

## IV. STRENGTHENING INCOME-GENERATING OPPORTUNITIES FOR RURAL WOMEN IN TURKMENISTAN

### A. Review of present socio-economic conditions in rural areas

#### 1. Introduction

Following independence from the former Soviet Union, the Government of Turkmenistan implemented a set of policies to avert the decline in trade particularly in agricultural commodities. Priority was given to attain self-sufficiency in the production of grain, meat, milk and other basic foodstuffs. As a result of these policies consumer imports dropped from 70 per cent before independence to 20 per cent nowadays.

The agricultural reforms put in place include private land ownership, reorganization of collective farms and other agricultural enterprises, establishment of farmer associations, income tax and exemptions on agricultural incomes, VAT concessions on agricultural produce, an agricultural investment campaign to

finance imports of agricultural machinery, improvements in irrigation, subsidized fuel, electricity and water rates for the agricultural sector and the availability of soft loans to attract investments.

The establishment of farmer associations and introduction of private land ownership changed the income distribution in agriculture. During the period 1991-1997 the share of private farms and households in gross agricultural output increased from 13 to 58 per cent (table IV.1).

Turkmenistan has a high population growth rate. According to the 1995 census, the average population age is 23 years and the share of children and adolescents (up to 16 years) stands at 43 per cent. Women constitute just over half of Turkmenistan's population (50.4 per cent). Indigenous Turkmen women form the biggest group – 76 per cent, followed by Uzbek – 9 per cent, Russian – 8 per cent, and Kazakh women – 2 per cent. The largest age group (49 per cent) comprises women of working age between 16 and 54 years (table IV.2).

**Table IV.1. Gross agricultural output, by sector**

*(percentage)*

Sector	1991	1992	1993	1994	1995	1996	1997
Public sector	86	83	72	63	65	58	46
Farms and households	13	15	29	38	35	42	58

*Source:* Turkmenistatprognoz (1998).

**Table IV.2. Female population by age group, number**

Population	Urban	Rural	Total
Women below productive age (0-15 years)	366 423	564 114	930 537
Women of productive age (16-54)	517 481	581 970	1 099 451
Women above productive age (55 and older)	112 461	96 268	208 729
Total	996 365	1 242 352	2 238 717

*Source:* Turkmenistatprognoz (1996).

In rural areas the share of working-age girls and women is higher than in cities because of a predominance of indigenous women who have many children. The fertility rate in rural areas is on average 1.5 times higher than in urban areas. Besides, the average life expectancy of urban women is 1.1 year higher than of rural women.

The birth rate is slowing both in rural and urban areas. Between 1995 and 1997 it decreased from 22.9 to 17 per thousand in urban areas, and from 32.3 to 25.2 per thousand in rural areas.

## 2. *Employment status of rural women*

High birth rates place a heavy burden on women and reduce per capita incomes, especially in rural areas. Women face the challenge of combining family and non-family roles, as they perform both housekeeping and economic functions. According to a 1998 survey of living standards conducted by the World Bank and the Turkmen State Committee for Statistics (Turkmenistatprognoz) women account for 45.8 and 41.1 per cent of the urban and rural employed population respectively (calculated from table IV.3).

**Table IV.3. Composition of the employed labour force by sex and area**

(percentage)

	Men	Women	Total
Urban areas	24.9	21.1	46
Rural areas	31.8	22.2	54
Total	56.8	43.2	100

*Source:* Survey of Living Standards (spring 1998). Turkmenistatprognoz - World Bank, 1998.

More men than women are seeking work. Women, especially in rural areas, manage households and bring up children, and as a result their share of the total job seekers is low (37.2 per cent).

The main areas of employment for rural women are farmer associations, farms, and the informal sector. The limited choice of jobs in rural areas, and the fact that virtually all rural residents, beside their main job, tend a home farm (informal sector), explain the high levels of female employment in farmer associations and farms. Women account for 64 per cent of home farm workers, and almost 71 per cent of household workers. Widespread home farming and lease of agricultural land result in the use of women and children as unpaid labour.

The low geographical and professional mobility of the rural population undermines the system of rural retraining and restricts employment. Until recently, Turkmenistan hardly had any labour market infrastructure. In 1997, labour exchanges were introduced in both rural and urban areas which are operating on a competitive basis. Their function is to regulate supply and demand of the work force, maintain records of the unemployed and assist in their recruitment and training. Ministries, departments, enterprises, agencies and organizations, irrespective of their ownership patterns, are to provide priority employment to people with referrals from a labour exchange. It is noteworthy that men apply to labour exchanges more often than women do, although the latter are the worst hit by unemployment.

