

Chapter 3 Critical Issues for Women in Uzbekistan

Three critical issues need to be considered for their impact on women's status and ability to fully participate in Uzbekistan society:

- (i) Economic cost of transition,
- (ii) Human cost of development, and
- (iii) Gender and development capacity building.

Economic Costs of Transition

Women suffer both economic and social deprivation as a result of unemployment and insufficient income-generating opportunities. Furthermore, there is little sign that this trend is declining as poverty, economic polarization and the share of the population considered poor and destitute increase. Critical factors here include unemployment, wage arrears, inflation and high costs of living.

Employment and unemployment in SMEs

SMEs are important for job creation and employment for people with the right skills. Furthermore, there is evidence that women's participation in small trade and business—particularly through their involvement in “shuttle” trade, cultivation of private plots and other economic activities—can improve the economic and physical welfare of their families.

There are however risks and barriers to participating in small business activities. The major barriers for women in particular are women's lack of knowledge about market activities and their lack of capital. The reluctance of banks in Uzbekistan to finance very small loans—the type that women predominately need for such activities as marketing home produce and handicrafts—increases the difficulties facing women in accessing credit.

Four areas need to be developed and expanded in relation to women's participation in SMEs and income-generating activities in Uzbekistan:

- (i) Training on vocational skills,
- (ii) Training on business and entrepreneurial skills,
- (iii) Microcredit programs, and
- (iv) Financial sector reform and SME reform.

Vocational skills training

There are two important issues related to vocational skills training. Firstly, there is an urgent need for labor market studies that can identify vocational training skills required to meet the demands of the market. Women's NGOs in particular would benefit from access to this research. It would help them target their small business activities and vocational training for women in areas suffering skills shortages. Secondly, there is a need to ensure that such training opportunities are spread across Uzbekistan. Given the cost involved and reluctance of some

parents to allow daughters to go to urban areas to study, it is important that skills training can be delivered locally in rural areas.

For this reason, the vocational courses that NGOs such as the Business Women's Association (BWA) provide fill a genuine need. Here courses ranging from accounting and computer literacy, to the more practical courses such as sewing, food processing and hairdressing, provide women with either few nonmarketable skills or new options in the employment market. Furthermore, given the geographical spread of the BWA, this NGO has the potential to deliver training to a great number of women in all regions of Uzbekistan.⁹²

Another important area to be developed is the processing and sale of agricultural products. This processing could take place in small to medium factories, which could then offer women employment, or else be undertaken on an individual level. Either way the development of such industries would help to absorb surplus female labor in rural areas as well as provide rural women with income-generating activities.

Business and entrepreneur skills

One of the primary risks associated with the transition to a small business in a market economy is the lack of knowledge of markets and small business management. One example here is a report of a woman in Almalyk who bought onions and carrots in one village to sell in the next. Her lack of understanding of market prices and the concept of demand meant that she suffered losses right from the start.⁹³

To an extent, women's NGOs have recognized this problem and offer training courses in a range of areas such as legal literacy, taxation and business registration, accountancy and business plan development. There is however a huge unmet demand that requires further investment by government and funding organizations, and greater coordination across NGO activities to ensure

- (i) a standard of instruction that is of high quality,
- (ii) minimal duplication,
- (iii) geographical spread and equality of opportunity, and
- (iv) a process of certification that would enable women to proceed to higher levels of relevant training.

Microcredit programs

Starting capital and lack of credit are barriers to women's as well as men's participation in small business. Banks in Uzbekistan are currently not providing credit services to small enterprises in general. Even where people have been fortunate to secure a bank loan the interest

⁹² Formed in 1991 as the first NGO in Uzbekistan, the BWA unites more than 3,000 women-entrepreneurs. It has regional and district branches all over the republic.

⁹³ See p. 16 of footnote 11.

rate is often a further encumbrance to economic growth,⁹⁴ and it is difficult for women in particular to secure a bank loan because they often lack the collateral required to secure a loan.⁹⁵ The BWA has played an important role here by facilitating women's access to bank loans. This function is an extension of the BWA's small business consultative services, and is particularly important for poor women who lack collateral.

