their economies shrink; hence, many Uzbeks have returned home.¹¹ The commitment to modernize the agriculture sector—including the cotton sector, which involves large numbers of women—will negatively impact rural women's employment options.

Slightly more than 50 percent of Uzbekistan's continuously growing population¹² are women; however, their participation in the formal labor market is limited. According to international survey data, women have lower employment rates (38 percent) compared to men (69 percent),¹³ suggesting that there

⁸ This section draws on secondary data sources and investigative studies recently conducted by the World Bank in Uzbekistan.

⁹ World Bank 2015. Until 2007 the urban population was about 38 percent. In 2008 the increase in urban population was due to the changes in the administrative delineation of rural-urban areas.

¹⁰ World Bank 2015. World Bank estimates vary from national ones. According to the national data, approximately 535,000–550,000 young people enter the labor market annually (background paper).

¹¹ For example, remittances constitute 10 percent of Uzbekistan's GDP annually, and the number of Uzbek workers in Russia has fallen by more than 22 percent over the past two years (Migration Policy Centre 2013).

¹² The population of Uzbekistan grew by 50 percent (over 10 million) in the past 25 years (1991–2016). Between 2000 and 2015, the population increase was 1.2 percent to 1.7 percent annually (World Bank n.d.).

¹³ Ajwad et al. 2014.

are fewer labor market opportunities for them, along with other structural and cultural constraints. In rural Uzbekistan, where a larger share of the population still resides,¹⁴ women's labor market participation is even lower.

There is a demonstrated link between gender equality and improved economic indicators. Women's greater access to and control over assets helps protect households from macroeconomic shocks and from falling into poverty. It increases positive adaptation within households by enabling women to readily respond to unforeseen and changing circumstances.¹⁵ At the national level, higher investment in women and girls, along with increased access to assets, contributes to higher levels of economic growth.¹⁶ Women's involvement in the labor market improves standards of living and gross domestic product (GDP) and boosts economic growth—investments in women have high returns.

International evidence suggests that women and girls are often exposed to a range of gender barriers—from restrictive gender norms and roles to unbalanced power relations¹⁷—all of which can undermine their capacity to make decisions about their own lives and act on them. In addition to reduced labor market opportunities, women are often held back by many societal, cultural, institutional and other constraints. Hence, livelihoods programming may be an appropriate approach to examine norms that determine women's ability to participate in and influence decision-making processes.

Women's livelihood roles and responsibilities tend to lie in the informal employment sector, with little or no remuneration¹⁸ or formal recognition. When working in formal roles, women are more likely to have low-paying or part-time work. Thus, households that rely solely on women's earnings—as is the case in female-headed households—tend to have lower household incomes. Many women who work on their family garden plots (*tomorkas*), on small farms, and in their households typically self-identify as unemployed and are considered as such by others.

Additionally, limited access to credit may be a major constraint for women in starting or developing business opportunities, particularly in rural areas. Credit constraints often take the form of collateral requirements and high interest rates that limit access to finance. There have been several initiatives introduced by the GoU to expand women's access to credit through microfinance institutions, credit unions, and commercial banks. However, few studies have conducted systematic field research into the experiences and bottlenecks related to providing microfinance services to women in rural areas.

Women's ability to work has been disproportionately affected by postindependence socioeconomic and cultural changes in Uzbekistan's transition to a market-based economy. Contributing factors have included (1) a weakening of social protection systems, such as the decline of public child care services, which constrains women's ability to work outside the home; and (2) the redistribution of state ownership, which concentrated many income-generating resources among men, thereby restricting the nature and extent of female entrepreneurship.¹⁹ Recently released Central Asia country profiles on land rights and gender highlight that, although international gender equality agreements have been adopted, “women . . . have been widely overlooked by . . . land reforms and redistribution programs.

¹⁴ A total of 63.63 percent of Uzbekistan's population continues to reside in rural areas (World Bank 2016c).

¹⁵ Frankenberger et al. 2013.

¹⁶ World Bank 2012b.

¹⁷ World Bank 2012b.

¹⁸ They may generate some (informal) income from selling produce from the land plots on the market.

¹⁹ Welter and Smallbone 2008.

This, combined with women's limited access to paid employment, has negatively affected household food security and also weakened their decision-making power within their families and communities."²⁰

Due to the significant decline in the quality of infrastructure and utility services, women in rural Uzbekistan often have greater time and labor burdens to provide clean water, fuel, and heating sources for their households. Additionally, formal employment opportunities for women are more scarce in rural areas than urban ones. Studies conducted by the World Bank²¹ indicate that women and girls in rural areas and small urban settings spend more time and effort on chores to sustain essential services in households, such as securing potable water and energy, than women in larger urban centers. Such chores limit their opportunities for education and employment in areas that already have fewer formal employment options compared to major urban settings. Available formal and informal employment in lagging rural areas in Uzbekistan mostly involves manual work on large-scale farms; under such circumstances, gender disparities may be high.

Importantly, the dynamics of employment in Uzbekistan's rural areas are being transformed by the modernization of various economic sectors. Modernization calls for the mechanization of processes that previously required manual labor, which significantly impacts women, particularly in the cotton sector.²² Mechanization eliminates the need for low-skilled manual labor, which is typically provided by women—this is already having significant impacts on women's employment opportunities across large rural areas.²³ Gradual relaxations of some crop quota systems may also impact what is grown and what opportunities exist for women.

Both barriers to and opportunities for women's employment in rural areas are changing; however, the degree to which this is occurring, the coping mechanisms employed by women, and the impacts on them are largely unknown. Disaggregated data on gender issues in Uzbekistan is scarce, and consumer experiences are not systematically collected or integrated into policy development. The lack of gender-disaggregated data makes it difficult to understand the plight of women and the coping mechanisms they use to overcome inequities. Additionally, women have limited opportunities to communicate their conditions to policy makers, which makes it difficult to design and implement effective reform measures.

The limited evidence base on women's employment indicates there are significant gender barriers in Uzbekistan, particularly in rural areas. Further investigation into the dynamics of these barriers is warranted to improve social and economic development.

1.2 Objective

The objective of this study is to examine how gender influences opportunities and risks in accessing livelihoods in rural Uzbekistan. It seeks to identify the constraints to and opportunities for increased socioeconomic resilience among rural women in Uzbekistan, with the potential to inform livelihoods

²⁰ FAO 2014.

²¹ Including studies on household access to water supply and sanitation services and energy services (see, for example, Swinkels et al. 2015).

²² The GoU aims to mechanize the cotton harvest, the sector where up to 80 percent of workers are women (Swinkels et al. 2016).

²³ Swinkels et al. 2016.

programming. Global evidence suggests that women and girls play a critical and potentially transformative role in improving household and community livelihoods.²⁴ However, rural women in Uzbekistan purportedly continue to face numerous obstacles that limit their time, mobility, access to and control over resources, and decision-making power. Negative coping mechanisms hinder not only women's and girls' prospects for creating sustainable livelihoods but those of their households and communities, too.

Using Sen's capability approach,²⁵ this study aims to understand the distinct aspirations, opportunities, and barriers for women in income-generating activities. It focuses on the supply-side challenges faced by rural women and enablers of women's work, such as low demand for labor and a lack of formal employment opportunities.

To achieve the objective, the study team (1) reviewed literature on the international experience of women's role in the labor market and economies, (2) collected evidence from the field on the barriers to and enablers for improving livelihood opportunities and the empowerment of socially excluded women in rural Uzbekistan, and (3) assessed statistical data on women's participation in various sectors in Uzbekistan. The study offers an opportunity to strengthen stakeholders' discussion of the current constraints faced by low-income rural women in improving their livelihoods and to generate consensus on how to improve their situation.

The study assesses constraints and opportunities for low-income rural women in Uzbekistan to (1) improve their capacity to engage in productive employment, including self-employment activities; (2) access important inputs for becoming more productive, such as education, credit, land, and labor market information and networks; and (3) strengthen their ability to participate in local-level decision making. An analytical framework was devised to structure the study (outlined in the subsequent section).

²⁴ World Bank 2012b.

²⁵ Sen 2001. The capability approach is an alternative to standard economic frameworks for thinking about inequality, poverty, and human development.

Chapter 2

Analytical Framework and Methodology

2.1 Analytical Framework

This study is based on the premise that a gender-inclusive approach should be an integral goal of livelihood support in Uzbekistan. The capability approach provides the conceptual framework for analysis.²⁶ First, it embeds women’s work within their context—their household, the community, and the macroeconomic environment, shifting the evaluative space to that of women’s capabilities. Second, it explicitly acknowledges human diversity—such as race, age, ethnicity, sexuality, and geographical location—rather than assuming that all women have the same utility function or are influenced in the same way by similar personal, social, and environment characteristics. Third, and most importantly, it considers women’s economic empowerment (and gender equality more generally) both as an end in itself and as a means to an end.

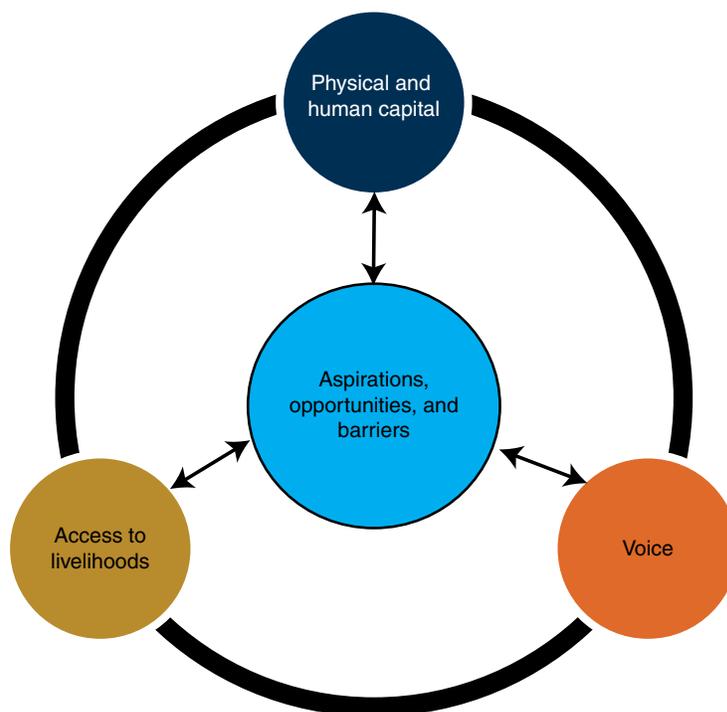
A capability approach suggests that gender equality in work does not imply that women and men should make the same choices; rather, they should have an equal range of choices and equal capabilities to act on those choices. Ultimately then, closing the gender gap in labor outcomes and entrepreneurship will rest on enhancing women’s capabilities and closing the gap between their aspirations and capabilities.

This study employs an analytical framework focused on three pillars of outcomes. It uses women’s capabilities as the central lens and employs analyses focused on the mutually reinforcing nature of those outcomes. The framework is adapted from the 2012 *World Development Report on Gender Equality and Development*,²⁷ which was focused on three pillars: (1) *physical and human capital*, which includes access to quality health, education, land, technology, infrastructure, and finance; (2) *access to*

²⁶ See Sen 2001 and Robeyns 2003 for applying a Senian approach to studying gender equality.

²⁷ World Bank 2012b.

FIGURE 1 ■ Pillars for Assessing Women’s Aspirations, Opportunities, and Barriers



Source: Adapted from World Bank 2015.

livelihoods/income-generating activities; and (3) *voice*,²⁸ which includes the ability to make one’s own choices within the household, community, and public sphere (see Figure 1).²⁹

The framework pillars support increasing agency among women to achieve their full productive potential. *Agency* refers to “the capacity to make decisions about one’s own life, and act on them to achieve a desired outcome, free of violence, retribution, or fear.”³⁰ Strengthening women’s intrahousehold bargaining power, their control over decision making, and their autonomy in terms of how they use their time and income increases their agency.³¹ Improving women’s agency and voice are mutually reinforcing.

Elements of each pillar can be enhanced independently, but their interlinkages mean that some elements may build on others. For example, elements of the physical and human capital pillar—such as access to education and information about markets, jobs, and other opportunities—play an important role in facilitating and expanding women’s learning and economic opportunities and increasing their agency and voice. Improving women’s access to information can improve their livelihood opportunities. Research on past livelihood interventions has shown that one way to promote this is to reestablish

²⁸ *Voice* is defined as the capacity to speak up, engage in, and influence discussions, discourse, and decision-making processes (World Bank 2014b).

²⁹ These outcomes are also aligned with the four objectives of the World Bank’s updated gender strategy (World Bank 2015).

³⁰ Klugman et al. 2014.

³¹ World Bank 2012b.

social networks and mentoring interventions,³² which helps reduce economic vulnerability and improves women's sense of agency and voice.³³

2.2 Methodology

This study's methodological approach is based on the analytical framework outlined above and employs a mixed-methods approach (qualitative and quantitative methodologies), drawing on primary and secondary data sources. The methodology was designed to understand the distinct aspirations, opportunities, and barriers for women in rural Uzbekistan who engage in income-generating activities. Investigations were structured around the three pillars of the analytical framework (see Figure 1); namely, physical and human capital, access to livelihoods/income-generating activities, and voice. The study draws on primary qualitative data and secondary quantitative data and includes a desk-top review of donor and government experiences on women's economic empowerment.³⁴

Secondary quantitative data were derived from two sources: (1) a 2013 CALISS study and (2) official data from the State Committee on Statistics, analyzed by the Scientific Research Center on Employment and Labor Safety under the Ministry of Labor (referred to hereafter as the Center). The 2013 CALISS³⁵ study (a World Bank–GIZ collaboration) focused on jobs, skills, and migration in Uzbekistan;³⁶ it identified gender-specific differences in labor market access and outcomes.³⁷ CALISS data analysis on women's labor force participation and access to financial services was undertaken by the World Bank study team.

A technical working group composed of representatives from key national institutions was established to help analyze national policies related to women's economic empowerment and to access official statistical data. It included representatives from the Ministry of Labor, the Women's Committee, the Federation of Trade Unions, and the Center. Representatives provided comments throughout the study process, from concept note development to data analysis. The Center was commissioned to prepare a background report—based on an analysis of national data and policy documents—on the labor market, national employment legislation, business development, and employment stimulation programs. The Center conducted expert interviews when needed to get clarity or explanations of the collected information. The World Bank task team conducted trainings and consultations³⁸ on qualitative research methods for representatives from key national think tanks.

Primary qualitative data was collected from 28 FGDs and 44 KIIs that took place in four regions. A total of 296 people participated: 203 women and 93 men. Sampling was undertaken in Jizzakh,

³² World Bank 2009.

³³ World Bank 2012b.

³⁴ Topics include microfinance services, targeted community infrastructure investments, knowledge transfer, and participatory planning.

³⁵ CALISS is the Central Asia Labor and Skills Survey. For Uzbekistan it was carried out in 2013 and surveyed 1,500 households and 8,622 individuals.

³⁶ World Bank 2014a.

³⁷ The study included a representative survey at the national, regional, and urban/rural levels that was conducted in 2013 and covered 1,500 households (more than 8,600 individuals). The survey data analysis was intended to provide statistical/background information on age, regional, and rural/urban differences in female labor market participation and education attainment in Uzbekistan.

³⁸ In November 2016.

FIGURE 2 ■ Qualitative Fieldwork Sample Regions



Kashkadarya, Namangan, and Karakalpakstan (see Figure 2), based on characteristics such as economic development, female labor force participation, and agricultural land types. Two factors used in village selection were its distance from a *raion* (district) center and the availability of water resources (hypothesized as contributing factors to economic activity, nonfarm labor opportunities, and agricultural production). FGDs and KIIs were conducted by a local consulting firm in conjunction with a World Bank study team and focused on women's perspectives. Annex 1 outlines the methods used in the primary qualitative data sampling and collection.

The findings of this study are limited in the context within which they can be interpreted and applied. The availability of and access to information is limited in Uzbekistan, and data that is available is often not gender disaggregated. Study resources limited sampling to four regions; hence, findings are illustrative rather than representative on a national scale. There was also limited analysis of the supply and value chain for employment, so study findings are embedded in the local context.

Findings were strengthened by collaboration with national counterparts. This collaboration provided deeper insight into national perspectives and offered varying views on data analysis and interpretation. While coordinating a large team required additional efforts and caused delays, such an approach helped build partnership and support for the study among local policy makers. Consequently, recommendations will hopefully resonate more loudly with national counterparts and strengthen policy dialogue.

Study findings are presented in a synthesized format. They draw on all data sources to create a flowing narrative for the reader. The study's main contribution comes from its collection and analysis of primary qualitative data, which is presented independently or as a supplement to secondary quantitative data. Secondary data sources are explicitly referenced, while primary qualitative data are not.

Chapter 3

Pillar 1: Women's Access to Livelihoods in Uzbekistan

Pillar 1 of the analytical framework provides insight into Uzbekistan's labor market, with an emphasis on access and prospects for rural women. It includes an analysis of current livelihood strategies for women, including barriers to and aspirations for income generation.

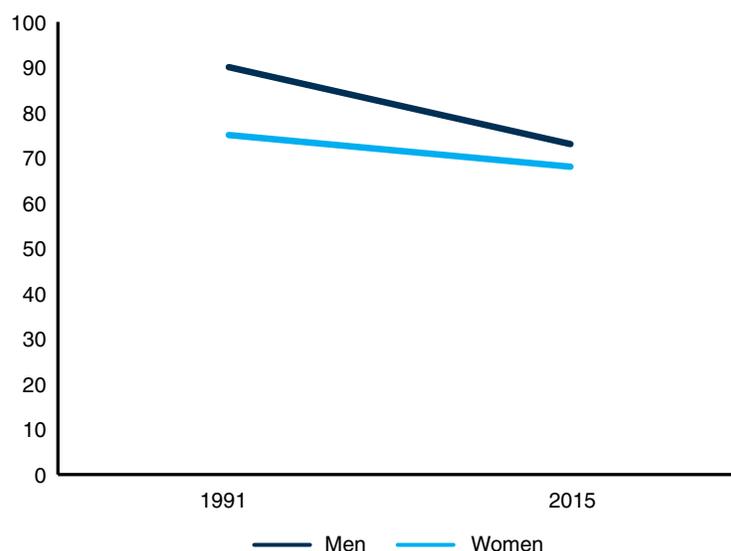
3.1 Uzbekistan's Formal Labor Market: Gender Disparities³⁹

In recent years Uzbekistan made progress in decreasing gender disparities in its labor market. However, there is further potential to increase women's economic activity. According to the State Committee on Statistics, from 1991 to 2015 the gender gap in Uzbekistan's labor market decreased. The share of economically active men and women⁴⁰ (employed and unemployed) decreased from 1991 to 2015; however, over that same period the gender gap (the difference in men's and women's participation in the labor market) in the level of economic activity decreased from 16.4 percent to 7.5 percent (see Figure 3). In 2015 women accounted for 48.2 percent of the total working population and 45.7 percent of the employed population, suggesting that access to the labor market is becoming more equal.

³⁹ Based on data from the background report by the Scientific Research Center on Employment and Labor Safety under the Ministry of Labor.

⁴⁰ The population of the working age; according to Uzbekistan legislation, the working age is between 16 and 60 for men and 16 and 55 for women. Uzbekistan's retirement age is lower than other countries.

FIGURE 3 ■ Proportion of Economically Active Men and Women Nationally, %/year, 1991–2015



Source: Statistical Committee of the Republic of Uzbekistan 2015.

International survey data show lower employment rates for women than the official statistics.⁴¹

According to the CALISS data (see Figure 4), women have lower employment rates (38 percent) compared to men (69 percent),⁴² with a large share of women not even looking for employment (this includes both homemakers and discouraged workers). At the same time, the bottom wealth quintiles for both men and women (see Figure 4) show a larger share of those not employed (including unemployed and inactive), highlighting the importance of employment opportunities for household welfare. A larger share of employment of the upper quintiles is in the public sector (comprising the state administration and state-owned enterprises), whereas working individuals from the bottom quintiles are more likely to be in the noncorporate sector, which include small-scale service sectors, individual farmers, and the self-employed.⁴³

Several employment sectors exhibit a strong gender dimension. According to the State Committee on Statistics, women constitute the majority of workers in the health care, physical culture, sports, and social security sectors and the education, culture, arts, science, and science services sectors, representing 82 percent and 72 percent in each of those sectors, respectively (see Figure 5).⁴⁴ On the other hand, men

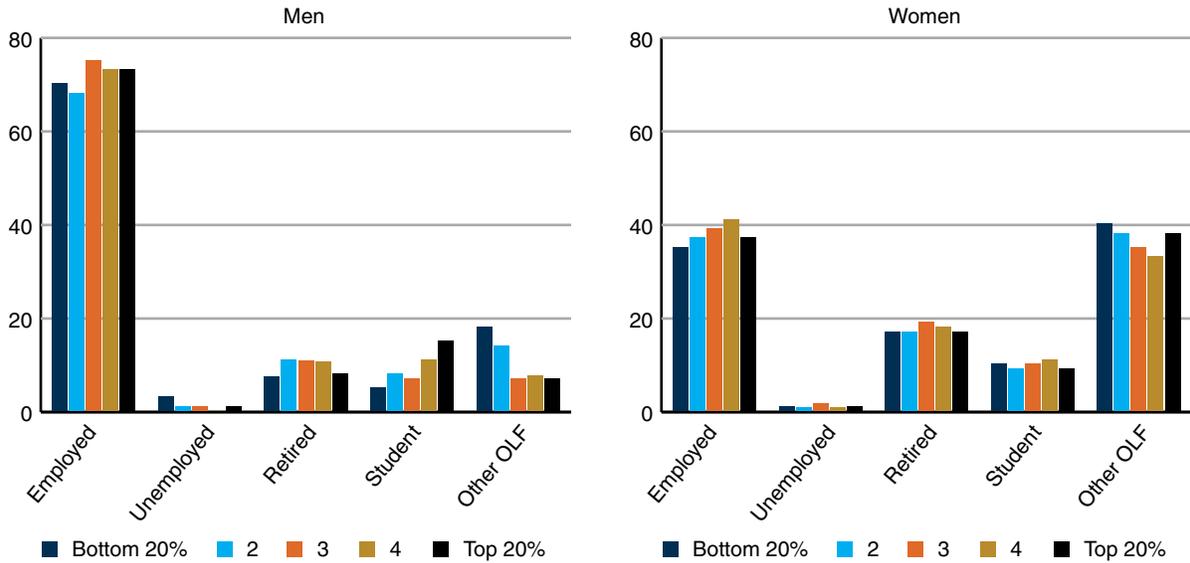
⁴¹ There are some discrepancies between nationally derived and internationally derived employment statistics, partly related to nomenclature definitions and methodological approaches. For example, some differences can be attributed to contrasting age classifications. Working ages in international assessments are 16–64, while in Uzbekistan they are 16–55 (for women) and 16–60 (for men). On employment criteria, the World Bank and the ILO consider employment as work performed for a minimum of 1 hour during an assessment period. Meanwhile, Uzbekistan’s State Committee on Statistics considers only those who work at least 10 hours per week to be employed, and the Ministry of Labor uses 2 hours per week for the definition. While nationally derived statistics report that the national women’s employment rate in 2015 was close to 62 percent, internationally coordinated assessments suggest lower women’s employment rates and greater gender gaps in employment rates.

⁴² Ajwad et al. 2014.

⁴³ World Bank 2016.