To better balance supply and demand on the labour market, a government programme on employment was developed for the period 1989-2002. The programme provides for the creation of additional jobs across the country. However, despite considerable differences between urban and rural employment trends, the programme does not contain separate provisions for urban and rural areas, nor does it distinguish between men and women.

**Table IV.4. Unemployed women, by education  
(as of 1 November 1997)***(percentage)*

<b>Education level</b>	<b>Urban</b>	<b>Rural</b>	<b>Total</b>
General secondary	0.7	0.2	0.5
Incomplete secondary	16.1	3.9	11.0
Higher	64.6	85.5	73.3
Secondary specialized	17.6	10.4	15.2
Total	100	100	100

*Source:* Turkmenstatpronoz.**Table IV.5. Female unemployment, by cause  
(as of 1 November 1997)***(percentage)*

	<b>Urban</b>	<b>Rural</b>	<b>Total</b>
Responsibility for children	18.6	20.1	19.2
Responsibility for the sick and elderly	3.4	1.5	2.6
Change of job	7.1	3.0	5.4
Lack of jobs in a particular settlement	32.8	42.6	36.8
Lack of skills	15.1	16.2	15.6
Unwillingness to work	9.2	3.0	6.6
Other causes	13.8	13.6	13.8
Total unemployed female population	100	100	100

Table IV.4 presents data on education levels of unemployed women in urban and rural areas. The vast majority of rural unemployed women (85.5 per cent) have higher education. Respondents to a 1997 survey on unemployment indicated the following main causes: lack of jobs in a particular settlement (36.8 per cent of all unemployed women and 42.6 per cent of rural women); lack of required skill, (15.6 and 17.2 per cent); the need to tend, bring up and educate children (19.2 and 20.1 per cent). The data contained in table IV.5 indicate higher rural birth rates and lack of

adequate employment opportunities as main causes of female unemployment.

The lack of jobs in a particular settlement or the lack of required skills was the main cause of female unemployment in the 14-20 years group (especially in rural areas) while the need to tend, bring up and educate children predominates as the cause of unemployment among women 21 to 39 years. Its importance declines in older age groups. Of the total women willing to work and seeking a job, 15.6 per

**Table IV.6. Water supply to urban and rural areas in 1998***(percentage)*

<b>Water source</b>	<b>Urban areas</b>	<b>Rural areas</b>	<b>Total</b>
Centralized water supply	83.4	19.8	50.1
Pumps	2.8	7.4	5.2
Wells	4.1	35.9	20.8
Springs, lakes, rivers, canals, aryks	0.8	11.9	6.6
Rain water	0.1	2.2	1.2
Water delivered by trucks	7.7	19.7	14
Other	1.1	3.0	2.1
Total	100	100	100

*Source:* The survey of living standards (World Bank, Turkmenstatprognoz, spring 1998).

cent needed training, including 15.1 per cent in urban and 16.2 per cent in rural areas.

The survey of living standards (World Bank, Turkmenstatprognoz, spring 1998) revealed that 97.4 per cent of rural unemployed women were seeking work at the time of the survey. Out of them 25 per cent looked for employment in agriculture; 25 per cent in education, and 21.4 per cent in healthcare. The majority of job seekers, particularly in rural areas, were looking for employment themselves.

### **3. Access to utilities and services**

#### *(a) Access to utilities*

Easy access to utilities is guaranteed by free supply of gas, water and electricity. In 1998, all urban areas and 98 per cent of rural areas were connected to the electricity network. Centralized water supply is available in 50 per cent of households; centralized gas supply, in 86 per cent (urban areas, 93 per cent; rural, 80 per cent) and bottled gas, in more than 10 per cent (6 per cent in urban and 15 per cent in rural areas).

Access of rural households to gas and electric energy is relatively high. Access to clean water is more problematic. In 1998 only 19.8 per cent of rural versus 83.4 per cent of urban households had access to safe water (table IV.6).

#### *(b) Access to social services*

The constitution guarantees full access to social services, including education and public health. Each citizen is entitled to free education and primary and secondary education are mandatory. Large government institutions ensure universal access to education and cover 90 per cent of costs of pre-schooling, and 95 to 98 per cent of costs of secondary and tertiary education.