For lesser amounts, microfinance schemes are an important mechanism for enabling poor women to access capital necessary for small business activities. Leaders from women's NGOs are particularly keen to see further expansion of microfinance projects in Uzbekistan. The widespread dissemination of such programs remains constrained by the lack of appropriate enabling legislation. Nevertheless, there have been a few microfinance programs implemented on a trial basis at regional levels with the cooperation of the BWA.⁹⁶ In part the success of such schemes comes from the integration of business education and entrepreneurial skills development, with credit lines. Furthermore, new "trials" are proceeding with support from regional governments (for example, the microfinance program to be initiated by the Samarkand NGO, *Sabr* Crisis Center).

Because of these trials, there exist a number of facilitators and trainers with experience in and enthusiasm for microfinance schemes in Uzbekistan. However, the capacity of women's NGOs who wish to work in the field of microfinance remains limited. Further investment is required in the areas of women's leadership programs, business development and financial management. In conclusion, several factors are important for the implementation of microfinance schemes:

- (i) Willingness of funding organizations to invest in this field;
- (ii) Favorable government legislative environment; and
- (iii) Capacity building within NGOs working in the microfinance field, particularly in the areas of business development and financial management.

⁹⁴ One farmer in Karakalpakstan quoted in one report said that he was teaching his children how to work as a farmer. He said that trade was too risky for those without connections, particularly given interest rates of 20-30 percent. See p. 24 of footnote 11.

⁹⁵ See p. 14 of footnote 6.

⁹⁶ One successful example here is the UNDP-funded "Microcredit Program in Karakalpakstan" established in January 1998. The project is also supported financially by the Government of Karakalpakstan (a semi-autonomous region within Uzbekistan). The national counterpart of the project is the Karakalpakstan Branch of the BWA, "Tadbirkor Ael". As of November 2000, the project had 820 clients engaged in four economic sectors—trade, small production, animal husbandry and services. It has been implemented in three rural areas of Karakalpakstan and has achieved almost all of its objectives. This microcredit program in Karakalpakstan could be used as a model for the implementation of such projects in other parts of Uzbekistan. To assist with this, the project team is developing a manual on implementing microcredit programs in Karakalpakstan that will include information on project implementation, methodology, forms and formats, database program reports

Financial sector reform and SME reform

Although a number of reforms to the financial sector are on the table, full implementation is necessary to develop confidence in the stability of the legislative environment and to provide the mechanisms necessary for women's participation in small business and microfinance schemes. The following factors are lacking to various degrees in Uzbekistan—combined they hold back SME growth and prevent the legal introduction of microfinance schemes:

- (i) Supportive legal framework for microfinance schemes;
- (ii) Transparent decision making within agencies responsible for the registration and licensing of small enterprises;
- (iii) Simplified taxation and registration and SME-friendly taxation and legislation;
- (iv) Banks operating as banks, i.e., giving loans to prospective borrowers; and
- (v) Action against corruption and extortion.

None of these barriers can be removed without the cooperation of the Government and its agencies. The influence of international funding organizations is crucial here in two ways:

- (i) To provide technical assistance necessary to the reform process; and
- (ii) To provide advice and appropriate encouragement.

Human Costs of Development

It is important to consider other issues around the experience of poverty and disadvantage, particularly those relating to the human and social costs of transition. Key issues here are:

- (i) Women's and girls' health and nutritional status, including the provision of adequate and affordable health services and the range of relevant information programs;
- (ii) Availability of affordable child-care centers;
- (iii) Women's and girls' access to affordable education, particularly at the higher education levels; and
- (iv) Women's leadership and political participation.

Addressing these issues is crucial to counteract a growing gender, class and geographic division. A major concern with all these issues is the real and potential uneven distribution of access in rural areas as distinct from urban centers. This has implications not only for women's health but also for the extent of equality of opportunity for all women to achieve social and economic mobility.