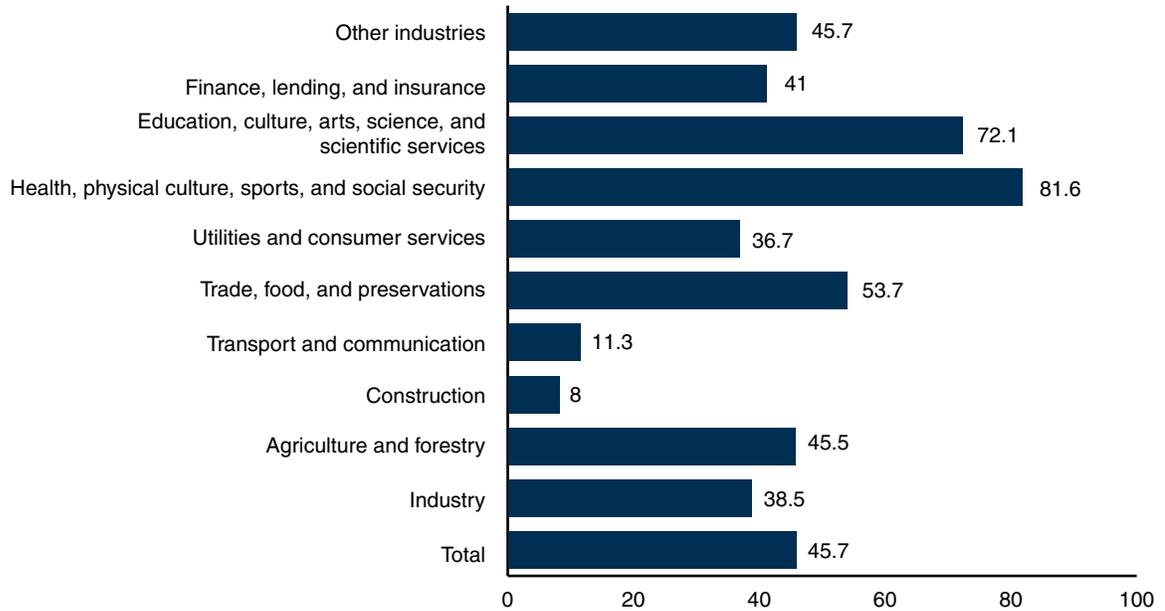
⁴⁴ World Bank n.d.

FIGURE 4 ■ Proportion of Men and Women Employed, Unemployed, Retired, or Studying, by Welfare Group

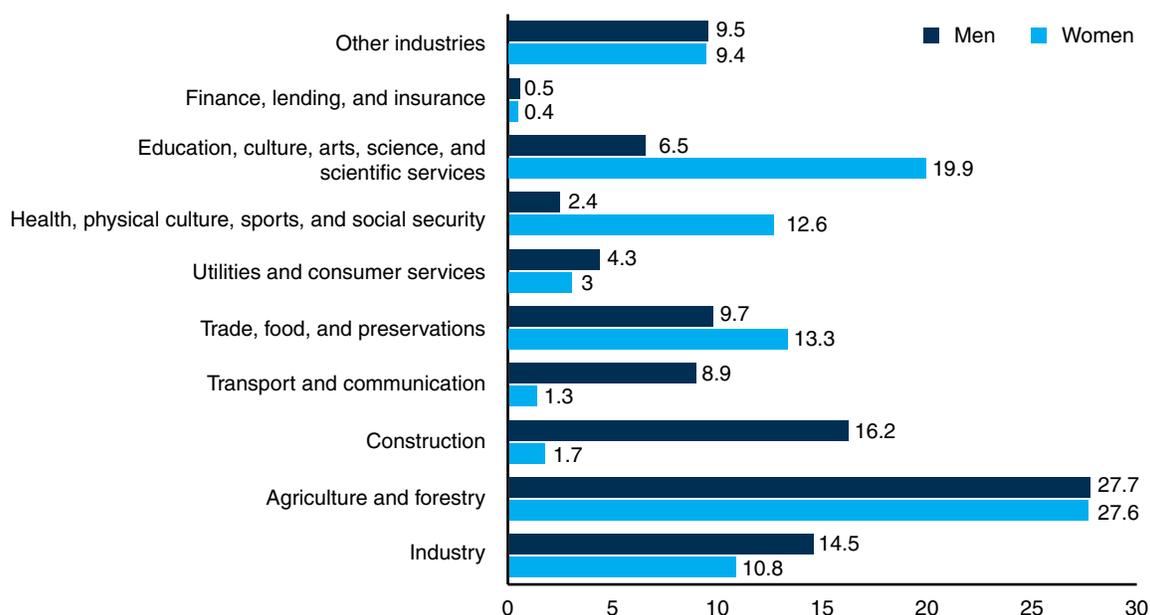


Source: World Bank 2016, using data from Ajwad et al. 2014.

FIGURE 5 ■ Proportion of Women in Employment Sectors, %, 2015



Source: State Committee on Statistics n.d.

FIGURE 6 ■ Gender Breakdown of National Employment, %, 2015

Source: State Committee on Statistics n.d.

are most strongly represented in the construction and transport and communications sectors, where they make up 92 percent and 89 percent of workers, respectively (see Figure 6).⁴⁵ Recent employment trends suggest that women are becoming more active in certain sectors such as agriculture and forestry, trade, and public catering (see Figure 5).

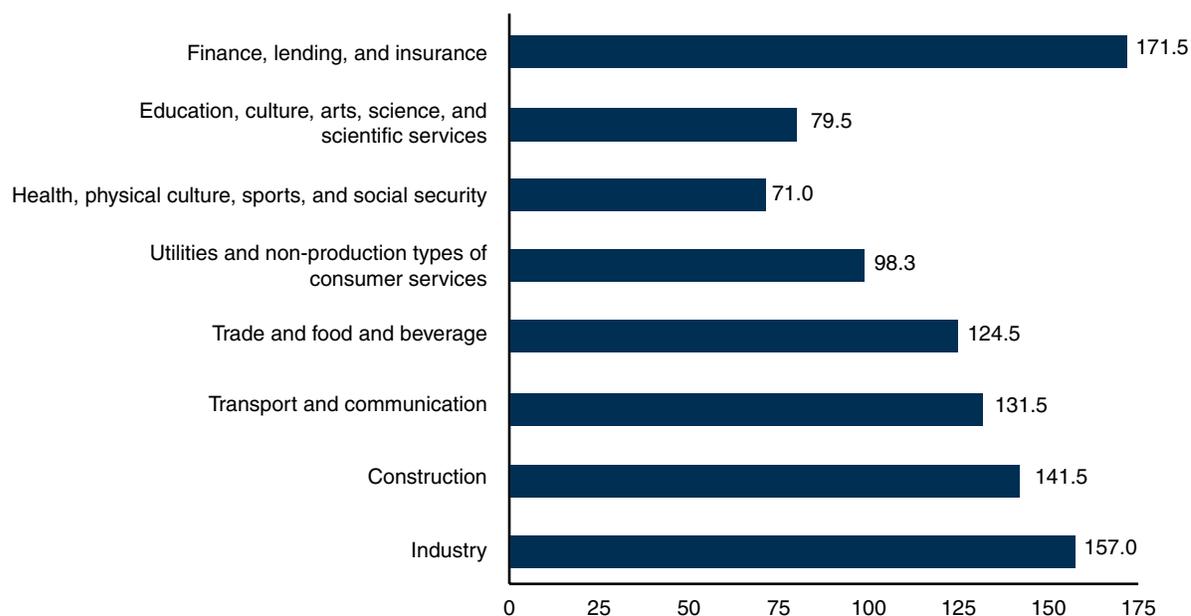
There remain significant differences between genders in average income levels that are often associated with the sectors in which they work (see Figure 7). According to the State Committee on Statistics, the sectors in which men are most frequently employed (construction, transport, and communications) have respective average incomes between 32 percent and 42 percent higher than the national average. In contrast, the sectors with the highest female labor participation (health care, physical culture, sports, social security, education, culture, arts, science, and science services) have respective average incomes that are 71 percent and 80 percent of the national average.⁴⁶ Other labor-intensive sectors (such as textiles, clothing, knitwear, and the food industry) in which women are more commonly employed also pay lower wages. In sum, women tend to be employed in labor-intensive sectors that typically offer lower wages, while men dominate sectors with high capital investment and, as a result, higher incomes.

The differences in the choice of employment sector tend to be driven by wage differences between sectors and are reinforced through cultural norms and expectations regarding what are appropriate professions for men and women. Qualitative fieldwork suggested that women are tracked into or expected to take up professions/jobs that will also benefit their families or communities. For example, a woman with a medical or teaching degree can also use her skills to raise her children, tend to the sick and elderly in her home, or earn informal income by providing services to her neighbors. The sectors that are considered female domains remain as such for both financial and cultural reasons, which creates a cycle of structural discrimination. However, as evidenced from the qualitative fieldwork and consultations

⁴⁵ World Bank n.d.

⁴⁶ World Bank n.d.

FIGURE 7 ■ National Average Sector Income, Relative to National Average, 2015 (UZS, Thousand)



Source: State Committee on Statistics n.d.

with national counterparts, the Uzbek population generally seems not to regard this as discrimination, but rather as a norm and cultural practice.

3.2 Government Policies for Labor Market Activation (with focus on women)⁴⁷

The nonstate, noncorporate sector is where most new jobs in Uzbekistan are created. Due to the high population growth rate in the past 10 years, the State Committee on Statistics reports that the share of working-age people in the overall population increased from 49.1 percent in 2005 to 61.4 percent in 2015.⁴⁸ The nonstate sector employs the majority of workers, and its share has been steadily increasing over the past decade—from 77.2 percent of all workers in 2005 to 82.1 percent in 2015. In the nonstate sector the majority of new jobs were in the noncorporate sector—that is, in enterprises and activities that do not require the creation of a legal entity. These include individual self-employment (trade, transportation, seasonal work), work on commercial and *dekhan* farms, and home-based work. According to the State Committee on Statistics, the percentage of those employed in the noncorporate sector, out of the total number of employed in the nonstate sector, has increased in the past decade from 78.9 percent in 2005 to 87.4 percent in 2015. In the noncorporate sector the majority of workers are self-employed—65.4 percent in 2015.⁴⁹

⁴⁷ Based on the analysis from the background report by the Scientific Research Center on Employment and Labor Safety under the Ministry of Labor.

⁴⁸ Official Data of the State I Committee on Statistics of the Republic of Uzbekistan.

⁴⁹ Official Data of the State I Committee on Statistics of the Republic of Uzbekistan.

State programs for employment activation emphasize policies and measures to stimulate individual entrepreneurship. Government policies to stimulate individual entrepreneurship include the following:

1. **Stimulation of home-based labor.** According to legislation,⁵⁰ home-based labor programs target rural areas, and particularly women, as well as other social groups that require assistance for employment. Work is carried out at home and on a flexible basis, but the employees hold official employment contracts, with contributions paid toward pension and other social insurance payments. The enterprises that employ home-based workers do not pay taxes on the costs of equipment used; they currently do not have to pay social fund contributions. Home-based work is prevalent in the garment industry, silk production and processing, electronics, telecommunications, and some other service-based industries. Over the past five years, 513,000 new jobs for home-based workers were created.⁵¹
2. **Support to family enterprises and crafts.**⁵² Local authorities are required to stimulate creation of family enterprises and crafts through the following measures: providing premises for workshops and shops, for selling products; levying taxes on the sales of crafts (as approved by the Cabinet of Ministers); providing assistance in sourcing materials, providing equipment, organizing fairs, reducing the number of inspections; and facilitating connections to utilities, applying private dwelling tariffs for utilities for the premises used by the family enterprises, and levying the requirement to register them as commercial property. In the past five years, over 124,500 new jobs were created in the family enterprises and over 186,700 in crafts.⁵³
3. **State public works programs.**⁵⁴ These include temporary jobs—which do not require professional qualifications—for citizens who are officially registered as unemployed. The decision to conduct public works is made by regional and district administrations, with financing provided by the employers, as well as local budgets and the State Fund for Employment Facilitation. According to the Ministry of Labor, in 2015 only 8,000 jobs were created through public works.⁵⁵
4. **Local socioeconomic development programs.** Investment programs aimed at creating, expanding, and modernizing industrial production, services, and processing capacities in the regions of Uzbekistan contribute to job creation and are therefore accounted for in the State Program on Job Creation.

Legislation governing labor relations in Uzbekistan includes a range of protective measures and guaranties; while these help protect women's labor rights, they also reinforce gender stereotypes that suggest it is more cost-effective for employers to hire men. Protective measures include prohibiting

⁵⁰ Cabinet of Ministers of the Republic of Uzbekistan Resolution of 11.01.2006, aimed to support implementation of Presidential Decree of 5.01.2006 No. 3706, "On measures to stimulate increased cooperation between enterprises and provision of home-based services."

⁵¹ Data provided by the Ministry of Labor of the Republic of Uzbekistan.

⁵² The Law on "Family Entrepreneurship," April 2012, Presidential Decree No. 4455 from July 18, 2012, "On measure for further improvement of business climate and ensuring greater flexibility for entrepreneurship."

⁵³ Data provided by the Ministry of Labor of the Republic of Uzbekistan.

⁵⁴ Cabinet of Ministers of Uzbekistan Decree No. 353 from July 19, 1999 on "Approving the regulation on organizing paid public works."

⁵⁵ Data provided by the Ministry of Labor of the Republic of Uzbekistan.

women from being employed in jobs with unfavorable labor conditions;⁵⁶ putting limitations on shift, overtime work, and work-related travel; protecting the rights of pregnant women and mothers with children under three years old;⁵⁷ and instituting regulations related to maternity leave, among others. Additionally, quotas for employment of social vulnerable groups exist for all organizations with more than 20 employees. Employment of single mothers and women with more than two children is prioritized. While such protection measures contribute to protecting women's right to employment, they also create a perception among employers that the hidden costs of employing women could be too high, which could contribute to a preference for employing men over women.

Seasonal agricultural work offers employment opportunities for rural women, but regulation needs to be approved.⁵⁸ According to the Ministry of Labor, in 2015 more than 837,000 people (6.1 percent of the economically active population) took part in seasonal agricultural work. Additionally, 1,869,000 people employed in agriculture through *dekhan* farms are also likely to be affected by seasonal fluctuations in demand for their labor. The most significant seasonal spike in labor demand occurs for cotton picking, which largely features manual labor. Earlier research⁵⁹ indicates that for rural women, cotton picking constitutes 12.4 percent of annual income on average, and for low-income families this figure can be as high as 30 percent. At the same time, seasonal employment is not separately defined in national labor legislation, so labor relations between the employers and employees are not regulated; the conditions of employment and dismissal, overtime payments, medical insurance, and pension contributions are not defined; and there are no contributions to social protection schemes. Information about seasonal employment opportunities is not always readily available, and intermediary services between employers requiring seasonal labor and potential employees are ad hoc and not institutionalized.

3.3 Livelihood Strategies for Rural Women: Agricultural Activities

In rural Uzbekistan women are often engaged in the agricultural sector, but for little or no remuneration. Qualitative study results confirm that full-time income-generating opportunities in the agricultural sector are limited for women compared to men. FGD and KII respondents stated that most opportunities in the agricultural sector for women were performing daily-wage labor on farms, working on a household plot (*tomorka*), and/or growing secondary crops on land rented from a farmer.

In all rural areas sampled in the qualitative study, women typically reported earning lower wages as day laborers, compared to men. However, women could earn more than men as day laborers picking cotton.⁶⁰ Unskilled rural women's daily wages for harvesting and weeding crops in the sample areas

⁵⁶ The list of sectors and occupations where employment of women is prohibited due to unfavorable labor conditions was approved by the Ministry of Labor and Ministry of Health in 1999. It requires revision in light of the latest developments in the sectors, including measures on improving health and safety.

⁵⁷ Such additional protection measures for pregnant women and women with children under the age of three include prohibition to refuse employment and introduce a probation period, prosecution of employers in cases of unfair dismissal, alteration of duties to omit negative influence of the working environment on women's health, registration with unemployment services, and priority right to request and extend the period of leave of absence, including maternity leave.

⁵⁸ Analysis and conclusions in this section are based on the background paper prepared by the Scientific Research Center on Employment and Labor Safety under the Ministry of Labor.

⁵⁹ Swinkels et al. 2016.

⁶⁰ Swinkels et al. 2016

ranged from 10,000 to 20,000 UZS, compared to 15,000 to 30,000 UZS for rural men. Women reported that men earn higher day rates because they undertake tasks that are considered more difficult, such as carrying heavy items and doing work that requires some qualifications (such as operating machinery and watering crops). Additionally, women reported that more full-time and part-time labor opportunities were available for men, and hence fewer men were available for day labor. However, women did report higher daily earnings than men for cotton picking, as incomes were based solely on kilograms of cotton picked, and women were more motivated to work harder because they have fewer income-generating opportunities in other areas. Additionally, cotton picking is traditionally viewed as women's work. It is estimated that around 80 percent (and in some regions, up to 90 percent) of cotton pickers are women.⁶¹

Evidence from the qualitative study suggests that the most common farm-based work activities for rural women—that are both socially and personally well regarded—are tending *tomorkas* and engaging in small farm production activities, such as poultry and dairy. *Tomorkas* are often women's responsibility and can play an important role in providing fresh food and an additional source of income (see Photo 1). Many rural households have 0.06 to 0.15 hectares (ha) close to the house where residents can grow fruits, vegetables, flowers, and seedlings. Some households install greenhouses in these plots. While many products are for the household's consumption, surplus products can be sold locally. Women are often responsible for tending the *tomorkas* and selling surplus products. According to female respondents, a woman can earn around 3 million to 5 million UZS per season with 0.10 ha of land.

Two factors emerged from the qualitative study that seem to determine whether women earn income from *tomorkas*: (1) availability of irrigation water and (2) distance to market. For example,

PHOTO 1 ■ *Tomorka* (household garden plot), Karakalpakstan



⁶¹ Swinkels et al. 2016.

women in more arid areas with difficult access to irrigation water reported that they were not able to grow sufficient products for surplus sale, while women with more access to irrigation reported greater surpluses. Also, women from remote villages reported difficulties in selling products, due to the low availability of public transportation to get to markets and the expenses associated with travel.

In addition to tending *tomorkas*, rural women may be involved in home-based agricultural business activities, such as keeping livestock and poultry and growing secondary crops on rented lands. However, such tasks are often considered to be part of their domestic duties rather than an income contribution to the household, despite the importance of such activities and their contribution to household member welfare (see Photo 2).

While there do not appear to be formal or legal barriers for women to become farmers in Uzbekistan, the qualitative study shows that the clear majority of farm owners are male, as are most full-time farm employees. Men are typically hired for full-time farming roles, such as mechanics, drivers, accountants and *mirobs* (irrigation canal superintendents). At the same time, women are hired as unskilled daily-wage laborers when needed. The reasons farmers give for why men are hired full-time include the need to be in a field most of the day and that men have the skills required to operate or repair machinery.

Both male and female FGD respondents expressed reluctance and concern about women engaging in some farming roles. These were chiefly related to issues such as safety and the possibility that women would interact with males outside the household. However, women expressed strong interest in working full-time in some agricultural subsectors, such as horticulture, greenhouses, livestock, and food processing. Most male FGD respondents expressed concern about female household members working full-time on farms because they would be outside of the house for much of the day, work with other males, and need to attend meetings at night. Many female FGD respondents expressed a low desire to become farmers, due to the need to participate in male-dominated meetings, work late in the fields, and

PHOTO 2 ■ Women Are Often Responsible for Small Household Agricultural Business Activities Such as Poultry Raising



learn to drive a car, and because there are few examples of women successfully fulfilling such roles. However, women were interested in working in some agricultural subsectors full-time, such as horticulture, greenhouses, livestock, and processing agricultural products. Participants in a female FGD in Karakalpakstan were interested in the prospect of women owning farms and thus being in the position to hire other women as full-time workers.

While female-owned farms are not the norm, cases of successful female farmers who earned more profits than their male counterparts were reported in every sampled *raion*. Successful female farmers were purportedly an inspiration to other women, and the recent development of horticulture has seemingly increased women's interest in farming. Successful female farmers who were interviewed did not report formal or informal gender discrimination.

A significant barrier to rural women engaging in and/or expanding farm-based income-generating activities is limited access to physical resources (chiefly land and water). Qualitative findings suggested that for agricultural activities of greatest interest to women, access to land is a major barrier to livestock and poultry raising and horticulture, while access to water for irrigation is a major barrier for horticulture and greenhouses. Other issues included low access to and the high cost of livestock feed and low access to and low quality of electricity and gas to pump water and for greenhouses.

3.4 Livelihood Strategies for Rural Women: Nonagricultural Activities

Nonfarm opportunities for women are limited in rural areas, but home-based enterprises are increasing. The qualitative study confirms that women in rural areas have limited opportunities for full-time nonfarm employment. Options for formal full-time employment are mostly limited to state-based organizations; there are few opportunities to work full-time in the private sector. In the rural areas sampled, women represented 40 percent to 70 percent of employees of state organizations, such as schools, clinics, colleges, and *mahalla* offices. Rural women reported that employment with state organizations was highly sought after because of the relatively high incomes one can earn (300,000 to 1 million UZS, monthly) and the fact that the public holds these jobs in high regard. However, there are generally only a limited number of positions available (how many depends on the number of state organizations in the area), and preference is typically given to more highly educated applicants. More remote and smaller villages that have no private sector may have particularly few full-time nonagricultural roles, especially for women.

Beyond state-based employment options, FGDs reported that women engage in small-scale entrepreneurial activities. Nonfarm income-generating activities for rural women include baking, cooking, sewing, tailoring, beauty salon work, hairdressing, work in retail stores, dairy production, fruit and vegetable processing, carpet making, copying and printing documents, craft activities, and shoe production (see Photo 3). Given household duties and the responsibility to care for children and elderly household members, it is purportedly more common for women over age 35–40 to seek out entrepreneurial activities.

The most common part-time, nonfarm employment for rural women is reported to be tailoring/sewing and baking/cooking. Rural women reported that the form of home-based, nonfarm income-generating activity in which they most frequently engage is tailoring/sewing (see Photo 4). It typically requires up-front capital expenditure (for a sewing machine, material, and other accessories) and some training (via college or learning from experienced women, either free or for a fee). Women may access

PHOTO 3 ■ Female-run Retail Store, Jizzakh Oblast



PHOTO 4 ■ Part-time Sewing Entrepreneur Working from Home, Karakalpakstan



capital via personal savings, household savings, informal loans, and more rarely, formal loans. Products can be sold directly to community members or via markets. Some women produce bakery goods, prepare salads, and make traditional dishes in their homes and sell them directly to neighbors, at local markets, or for special events (such as weddings).

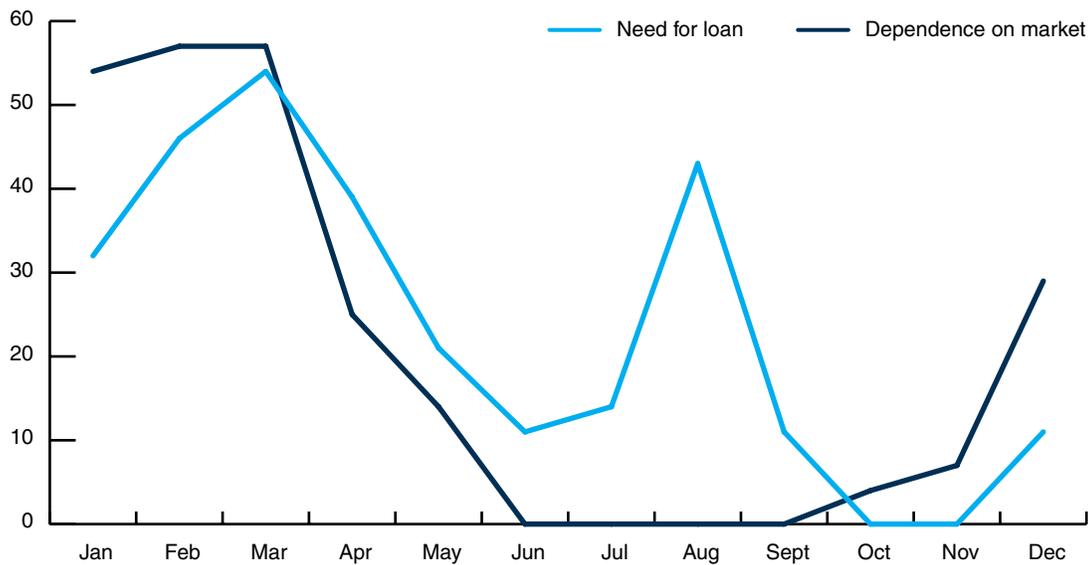
The qualitative study revealed that part-time, home-based employment provides rural women some degree of independence and flexibility, somewhat reliable incomes, and products that their household can use. Women engaged in part-time sewing activities reported incomes of between 8,000 and 30,000 UZS per day, which is roughly equivalent to daily labor rates for women in the agricultural sector. During wedding season, daily incomes for sewing may reach 50,000 UZS. Male respondents were generally supportive of part-time, home-based income-generating activities because their female household members can do housework at the same time. In some wealthier rural areas, beyond sewing/tailoring and baking/cooking, there was a reported increase in demand for salon-based beauty services such as hairdressing and makeup.