The 1997 UNDP – Turkmenstatprognoz survey of living standards and social services revealed that over 98 per cent of school-age children were attending schools. Less than 1 per cent of them, mainly in rural areas, had problems with physical access due to the remoteness of their village. The introduction of school buses has resolved this problem.

Turkmenistan provides men and women equal access to education. Most higher schools are located in the capital Ashgabat. A quota system has been put in place to ensure access to students from all regions.

Financial assistance to needy students is available in various forms. All students in universities, specialized secondary and vocational schools receive government assistance in the form of scholarships. Many students from other cities receive additional grants to cover housing costs, as well as price subsidies (low-priced flour).

**Table IV.7. Female education in selected years, by area***(percentage)*

	<b>(In)complete higher education</b>	<b>Specialized-, general- and incomplete secondary education</b>	<b>Total</b>
<b>Urban</b>			
1979	6.4	56.9	63.3
1989	8.9	65.6	74.5
1995	11.4	68.6	80.0
<b>Rural</b>			
1979	1.0	52.2	53.2
1989	1.8	64.0	66.5
1995	2.6	71.6	74.2
<b>All women</b>			
1979	3.7	54.5	58.2
1989	5.2	65.1	70.3
1995	6.7	70.2	76.9

*Source:* Population census, Turkmenistan, 1995. The Turkmen State Committee for Statistics, Ashgabat, 1996.

Every Turkmen citizen has the right to health care and social security in case of illness, disability or in old age. Health services are free of charge, which ensures their availability to the wide public. Access to health care is easier in urban areas than in rural ones, as outpatient clinics are more readily accessible.

#### **4. Education levels of rural women**

According to the 1995 population census, the literacy rate of the population older than 15 years was about 99 per cent and did not vary much between regions. Education levels are high. In 1995, 92 per cent of the population had higher education with negligible differences between male and female literacy rates.

Female education levels depend on the location. Urban areas have a larger proportion of women with higher and incomplete higher education (table IV.7).

This can be explained by a larger Russian-speaking population in urban areas, and by traditional role models in rural areas.

Statistics on skills and occupations of rural women in Turkmenistan do not exist. They will be available following a sample census of the Turkmen population in the year 2000. Analysis of these data will help to classify women by profession and identify changes that occurred during the economic transition.

The 1995 census revealed that manual labourers accounted for 83 per cent of the total rural population, and intellectuals with higher, incomplete higher or specialized secondary education – for the remaining 17 per cent. Of the manual labourers, 72 per cent were directly involved in agriculture. The share of female manual workers decreased in 1995 to 44.7 per cent from 47.1 per cent in 1979 and the share of female intellectuals grew from 48.5 per cent to 51.3 per cent.

**Table IV.8. Male and female employment in rural areas in 1998, by occupation***(percentage)*

	Employee	Worker	Owner/ employer	Production co-operative member	Independent professional	Home help	Agri- cultural worker	Military	Clergy
Men	22.5	29.5	1.0	0.5	2.4	0.3	42.8	0.6	0.3
Women	20.8	20.9	0.7	0.0	1.1	0.0	56.5	0.1	0.0
Total	21.9	26.2	0.9	0.3	1.9	0.2	48.1	0.4	0.2

## B. Working conditions in the informal sector

### 1. Self-employment in rural areas

The spring 1998 survey of living standards established the following occupational structure of the population: labourers, 37.1 per cent; employees, 31.6 per cent; agricultural workers, 27 per cent; independent professionals, 1.7 per cent. High employment rates were typical among urban labourers and employees, 50.3 and 43.6 per cent, respectively; agricultural workers, 48.1 per cent, and other workers, 26.2 per cent. Table IV.8 presents male and female employment patterns in rural areas.

Only 4.7 per cent of the employed had additional jobs; of them 36.4 had additional jobs for three months; 26.0 per cent, for three to six months (64 per cent in rural and 36.2 per cent in urban areas). Most additional jobs are held by men (61.4 per cent). Women had no time for additional jobs as they were also responsible for housework.

Around 57.4 per cent of urban and 42.6 per cent of rural population are self-employed, with the share of self-employed men being higher than that of self-employed women (68 and 32 per cent, respectively).

Many women made unemployed by agrarian reform chose family over production roles and became housewives (see table IV.9). In some cases this was voluntarily, when the income of the family head was sufficient. In others, women could not find new work. Insufficient demand in the formal sector and unstable employment contribute to the growth of the informal sector.