With the possible exception of women's access to higher education, most of these areas of concern are best conducted as a cooperative venture between the Government, women's NGOs, local women's organizations and *mahallas*. Government agencies are central in the provision of health and education services; furthermore, the Government and government

and other information. The project staff has also developed programs for training the national counterpart staff and clients.

women's organizations can ensure that programs developed have a breadth and depth across Uzbekistan. One isolated program on legal literacy will achieve little. With cooperation between government and nongovernment agencies, programs addressing nutrition and anemia are likely to have greater success.

Health and hygiene

The *National Action Plan for Improving the Status of Women in Uzbekistan* provides a good discussion of the areas of most concern here. There are already a number of established government and nongovernment organizations working in this area. Those wanting to participate in this area should seek partnership with these organizations, including the Ministries of Health and Education and the following organizations: Umid, Kamalot, Ecosan Aral Sea and "Soglom avlod uchun." Steps outlined by the National Action Plan here include:⁹⁷

- (i) Implementation of the National Program "For a Healthy Generation;"
- (ii) Reproductive health, including the prevention of unwanted pregnancy, longer breaks between births, and prevention of pregnancy in younger and older age groups;
- (iii) Detection and prevention of babies born with deficiencies and disability, including genetic illnesses and identification of specific environmental risk factors;
- (iv) Sexual health and education, including the development and implementation of social programs for HIV/AIDS, extra-genital and infectious diseases;
- (v) Development and implementation of projects for training people in first aid skills;
- (vi) Implementation of state-guaranteed free medical service program for pregnant and breast-feeding women to improve reproductive health and counteract the incidence of anemia;
- (vii) Development and implementation of international projects aimed at improving health and nutrition of women and children, including providing advice on how to grow varied and nutritional food for children, and monitoring the quality of imported and domestic food, medicines and household chemicals;
- (viii) Awareness-raising campaigns related to sanitation and hygiene, a healthy lifestyle and its values, reasonable family planning (work with men and teenagers), and on "The Role of the Family in Independent Uzbekistan;" and
- (ix) Development and implementation of informative and educational programs designed for women and girls about the harmful effects of alcohol, drugs and tobacco.

Child-care centers

This is one of the most pressing issues facing many women. Women with children face obstacles to participating in the workforce, in education and training, and in community programs. Data from a sample survey of households in three areas—Tashkent city, Fergana oblast

⁹⁷ *The National Platform for Action on the Improvement of Women's Status in Uzbekistan and on Advancement of Women in the Society*, a joint publication of the Women's Committee of Uzbekistan, Gender and Development Bureau and UNDP (September 1999).

and Karakalpakstan—revealed that 72.9 percent of children under 7 did not attend nurseries or kindergartens, and only 24 percent did so regularly. The largest rate of nonattendance was found in Karakalpakstan, where 81.7 percent of children under 7 did not attend. In rural areas, 83.5 percent of children did not attend kindergarten, and only 14.7 percent did so regularly. In those kindergartens that have remained open, the quality of care has worsened for the usual reasons—inadequate funding, and the low salaries paid to teachers and service staff.⁹⁸

Unfortunately, there are limited funds available to revive and develop preschool facilities. One suggestion is to use local funds, mainly through community initiatives and by mobilizing efforts at the local authority and *mahalla* levels.

Education

Education of girls increasingly has a geographical and class component. Many families cannot afford higher education for their daughters. For rural families, the expense of board and lodging is added to the cost of tuition and books. It is too early to say with any certainty the influence of traditional and Islamic factors here, but a number of women's NGOs have raised concern over what they see as a link between traditional and/or Islamic attitudes and young women's declining participation in higher education. Research is needed to discover the range of factors that may be operating here including economic difficulties, the rising costs of education, the failure of education to guarantee secure employment, and cultural stereotypes—particularly strong in rural areas—that women's responsibilities after marriage are primarily located in the domestic sphere.