Women who participated in FGDs in remote villages expressed less interest in engaging in nonagricultural sector activities than women in villages closer to *raion* centers. This was due to several factors that influence small business opportunities. Women in remote villages identified barriers to participating in small business activities, including fewer customers in their villages who demand products; greater distances and more difficulty reaching markets to sell their products; and poorer infrastructure services (e.g., electricity, water) with which to produce quality products. Additionally, small businesses that operate in remote areas often rely on middle persons to supply materials and connect to markets, which adds production costs and deters some women. Conversely, women in villages that are closer to *raion* centers preferred nonfarm income options because products can easily be sold in local markets, and the fact that there are local employers in the area means that local women have more money to spend on services. There are also female-run businesses that can provide advice and/or inspiration to others.

Many rural women expressed interest in participating in nonfarm income-generating activities. Furthermore, many communicated a preference to combine farm-related income-generating activities with domestic responsibilities and/or other nonfarm income-generating activities. Most FGD participants across all sampled regions (and ranging in age from young to elderly) communicated interest in engaging in nonfarm activities that have potential to earn income and that can be conducted from home or in small workshops with other neighborhood women. At the same time, many rural women seek to remain engaged in farm activities such as raising livestock and poultry, growing fruits and vegetables in *tomorkas* and greenhouses, and undertaking horticulture. Many respondents are interested in combining both, in varying capacities.

Incomes and expenditures tend to be highly seasonal in rural areas. Women reported that their incomes take on greatest significance at the end of summer and during the winter months. In late summer, households spend money on food and fuel supplies for the winter months and purchase school supplies for their children. During winter and early spring, employment opportunities (and incomes, particularly for farming roles) are more scarce, while household expenditures on heating, food, and seeds (for spring planting) are high. Any income generated by women during these periods constitutes an important contribution to a household's budget. Figure 8 illustrates household demand for loans (during periods of low income and high expense) and reliance on market produce.

FIGURE 8 ■ Annual Household Demand for Loans and Dependence on Markets, % of FGD Participants Reporting High Demand/Dependence



3.5 Barriers to Women's Livelihood Opportunities

Barriers to rural women's entrepreneurship and employment are evident and range from household responsibilities to capacity and access limitations. Barriers reported in qualitative fieldwork included, but were not limited to, (1) expectations to shoulder the burden of household responsibilities; (2) the need to manage household affairs while men migrate for labor; (3) capacity and skill deficiencies (particularly where educational opportunities are not promoted for women); and (4) lack of access to financial resources.

Women's domestic responsibilities are a major constraint to employment opportunities. Women perform most of the domestic duties in Uzbek rural households. Many female FGD respondents reported spending three to six hours per day collecting water, preparing and cooking food, baking bread, cleaning, managing indoor heating, working in *tomorkas*, and caring for children and the elderly. Duties vary seasonally, with more time and effort spent in *tomorkas* and collecting water during the summer, and more spent on indoor heating and cooking in winter. With regard to age and position within a household, younger women (*kelin*) tend to bear the greatest burden of domestic chores, while some other women may have more opportunities to engage in income-generating activities.

Interviews with female entrepreneurs revealed that women must balance their domestic responsibilities with potential income-generating activities. In such cases they often rely on support for domestic tasks, which comes from other household members or paid assistance.

"My day starts at 5 a.m. to milk our cow, boil milk, and cook breakfast for my children. After sending my oldest son to school, I sweep the yard and help my mother-in-law cook lunch. I then go to work from 8:30 a.m., until 4 or 5 p.m., during which time I sew clothes and supervise my employees. When I return home, I cook dinner for our family and my in-laws. After dinner, I bake goods for breakfast the following day."

—KII: Female entrepreneur, Jizzakh Oblast

Men's labor migration can also adversely impact women's opportunities. FGDs and KIIs suggest that the vast majority of international labor migrants are temporary, are male, and travel to Russia and Kazakhstan.⁶² The qualitative findings reported that most migrant workers are men, typically between the ages of 20 and 40. Women reportedly represent less than 10 percent of migrant workers in sampled areas. In cases where both parents work internationally, children tend to be cared for by their grandparents. Respondents noted the generally negative effect that such a disjointed family dynamic tends to have (such as lower school performance and behavioral challenges). While women who return from international work reportedly tend to receive less respect from their home village, households that have one or two members who work internationally typically save enough to buy a house or establish a small business in their home village.

FGDs revealed that in cases where the husband works internationally and the wife remains in the home village, the burden on the woman can be high. FGD respondents reported that many male labor migrants remain away from their home village for 8 to 10 months out of the year. During this time, the woman typically assumes responsibility for all domestic duties, including those that a husband is usually responsible for, including farming duties. Furthermore, in cases where remittances are not received for several months or not at all, women must seek income locally.

“One woman from our village had to bake pies at home and sell them in the local market while her husband worked abroad and could not send her any money.”

—Female FGD participant, Jizzakh Oblast

Some FGD respondents reported that migrant labor activities can cause household tension and that such challenges, coupled with macroeconomic trends, have resulted in a recent shift toward men seeking job opportunities more locally. The challenges of a household member living away for extended periods each year can cause marital and other social challenges. This, coupled with drops in currency values in Russia and Kazakhstan, reduces demand for labor. In addition, stricter migratory working legislation has prompted some workers to return to their local areas to seek employment in sectors such as construction, service, retail, and livestock, or to invest in their own small business.

FGD participants reported capacity challenges for many rural women, particularly in low- and middle-income households. These include a lack of technical skills, low financial capacity, and low business (and finance) literacy. In terms of financing, many women highlighted a lack of capital with which to purchase equipment and materials for income-generating activities and a limited knowledge of available forms of credit and application procedures. Some respondents also communicated a low confidence in their ability to repay loans.

Other barriers to rural women engaging in and/or expanding nonfarm income-generating activities are reportedly a lack of access to financial and business resources and reliable energy supplies. Qualitative findings suggested that for most nonfarm activities, access to financial and business literacy, training, equipment, and credit were the major barriers. Respondents highlighted the importance of accessing information about new technologies. Poor-quality energy supplies (gas and electricity) were also cited as limiting many nonfarm entrepreneurial activities. More activity-specific issues included training (for baking and sewing), access to land (to process fruits and vegetables and produce dairy products), and access to commercial premises (for beauty salon and retail store work).

⁶² Cases of husband and wife migrant workers were reported, with mixed results in terms of community status and disposable income.

Similarly, some women reported restrictions on their mobility outside of the household and village, which limits some working opportunities. Women engaged in income-generating activities may need to travel within and outside of their village to meet with clients, deliver orders, purchase materials, and sell items in markets. In FGDs women aged 35 or older reported no restrictions on movement inside and outside of their village. Restrictions on movements are reportedly stricter for younger women (e.g., recent college graduates and young wives), who may not be permitted by parents or parents-in-law to travel far outside the house or village, which negatively impacts their income-generating capacities.

3.6 Norms and Attitudes Regarding Female Entrepreneurship

Attitudes and norms toward female entrepreneurship and employment are evolving. Evidence from FGDs and KIIs suggests that (1) formal barriers to (female) entrepreneurial activities are waning; and (2) female interest in pursuing entrepreneurial activities is increasing. Both women and key informants reported a reduction in formal barriers to entrepreneurial activities in rural areas.

A number of factors can be drawn from the qualitative study that seem to contribute to the variety of income-generating activities available to women. These include women’s personal preferences and skill level, as well as attitudes toward female employment among both household members and the broader community. For example, a job with a government organization is one of women’s most highly desired positions and is also highly respected in the community. In terms of inspiration, many women expressed interest in learning from other women who had managed to successfully establish a business—women want other female entrepreneurial role models. Availability of different types of jobs contributes to shaping views of their value and worth (see Table 1).

Qualitative findings suggest that female entrepreneurship is a driver of female employment opportunities and a contributing factor to changing attitudes about female employment—which could

TABLE 1 ■ Availability of Full- and Part-Time Income-Generating Opportunities for Women in Agricultural and Nonagricultural Sectors

Income	Agricultural Sector	Nonagricultural Sector
Full-time	<ul style="list-style-type: none"> ■ Opportunities are limited ■ Farmers and farmworkers (mostly men) 	<ul style="list-style-type: none"> ■ Opportunities are limited ■ State organizations (40 percent to 70 percent of employers are women) and local business ■ No gender gaps in wages
Part-time	<ul style="list-style-type: none"> ■ Available opportunities, not always personally preferable ■ Unskilled daily-wage laborers for farmers and work on households’ <i>tomorka</i> ■ High gender gap in wages 	<ul style="list-style-type: none"> ■ High number of opportunities ■ Entrepreneurship (retail and/or services) and work done from home (sewing, baking, knitting, or other crafts) ■ Average daily income roughly equal to daily-labor rates for women in agricultural sector

Source: FGDs conducted for the study.

potentially represent a virtuous cycle. Female entrepreneurs tend to establish businesses in sectors such as cooking/baking, sewing/tailoring, beauty salons, food processing, carpet making, and other areas in which female workers are needed (and often attracted to). Female entrepreneurs reportedly help other women learn new skills, often in exchange for a small fee or to support women from lower-income households. Female entrepreneurs also often serve as an inspiration to other women by demonstrating that women can be paid for their work. Finally, working women may spend less time on domestic duties and pay other women to do sewing, baking, cooking, and other such tasks for them, which creates additional demand for female-based services.

Evidence from the study suggests that the most desirable forms of employment for rural women—and which other household members and the broader community deem acceptable—are state government roles and small-scale entrepreneurial and home production activities. It was confirmed that rural women have a strong interest in working for state organizations and private small-scale enterprise activities (e.g., production, service, retail). However, while generally desirable, full-time work in the farming sector has limited availability (see Table 2). In addition, the private sector, home-based businesses, and small family businesses contributed more jobs to the economy between 2009 and 2015.⁶³

Many FGD respondents perceived a stable and growing demand for certain local products. In terms of demand for rural products, fruits are the most in-demand farm product and textiles the most in-demand nonfarm product (see Box 1 and Table 3). At the local village level, there is typically the greatest demand for nonfarm-sector products, such as baked goods and textiles. At the local level, the demand for farm-based products is typically low, as rural households tend to produce their own. However, at the *raion* level and regional/national level, demand is generally highest for farm-sector products,

TABLE 2 ■ Matrix of Income Options for Rural Women Based on Desirability, Acceptability, and Availability

Desirability	Location	High Availability	Low Availability/Unavailable
Highly desirable and/or highly socially acceptable	Farm	<i>Tomorka</i> tending Small-scale home production (dairy, poultry)	Full-time farmwork Horticulture
	Nonfarm	Entrepreneurial work (retail and/or services) Small-scale home production (sewing, baking, knitting, or other crafts)	Full-time employment in state organizations Full-time/part-time work for small-scale firms and entrepreneurs (production, retail, and services)
Less desirable and/or less socially acceptable	Farm	Daily-wage labor and livestock keeping	Farming (wheat and cotton)
	Nonfarm	Daily-wage labor in nonfarm sector (cleaning or cooking for private individuals)	N/A ⁶⁴

Source: FGDs and KIIs conducted as part of the fieldwork.

⁶³ Statistical Committee of the Republic of Uzbekistan 2015; World Bank n.d.

⁶⁴ FGD and KII participants could not name any jobs or income opportunities in a nonfarm sector that are both less desirable and unavailable.

BOX 1 Market and Income-Generating Opportunities for Textile Production in Rural Areas

There is generally a high demand for textiles produced in rural areas in local, regional, national, and international markets. Common textile products include adult and children's clothing, blankets, bed linens, and curtains. Unlike products such as baked goods, textiles are durable. At the local level, women often produce sewn goods in their home for sale within their own village (demand is high and competition is low). At the regional and national level, demand from urban areas is also high, and production becomes more formal, via small workshops and larger factories. Uzbekistan is well placed to serve international textile markets due to its comparative advantages of skilled labor, relatively low labor costs, strong interest in textile production in many rural areas (particularly from women), and the high availability of cotton. In terms of income generation, women reported receiving higher prices for their textile goods sold at *raion*-level markets than in their local village. Furthermore, payments at the village level can be delayed or in-kind, which purportedly causes some difficulties in obtaining cash, paying off loans for capital purchases, and expanding business activities.

TABLE 3 ■ Demand for Goods Produced by Women in Rural Uzbekistan

Goods	Local Level (village)	<i>Raion</i> Level	Regional Level/ Country Level	International
Farm Sector				
Dairy	Low	High	High	Low
Vegetables	Medium	High	High	Low
Fruits	Medium	High	High	High
Nonfarm Sector				
Textile	High	High	High	High
Baking	High	Low	Low	Low
Carpet making	Low	Medium	High	High

Source: FGDs and KIIs conducted for the study.

such as dairy, vegetables, and fruits. Sometimes, traders will purchase farm products from rural markets to sell to urban customers. Demand for textiles and carpets can be quite high for urban markets. At the international level, demand for Uzbek textiles and carpets can be high, as is demand for fruits from the farm sector.

In addition to the limited farm- and nonfarm-sector work options in rural areas, some women reported facing social restrictions from within their own household/extended family, which limits their ability to engage in such work. Some women—particularly young women and those who live with extended family members—may not receive support to engage in income-generating activities/employment. Reported reasons include their responsibility to care for children and elders, the high expectation to manage domestic duties, a public perception that men should provide for the household, and some male partners' jealousy that their female partner may be earning income. Even to tend a *tomorka*, women often require permission from their household/extended family.

"I think that men have more freedom than women. Since many women are dependent on their husbands, many husbands do not let women go outside of the village. There are women who do work in raion centers, but these are rare cases. Many people believe that the main responsibility of a woman is to give birth and raise children."

—KII: Female entrepreneur, Jizzakh Oblast

Many FGD respondents acknowledged a change in traditional gender norms in rural areas and the rising acceptance and importance of female income generation within households and society more broadly. The most acceptable and desirable work options have expanded from traditional roles in state organizations and on *tomorkas* to include small-scale entrepreneurial activities, such as operating a retail shop, selling products at market, working in a private workshop, and providing a service such as hairdressing. Within the farm sector, an increasing number of women have become engaged in horticulture. These increasingly acceptable and desired roles for women have increased their earning capacity and role within the household. Women of varying ages seek out such positions, from college graduates to older women.

“In my home village, women never previously worked in retail. Today, many women in our village work in retail, having set up shops, where they sell cloth, vegetables, fruits and foods. Even women with only a couple of cows, now make cheese and cream and sell it to others. Such women can make a good income and contribute to their household’s budget.”

—KII: Female entrepreneur, Kashkadarya Oblast

“My husband allowed me to set up my business and helps me a lot. He understands that my business makes me happy. I have never heard any words of disapproval from anyone. People have become more progressive in their thinking. Men bring their daughters and wives to my salon. Even older women come to my salon with their husbands.”

—KII: Female entrepreneur, Karakalpakstan

The types of income-generating activities that rural women regard most highly varied by region sampled and are often influenced by local conditions and resources. For example, the greatest interest in horticultural and *dekhan* farming was found in areas with good irrigation, high crop diversification, and high population density (and associated high demand for products). Interest in retail stores was highest in locations with high population densities (and hence potential customers). While interest in livestock raising was generally high across all regions sampled, it was highest in locations with a lot of available land. Interest in industries such as shoemaking (leather from livestock production) and sewing/tailoring (cotton production) were evident where primary industries were present. Furthermore, field data suggested that in areas where less land is allocated to traditional crops (wheat and cotton), women’s interest in horticulture and livestock raising is highest.

Across all sampled regions, female respondents expressed a strong interest in training on a range of topics related to income-generating opportunities. Women expressed interest in being trained on specific activities such as sewing/tailoring and baking/cooking, as well as more general financial literacy (e.g., estimating costs and profits, account management) and general entrepreneurship processes (e.g., how to register a business, taxation information). Women suggested training sessions through *mahalla* offices (where specialized trainers could visit and conduct sessions) and/or sending local women to training sessions held in *raion* or oblast centers. Such training could be shared among villagers.

Women’s contributions to household incomes were considered most critical in households that are female headed; have families with several young children; and/or have families in which one or more children attend higher education. Female-headed households—where the female is widowed or divorced, or the husband has migrated and ceased sending remittances—may rely solely on women’s income. Families with several young children may have higher everyday expenses (e.g., food, schooling, clothing, medical, and so on) and may also be trying to save money so as to be able to move outside the extended family house. In households with children in higher education, one parent’s income may cover tuition fees while the other parent’s income finances household expenditures.

“My husband and I moved out of our in-law’s house ten years ago. We built our own house. We decided that my husband’s income would be spent on construction of the house and my income [would] cover all other household expenses. It is really difficult to cope if both husband and wife do not have an income.”

—KII: Female entrepreneur, Namangan Oblast

When females are obligated to head their households, they may seek to engage in enterprises or farming activities. FGD participants recalled cases of women who were forced to enter the workforce following divorce, being widowed, or when their husbands became ill and were unable to earn income. The increased importance of women’s income in these households means that they tend to explore both enterprise and farming employment.

“I did not want to become a farmer; however, I did not have any other choice as life circumstances brought me into this way of life. I became a widow when I was 42 years old and with nine daughters to support. While my husband was alive our household income was sufficient. When my husband was alive we were well off. I have learned a lot about farming since I started and I’ve had to become independent to provide for my daughters.”

—KII: Female farmer, Kashkadarya Oblast

“I am responsible for domestic duties and for looking after my mother-in-law and husband, both of whom have health issues. Hence, I am not able to work outside our house but needed to generate income. So, I started sewing at home. Initially I sewed only clothing but now I sew curtains as well. Sewing is the only skill I had and it helps me generate income.”

—KII: Female entrepreneur, Karakalpakstan

Chapter 4

Pillar 2: Physical and Human Capital

In many instances physical and human capital go together: the paucity of infrastructure and services negatively impacts individuals' ability to develop and benefit from human capital. Pillar 2 of the analytical framework provides insight into the status of gender from a physical and human capital perspective. Key elements of human capital are focused on access to education and skills training opportunities for women, while physical capital includes women's access to finance, institutional resources, and local infrastructure.

4.1 Gender Dimensions of Education

4.1.1 Characteristics of Female Educational Attainment

International evidence suggests a positive link between an increase in female secondary/vocational and tertiary school enrollment and greater participation in the labor force. As the 2012 *World Development Report* notes, “Investments in education determine women’s ability to earn higher wages and to own and operate productive farms and firms.”⁶⁵ Furthermore, empirical evidence suggests that “when returns to women’s education increased, so did parental investments in the schooling of girls.”⁶⁶ This suggests there is opportunity for a virtuous cycle of improvement between education, investment, and employment opportunities.

Secondary education is compulsory in Uzbekistan, and urban and rural areas have a network of professional colleges. The State Committee on Statistics reports that the number of professional colleges and specialities they offer has increased over the past decade. In 2015 there were 1,556 institutions (i.e., colleges and lyceums) that offered secondary education.⁶⁷ The share of female students at the second-

⁶⁵ World Bank 2012b, 106.

⁶⁶ World Bank 2012b, 109.

⁶⁷ Statistical Committee of the Republic of Uzbekistan 2015.

ary education level is generally in line with the population's gender structure (for example, from 2013 to 2016, close to 49 percent of 16- to 19-year-olds were female, and females represented 48 percent of specialized secondary vocational education, or SSVE).⁶⁸

Gender parity in enrollment is offset by disparities in disciplines pursued by each sex. This, along with stream divergence,⁶⁹ poor quality of education, and social norms related to starting a family, family models, and childbearing are some of the main obstacles to raising female education levels. For example, while the State Committee on Statistics reports that female enrollment in SSVE is high, there is gender variation across disciplines—for example, females constitute most students in pedagogical and medical training, and male students dominate in industrial, construction, transport, communications, and agriculture fields. Overall, women tend to go to school for vocations that have lower demand in the labor market, particularly in rural areas. Girls' families often promote specializations that will complement the domestic duties they will take on later in life, and potentially generate additional income from home. Subsequently, this translates into jobs that are considered appropriate for women or men.

At the same time, there is some evidence of slight trends of growing numbers of women in traditionally male disciplines such as agriculture. The State Committee on Statistics reports that, while disciplines with a high proportion of female students remain (e.g., in health care, physical culture and sports, education, arts, and cinematography), the proportion of females is increasing in less traditional fields, such as agriculture and industry, construction, transport, and communications, albeit gradually (see Figure 9).

For students, the choice of discipline and academic institution in which to enroll tends to be closely linked to the institutions available in their local area, particularly for females. Qualitative findings suggest that children tend to attend schools within their *raion* and often choose specializations that are locally available and will help them get hired locally. Families of female students are more reluctant to send their daughters away from home at a young age to pursue education, due to concerns that they will make poor choices, get a bad reputation, or not return to their communities. When asked, female students indicated they prefer to stay and go to school in their communities, which limits their options of what to study.

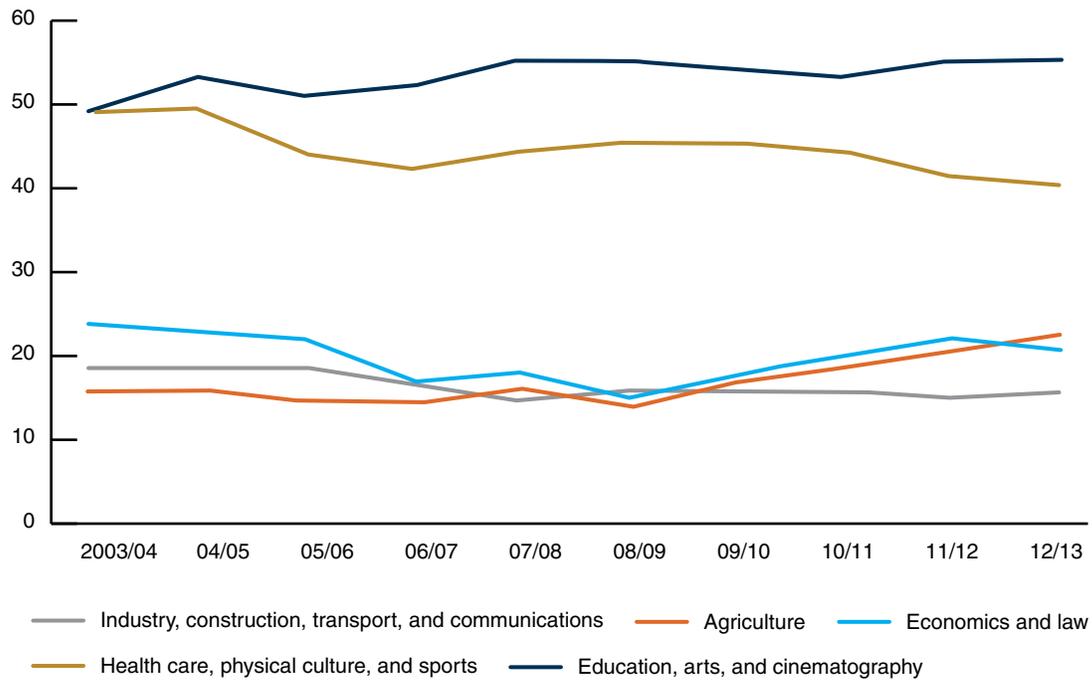
Educational attainment is highest for men in urban areas and lowest for women in rural areas. CALLIS data (2013) reports that more than 60 percent of women in rural areas have only general secondary education (grades 9 to 11) or below, and only around 8 percent have obtained higher education (see Figure 10). The group with the highest level of education is men from urban areas (55 percent obtained education above a general secondary level).