**Table IV.9. Women employed at home, by velayat, share of labour force***(percentage)*

	1995	1997	Growth rate
Ashgabat City	16.5	24.0	45.1
Ahal velayat	15.4	21.3	40.4
Balkan velayat	25.7	19.6	-23.7
Dakhovuz velayat	10.8	13.8	32.6
Lebap velayat	9.4	10.9	13.3
Mary velayat	13.4	10.9	-18.6
Turkmenistan	13.9	15.6	12.9

Source: Balance of labour force for 1995 and 1997. Turkmenstatprognoz.

The economic transition resulted in an increase of self-employment, which officially includes individual work activities (IWA); enterprises operating without legal person status; and home farming. According to 1995 census, the share of women whose work in home farms was their main source of livelihood, grew to 6.8 per cent against 0.6 per cent in 1979 (1.3 per cent in 1989). Only 1.6 per cent of the labour force was engaged in IWA, of which women constituted 64 per cent, representing 13.4 per cent of the female labour force.

The informal sector existed before; however, its structure, scale and nature have radically changed. The number of employed has grown, the share of shuttle traders has increased. The sector has actually become an independent segment of the labour market and plays a dual role in the economy and on the labour market. On the one hand, its positive role in employment and income-generation is evident. On the other, incomes generated are being hidden (excluding family home farms officially exempt from tax); the number of employed is understated, while the number of low-income families (households) is overstated.

## 2. *Income differences between urban and rural households*

Every month Turkmenstatprognoz conducts a sample survey of 1,350 household budgets. In 1997 the average size of rural households was 5.9 persons, of whom less than 1.9 persons were employed. In villages the ratio between the unemployed and employed was almost two times higher than in urban households. Due to the seasonality and low productivity of agricultural work, rural incomes were lower than in cities. Growth rates of nominal rural incomes were also lower.

The general structure of rural and urban money incomes is similar: the share of work earnings is high. However, the share of social security payments in a rural household is higher due to greater number of children. Data on the composition of rural incomes and expenditures are presented in tables IV.10 and IV.11.

Lower rural incomes imply that rural households spend less than urban households, including on consumer goods. Rural residents have a greater propensity to save: in 1997 savings accounted for 3.4 per cent of their total income (1 per cent in urban areas).

Food items prevail in consumer spending of both urban and rural residents. The share of food is higher in urban (64 per cent) than in rural spending (56 per cent) and is followed by non-food items, 25 per cent in urban and 35 per cent in rural areas.

Services take a higher share of urban spending since they are more developed than in rural areas. In rural households money spent on services mainly goes to cover housing and utility costs - 3.2 per cent in 1997 (rent payments do not exist); in urban households - 2.5 per cent (housing expenses account for 0.1 per cent).

**Table IV.10. Median monetary yearly incomes of rural households and their composition**

(in thousands manat)

	<b>Earnings, incomes</b>	<b>Pensions, scholarships, allowances</b>	<b>Compensation payments, exemptions</b>	<b>Income from property and sale of real estate</b>	<b>Other incomes</b>	<b>Total amount</b>
1995	116.1	16.6	2.7	0.8	16.9	153.1
1996	1 271.0	200.1	14.0	1.2	98.6	1 584.9
1997	2 736.2	413.7	99.1	0.0	274	3 523.0

*Source:* Budgets of Turkmenistan households in 1995-1997. *Statistical Yearbook*, Ashgabat, 1998.

**Table IV.11. Median level and structure of yearly household expenses (cash-spending)***(in thousands manat)*

	Food	Non-food items	Services	Other	Savings	Total
<b>Urban households</b>						
1995	96.8	37.3	9.7	19.7	1.1	163.5
1996	1 033.7	334.8	94.9	220.0	72.2	1 683.4
1997	2 628.4	1 039.2	359.1	689.5	48.9	4 816.2
<b>Rural households</b>						
1995	68.2	52.4	7.4	18.3	6.9	146.3
1996	762.4	464.1	56.5	200.3	100.6	1 483.3
1997	1 667.8	1 056.3	209.9	464.5	115.7	3 398.5

*Source:* Household budgets in Turkmenistan in 1995-1997. *Statistical Yearbook*, Ashgabat, 1998.