There is also a need to reorient girls away from the range of subjects traditionally favored by girls. Girls need to be encouraged to maintain their strength in economics and management, as well as to look to new areas such as information technology. Furthermore, education at the *mahalla* level is required to undermine cultural practices that work against girls attaining higher education (such as early marriage).

The National Action Plan recognizes the importance of education for girls, and endorses the following steps designed to raise the educational and professional skills base of women:

- (i) Encourage the active participation of women in the national program of educational reform;
- (ii) Organize regional training centers for retraining and reorienting women to the new economic conditions;
- (iii) Formulate legislative reforms to promote a system of private school education;
- (iv) Introduce sex education for boys and girls in school and higher education; and
- (v) Overcome the traditional division of male and female professions.

Retraining is also an issue, particularly for skilled and professional women who find that their current skills base do not provide secure or well-paid employment. There are worrying stories of female doctors retraining as hairdressers and other professional women looking for work as cleaners. While such women are to be commended for their initiative, the wasting of

⁹⁸ This survey was carried out by the Expert Social Research Center as part of a 1995 Project. See p. 57 of footnote 13.

highly trained women is of grave concern. There are implications here not only for gender relations but also for the skills base of Uzbekistan's labor force if the skills of professional women are inefficiently used either by women withdrawing from the workforce or seeking unskilled but better paid work. Currently, there is only a limited range of affordable retraining schemes available, and most of these are provided by women's NGOs. What is needed—and to date, lacking—are retraining programs targeted at professional and highly skilled women to enable them to find employment that better utilizes their existing skills.

Women's leadership and political participation

Leadership programs and legal literacy programs are important in terms of women's political participation and legal status.

Women's falling participation in formal political structures is of particular concern. If, however, highly skilled and experienced women are prepared to act as role models for younger women, this may help to offset the lack of highly visible women in formal politics. There is also a need to give such women a higher profile to counteract conservative trends in society promoting patriarchal gender structures that define women primarily as wife and mother. In particular, women—particularly those in positions of influence—need to be made more aware of how they can encourage younger women to seek recognition and position in public, political and economic spheres.

In terms of increasing women's political participation, the National Action Plan sets an agenda that seeks to ensure equal access to government positions at all levels in accordance with international standards. The National Action Plan proposes the following steps:

- (i) Make relevant amendments in the Law on State Service and internal regulations of ministries stipulating procedures for the promotion of women in accordance with the criteria set by international standards;
- (ii) Design a state program to support and create opportunities for women in positions of higher decision-making levels;
- (iii) Cooperate with political parties to promote the preselection of female candidates and other issues relating to the appointment of women; and
- (iv) Organize seminars, training, conferences, round tables, etc. to discuss the relevant issues.

Another aspect of women's leadership and political participation is the development of women's NGOs. The National Action Plan recognizes their importance, and supports the following steps:

- (i) Provide support to women leaders in initiating new women's NGOs; and
- (ii) Design and arrange training seminars for women leaders.

Gender and Development Capacity Building

Finally, it is important to combat prevailing gender stereotypes and ideologies that subordinate women in Uzbekistan. Gender stereotypes and gender relations determine a range of nonformal barriers in women's lives in Uzbekistan. They also block women's full enjoyment of their legislative rights, particularly in the workplace.

Gender awareness may be growing; however, the active implementation of gender policies and programs is still limited by ignorance and hostility both within government and in society more broadly. Despite a number of positive initiatives by the Government, much work needs to be done to prevent these positive moves from becoming merely token gestures. This issue is particularly pressing given the resurgence in traditional cultural values and Islamic beliefs that have accompanied the rise in Uzbek nationalism. While the Government does not endorse such views, government policy is sometimes changed on the way down by people who subscribe to a more conservative set of gender ideologies. The mass media is not very helpful here at times, with the majority of journalists lacking gender sensitivity and awareness.