Beyond secondary/vocational education, tertiary educational opportunities for women are limited. Female enrollment in higher education is low. While eastern Europe and Central Asia (ECA) and the Organisation for Economic Co-operation and Development (OECD) average percentages of female students enrolled at a university are almost 55 percent, in Uzbekistan this figure is just above

⁶⁸ Statistical Committee of the Republic of Uzbekistan 2015.

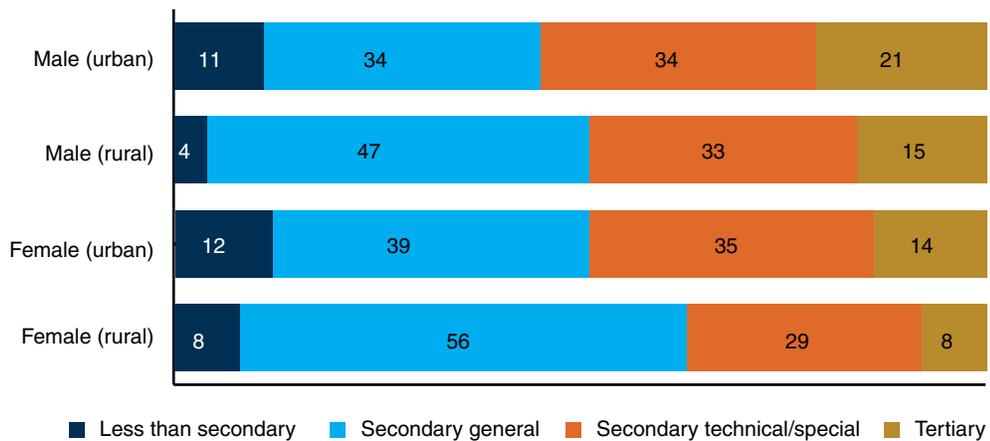
⁶⁹ This relates to differences between men and women in their choice of field to study, which affects wages. World Bank (2012b) notes that patterns of stream divergence suggest “that increases in enrollments and learning are necessary, but not sufficient, to even the playing field in later life” (107).

FIGURE 9 ■ Share of Women among University Students, Nationally by Discipline, %



Source: State Committee on Statistics n.d.

FIGURE 10 ■ Education Levels Attained, by Gender and Settlement Type, %



Source: CALISS 2013.

37 percent.⁷⁰ Furthermore, female enrollment in higher education in Uzbekistan has declined.⁷¹ Low enrollment figures can be attributed to various cultural, traditional, and economic/labor barriers, such as relatively early marriage ages, families that prioritize boys' education, and the fact that most higher education institutions are located in Tashkent.⁷² Such challenges are generally greatest for households in rural areas.

Qualitative fieldwork findings suggest that costs associated with higher education can be restrictive for rural households. In 2012 only 4.6 percent of graduates of professional colleges and lyceums continued to higher education.⁷³ Most higher education institutions are only available in oblast centers or Tashkent, meaning that rural households must incur additional expenses (transportation, accommodation, food) to send their children for multiple yearlong courses. Full scholarships (that cover tuition fees) to support students are limited. Furthermore, students who live away from their home village are unable to provide labor and other inputs to family farms and businesses.

“[It] is difficult for households to pay for higher education. For example, in a case of a household of government workers, the average annual salary is 10 million UZS. And to pay 6 million UZS per year as a fee for one child is difficult. And if the student does not pay on time, the student can be expelled.”

—KII: Male director of a one-window center, Jizzakh Oblast

“I have heard from parents whose children are studying in universities that it was difficult for them to pay the annual fee of 6–7 million UZS. Also, if a child lives in a city during the study, the parents have to rent an apartment and pay the rent, around 100,000 UZS per month. If they cannot afford the apartment, the child will live in a dormitory and they need to pay 30,000 UZS per year. In addition, they have to spend money on food for the child.”

—KII: Male specialist from employment center, Namangan Oblast

“My daughter studies at the Nukus State University and we pay the annual fee of 6.3 million UZS . . . It is very difficult for us to pay the university fee. Because of that, we obtained a bank loan to pay the fee. We obtained the loan two years in a row and my daughter completed the second year of studying in the university.”

— KII: Female farmer, Karakalpakstan

4.1.2 The Value of Education

FGD respondents indicated that despite the potential deterrent of higher education costs, both parents and students value higher education. The main reasons cited related to high social status in the community and a high demand for graduates in rural villages and *raion* centers. Many respondents also felt that graduates may also be more successful as farmers and/or entrepreneurs.

“Both boys and girls if there are available opportunities desire to obtain higher education. Everybody should get higher education. For example, I managed to provide two of my eight children with higher education, others received the secondary vocational education. I wish now to provide

⁷⁰ Figure for the 2014–2015 academic year, sourced from the Statistical Committee of the Republic of Uzbekistan 2015.

⁷¹ World Bank 2014a.

⁷² World Bank 2014b; ADB 2014.

⁷³ Statistical Committee of the Republic of Uzbekistan 2015.

higher education to my grandchildren, I plan to pay from my farming income. Three of my grandchildren grew up and will apply for higher education soon . . . I want them to get higher education so they have better future. If they get educated they will find a place in life, they will not be in need. If girls are educated they will not be dependent on their husbands; while if boys get education, they will be able to be good providers for their families.”

—KII: Female farmer, Kashkadarya Oblast

“One of the main barriers for women in rural areas to be engaged in income-generating activities is a lack of higher education. They lack the educational qualification and skills to get prestigious and well-paid jobs.”

—KII: Female head of the *raion*-level Women’s Committee, Kashkadarya Oblast

Field data suggests that in cases where students receive a merit-based scholarship to attend higher education, households typically support the child, irrespective of gender. However, where scholarships are not received and household resources are limited, male children typically receive educational support over female children. The main reason is that, as per local norms, men tend to live with their parents after marriage, and hence it is considered a long-term investment in the household’s financial sustainability. Therefore, parents may take out a loan or sell assets to provide their male children with higher education opportunities. If financial resources are limited, girls do not often receive such investment. Additionally, men who served in the army receive additional points toward scholarships,⁷⁴ making them more likely to receive one compared to young women. Respondents felt that scholarships specifically targeted at girls could help create more equal opportunities.

The qualitative data also suggests that where household capacities are higher, wealthier households seek to actively provide higher education opportunities for their female children. In rural households that can afford higher education, there are evolving social norms and recognition of increasing demand for women with higher education in the labor markets.

“Nowadays, parents want their daughters to be educated. Otherwise, it is very difficult for a woman without an education and a specialization to feed her family. In the past, a husband’s income was enough for the whole family. However, today for a family to have good food and educated children (at school and university), it is helpful for a household to have both husband and wife earning an income. Today families even search for educated brides, girls with specialization, as wives for their sons.”

—KII: Male farmer, Namangan Oblast

“I look at girls with higher education. There are very active and manage to handle duties both at home and at work. Also, they are financially independent, dress well, take care of themselves, eat well. Because of that, I believe that it is very good if girls get the higher education. Boys also have to get higher education since they will become household head and will need to be providers for their families.”

—KII: Female entrepreneur, Jizzakh Oblast

Qualitative data revealed that both men and women recognize the value of girls and women getting an education. Both sexes acknowledge that educated women can work and contribute to household

⁷⁴ Decision of the president from October 31, 2005, #PP-213, “on measures for further improvement of system of benefits for military personnel in active military service in the Armed forces of Republic of Uzbekistan” (entered into force from 2012–2013 academic year onward). Collection of legal acts of Republic of Uzbekistan, 2012, #22, article 242.

income while caring well for their children (in terms of knowing about nutrition, health, hygiene, education, and so on).

Despite some gender norms that remain (e.g., prioritizing boys' education where costs are restrictive), field results suggest that today, females with higher education are perceived favorably as potential wives—a major shift from traditional gender expectations. Traditionally, wives may be expected to spend most of their time at home, caring for children and the elderly and doing domestic chores. Women could be prohibited (by husband and in-laws) from completing their education. However, evolving gender norms now hold women's schooling in greater esteem, to the extent that some focus groups reported cases of in-laws encouraging and funding their daughter-in-law's continuing higher education.

“It was very difficult for me to pay tuition fees for my daughter's education. I paid 5 million UZS per year for the first two years. Then she got married and her in-laws paid the fees for the rest of her study.”

—KII: Female farmer (head of household), Kashkadarya Oblast

“Educated girls were not well considered for marriage in the past. However, recently my friend's son married a lady with a higher education. Nowadays all families try to find a lady with a university degree. An educated girl will take care of her children better. She managed to get education herself and so she will convince her children to study harder.”

—KII: Male entrepreneur, Jizzakh Oblast

Field data also suggests that households with income-generating female members may be more motivated to provide their daughters with access to higher education. Some FGD respondents felt that women who earn money may better understand local market demands and the value of higher education, both of which they can pass on to their daughters. Additionally, households that have multiple income sources may also be more likely to have the financial resources to pay for fee-based higher education for their daughters.

4.1.3 From Education to Employment

Survey data⁷⁵ in Uzbekistan shows that while gender profiles for secondary school attendance are similar among the sexes, employment rates after secondary school are much higher for men compared to women. Compulsory secondary schooling means that both males and females have high attendance rates up to ages 17 to 18. The percentage of female students in academic lyceums and colleges is 43.7 percent and 49.1 percent respectively (see Figure 11).⁷⁶ Following this period, both genders transition from school to employment, with males reaching (informal and formal) employment rates of 80 percent by age 24, while females reach just 40 percent.⁷⁷ Additionally, males are more likely to continue with tertiary education, whereas many females do not work or attend further school.

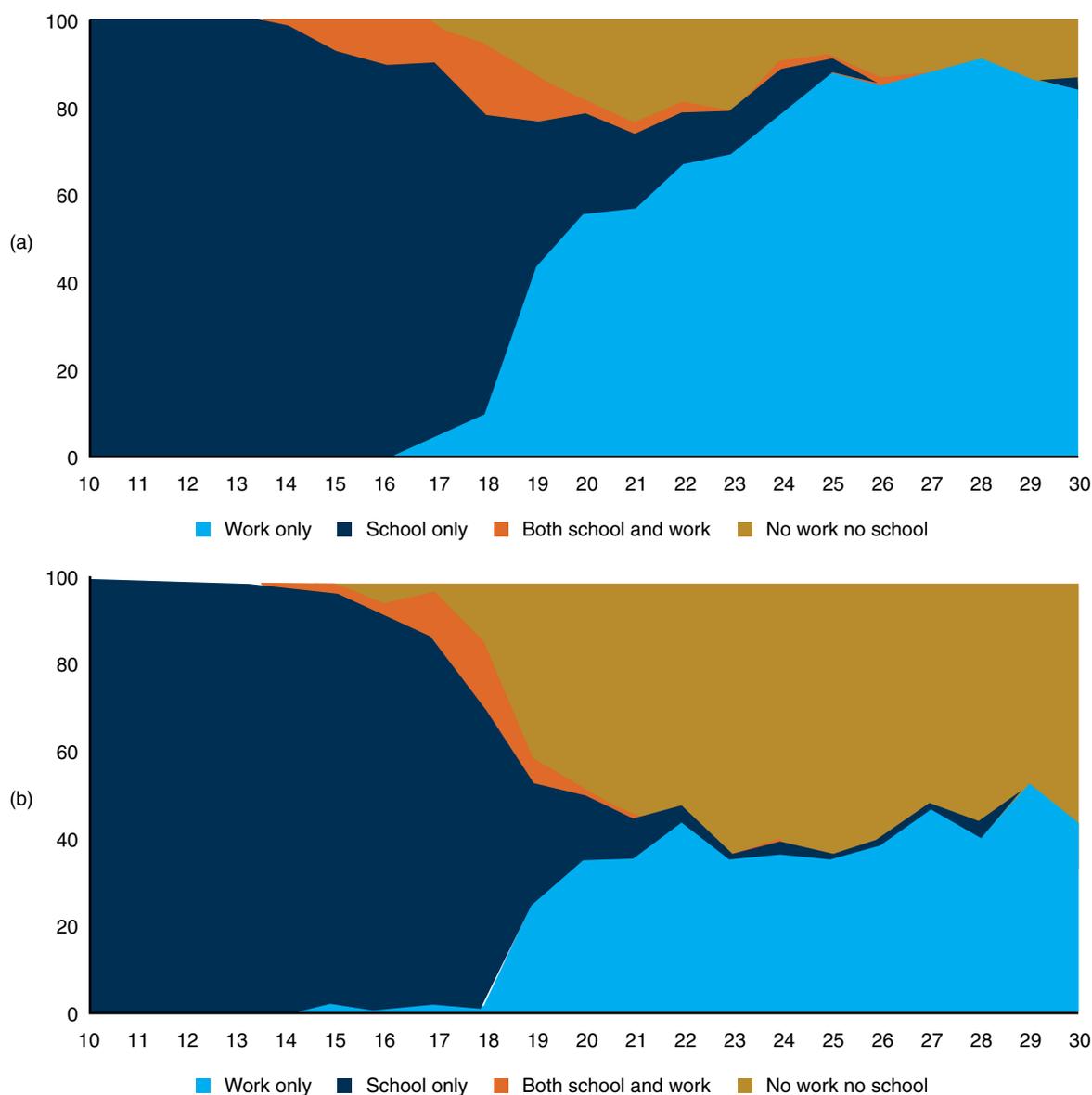
Employment status in Uzbekistan is more positively correlated with education for women than it is for men. CALISS data (2013) shows that male employment levels are similar for individuals with less than secondary education compared to tertiary education. In contrast, female employment levels increase

⁷⁵ This section is based on secondary analysis of the *Central Asia Labor and Skills Survey* (CALISS 2013), conducted jointly by the World Bank and GIZ in 2013, which covered 1,500 households and included 8,000 individual respondents.

⁷⁶ Ajwad et al. 2014 (Statistical Committee of Uzbekistan, from 2015–2016 academic year data).

⁷⁷ Ajwad et al. 2014.

FIGURE 11 ■ Employment and Education Attainment by Age, (a) Males and (b) Females, %



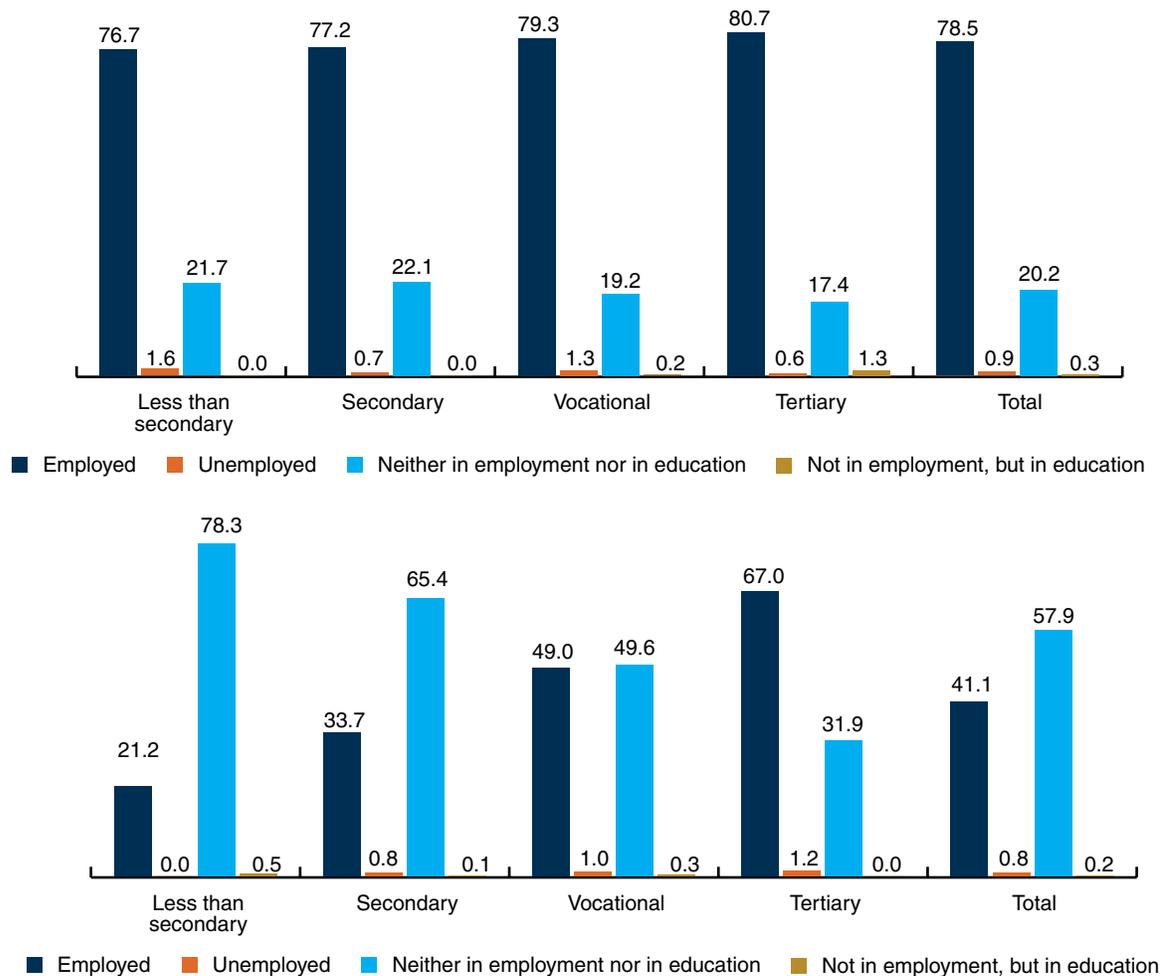
Source: CALISS 2013.

with increasing education, such as 21 percent for less than secondary-level education to 67 percent for tertiary education (see Figure 12).⁷⁸

Furthermore, women’s employment type varies greatly with education level. CALISS data (2013) shows that women with vocational and tertiary education are chiefly employed in the public sector (with a formal wage), while those with secondary education or lower are predominantly working informally or in the household and are unpaid (see Figure 13).

⁷⁸ Ajwad et al. 2014.

FIGURE 12 ■ Highest Education Level Attained by Employment Status, Males (top) and Females (bottom), %



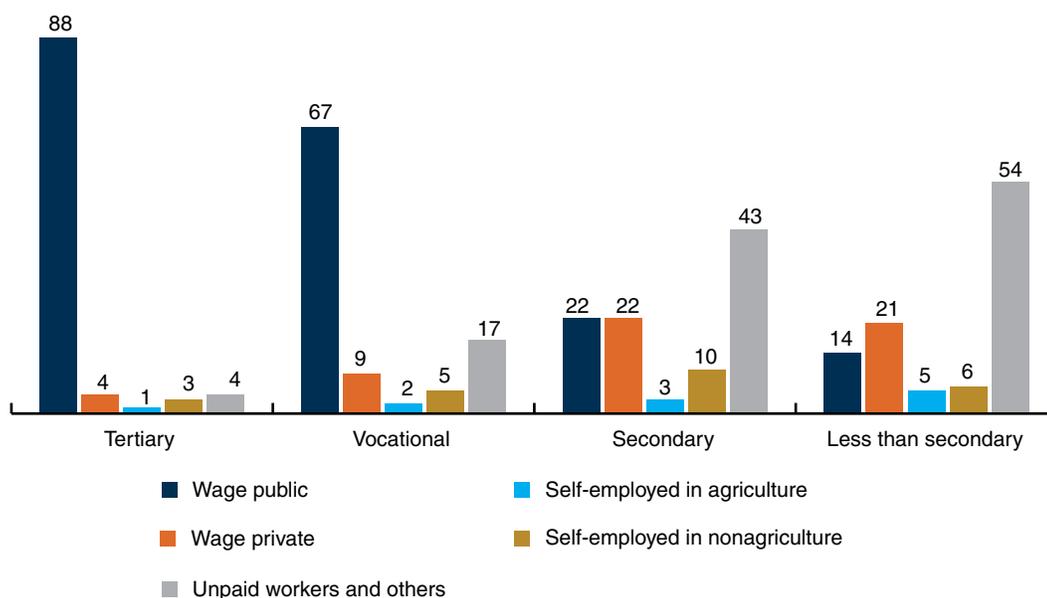
Source: CALISS 2013.

Qualitative study findings indicate that graduates with higher education degrees more easily find employment when returning to rural areas, while those without such degrees generally face greater barriers. Graduates with higher education degrees tend to have more transferable skills and a variety of employment options or have better general knowledge with which to start their own businesses.

4.1.4 Challenges and Limitations for Female Education Attainment

Findings from the qualitative research confirmed that rural respondents regard preschool education as important both for preparing children for primary schooling and for freeing up women, particularly in terms of their employment options. Respondents in villages where kindergarten

FIGURE 13 ■ Women’s Education Level and Employment Type, %



Source: CALISS 2013.

services were available noted that women had more time to engage in daily-wage labor, home-based income-generating activities, or establishing small businesses.

The number of preschools in Uzbekistan was cut nearly in half from 1991 to 2013, and the quality of services provided is poor. Qualitative findings confirmed that preschool availability in many sampled rural areas was low. The Ministry of Public Education reported that from 1991 to 2013, the number of preschools in Uzbekistan dropped from 9,834 to 4,962.⁷⁹ The majority of those closed were in rural areas (where numbers dropped from 6,474 to 2,073). Preschool coverage declined from 35 percent in 1991 to 14 percent in 2013 (33 percent in urban areas and 8 percent in rural areas). Furthermore, of those preschools that remain, occupancy rates average 85 percent (91 percent in urban areas and 73 percent in rural areas).⁸⁰ As reported in qualitative investigations, the main reasons parents may not send their children to preschool include the high cost of such schools relative to household incomes and poor facilities, lack of access to utility services (e.g., water, gas, electricity, heating), and the need for renovation and educational materials.

“There are very few kindergartens in our area. Most of them are located in the center of villages or raion centers. There are many women who want to work, but they cannot leave their children anywhere.”

—KII: Female head of the women’s committee, Jizzakh Oblast

The lack of good quality early childhood education and care facilities prompted some women in FGDs to propose private child care facilities as possible solutions. Private child care facilities for rural areas could help improve early childhood development, free women up for more employment options, and create local enterprise opportunities for women.

⁷⁹ Ministry of Public Education 2013.

⁸⁰ Ministry of Public Education 2013.

Women reported that inflexible employment conditions, coupled with the sometimes inconvenient hours of early childhood education services, created barriers to engaging in full-time employment. FGD respondents reported that many employers do not provide flexibility for dropping off and picking up children from day care. This is usually the responsibility of women, and therefore it limits their opportunities for full-time employment. Additionally, early childhood education services often keep limited hours. For example, primary school classes generally run only in the morning, and after-school care is not usually available. Even in cases where after-school care options exist, their hours are also limited.

Poor access to early childhood education services limits women to part-time, irregular, or informal work, without the benefits offered by full-time roles. This was reported in FGDs to lead to low and irregular wages, lack of access to social security systems, and poor career development options. Even in employment fields where women are well represented, their relative absence in senior positions is noticeable. For example, the Ministry of Education reports that while women occupy more than 70 percent of educational teaching positions, they represent just over one-third of school principals.⁸¹

In December 2016 the GoU adopted a 2017–2021 program to overcome the low coverage and quality of preschool education.⁸² Proposed program activities include (1) expanding the network of preschools by constructing 50 new institutions, reconstructing 1,167 institutions, and overhauling 983 institutions; (2) creating 6,100 short-term groups of alternative forms of education to prepare children ages five to six for school; (3) providing the parents of children aged three to six who are not covered by preschools with study guide textbooks; (4) reducing parents' financial contributions to preschools in rural areas to 30 percent; and (5) training and retraining preschool teachers with curricula and programs that take into account modern pedagogical technologies and techniques. The GoU expects these measures will increase preschool education coverage by 150 percent.

4.2 Financial Services

4.2.1 Low Financial Inclusion and Trust in Financial Institutions

Financial inclusion—in terms of adults who have access to formal bank accounts—has improved significantly in Uzbekistan in recent years but remains behind regional and global averages. According to the Global Findex Database, between 2011 and 2014, the share of adults (over age 15) with an account at a formal financial institution⁸³ almost doubled, from 22.5 percent to 40.7 percent.⁸⁴ While this improvement is impressive, Uzbekistan still lags behind the ECA average (51.4 percent), lower-middle-income average (42.7 percent), and upper-middle-income average (70.5 percent; see Figure 14). Less than one-quarter of youth (age 15 to 24) have their own financial accounts. Women's financial access (39.3 percent) is higher than the lower-middle-income country averages (36.3 percent) but lower than the adult average in Uzbekistan (40.7 percent) (see Figure 15). Importantly, the gender gap

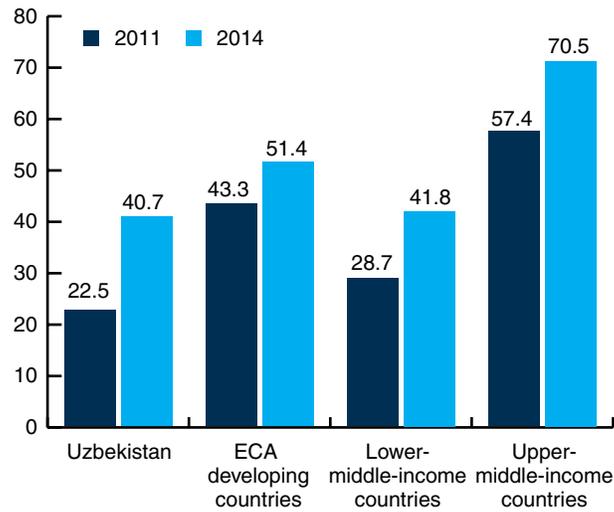
⁸¹ Ministry of Public Education 2013.

⁸² Resolution of the President of the Republic of Uzbekistan, Measures to Further Improve the Preschool Education for 2017–2021. The World Bank is already contributing to this agenda through an ongoing project, Improving Pre-primary and General Secondary Education, financed by the Global Partnership for Education.

⁸³ Including commercial banks, credit unions, cooperatives, postal offices, or microfinance institutions. However, it is important to bear in mind that many accounts are bank cards used exclusively for receiving wage payments in noncash form.

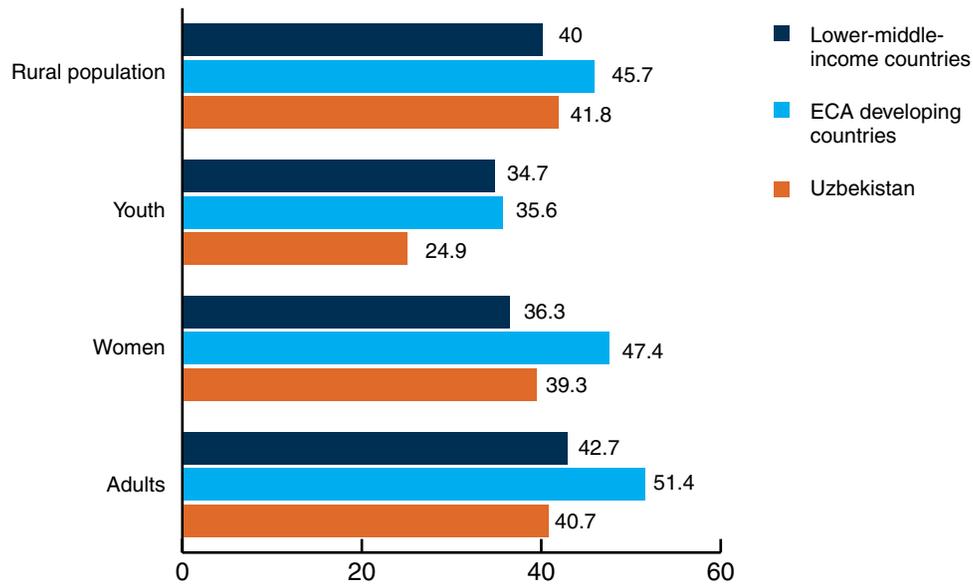
⁸⁴ According to Global Findex Database 2014.

FIGURE 14 ■ Share of Adults (over age 15) with an Account at a Financial Institution, %, 2011–2014

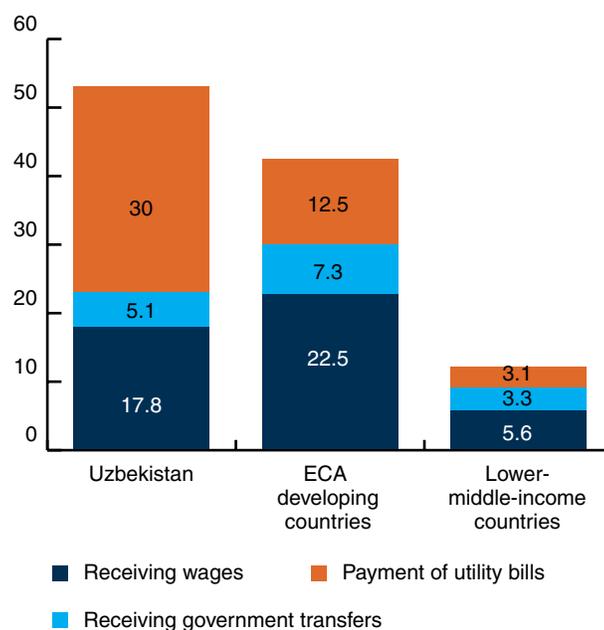


Source: Global Findex Database 2014.

FIGURE 15 ■ Account Ownership among Different Sections of the Population, %, 2014



Source: Global Findex Database 2014.

FIGURE 16 ■ Use of Financial Accounts, % of Adult Population

Source: Global Findex Database 2014.

in Uzbekistan has decreased in recent years, with women's access to accounts at financial institutions increasing from 21.3 percent in 2011 to 39.3 percent in 2014.

Access to accounts in financial institutions is growing, but their use is limited in a predominantly cash economy. Despite a relatively high proportion of adults with bank accounts in financial accounts, usage of these accounts is limited. Access to cash in Uzbekistan remains severely restrained.⁸⁵ According to the Global Findex Database, 17.8 percent of the adult population uses accounts to receive wage payments, 5.1 percent to receive government transfers, and 30 percent to pay utility bills (see Figure 16). From 2011 to 2014, the share of adults with debit cards increased from 20.4 percent to 24.6 percent. During the same period, the number of people using automatic teller machines (ATMs) to withdraw cash decreased from 14.9 percent to 4.6 percent, indicating problems accessing cash.⁸⁶ In terms of electronic payment tools, debit cards are used by almost a quarter of adults, while credit cards and Internet payments are rare (less than 1 percent).⁸⁷ Despite the fact that 43.5 percent of adults in Uzbekistan report savings, only 1.8 percent (in 2014) reported keeping those savings in a financial institution, a rate lower than for ECA (8.4 percent) and lower-middle-income countries more broadly (14.8 percent).⁸⁸ These data suggest that most adults use their formal accounts only to receive wages, which is related to the limitations of the peculiar financial system in Uzbekistan, where cash payments and bank transfers have different currency weight.

⁸⁵ Resolution of the President of the Republic of Uzbekistan, Additional Measure of Improving Mechanisms of Payments of Salaries, Pensions, Social Assurances and Stipends, February 2, 2017, which calls for payments for pensions and certain categories of workers to be 100 percent cash based and stipend payments to students to be 50 percent cash based.

⁸⁶ The number of ATMs available to the population is also limited in Uzbekistan. The country's economy experiences notable cash shortages, and the population's access to cash remains regulated.

⁸⁷ Global Findex Database 2014. The proportion of adults using debit cards in Uzbekistan for electronic payments is similar to the ECA average, while the use of credit cards and Internet payments is much lower.

⁸⁸ Global Findex Database 2014.

During qualitative fieldwork, FGD respondents confirmed a low level of trust in and availability of formal banking services in rural areas. Rural women with incomes reported greater familiarity with formal financial institutions compared to women without incomes. Formal financial institutions are typically only available in *raion* or other urban centers. Women in villages closer to urban centers generally reported greater familiarity with applying for and receiving loans from formal financial institutions. Women with incomes—particularly business owners—were more likely to apply for credit from a financial institution to, for example, expand their business operations.

During FGDs and KIIs, some female respondents reported having poor experiences at banks. Specifically, they said that credit services and procedures were inadequately explained to them. This caused them to abandon their pursuit of formal credit options. Some FGD respondents reported receiving poor information from bank staff about loan options, types of credit, and procedures. Hence, after a preliminary visit, many abandoned their pursuit of a formal loan and instead borrowed money from relatives or sold livestock.

The study findings suggest that there is opportunity for community groups to act as a third party to help women gain access to loans. Stakeholders such as *mahalla* committees, women's committees, and *hokimiyats* could play important roles helping facilitate loans at the request of rural households. Such stakeholders could help prepare formal applications, collect required documentation, and even act as an informal guarantor for women.

Financial services to small businesses and enterprises in Uzbekistan come from large providers (commercial banks) and MCOs. However, there is an absence of midsize providers. Commercial banks provide microcredit at concessional rates but require high rates of collateral and provide only non-cash credit. At the other extreme, MCOs offer simplified credit in cash and without collateral; however, they have low financial capacity and small loans. There is a gap between these two providers, and hence the financial needs of businesses (small and medium sized) and entrepreneurs are not currently being met.

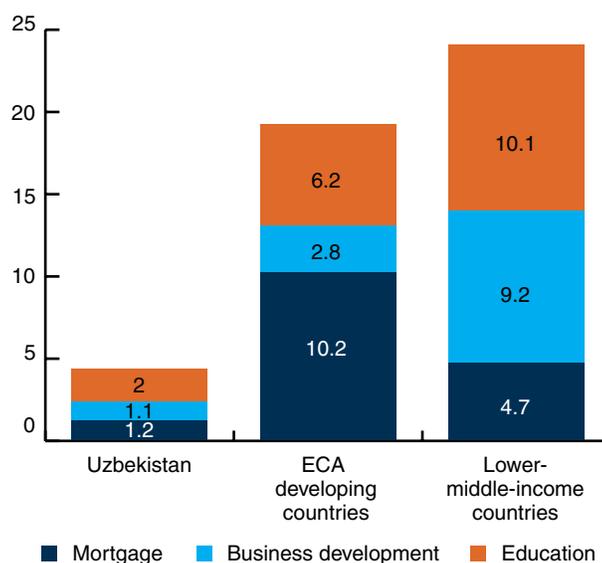
4.2.2 Traditional Financing Practices

Low levels of trust in financial institutions, coupled with an insufficient understanding of banking systems and an absence of collateral, often leads people (particularly rural residents and women) to continue to access finance via informal networks. In Uzbekistan qualitative findings suggest that it is rare for rural households to obtain credit from formal financial institutions. Instead, alternative sources—such as family and friends—are strongly preferred. The Global Findex Database reports that in 2014, only 1.3 percent of adults obtained loans from financial institutions, compared to an ECA average of 12.4 percent.⁸⁹ However, 11.1 percent of adults borrowed money from family and friends, and another 1.5 percent borrowed from private informal lenders. Despite informal financing sources, the rate of borrowing in Uzbekistan (16.6 percent of adults) is lower than the average in both ECA (39.5 percent) and lower-middle-income countries (47.4. percent).⁹⁰ When accessed, credit is typically used for education, mortgage repayments, and business development (see Figure 17). Money transfer systems utilize remittances, with 5 percent of adults having sent money and 8 percent having received money through such systems.

Qualitative findings suggest that men and women typically access informal credit for different purposes. Women tend to borrow small amounts of cash, as well as food and other goods, from relatives

⁸⁹ Global Findex Database 2014.

⁹⁰ Global Findex Database 2014.

FIGURE 17 ■ Use of Credit, Share of Total Population, %, 2014

Source: Global Findex Database 2014.

to buy items for dowries, the household, children’s educational needs, and small businesses (such as sewing machines, poultry, or livestock). Men tend to be responsible for borrowing larger amounts of money for more significant expenses, such as for buying a vehicle, renovating the home, and paying for events such as weddings and funerals. Rural households can sell livestock or borrow money from relatives (either in the village or abroad) to start a business or expand farming activities.

As an alternative to using formal institutions for savings, many rural households reported storing money at home and participating in informal savings networks, such as *gaps* or *chernaya kassas*. Qualitative findings confirmed low levels of trust in financial institutions and the existence of informal networks, leading to a situation in which many rural households store money at home. For example, a savings network called *gap* is an informal regular meeting at a house or café where each attendee contributes a fixed amount of cash and the total is provided to one member. The recipient of the cash changes each meeting, and members agree on who it will be. *Gap* can be considered a noninterest loan and a mechanism for recipients to access money for significant purchases. It also means that each household does not keep large amounts of cash at home. There are separate male and female *gaps*, and boys typically participate in *gaps* earlier than girls. In addition to serving as a means of informal credit, *gaps* also serve as networks through which people can receive news and information regarding employment and business ideas. *Chernaya kassas* are other informal savings networks, like *gaps*, but without the meetings.

“I have been meeting up with my childhood friends via a gap for a long time now. We have 8 members in our group and we meet monthly in someone’s house and collect 100,000 UZS from everyone. The system is very reliable—like a safe—and the amount received is significant enough to buy, for example, an important item for your house.”

—KII: Female entrepreneur, Jizzakh Oblast

“Chernaya kassa is more common for women—colleagues from one state organization who have a full-time job. They do not get together for a dinner, they just collect money. The fee to take

part varies from 100,000 UZS to US\$100. They spend this money to buy house equipment, dowry, gold, chickens, livestock, sewing machines to sew from home or set up a small shop.”

—FGD with women without income (20 to 40 years old, closely located village), Kashkadarya

Gaps and *chernaya kassas* appear to be mechanisms that help enable female entrepreneurship and income generation, both as a source of finance and networking. In addition to the credit, women can receive advice from other network members on starting a business and investing. These benefits mean that such informal networks are often preferred to formal financial institutions.

“I get together with my old school classmates once a month, where each of us gives 100,000 UZS and one member receives 1 million UZS that month. That amount of money is significant enough to buy something big. In addition, we talk to each other at the meetings, discuss and try to solve problems for each other.”

—KII: Female entrepreneur, Namangan Oblast

4.2.3 Microfinance and MCOs

Globally, women’s access to microfinance has been shown to have a range of economic and social benefits.⁹¹ Both the body of literature and empirical experiences suggest that microfinance can increase economic empowerment and household well-being,⁹² as well as create an increased sense of agency at household and community levels. Access to microfinance services increases women’s income, which they can use to invest in various income-generating activities. With greater income comes greater bargaining power, which women may use to play a bigger role in managing their households, take care of health care needs, access better nutrition, and improve their (and their children’s) access to education. In the social and political spheres, increased access to income is often accompanied by higher confidence and self-esteem. This enhances decision-making power not only at the household level but at the community level as well.⁹³ Table 4 presents conditions that contribute to women and young college

TABLE 4 ■ Factors That Explain Access to Micro Loans in Rural Communities by Women and College Graduates

Target Group	Personal	Institutional
Women	<ul style="list-style-type: none"> ■ Formal employment ■ Personal income ■ Financial literacy ■ Availability of suitable collateral ■ Support from the spouse 	<ul style="list-style-type: none"> ■ Short distance to <i>raion</i> center ■ Bank representatives’ substantive and informative work with the rural population ■ High quality of financial service ■ Community individuals’ experience with formal loans
Graduates	<ul style="list-style-type: none"> ■ Support from parents ■ Parents’ financial literacy ■ Household members with full employment ■ Idea for a business to start 	<ul style="list-style-type: none"> ■ Short distance to <i>raion</i> center ■ Trainings and work with parents ■ Experience of people in the community

⁹¹ Mayoux and Hartel 2009.

⁹² Chant 2003; Gammage 2006; Quisumbing and McClafferty 2006.

⁹³ Cheston and Kuhn 2002; Kabeer 1998, 2001; Rajagopalan 2009.

BOX 2 Microfinance Barriers, Trepidations, and Remedies

Several barriers can limit access to microfinance among women: (1) restrictive social and gender norms that limit women's roles to housework and child rearing;⁹⁴ (2) market restrictions that limit women to subsistence farming and producing low-profit goods;⁹⁵ (3) restrictive legal norms that limit women's property rights, constrain various economic opportunities, and limit their access to land and other assets, which result in lower average incomes;⁹⁶ and (4) socioeconomic conditions (such as class, race, ethnicity, religion, level of education) that affect women's access to credit.

However, microfinance may not always be conducive to women's empowerment. A number of studies highlight issues related to microfinance, which include all of the following: (1) external pressures imposed on women to take out loans;⁹⁷ (2) the appropriation of their incomes by other household members;⁹⁸ (3) increased family tensions as a result of women's income-generation capacity;⁹⁹ (4) delays in transfer of funds, which can increase women's debts; (5) microcredit activities that can increase women's workload and stress and diminish health;¹⁰⁰ (6) microcredit activities that can reduce women's involvement in social and political activities; and (7) repayment problems that can threaten women's networks.¹⁰¹

To overcome the potential challenges associated with microfinance and women's empowerment, several conditions drawn from the literature are deemed necessary: (1) consider local context and type of borrowing for women;¹⁰² (2) better understand the impacts of different types of products and services on women;¹⁰³ (3) account for the high degree of variation in financial services and institutions and their contribution to women's empowerment;¹⁰⁴ and (4) understand different users' real needs.¹⁰⁵

graduates to successfully benefit from microcredit programs. At the same time, microfinance does have some barriers and nuances, some of which are outlined in Box 2.

In Uzbekistan the microfinance sector has developed to serve the needs of the growing micro and small enterprise sector. The microfinance sector is made up of MCOs, pawn shops, and concessional loans offered by the banks and was estimated by the Central Bank of Uzbekistan to be worth 3 trillion UZS, or 7 percent of the total loan value in the banking sector in 2015. This reflects a limited presence in the market. Banks provide microcredit on concessional terms (discounted interest rates of 1.5 percent to 4.5 percent per annum, compared to standard interest rates on ordinary commercial loans issued by the banks, which are set at 16 percent to 18 percent per annum) through small business credit programs (see Figures 18a and 18b). Microcredit constitutes a small proportion of total credit to small businesses and private entrepreneurs. However, more than half (56 percent) of private entrepreneurs and small businesses do not apply to banks for loans,¹⁰⁶ due to high collateral requirements, high interest rates, the noncash nature of the credit, and complicated and time-consuming procedures (see Figure 19).

⁹⁴ Mayoux 2000.

⁹⁵ Mayoux and Hartel 2009.

⁹⁶ Kantor 2000; Mayoux 2000; Hofstede et al. 2003; Richardson et al. 2004.

⁹⁷ Harper 1995.

⁹⁸ Amin 1993.

⁹⁹ Kabeer 1998; Zaidi et al. 2007.

¹⁰⁰ Mayoux and Hartel 2009.

¹⁰¹ Rahman 1999.

¹⁰² Malapit 2012.

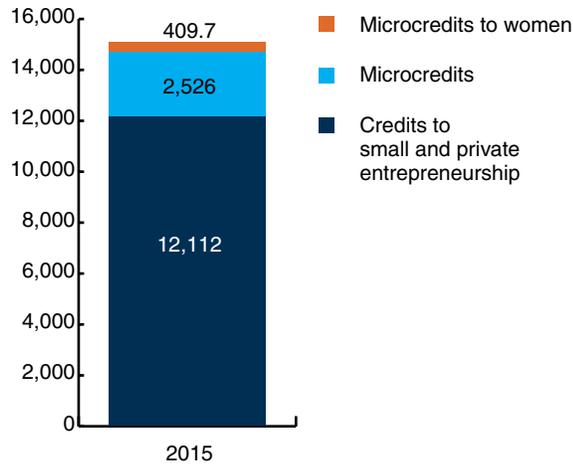
¹⁰³ Mayoux and Hartel 2009.

¹⁰⁴ Mayoux and Hartel 2009.

¹⁰⁵ Mayoux and Hartel 2009; Cloke 2001.

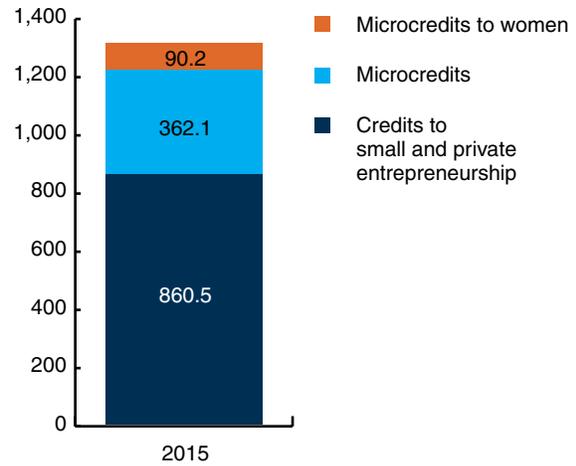
¹⁰⁶ Survey (drawing on a sample of over 3,000 people) conducted during preparation of CER 2013a.

FIGURE 18a ■ Amount of Microcredits Given, Including to Women, within the Banking System, 2015/bln UZS



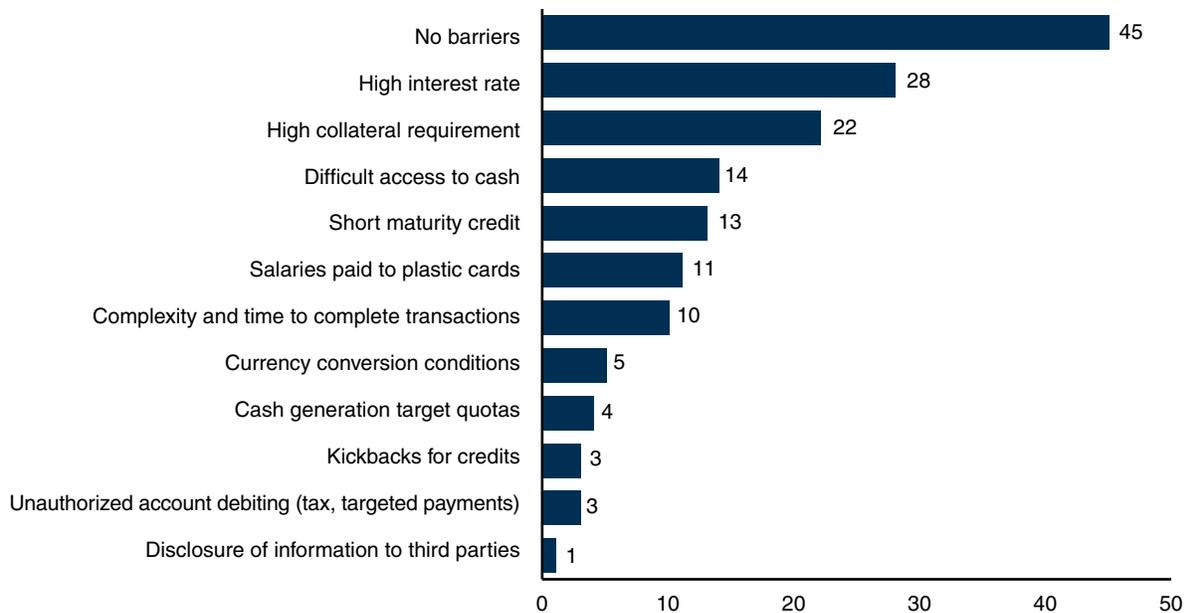
Source: Central Bank of the Republic of Uzbekistan n.d.

FIGURE 18b ■ Amount of Microfinance Services of Microcredit Bank, Including to Women, 2015/Bln UZS



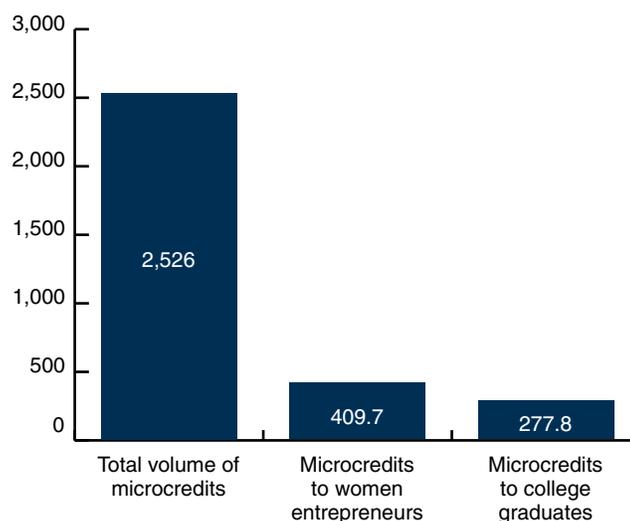
Source: Central Bank of the Republic of Uzbekistan n.d.