Fortunately, the National Action Plan supports a number of measures in the area of media, equal rights and opportunities, and research. There is further scope, however, for funding agencies and other interested parties to provide technical assistance and funding in these areas. The range of critical topics to be covered include

- (i) Awareness of gender as a social relation and the prevalence of gender stereotypes in society;
- (ii) Definition of the concept gender and other related terminology; and
- (iii) Discussion of gender in relation to civics and legal literacy.

Building gender capacity in government

The transitional environment provides a new impetus for building the gender capacity in government. There is an urgent need to forge a new relationship between state and market and gender. Earlier protective policies emerging from Soviet-style trade unions and government apparatus are either no longer viable or else no longer affordable. However, in a liberal market economy neither the state nor the market guarantees women's equal participation in society. Therefore, mainstreaming gender within the state—that is, strengthening the institutional capacity of the Government to initiate and implement projects that further gender equality—is a critical component in guaranteeing equality of opportunity for women in Uzbekistan.

The National Action Plan sets an agenda that seeks to ensure equal access to government positions at all levels in accordance with international standards. To achieve this objective, the Government requires technical assistance to educate policymakers and government officers on ways to integrate and mainstream gender in government agencies. Such assistance would also identify the most appropriate government levels to target.

Supporting public education programs on gender and gender stereotypes

However, for efforts to mainstream gender in the Government to be successful there is a need to educate a broader audience on the importance of gender equality. After all, members of state and government agencies are firstly members of society and therefore reflect the values and gender ideologies of society in general.

In particular there is a need to reach a broader audience to counteract institutional barriers in the family and the workplace to enable women's full participation in all aspects of society. Public educational programs directed at schools and distributed via the mass media will ideally reinforce legislative changes and gender mainstreaming programs occurring in government and elsewhere.

Schools and the mass media are particularly important as they directly engage boys and men in issues affecting women and family welfare. Critical issues to be targeted in such campaigns include:

- (i) Physical and psychological domestic violence, including child abuse;
- (ii) Women's "double burden" and gender relations that subordinate them in the family;
- (iii) Discrimination against women in the workplace; and
- (iv) Negative stereotypes that reinforce women's inferiority in society.

The National Action Plan sees the need for a more favorable depiction of women and their status in society. Two of the goals of the National Action Plan are to protect the dignity and worth of women as represented in the media, and be involved in the creation of a more contemporary representation of the Uzbek woman. The National Action Plan sees the mass media as an important site for explaining women's equal rights and opportunities, together with other pressing gender issues. It also provides a public forum for debating gender issues. However, it implicitly recognized the inadequacy of the content of mainstream programs and written media. For this reason, it recommended an increase in the number of specialized women's newspaper and magazines, and TV and radio programs.⁹⁹

Another area that requires further investment is curriculum development. Given that Uzbekistan is currently implementing a national educational reform program, it would make sense to take this opportunity to appoint a gender specialist to oversee curriculum development. For this reason, the Ministry of Education would also be an appropriate site to introduce an *internal* program of gender capacity building as well. International funding organizations could work productively with ministry officials to provide the technical assistance for both these aspects.

⁹⁹ See footnote 119.

Building a database on the economic and social conditions of women and households

Mainstreaming gender presupposes an existing knowledge base on the status and position of women in society. Such a knowledge base is incomplete in Uzbekistan at the moment. There have been contributions to the quantitative and qualitative analysis of women and gender in the past few years but further investment in research is required. Without such research it is difficult to describe the current baseline in relation to women's status and thus measure gains or losses. In general terms, the National Action Plan supports such initiatives calling for

- (i) In-depth research in the area of gender; and
- (ii) An annual publication reporting on the status of women in Uzbekistan, as well as the preparation of leaflets on gender analyses in Uzbek.¹⁰⁰

There is a need for more grounded quantitative and qualitative research into the economic and social conditions of women and households. Household budget studies, women's time allocation surveys and qualitative studies into the changing nature of gender relations in the family are badly needed.

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See footnote 119.