FIGURE 19 ■ Reasons Why Small Businesses and Private Entrepreneurs Do Not Use Bank Services, %



Source: CER 2013a.

FIGURE 20 ■ Share of Microcredit for Women and College Graduates Provided by Banks in 2015, bln UZS



Source: Central Bank of the Republic of Uzbekistan n.d.

KIIs reported that credit facilities for new entrepreneurs are the most popular type of credit accessible to rural women. Limited credit is provided for 1.5 years at an annual interest rate ranging from 3 percent to 9 percent. Banks typically require borrowers to submit as collateral a vehicle or a commercial estate. Following loan repayment, the borrower can apply for a business development loan, also provided on concessional terms.

To increase uptake of microcredit by female entrepreneurs and college graduates, the GoU is implementing targeted awareness raising programs. According to official data from the Central Bank, in 2015 female entrepreneurs constituted only 16 percent of total microcredit, even though women headed 40.4 percent of small enterprises and 13.7 percent of microenterprises (see Figure 20). To improve equal access to credit, the State Women’s Committee, in collaboration with the Chamber of Commerce and Industry and local administrations, conducts competitions and training programs to encourage women and youth to apply for targeted credit.¹⁰⁷

MCOs can offer borrowers better conditions than banks; however, they are not expanding their market share in Uzbekistan due to funding limitations and slow sector growth. Compared to banks, MCOs enjoy simplified procedures,¹⁰⁸ do not require collateral,¹⁰⁹ and are able to provide credit as cash. This makes MCOs attractive to customers without collateral or full-time employment and to rural populations. However, MCOs are not allowed to accept funding from citizens. Hence, their financing base is limited to grants from international donors. Consequently, the Central Bank of Uzbekistan reports that MCOs occupy just a small place in the Uzbek market,¹¹⁰ particularly when compared to MCOs in other ECA countries (for example, Azerbaijan; see Figure 21).

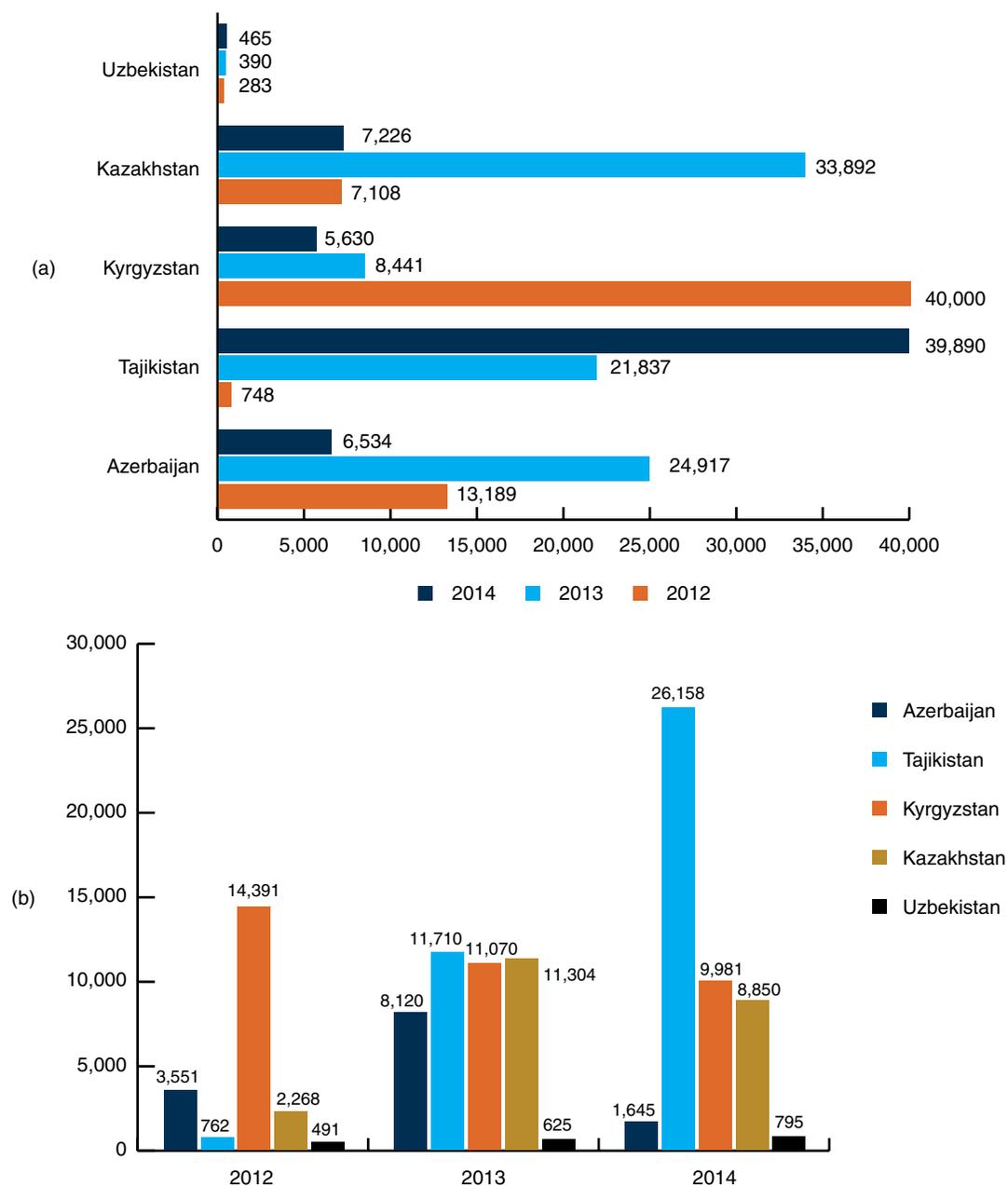
¹⁰⁷ For more information, see the case study on the role of the Women’s Committee in Chapter 5 on Pillar 3: Voice.

¹⁰⁸ According to the Microcredit Organisations Law, MCOs can offer micro loans (up to 100 minimum wages), microcredits (up to 1,000 minimum wages, for 6, 9, or 12 months, and 3 years) and micro leases (up to 2,000 minimum wages, for up to 3 years).

¹⁰⁹ For loans less than 3 million UZS. Above that amount, collateral—often in the form of real estate—is required.

¹¹⁰ Central Bank of the Republic of Uzbekistan n.d.

FIGURE 21 (a) Gross MCO Credit Portfolio in CA and Azerbaijan (US\$, thousands); (b) Number of Borrowers per MCO in CA and Azerbaijan



Source: MIX Market 2015; National Association of Microfinance Institutions of Uzbekistan n.d.

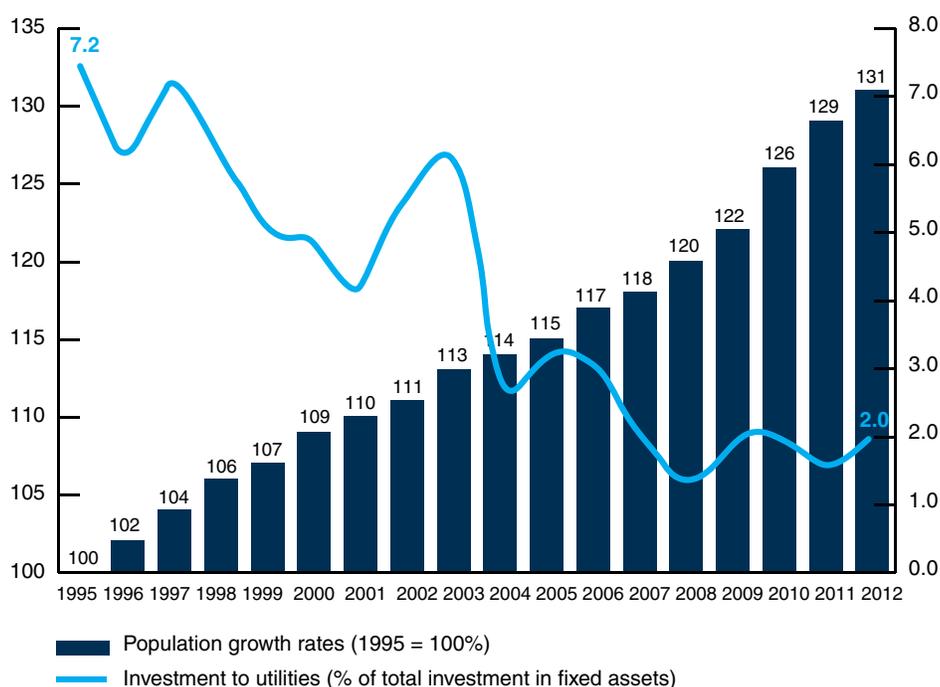
4.3 Local Infrastructure

4.3.1 Severe Infrastructure Deficit

An infrastructure and utilities infrastructure deficit has been worsening over the past 10 to 15 years in Uzbekistan, especially in many rural areas. Furthermore, investments in utilities are declining. A combination of decaying infrastructure (much of which was installed during the Soviet era and is deteriorating) and increasing demand for utility services (caused by population growth, economic development, and increased urbanization) has created a supply deficit (see Figure 22). For example, in the water sector alone, Uzbekistan's Center for Economic Research (CER) estimates that investments of 3 trillion to 4 trillion UZS—or 4 percent of national GDP¹¹¹—are required to return degraded water supply networks to service. Instead, investments in utilities sectors have been declining over the past 10 years.

The degradation of utility infrastructure means that many households and businesses now receive poor or no utility service. The scale of the challenge is highlighted by the fact that the State Committee for Privatisation, Demonopolisation and Competition Development reports that more than 60 percent of complaints registered with state authorities pertained to the low quality of utility services.¹¹² Furthermore, a survey of entrepreneurs carried out by the CER revealed that poor utility service can substantially reduce business incomes (see Figure 23).

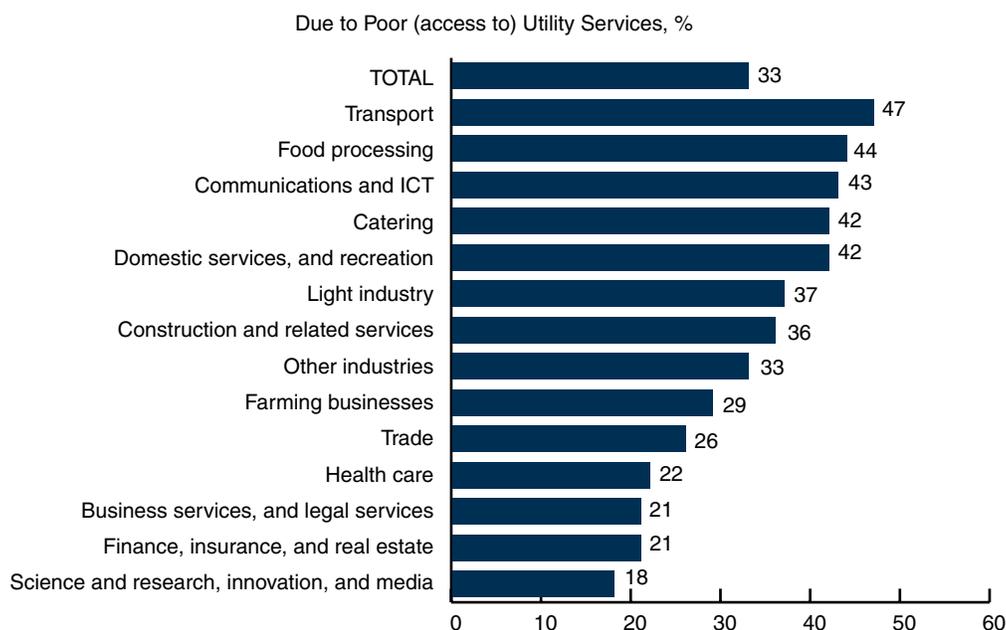
FIGURE 22 ■ Trends in Population Growth and Investment in Utilities, %, 1995–2012



Source: Based on data from the State Committee on Statistics n.d.

¹¹¹ CER 2013b.

¹¹² State Committee for Privatisation, Demonopolisation and Competition Development n.d.

FIGURE 23 ■ Share of Respondents Who Saw Their Income Decline

Source: CER 2013a.

Rural areas tend to suffer from both the poorest access to and quality of infrastructure and utility services. Previous studies reported that only 26 percent of rural households have access to a centralized water connection,¹¹³ while only 3 percent of connected rural households experience 24-hour access.¹¹⁴ There is no access to centralized sewage networks in rural areas, which means that most wastewater is disposed directly into the environment without being treated.¹¹⁵ Despite universal coverage of centralized electricity,¹¹⁶ it is common for populations in rural regions to experience regular and long electricity outages, surges, and interruptions.¹¹⁷ Another feature of public infrastructure is the poor connectivity of tertiary road networks to secondary networks, which affects sectors such as agriculture.¹¹⁸ Recent research by the CER¹¹⁹ suggests that the centralized housing and public utilities models are outdated and there is a need to create a new housing and public utilities architecture that can promote diversified financial sources and expand local authority capacities.

The GoU has announced a range of infrastructure programs planned for 2017 to 2020. This complements broader GoU plans to improve living conditions in remote and hard-to-access areas. National infrastructure efforts are focused on multistory buildings; water networks, wells, and water structures; low-voltage electric systems (and replacing transformer substations); public roads; interfarm rural

¹¹³ WHO/UNICEF 2013.

¹¹⁴ Swinkels et al. 2015.

¹¹⁵ Swinkels et al. 2015.

¹¹⁶ Access to Electricity (% of Population) Database.

¹¹⁷ World Bank 2016.

¹¹⁸ World Bank 2016.

¹¹⁹ CER 2014.

roads; and paving city streets.¹²⁰ As part of the Access to Infrastructure Programs announced during 2016: Year of Healthy Mothers and Children,¹²¹ improving living conditions in remote and hard-to-access areas will focus on consumer services centers; free electrical appliances to women in low-income families; housing construction in rural areas; and extending electricity, gas, and water supply networks.¹²²

4.3.2 Infrastructure and Gender

The state of local infrastructure plays a critical role in determining women’s availability and participation in the labor force. Previous World Bank studies have confirmed that household tasks and chores pose a significant demand on women’s time, which reduces the time they have for market work or leisure.¹²³ Providing local infrastructure, such as electricity, water, roads, and transportation, can have transformative impacts on women’s household burdens, welfare, and economic opportunities.

The accessibility and quality of utility services impacts gender roles in Uzbekistan’s labor market. Being responsible for household chores means that women are most impacted by poor service. Women are the main users of utilities, and regional studies by the United Nations Economic Commission for Europe (UNECE) indicate that they can spend approximately five times more time on household chores than men.¹²⁴ Where utility service is poor, women spend more time on household duties, which limits their employment options. While good-quality utility service may facilitate more employment opportunities, poor or absent service limits women’s opportunities for informal or part-time work.

Qualitative study findings suggest that the accessibility and quality of utility and community services is a major determinant of the time and effort women must spend on domestic chores. In areas that have no or poor access to water, electricity, and gas, women must allocate more resources (time and effort) to seeking out alternatives and substitutes. For example, where centralized water is unavailable in a household, a household member (or multiple members) may have to collect and treat water daily. Additionally, where community services (such as kindergartens) are unavailable, women must spend more time caring for young children. Hence, the absence of functioning utility and community services limits women’s potential income-generation opportunities. As a coping strategy, women reported helping one another with domestic chores to save time for other activities.

Access and quality challenges were reported across all sampled areas for all the centralized utility services. These have consequences for women’s household tasks and income-generation opportunities. Many rural communities reported frequent electricity outages, particularly in autumn and winter when service may be provided for just a few hours per day. Without electricity, women cannot use sewing machines or electric ovens; many other tasks cannot be done without lighting, and food spoils more quickly without refrigeration. At the national level, of 8,900 rural settlements, 5,054 are reported to have functioning water supply networks, which leaves almost 3,900 that have abandoned or barely

¹²⁰ Programs include 50,000 multistory buildings; 9,000 km of water networks, 1,400 wells, 3,600 water structures in rural areas; 25,300 km of low-voltage electric systems, 5,600 transformer substations; 1,700 km of public roads; and 10,400 km of interfarm rural roads and city pavements.

¹²¹ Approved by the Resolution of the President of the Republic of Uzbekistan No. PP-2487, February 9, 2016.

¹²² Programs include 194 consumer service centers; free electrical appliances to women from low-income families; clothing for vulnerable villagers; 13,000 private houses; and 296 km of electricity supply networks, 308 km of gas supply networks, and 1,300 km of water supply networks in rural areas.

¹²³ World Bank 2012b.

¹²⁴ Data from the UNECE 2011.

functioning systems.¹²⁵ Where centralized gas supplies are poor or unavailable, some households use gas tanks. However, tanks can only be used for cooking, not heating, which forces households to find alternative sources (e.g., cotton stalks, wood, coal). Where household heating options are limited, members often congregate in one room, which makes it difficult for women to conduct home-based business activities.

4.3.3 Infrastructure and Business Opportunities

Qualitative findings suggest that unreliable energy services can have adverse impacts on both farm and nonfarm activities. For example, some FGD respondents reported no centralized gas supply and insufficient bottled gas for cooking and processing foods to sell. Furthermore, electric outages, which may be frequent and prolonged, limit the time that women have to undertake many income-generating activities (outages are more frequent during the heating season).

Some female entrepreneurs in FGDs identified poor utility service as a major impediment to business growth. Poor utility service can prevent businesses from providing decent working conditions for their employees and force them to adopt inefficient practices. For example, cold working areas discourage workers, and manual sewing machines are not as efficient as electric ones. Poor utility service creates both inconvenience and additional expense (should generators, fuels, and heaters need to be purchased), which limits efficiency and the potential for growth.

“As you probably know, there are frequent outages with the electricity supply in our rural area. Only three months a year we receive electricity without outages . . . When there is no electricity we have to use gas tanks to heat irons for ironing of dresses . . . We have to use manual sewing machines due to the issue . . . We also have to use solar panels for lighting. In addition, we have installed a generator. But anyway, we face an issue with heating during the winter months. It gets very cold in our workshop during the winter months. Because of that, we heat our space with woods and wood stoves, and our space smells like smoke. Due to the issues, it is very difficult to work in rural areas.”

—KII: Female entrepreneur, Kashkadarya Oblast

“We established our workshop in October and worked for a month and a half. Then in December, it became cold. We did not have the capacity to heat our working space (due to absent centralized heating and frequent outages with electricity supply) . . . Despite the fact [that] we had had clients and orders we decided to close down our workshop for the winter and start working from home.”

—KII: Female entrepreneur, Karakalpakstan

“During the winter after 7 pm the life freezes in our area, everyone goes home and goes to bed . . . Since there is no electricity, we did everything not to depend on the electricity supply, all our sewing machines are manual so we can sew without electricity.”

—KII: Female entrepreneur, Kashkadarya Oblast

Qualitative findings suggest that poorer infrastructure services are a major factor in increasing expenses, reducing productivity, and discouraging women’s entrepreneurial activities in rural areas compared to urban ones. Higher growth rates and greater numbers of women’s entrepreneurial activities in urban areas were primarily attributed to better-quality infrastructure services, improved access to (larger) markets (for buying and selling), and application of standard tax rates (irrespective of

¹²⁵ State Committee on Statistics n.d.

urban or rural setting). Poorer infrastructure service in rural areas was considered to increase expenses, reduce productivity, and make it difficult to access markets.

Some FGD respondents reported that seasonal variations in the quality of centralized utility service can directly impact women’s income-generating activities. In addition, the way loan repayments are structured are out of sync with rural income cycles. Centralized electricity and gas services are reportedly worse in winter, and this generally corresponds to less business activity/efficiency and less income generation. While the demand for some services also wanes during winter (there are fewer social events and hence less demand for tailoring, baking, and so on), some respondents stated that if utility services were better during the winter, many women could continue to produce surplus goods for sale during high-demand months and/or be able to take more of their goods to larger markets. Seasonal production losses due to poor utility service may also make business owners more reluctant to take out loans, which often require consistent repayment. The general structure of regular loan repayments can also dissuade some business owners from expanding.

“I have been sewing for the past ten years, originally from home, before setting up my workshop two years ago. The hokimiyat offered support to me to apply for a bank loan to buy additional sewing machines. The offer was made in autumn and I knew that I would need to make repayments during winter. Given the frequent electricity outages in winter, and fewer orders from customers, I decided not to apply for the loan.”

—KII: Female entrepreneur, Jizzakh Oblast

Qualitative findings reported that an undersupply of commercial real estate for rent is a common challenge for women’s enterprise activities in rural areas. Consequently, many female entrepreneurs work from home and cannot expand their business operations. In the absence of rental space, some entrepreneurs may construct space, but this is often prohibitively expensive for small businesses (FGD respondents estimate 1 million to 300 million UZS).

4.3.4 Community Infrastructure Availability

FGD participants strongly communicated the link between the availability of community infrastructure/utility services and the ability of women to engage in income-generating activities. FGDs of women, men, recent graduates, and *mahalla* committee members highlighted the importance of community infrastructure (such as kindergartens, public transportation, and playgrounds) and utility services (such as drinking water, irrigation water, electricity, and gas supply) on women’s ability to engage in work. Young women with children were regarded as most affected by the state of such infrastructure. Table 5 summarizes the adverse impacts that poor community infrastructure and utility service can have on women’s income potential.

Global evidence suggests that the availability of community infrastructure, such as early childhood care facilities and kindergartens, influences women’s education, livelihood, and employment opportunities. Despite recent improvements in the availability of such services, Uzbekistan lags on a global scale. Where women bear full responsibility for child care, they forgo opportunities for capacity-building activities such as education and professional training.¹²⁶ The absence of child care facilities¹²⁷ and/or kindergartens limits women’s opportunities to be outside the house for long periods of time. The 2012 *World Development Report* noted that “better access to formal child care affords women greater

¹²⁶ World Bank 2012b.

¹²⁷ The availability of care facilities for the elderly also influences women’s employment opportunities (World Bank 2012b).

TABLE 5 ■ Effects of Poor Infrastructure on Women’s Income Potential

	Key Issues with Infrastructure	Effects on Women’s Income-Generating Capacities
Community Infrastructure	Inadequate child care and preschool facilities	<ul style="list-style-type: none"> ■ Women with children have reduced opportunities to work.
	Lack of commercial real estate for rent	<ul style="list-style-type: none"> ■ Women work from home and have limited opportunity to expand their business. ■ Without rental spaces, significant capital is required to construct a business facility.
	Low access to markets	<ul style="list-style-type: none"> ■ Women have trouble selling locally made farm and nonfarm products. ■ Women have higher transportation costs to get to larger markets if there are no local sales options.
Utility Services	Electricity—low voltage and outages	<ul style="list-style-type: none"> ■ There is insufficient lighting for household and income-generating tasks (particularly for evening activities and during winter months). ■ Women are unable to use electric devices (e.g., sewing machines, electric ovens).
	Gas—low pressure and outages	<ul style="list-style-type: none"> ■ It is difficult to heat living/working spaces. ■ Uncomfortable indoor conditions are not conducive to work. ■ Women (and children) must spend time collecting fuels (cotton stalks, wood, coal).
	Water—intermittent and variable quality of centralized supply; often not supplied within the house	<ul style="list-style-type: none"> ■ Women (and children) can spend hours per day collecting and treating water, particularly if it is unavailable within the household; this limits women’s work opportunities.

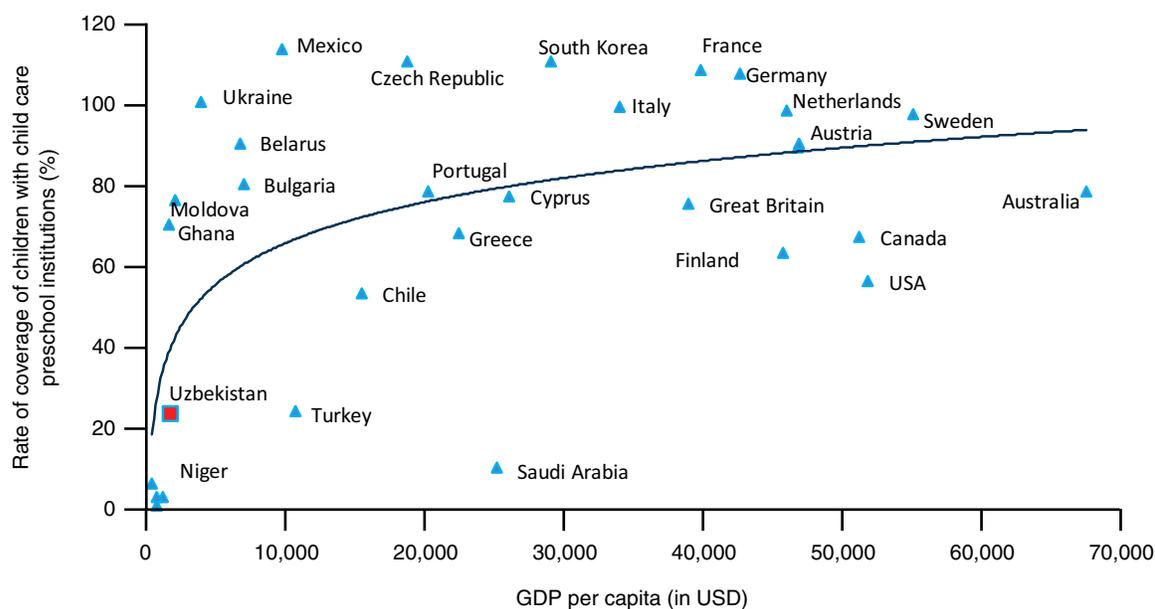
Source: FGDs and KIIs conducted for the study

flexibility and potentially allows them to seek employment in the formal sector.”¹²⁸ The coverage of children aged two to six in early development programs (child care/kindergarten) in Uzbekistan (approximately 27 percent) remains far below the levels (80 percent to 100 percent) being achieved in developed and upper-middle-income countries (see Figure 24).

Some FGD respondents suggested new forms of community infrastructure to help free up time for women. In Jizzakh Oblast some FGD respondents suggested building small sports facilities/playgrounds in addition to kindergartens as an additional activity for children. These could provide mothers with more time for domestic duties and/or income-generating activities.

FGD participants communicated that one type of community infrastructure development considered particularly conducive to female employment in rural areas is multiservice centers. FGDs in Namangan and Karakalpakstan proposed the idea of one multiservice center per village. It would be located in a single building that could house multiple small business services, such as a beauty salon, a hairdresser, a tailor, a shoe repair shop, a laundromat, and so on. The center could act

¹²⁸ World Bank 2012b, 222.

FIGURE 24 ■ Access to Preschool Education Globally, with Uzbekistan Highlighted

Source: World Bank 2013b.

as a community service hub that could benefit all businesses within it. Such centers could be housed in renovated existing buildings and funded by either entrepreneurs or governments (which would then rent space to entrepreneurs). Implementing a recently passed presidential decree may go some way toward satisfying such requests, as the decree plans to transform public buildings to house local businesses and services.¹²⁹

Qualitative findings suggested that for women who produce and sell farm and *tomorka* products, community infrastructure—in the forms of roads and market spaces—plays a critical role. Access to markets is a barrier for farm and *tomorka* income-generating activities, particularly in remote villages. This challenge is exacerbated where road networks and public transport services are poor and where market spaces lack facilities (e.g., roofing, heating, access to electricity for refrigeration). Many FGD participants hoped that their village/local markets would be repaired, upgraded, and/or constructed.

¹²⁹ Resolution of the President of the Republic of Uzbekistan No. 16 (568), Article 216.

Chapter

5

Pillar 3: Voice

Voice is defined as the capacity to speak up, engage in, and influence discussions, discourse, and decision-making processes.¹³⁰ Pillar 3 of the analytical framework outlines avenues and institutions through which women's voices are heard. Pathways for conveying and amplifying women's voices include the national legal and policy environment, institutions with mandates to support women's voices, technology as a medium for women's voices, and women's voices within their households and local communities.

5.1 National Legal and Policy Environment

Gender equality is addressed in Uzbekistan's national legal and policy environment. However, gaps are evident in women's participation. Equal rights and responsibilities for men and women are addressed in Uzbekistan's laws and policies, as well as in the Constitution and the Family Code. While the legal framework includes other critical provisions that are sensitive to gender, enforcement mechanisms need improvement. Uzbekistan ratified the Convention on Elimination of All Forms of Discrimination against Women (CEDAW) in 1996. Based on recent UN CEDAW Committee recommendations, the GoU, with the participation of civil society institutions, has enacted two national action plans to implement the CEDAW Committee recommendations (one in 2006 and one in 2010). One of the remaining challenges in evaluating the progress to CEDAW implementation is linked to the absence of gender-disaggregated data. However, the recent launch of the gender statistics web page¹³¹ is a step in the right direction.

¹³⁰ World Bank 2014b.

¹³¹ See State Committee of the Republic of Uzbekistan on Statistics n.d.

BOX 3 Uzbek institutions Involved in the Protection of Women's Rights

Institutions involved in the protection of women's rights include (1) the State Committee for Women's Affairs, which has a mandate to coordinate and promote women's activities; among other achievements, the committee was influential in declaring 2016 as the Year of the Mother and Child, which was accompanied by a comprehensive state action program; (2) the Ombudsman (Authorized Person of the Oliy Majlis—Parliament); (3) the Oliy Majlis Committee on Labor and Social Protection; (4) the Committee on Democratic Institutions; and (5) various nongovernment organizations and self-governing bodies.

Women are underrepresented in top political positions in Uzbekistan. In 2004 Uzbekistan's political parties agreed on a 30 percent minimum quota for female candidates in the election process.¹³² The number of female deputies in the national legislature increased from 9 percent in 2004 to 16 percent in 2014.¹³³ Since the introduction of the quota, the number of female members of political parties has increased to between 35 percent and 50 percent for the five major parties.¹³⁴ However, these actions have not yet translated into a significant increase in the number of female members in parliament.

Women retain a minority voice across all levels of the Uzbek government. They occupy just 7 percent of high-level government positions (such as ministers, deputy ministers, and so on); 31 percent of midlevel government positions (such as heads of department, heads of divisions, and so on); and at the local level, there are no female *hokims* (local governors). Women more often occupy positions as heads or deputies of specialized roles with a gender mandate.

Improving the regulatory environment for nongovernmental organizations could strengthen their ability to promote gender rights. In recent years a number of changes aimed at improving the dialogue between citizens and the state were introduced into the legal framework. In 2014 the Regulation on the Procedure on State Registration of Non-Governmental and Non-Commercial Organizations (CSO Regulation) established a simplified registration procedure and reduced the frequency and complexity of civil society organization (CSO) reporting to the Ministry of Justice. The Law on Openness of Activities of Governmental Bodies introduced a new requirement to enhance the transparency and accessibility of information around government actions, and the Law on Social Partnership lays the framework for cooperation between government bodies and CSOs by allowing for the establishment of public funds and public commissions at the local level. In 2016 the newly elected president of Uzbekistan, Shavkat Mirziyoyev, announced that 2017 will be a "Year of Dialogue with the Citizen" and signed a decree ordering the development of a state program accordingly. Priority tasks for the program include adopting measures on development mechanisms to facilitate parliamentary and public monitoring of how laws, decrees, and other legislative documents are executed, and to make sure state authorities operate efficiently. The program will also introduce mechanisms for an open dialogue between public officials and citizens and include measures that enable citizens to hold public officials accountable for their activities. All of these steps have the potential to widen the space in which women could articulate their voices.

¹³² ADB 2014.

¹³³ ADB 2014.

¹³⁴ ADB 2014.

5.2 Institutions That Voice Support for Women

Women face multiple hurdles in raising their voice, particularly in local politics. Such challenges include (1) *cultural and social norms*, which hinder women's participation in local politics, particularly where it is perceived to encroach on traditional male domains;¹³⁵ (2) *economic disparities*, which impact women's participation; it is more difficult for women from low-income households to participate politically, as they cannot afford to delegate household and income-generating activities;¹³⁶ (3) *education levels*, which affect political participation, as illiterate women are less aware of governance procedures and political processes;¹³⁷ (4) *ethnicity, race, and religion*, which can deter minority groups because of cultural, administrative, and language barriers;¹³⁸ (5) *the threat of retribution* toward women, which can include harassment, intimidation, and physical abuse;¹³⁹ and (6) *informal community structures and institutions*, which are typically dominated by men.¹⁴⁰

The international literature outlines several potential solutions to these obstacles, including (1) *forming associations of elected female* local representatives (aided by women's national power structures);¹⁴¹ (2) *introducing quota systems for more female representation* at local governance levels; (3) *instituting government-sponsored campaigns to raise the status of women*, which can impact women's participation in local governance;¹⁴² and (4) *mobilizing women for community campaigns*—for, say, improved service delivery.¹⁴³ All of these have the potential to increase women's voice. Alternative approaches include women being active in nonconfrontational and nonpolitical institutions such as women's associations, self-help or microcredit groups, and civic and religious groups,¹⁴⁴ as well as participation via proxies (men related to women who can speak or act on their behalf).¹⁴⁵

5.2.1 The Women's Committee

Qualitative findings suggest that the Women's Committee of Uzbekistan is one of the strongest advocates for women's issues nationally. It is a nongovernmental nonprofit organization that is also integrated into the executive power structure. The chairperson is the ex-officio deputy prime minister and at the oblast and *raion* levels also serves as deputy *hokim* on women's affairs.¹⁴⁶ At the *mahalla* level, a representative of the Women's Committee serves as an advisor on religious education and spiritual and moral upbringing (*maslakhatchi*). The Women's Committee's NGO status is maintained through a wide network of "primary cells" established at enterprises, local self-governing bodies, universities, vocational colleges, academic lyceums and schools, and preschools, as well as through active

¹³⁵ Vissandjee et al. 2006; Fonchingong and Ngwa 2006; McEwan 2000; Johnson 2003; Greenberg and Okani 2001.

¹³⁶ Meinen-Dick and Zwarteveen 1998; Weinberger and Jutting 2001.

¹³⁷ Datta 1998; Jayal 2006; Opare 2005; Ofei-Aboagye 2004.

¹³⁸ Vijayalakshmi 2002; McEwan 2000; Beard 2005.

¹³⁹ Jayal 2006; Nandal 2003; Chathukulam and John 2000; Datta 1998.

¹⁴⁰ Beall 2005; Mbatha 2003; Rangan and Gilmartin 2002.

¹⁴¹ Pal 1998.

¹⁴² Mbatha 2003.

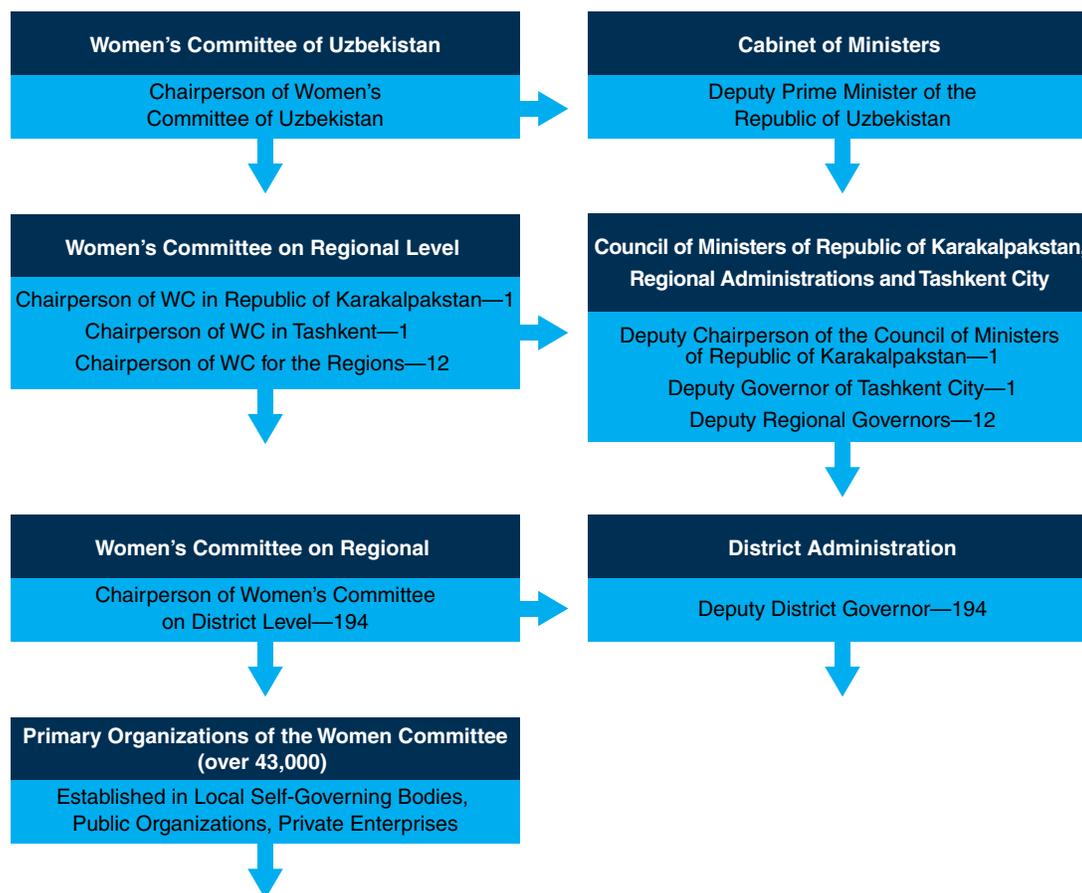
¹⁴³ Hainard and Verschuur 2001.

¹⁴⁴ Moser 1993.

¹⁴⁵ Hirschmann 1991.

¹⁴⁶ Presidential Decree No. UP-1084, Measures to Increase the Role of Women in the Public and Social Development, March 2, 1995.

FIGURE 25 ■ Women’s Committee Representation across Multiple Levels of Uzbek Governance



collaboration with other NGOs, national research centers, universities, and TV and radio stations.¹⁴⁷ Figure 25 outlines the structure of the Women’s Committee across multiple levels of governance.

The Women’s Committee contains affiliated public institutions that promote women’s issues through various mediums. For example, the Republican Scientific Center “Oila” (Family) is a public institution affiliated with the committee that studies family and societal values and traditions, develops methodological recommendations on family-related issues, collects gender-related statistics, organizes training courses, and conducts awareness-raising campaigns for young people. The committee also runs a national magazine called *Saodat* (Happiness), two national newspapers—*Gulchehralar* (Beautiful Faces) and *Oila va Jamiyat* (Family and Society), and its regional branches also publish local newspapers.

The Women’s Committee plays an important role in promoting and supporting women’s entrepreneurship. The committee collaborates with the Central Bank to provide concessional loans for enterprises led by women or that employ mostly women and to provide microcredit to family businesses. The committee coordinates training programs for female entrepreneurs and jobless women in conjunction

¹⁴⁷ Presidential Decree No. UP-3434, Additional Measures to Support the Activities of the Women’s Committee, May 25, 2004. Annex 1 to the Resolution of the Cabinet of Ministers No. 299, June 29, 2004.

with the Chamber of Commerce and Industry, with an annual target of reaching a minimum of 1,000 jobless women.

Despite a general lack of disaggregated gender data, the Women’s Committee generates estimates on some employment statistics for women. For example, in 2014 the committee estimated that 468,000 jobs were created for women nationally, of which almost half (220,000) were in small business and private entrepreneurship, 118,000 in home-based work, and 44,000 in farm-development work. While these numbers cannot be independently verified, they may indicate how women’s employment is nationally distributed.

The Women’s Committee plays an important role in disseminating information, raising awareness, and promoting opportunities through competitions. Through kindergartens, schools, and colleges, and in collaboration with the Mahalla Foundation and Kamolot Youth Movement, the committee supports educational programs on topics such as girls’ hygiene, reproductive health, family law, household budgeting, and professional skills. The committee also collaborates with groups such as the Business Women’s Association (BWA), the Trade Union Federation, the Chamber of Commerce and Industry, and the Central Bank on competitions that support women’s business ideas. For example, an annual contest for female entrepreneurs received 1,500 applications in 2016, and 28 winners received commercial bank loans of more than 4 billion UZS.¹⁴⁸

FGD respondents communicated sound knowledge of the Women’s Committee and its activities and regard representatives at the district level as an initial contact point for women when dealing with local authorities. Women’s Committee representatives can provide basic information, help guide women through the process of contacting state agencies, and monitor how the agency responds. Representatives work in close collaboration with *mahalla* committees to help women with income-generating opportunities such as establishing small businesses and finding employment in farm- or home-based labor.

5.2.2 Role of Local Institutions

Several other government and nongovernment institutions aid women in employment and business establishment. Beyond the Women’s Committee, such groups include the Business Women’s Association (BWA), employment centers, one-window services,¹⁴⁹ and *hokimiyat* and *mahalla* committees. While *mahalla* offices are based at the village level, most other organizations are based in *raion* or oblast centers, and representatives sometimes make village visits.

The *maslakhatchi* was reported to be a common first point of contact for rural women to address a multitude of issues. *Maslakhatchi* are members of the Women’s Committee and advisers to *mahalla* committees. They include respected women in the local community, are typically married, and have a higher education. *Maslakhatchi* tend to focus on health care (including family planning), crime prevention, education, social welfare, and women’s employment. *Maslakhatchi* women often have more freedom to visit households¹⁵⁰ than *mahalla* committee members. FGDs reported that women will discuss issues with them such as how to apply for loans, find employment, or start businesses. However, *maslakhatchi* are limited in the skills and capacity they can provide.

¹⁴⁸ National Information Agency n.d.

¹⁴⁹ A one-window service is a one-stop shop service. They have now been transferred to the Justice Department. Resolution of the President of the Republic of Uzbekistan, Additional Measure to Improve Mechanisms of Delivering State Services to Entrepreneurs, February 2, 2017.

¹⁵⁰ Per Uzbek tradition, there are restrictions on males entering households other than their own.

The local *hokimiyat* is the government agency where women can submit formal business applications and within which other government and nongovernment organizations that promote women’s rights often locate their offices. *Hokimiyats* are key public and administrative authorities at the *raion* and oblast levels. In addition to helping submit social assistance applications and registering complaints about utility services, *hokimiyats* aid entrepreneurs and businesses in their daily operations, such as giving legal consultations and providing support for loan applications and land or commercial real estate rentals. *Raion hokimiyats* house offices of other government and nongovernment organizations that are engaged in women’s issues, employment, and entrepreneurship (such as women’s committees, employment centers, one-window services, and others).

Employment centers at the *raion* level monitor unemployment levels, provide benefits, and retrain and help reemploy people. Most FGD respondents were aware of employment centers, which work with *mahalla* committees to identify unemployed persons, invite them to employment fairs, and help them apply for unemployment benefits. However, men are reportedly more likely to seek assistance from employment centers than women. This is because such centers typically offer jobs outside villages, which many women are not interested in (chiefly because of their domestic responsibilities).

“Our village is remote and one lady . . . applied to the employment center but has not found a suitable job yet. She wants to work in the village and jobs offered by the employment center require travel outside of the village. The salary is low and employees must pay for their own transportation and lunch. This kind of job does not suit many women and in this case, this lady awaits better opportunities.”

—FGD: Female participant, Namangan Oblast

Employment centers tend to connect potential employees to nonfarm vacancies rather than place workers in farm-based roles or help with business start-up activities. Interviews with employment center representatives show that the centers tend to receive vacancy notifications from urban-area employers such as state organizations, production plants, and private businesses. Farmers and business owners from rural areas tend to hire people directly from the community or come to the *mahalla* for advice or help when they need to mobilize labor (for example, picking cotton).

Employment centers can provide vocational training assistance and unemployment benefits, but awareness of these services is low among the rural population (particularly women); hence, such services are not often utilized. Where employment centers make requests for specialized roles but do not receive appropriate candidates, the centers can provide state-funded training at a local college. In some cases centers can also provide unemployment benefits to candidates for up to a six-month period when employment cannot be sourced. Candidates must attend job interviews organized by the center, and the unemployment benefit ceases when employment is found. However, FGD respondents suggested the rural population and especially rural women have low awareness about such opportunities.

The BWA supports women’s enterprise and access to credit. However, awareness of the service is low in rural areas. The BWA is nongovernmental and nonprofit and aims to provide women with education, consultancy, and help accessing credit, as well as advocating and lobbying on behalf of female entrepreneurs. However, despite the fact that the BWA has operated since 1991, rural women in FGDs and rural female entrepreneurs in KIIs communicated very low awareness of the BWA and its activities. Those who were aware stated that it was focused on activities in urban areas (oblast centers and some *raion* centers) and had a limited presence in rural areas. Many women interested in entrepreneurship and building their business skills suggested extending the BWA’s activities into rural areas.

One-window centers, which are now overseen by the Department of Justice,¹⁵¹ provide government services to entrepreneurs. However, rural women reported low awareness of these centers. One-window centers were established in 2015 as one-stop shops that house 16 government services relevant to entrepreneurs, including licensing and registration, banking services, utility service connections, taxation, and consultation services. KIIs with entrepreneurs suggested that the centers had simplified and accelerated business establishment and operational procedures. However, awareness of these new centers was low among rural women interested in enterprise activities.

5.2.3 Decentralized and Community-Based Solutions for Women's Empowerment

Women's specific needs are best addressed at the community level, and participatory CDD approaches could be a powerful mechanism for supporting women's social and economic empowerment. Global best practice demonstrates that CDD allows for the different livelihood needs of men and women due to gender roles and responsibilities and gender disparities in access to resources at both the household and community levels.¹⁵² Participatory approaches in CDD programs provide an avenue for the inclusive engagement of women in determining community priorities and in planning for and implementing development initiatives. CDD programs provide an opportunity to take a closer look at gender norms, roles, and power relations that determine the distribution of assets and risks among men and women. It is important to ensure that CDD interventions work toward the inclusion of women as active decision makers and beneficiaries, particularly where informal power structures and elite capture risks exist.¹⁵³ Box 4 provides an outline of CDD approaches.

In the context of Uzbekistan, citizens' self-governing bodies (CSBs) are responsible for protecting the interests of the population, including support for business development. CSBs include assemblies of citizens from settlements, villages, *auls*, and *mahallas* (either at the town or village level); the 1999 law titled Citizens' Self-Governing Bodies regulates their activities.¹⁵⁴ Amendments introduced in 2003 and 2008 pertain to the implementation of employment and public amenities programs, assistance to utilities companies in recovering debts, organization of *hashars*, changes to local political powers, and increases in *mahalla* powers to determine financial assistance to low-income families. For example, Article 17 of the law specifically mandates that *mahallas* "promote development in the respective areas of business, including family businesses and the craft activity."

While the law defines a wider range of powers and diversified financing sources, in practice CSBs powers and authorities are very limited. According to the law, financing may be derived from budgetary funds allocated by the district or city (usually to pay staff salaries); social benefits and financial aid sources (where the CSB is the intermediary); donations from legal entities and individuals; and their own funds. But in practice CSBs almost exclusively rely on *hokimiyats* for funding. The absence of regulatory division powers between executive authorities and CSBs; and the requirement that *hokimiyats* approve the appointment of a chairperson (*aksakal*) further weaken the position of CSBs. As a result, CSB activities lack transparency and accountability and do not have mechanisms to monitor and evaluate financial management and election processes.

¹⁵¹ Originally established under the Chamber of Commerce and *raion hokimiyats*.

¹⁵² World Bank 2014b.

¹⁵³ Mansuri and Rao 2013.

¹⁵⁴ Dated April 14, 1999.

BOX 4 CDD as a Decentralization Option

CDD is a development approach that emphasizes community control over planning decisions and investment resources.¹⁵⁵ It enables local communities and institutions to take the lead in identifying and managing community-level investments. It is built on the theory that community participation in local development planning can lead to better use of resources in meeting local development needs. CDD has become an important operational strategy. It has demonstrated success in empowering local decision making, getting resources to communities efficiently, and delivering services and infrastructure to targeted populations.

CDD programs generally aim to decrease poverty and improve the well-being of poor communities through participatory means, working closely with project facilitators or local government officials. Programs typically train and provide technical assistance to communities to plan, implement, and manage development activities that increase access to and use of infrastructure and services. Emerging research shows that the most successful programs are based on two key principles: (1) programming that responds to a community's self-identified needs and (2) programming that strengthens a community's ability to design and implement programs that engage diverse groups and stakeholders.¹⁵⁶

The socioeconomic benefits of CDD programs are evident across various impact evaluations. One economic benefit is greater labor force participation, which results from the diversification of income sources and improved production practices.¹⁵⁷

With regard to infrastructure projects, community-driven approaches can demonstrate multiple benefits to traditional government service delivery, including (1) lower costs for some investments;¹⁵⁸ (2) attractive average rates of return;¹⁵⁹ (3) efficiency gains through more accurate targeting of limited resources to community needs; and (4) supporting local problem-solving innovations and fostering increased connections and trust.

5.3 Conditions That Influence Women's Voices

Representatives of organizations that support women's employment emphasized the importance of women having the capacity to generate income so as to amplify their voice within their household and in their community. KIIs with representatives from Women's Committees, employment centers, and employers highlighted the importance of income-generating capacities for women. Representatives communicated that employed women set a good example for children, pass on skills to children, can contribute to reduced arguments between spouses and in-laws, and, by bringing income into the household, acquire more voice.

Women's voices may be strongest when their contribution to household income is proportionally greater. Women's contribution to household income was most appreciated by both sexes where households are poorer and located in more remote areas, and was considered least important for household welfare in areas closer to urban centers and with higher levels of agricultural production. In poor households the proportion of women's income contribution can be greater and hence their voice in household matters is generally strengthened. In cases where men earn sufficient income from their farms, they thought it was less important for women to generate additional income; in those cases, women may focus more on growing fruits and vegetables in the *tomorka* for household consumption.

¹⁵⁵ World Bank 2013a.

¹⁵⁶ World Bank 2012a.

¹⁵⁷ Labonne 2011.

¹⁵⁸ World Bank 2012a.

¹⁵⁹ World Bank 2012a.

Women’s voice on education is strengthened where they earn income, as it is reported to be one of the first areas where their income is directed. FGDs reported that while men’s income often goes to pay for everyday household expenses, women most commonly put their income toward children’s education. This means that women’s income can be significant to families’ future welfare and even more broadly on a village/community scale.

“Fifteen years ago, one lady in our village was widowed, with children to support. To generate income, she set up a shoemaking workshop in her house and started selling shoes. Thanks to the income she generated, her children were supported through education. Today, one of her sons is a head doctor in our clinic, another works in Tashkent, and the third son is in the livestock business. All is well with the family, they are prosperous and have no difficulties with money.”

—KII: Male entrepreneur, Kashkadarya Oblast

5.4 Technology Helps Strengthen Women’s Voices

According to qualitative fieldwork, people in rural areas mainly get their daily information from media outlets such as television, radio, and newspaper, as well as *mahalla* committees. **Mahalla committees are also sources of information for female entrepreneurs.** Community and *raion*-level news is shared with communities via the *mahalla* committee, members of which often travel to the *raion* center to attend meetings and training activities. Through the *mahalla* committee and other local groups, women learn about opportunities for daily-wage labor, vacant positions in government institutions and organizations, and potential customers for their business activities (e.g., requests for sewing, baking, and so on). *Mahalla* committees also provide advice for women who want to start businesses.

FGDs revealed that rural women increasingly get their information via new technologies such as mobile phones. Approximately 70 percent to 90 percent of women in FGDs owned mobile phones (elderly and younger women often did not own phones). Women tend to use mobile phones to communicate with friends and relatives and for work. Additionally, *mahalla* committees and farmers use mobile phones to inform women about daily-wage opportunities (e.g., weeding and picking cotton). However, respondents stated that men were more likely to have smartphones (with mobile Internet and other applications), while women’s phones usually only have calling and texting capacities.

However, women reported that they do not generally utilize new technologies to search for jobs or information related to income-generating activities. Women who have access to the Internet (typically full-time employees) reported using it to check weather conditions. Very few female respondents used the Internet to look for jobs or income-generating activities. In general, men tend to have greater access to information than women, either through smartphones or computer-connected Internet (men typically have more freedom to travel outside the home to access information).

The exceptions were women with businesses in rural areas who communicated that they actively use new technologies for work-related activities. Women also conduct work-related Internet searches—for new recipes, fashion designs, and haircuts—to discuss potential services with clients. Business women tend to use their mobile phones as a camera, calculator, calendar, and work planner, and for communicating with customers.

“My mobile phone helps me run my business. I contact my clients via the phone and if a client wants to alter their order, they contact me over the phone. I also use my phone to take photos of dresses that I see in shops and keep them for future reference.”

—KII: Female entrepreneur, Karakalpakstan

The main barriers to technology use in rural areas relate to supply-side availability, affordability, and reliability, and demand-side capacity challenges. While most FGDs said that mobile Internet was available in the areas sampled, the connection quality can be poor and the price high. Frequent electricity outages, particularly in winter, compromise use of smartphones (in that it is difficult to charge them) for both work and leisure. In terms of capacities, many older community members are unable to use new technology devices.

Although some employment groups post job vacancies and business services online, many rural villagers seem uninformed about those practices and unable to easily access them. For example, key informants from employment centers stated that they publish job vacancies on their website, and representatives from one-window services suggested that entrepreneurs register their businesses online. However, FGDs revealed that most rural men and women were unaware of these services and, furthermore, may not consistently have access to the Internet to make them useful.

Chapter

6

Conclusions

Analyzing Uzbekistan’s rural labor market through the lens of the analytical framework (see Figure 1, confirms that gender strongly influences opportunities and barriers in accessing livelihoods in Uzbekistan. Rural women face many inequalities and constraints in increasing their socioeconomic resilience. Analyzing secondary quantitative data and primary qualitative data provided evidence of numerous obstacles that limit women’s time, mobility, access to and control over resources, and decision-making power across physical and human capital, livelihoods and income generation, and voice pillars of the framework. There remains a need to overcome some persisting social, economic, political, and cultural gender biases and stereotypes. These factors hinder not only women’s prospects for sustainable livelihoods, but also those of their families and communities.

In particular, the capability approach revealed that rural women, and factors enabling their work, face significant supply-side challenges. Rural women’s livelihood options are limited by numerous factors, including (1) a general lack of formal employment opportunities in rural areas; (2) barriers to accessing those opportunities; (3) changing labor demands, particularly in sectors in which women are active (such as reduced opportunities because of cotton mechanization); and (4) limited formal support structures for female entrepreneurs/business activities (in the form of access to finance, business support, training, and so on).

The study permitted a detailed look at critical aspects of women’s status in Uzbekistan and revealed insights into how to achieve greater empowerment and involvement in the labor market. This provided selected evidence of strengthened elements within each of the three pillars, which has led to some increased opportunities for women. However, progress is gradual and uneven, and more support is needed. In some areas of analysis, gender disparities are waning and cultural norms and practices are evolving toward greater equity. Improvements in certain elements of each framework pillar provide encouraging progress that can be built upon. For example, it is evident that there have been some cultural shifts away from strict traditional gender roles, and women now have greater freedoms. The study also emphasized the increasing role that small businesses and female entrepreneurs play in rural area farm and nonfarm sectors, in terms of offering women employment options. Such activities will need to be

nurtured and scaled up, particularly in the context of recently reduced migrant work opportunities, and given the significant numbers of young people (including women) entering the workforce annually.

The study confirmed that in Uzbekistan, there is strong interdependency between the pillars of the analytical framework; the pillars have both simultaneous and sequential components that are necessary to increase women’s agency and support their aspirations. In terms of capacity building, components of human capital—such as education and health—must be in place to help shape women’s pathways to employment opportunities and voice. Therefore, the former need to be supported before the latter can be facilitated. Similarly, critical physical and institutional infrastructure needs to be in place first to allow women to benefit from enhanced human capital.

On the one hand, deficiencies in any pillar create greater barriers to women’s overall aspirations; on the other hand, improvements in one pillar reinforce components of the others. This study has helped recognize how to facilitate the latter. The interdependence of the pillars means that both positive and negative changes influence women’s opportunities. It may be possible to create virtuous cycles. For example, providing support to women to start enterprises, as well as supporting those who have already established them, can raise and amplify women’s voices. This in turn gives women greater agency and control over household and community decisions and sets positive examples for future generations of women.

Recognizing and understanding the interdependence and simultaneous and sequential linkages of the three pillars provides a solid foundation around which policies and operational recommendations can be developed. The framework can be used as a basis to help prioritize policies that promote greater agency for women and support their aspirations to achieve gender equality in a growing and progressive Uzbekistan.

Despite some limitations, the study approach proved effective in capturing rural women’s perspectives. It presents an important contribution to the national dialogue around gender and women’s issues, particularly regarding employment prospects. The study can help generate consensus on what should be done to improve their situation. Based on a small but illustrative sample size, the study provides evidence-based policy and operational recommendations for the GoU. The collaboration with government counterparts and national researchers proved successful and has added valuable national perspective to the study.

The study achieved its objectives and provides policy and operational recommendations for the GoU and the World Bank to now consider and translate into action. These recommendations are contained overleaf.

Chapter 7

Policy and Operational Recommendations

The audience for this study is the GoU and the World Bank. Based on the study's findings, the following policy and operational proposals are recommended for further investigation and consideration.

7.1 Women's Access to Livelihoods

7.1.1 Livelihoods: Policy Recommendations

- Empower local authorities at regional and local levels to draw on existing administrative resources to (1) support existing female entrepreneurs in rural areas to expand their businesses and employ more women and (2) link rural businesses to urban markets. These two initiatives can be achieved through measures such as repurposing unused or underutilized public buildings for women's businesses and facilitating information events and trade fairs, or introducing tax and utility costs breaks.
- Introduce incentives to support female employment and entrepreneurship in the growing agricultural subsectors in which women expressed interest in working, such as horticulture, greenhouses, livestock, and food processing.
- Collect gender-disaggregated data on key parameters of the labor market.
- Monitor the gendered impact of labor activation programs by aligning the indicators and definitions of employment and labor market participation to international standards.
- Encourage the employment of women in sectors traditionally dominated by men.
- Introduce quotas for female employment in the public sectors (including state-owned companies) and short-term wage subsidies for private companies to employ young, female graduates in technical fields. These measures could also be completed by employability skills training courses for young graduates.

7.1.2 Operational Recommendations

- Conduct public awareness and promotional campaigns that highlight the experience of successful female entrepreneurs to help encourage girls and women to pursue business activities and to educate men about the benefits of women's increased freedom and employment.
- Conduct gender focused market research and value chain analysis to identify areas where demand for services and goods produced by rural women is high and/or predicted to grow.
- Conduct targeted information campaigns and training activities for women farmers.
- Make regular agricultural extension services more accessible to women and focused on their needs.

7.2 Women's Access to Physical and Human Capital

7.2.1 Education: Policy Recommendations

- Improve the quality and coverage of early childhood education and child care services both by state and private providers, including a range of alternative forms, such as family-run kindergartens, early development centers, Sunday schools, short-term courses for children, and so on.
- Increase funding to child care and preschool education to improve their quality and create legal and policy conditions that are conducive to private investment. This could promote a flexible, multi-variate system of education that caters to the needs of different rural population groups. A first step would be to review sound international practices on stimulating the development of private and public-private partnerships for child care and preschool institutions.
- Formalize and provide interim financial and resourcing support to family kindergartens in rural areas.
- Synchronize vocational educational opportunities with growth sectors (such as engineering, natural sciences, education, and technology), so women can transition into those sectors.
- Revise the structure of vocational colleges to provide vocational training scholarships to girls and create aspirational quotas for female attendance.
- Strengthen the links between vocational education programs and companies that would be able to employ college graduates.

7.2.2 Education: Operational Recommendations

- Make short-term vocational courses available to rural women to improve their business and associated support skills (e.g., accounting, legal). Such courses could also target girls finishing secondary school, as a support for transitioning to higher education or employment.
- Provide support via incentives to address the female drop-off rate from secondary school to higher education, particularly in fields where demand is predicted to grow (such as engineering, natural sciences, education, and technology).
- Build on the results of value chain analysis to develop and deliver new short-term courses for upskilling women in disciplines that are anticipated to increase in demand. The Women's Committee can serve as the main partner for this initiative.
- Introduce distant learning modules so young women from rural areas can access higher education without needing to relocate to urban centers.

7.2.3 Financial Services: Policy Recommendations

- Improve women's access to loan services via property registration revisions, where they are registered as co-owners of properties.
- Make loans available that are flexible as per the cycles of seasonal rural production.
- Encourage formal financial institutions to consider alternative forms of collateral for rural households. Current forms of collateral are biased against rural households, which often do not have incomes from full-time employment or assets such as modern vehicles. Hence, forms of collateral more common to rural households could be considered, such as livestock.

7.2.4 Local Infrastructure: Operational Recommendations

- Improve the rural population's financial education to help keep financial institutions accountable and customer driven. This could be done in conjunction with established local intermediary organizations, such as *mahalla* committees, employment centers, and women's committees.
- Develop financial products that are demand based and flexible enough to recognize regional differences in local economic drivers (e.g., horticultural focus, dairy production, cotton, textiles, and so on).
- Establish a network of nonbank lending services, which may increase competition and enhance options for consumers. This could help improve the regulatory environment of the nonbank micro-credit sector. This could be done in collaboration with the National Association of Microfinance Institutions and in accordance with international best practices.
- Investigate measures through microfinance schemes and combine and modernize informal savings and lending networks.
- Drawing on the vast network of specialized secondary education facilities across the country, supplement formal vocation education curriculum with a range of short, targeted courses that feature applied skills on how to run a business in areas of most interest to women—horticulture, greenhouse management, food processing, bakery, and so on.

7.2.5 Local Infrastructure: Policy Recommendations

- Institute public-private partnerships and tariff reforms to make existing infrastructure utilize resources more efficiently. Loss reductions may be incentivized via billing based on consumption volumes and by identifying network losses.
- Strengthen the role of local authorities in managing selected local communal services and infrastructure.

7.2.6 Local Infrastructure: Operational Recommendations

- Pilot small-scale models for decentralized utilities infrastructure in rural areas.
- Implement gender mainstreaming across all stages of planning, construction, and financing of infrastructure to ensure equitable access. Mechanisms to facilitate this could include expanding legal outreach services for women, introducing quotas for women's participation in community groups, and collecting gender-disaggregated data.
- Improve citizen feedback mechanisms for infrastructure and utility providers to promote transparency and accountability for services provided.

7.3 Amplifying Women's Voices

7.3.1 Women's Voices: Policy Recommendations

- Promote greater gender equity in senior political and government positions by adopting aspirational quotas. This could help empower women at the local level.

7.3.2 Women's Voices: Operational Recommendations

- Identify and promote successful female entrepreneurs as advocates and role models to increase women's voices.
- Conduct public awareness campaigns about institutions that support rural women's issues in general and women's employment more specifically. Currently, many rural women are unaware of the local services available to them.
- Incorporate CDD principles into local interventions, such as by holding separate women's-only meetings where appropriate; holding meetings at appropriate times of day (and where women are encouraged to bring children); featuring female staff as facilitators; undertaking gender analysis activities for men and women; and adopting gender indicators and gender-equality strategies.
- Draw on information and communication technologies to connect women from rural areas to professional and trade networks in urban centers.
- Support the development of local-level cooperative models for the co-production of goods and services to improve women's bargaining power with the buyers of their products and services.
- Develop a strategic framework for synergetic collaboration to stimulate female employment and entrepreneurship between key organizations focused on these issues—the Women's Committee, the Chamber of Commerce, and local administrations.

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Annex 1: Qualitative Methodology and Sampling

All qualitative study tools were designed to understand the distinct aspirations, opportunities, and barriers for rural women engaging in income-generating activities. FGDs and KIIs were structured around the three “families of outcomes” outlined in the study’s analytical framework: (1) physical and human capital; (2) access to livelihoods/income-generating activities; and (3) voice. Table A.1 outlines the research themes and guiding questions.

TABLE A.1 ■ Research Themes and Guiding Questions

Themes	Subthemes	Research Question
Income-generating opportunities for rural women	Availability	What are the available opportunities for rural women in the farm sector? What are the available opportunities for rural women in the nonfarm sector?
	Infrastructures	What are the main barriers and enablers for females getting income in the farm and nonfarm sectors? What is the role of local infrastructure for women to get personal income in rural areas?
	Norms and beliefs	What are the norms and beliefs regarding female employment in rural areas?
Physical and human capital	Education	Is there a gender gap in education (including financial literacy), and is it inhibiting women’s livelihoods?
	Health	To what extent do maternal and child health inhibit or promote women’s livelihoods?
	Land	To what extent does land ownership differentially impact men and women’s ability to work?
	Credit	What is the depth of financial inclusion, and do women have equal access to credit for starting businesses?
	Technology	What is the depth of access to technology for business, and does it facilitate women’s access to livelihoods?
	Information	Do women have the necessary information for advancing their livelihoods?
Livelihoods	Personal income	What is the nature of work that is available and acceptable for women in rural areas compared to men?
	Time allocation on domestic duties	Do women allocate a disproportionate amount of time to accessing basic services, doing housework, as well as care work within the family?
	Migration	What is the role of female personal income for rural households?

(continued)

TABLE A.1 ■ Continued

Themes	Subthemes	Research Question
Voice	Mobility	To what extent are women versus men able to dictate their own public and private behavior?
	Social networks	What is the density of women’s social networks (compared to men)?
	Household decision making	To what extent do women have influence over household decision making, particularly financial?
Aspirations and suggestions	Aspirations of rural women and perceived obstacles	If there were no constraints, what types of income-generation activities would women like to engage in? What should be done to reduce current barriers?

Qualitative research comprised 28 FGDs and 44 KIIs conducted across four geographically contrasting regions of Uzbekistan (Jizzakh, Kashkadarya, and Namangan Oblasts, and the Republic of Karakalpakstan) between June 1 and August 31, 2015 (see Figure A.1). The four regions were selected to be illustrative (not representative) of the range of conditions present in Uzbekistan and also included criteria of poverty levels and rates of women’s labor force participation. Karakalpakstan and Namangan were selected as extreme cases, with Karakalpakstan located in the west and characterized by high poverty

FIGURE A.1 ■ Qualitative Research Field Sites



TABLE A.2 ■ Selection Criteria for Sampling

Region	Geographic Location	Women's Labor Force Participation (%)	Poverty Rate (%)
Jizzakh	Central	30.7	18.7
Kashkadarya	Southwest	40.4	24.9
Namangan	East	31.5	17.4
Karakalpakstan	West	50.5	32.5

Source: CER 2015; CALISS 2013.

rates and high women's labor force participation, and Namangan located in the east and characterized by low poverty rates and low women's labor force participation. In contrast, Kashkadarya, in the southwest, and Jizzakh, in the center, both contain moderate poverty rates and low-to-moderate labor force participation. Table A.2 summarizes the selection criteria for each region.

Within each region, sample villages were selected based on two primary characteristics: (1) distance from *raion* center; and (2) general availability of water resources.¹⁶⁰ Two villages were selected in each sample region, one of which was close to a *raion* center and without water availability challenges, and the other more remotely located from a *raion* center with some water availability challenges. Table A.3 outlines the characteristics of selected sample villages.

A total of 285 people participated in FGDs across five demographics. FGDs were segregated into (1) women with income (who had been earning for at least two or three years); (2) women without income (and interested in starting a business); (3) men (aged 22–60, including husbands of working women and fathers of female children pursuing high school or higher education); (4) *mahalla* committee members; and (5) recent college graduates (each group contained an equal number of males and females aged 18 to 21). A matrix of all 28 FGDs is provided in Table A.4. The two women's FGDs were further categorized by age (22–40 and 41–60). A total of 143 women, 34 men, 40 college graduates, and 34 *mahalla* committee members participated, with each FGD ranging in size from 6 to 10 participants. FGD participants estimated their income levels using self-assessment templates.¹⁶¹

Eleven KIIs were conducted across each of the four regions, three at the district level and eight at the village level (totaling 44 KIIs for the study). Subgroups of KIIs at the district level included representatives from the Women's Committee, employment centers, and one-window centers. At the village level KIIs included female entrepreneurs at an early stage of business development, female entrepreneurs with established businesses, employers in the farm sector, and employers in the nonfarm sector.

¹⁶⁰ It was hypothesized that distance from *raion* center can influence level of economic activity, and water availability can influence agricultural productivity. Both were also considered to influence the level of nonfarm income-generating opportunities.

¹⁶¹ Potential participants self-assessed their income groups based on “we don't have enough money for food”; “we have enough money for food, but buying clothes is difficult”; “we have enough money for food and clothes and can save some money, but not enough to buy expensive goods (such as a TV or refrigerator)”; “we can afford to buy certain expensive goods (such as a TV or refrigerator)”; and “we can afford to buy whatever we want.”

TABLE A.3 ■ Location and Basic Socioeconomic Characteristics of Sampled Villages

Indicator	Jizzakh		Kashkadarya		Namangan		Karakalpakstan	
	Village 1	Village 2	Village 1	Village 2	Village 1	Village 2	Village 1	Village 2
Distance to <i>raion</i> center (km)	5	32	5	22	5	22	12	34
Population	20,278	5,452	24,500	21,000	23,477	10,500	14,112	1,033
Number of households	3,332	990	3,500	4,500	4,406	2,000	2,816	162
Average incomes (UZS/month)	Farm sector: 400k Nonfarm sector: 500–600k	Farm sector: 2mln Nonfarm sector: 700–800k	Farm sector: 300k Nonfarm sector: 500k	Farm sector: 200k Nonfarm sector: 500k	Farm sector: 300–400k Nonfarm sector: 500–800k	Farm sector: 500–600k Nonfarm sector: 800k–1mln	Farm sector: 500k Nonfarm sector: 800k	Farm sector: 300k Nonfarm sector: 400–450k
Crop types	Total—5,000 ha: cotton—325 ha; irrigable wheat—900 ha; nonirrigable wheat—200 ha	Total—6,075 ha: cotton—3,433 ha; wheat—2,509 ha; garden—28 ha; HH—105 ha	Total—2,280 ha: cotton—851 ha; wheat (irrigable)—580 ha; garden—129 ha; wheat (non-irrigable)—720 ha	Total—4,113 ha: garden—13 ha; cotton—2,400 ha; wheat—1,700 ha	Total—4,000 ha: cotton—1,250 ha; wheat—1,000 ha; garden—180 ha; fodder—40 ha; corn—40 ha; vegetables—28 ha	Total—750 ha: cotton—120 ha; wheat (irrigable)—300 ha; wheat (nonirrigable)—70 ha; garden—260 ha	Total—4,148 ha: sowing—2,200 ha; cotton—1,300 ha; wheat—210 ha; garden—38 ha; fishing—50 ha; steppe land—50 ha; rice—300 ha	Total—5,151 ha: arable—4,548 ha; cotton—104 ha; wheat—200 ha; garden—15 ha; rice—80 ha; melon field—80 ha; pasture—189 ha; dry farming land (is not used)—3,814 ha

Source: Data of *mahalla* leaders in selected villages.

TABLE A.4 ■ FGDs by Type and Region

Type of FGD	Region				TOTAL FGDs
	Jizzakh	Kashkadarya	Namangan	Republic of Karakalpakstan	
Women with income	2	2	2	2	8
Women without income	2	2	2	2	8
Men	1	1	1	1	4
<i>Mahalla</i> committee members	1	1	1	1	4
College graduates	1	1	1	1	4
TOTAL FGDs	7	7	7	7	28

The World Bank study team designed and coordinated the qualitative research in conjunction with a local research firm. The World Bank team designed the qualitative research instruments and worked collaboratively with local consulting firm Al Mar Consulting. FGD facilitator and KII interviewer training in Tashkent was followed by pilot testing in the field (in the Syrdarya region). The World Bank team worked with Al Mar Consulting during full-scale fieldwork and analysis.