It should be kept in mind that these expenses are covered from *current incomes only* (and mainly in the formal sector). Many low-income households actually have property (houses or land) that sometimes surpasses in value the possessions of the medium- and high-income groups. Thus, the 1997 survey of living standards and social development (UNDP and the State Committee for Statistics) indicated that 20 per cent of the lowest-income households possessed almost twice as much cattle as 20 per cent of the highest-income households. Most households (about 70 per cent) own land plots. Around 90 per cent of rural and 43 per cent of urban families lived in their own houses and apartments.

### **3. *Incomes of female-headed households and government support for low-income families***

Existing statistics do not show gender differences in income, including wage. The June 1997 survey of living standards and social development (UNDP and the State Committee for Statistics) revealed that female-headed households (including elderly women) have a higher economic status than male-headed ones.

In the first quintile group (the first 20 per cent of households having the lowest income) women-led

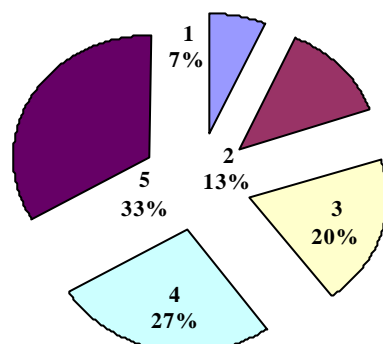
households accounted for 15 per cent and households headed by men, for 22 per cent. In the fifth quintile group (the last 20 per cent of households having the highest income) the figures were 28 and 18 per cent, respectively. This can be explained by the fact that women become heads of households mainly in cities (57 per cent; and 39 per cent for men) where median per capita incomes are higher than in rural areas.

The World Bank-Turkmenstatprognoz survey supports this finding. The share of female-headed households in the first, or lowest-income quintile group was slightly above 42 per cent for urban and 54 per cent for rural areas, while in the fifth, or highest-income group, it reached over 71 per cent for urban and was less than 29 per cent for rural areas.

The biggest proportion of rural female-headed households are in the second and fourth quintile groups (figure IV.1). In other words, female-headed households in Turkmenistan do not tend to be poor.

Social security payments and price subsidies augment the real incomes of the Turkmen population. Thanks to the free supply of gas, water and electricity (consumed at fixed rates), and very low public transport tariffs, the utility-and-housing costs accounted for less than 3 per cent of household spending in the first half of 1998, and public transport costs for just 1 per cent.

**Figure IV.1. Female-headed rural households, by quintile groups and incomes**



Low-income families enjoy support from the state. Between 1997 and 1998 the government took steps to better target its social security payments. In 1997, people with median per capita incomes of less than 80,000 manat could buy basic food items at fixed lower prices. Those with median incomes below 120,000 manat purchased standard flour rations at a discount from the normal price. In 1997 alone the above price subsidies increased the level of average national pay by 50 per cent.

From January 1998 onwards, only low-income families, children, unemployed retired persons, and persons with disabilities were entitled to discounts on flour rations. Still, today every third Turkmen citizen enjoys price subsidies (discounts on fixed flour rations) which augment their real monetary incomes. Price subsidies for lowest-income households are twice as high as for highest-income households. The share of free services remains high. For instance, health care and health-resort facilities account for less than one per cent of consumer spending.

Despite the economic difficulties of the last few years, the government protected the health and education sectors which employ many women and kept increasing average salaries by 1.5-2 times every year. This measure, especially in 1997-1998, enhanced the economic status of women.

Turkmenistan pursues a policy of social protection of women, especially mothers. On 17 July 1998 the State Benefits Act was passed containing

provisions for the social protection of women. Maternity benefits are provided and child support is paid to low earners with children below three years old. Persons who do not receive pensions are entitled to social security benefits, in particular women at the age of 62. In case of the loss of a breadwinner, the non-contributing family members, in particular, the deceased earner's wife or mother, children, sisters, grand-sons receive survivors' benefits, with the minimum size fixed at 40 per cent of the average monthly pay. Maximum survivors' benefits equal minimum pay, i.e. 200,000 manat a month.

The new Pensions Act (1998) provides for the inclusion in the work record of years spent by non-working mothers in raising their children until the age of three (for a total of no more than six years). Women who gave birth to and raised three children up to the age of eight are entitled to receive pensions one year earlier than the age of 57 fixed by law; two years earlier in case of four children; and three years earlier in case of five and more children or a child disabled from infancy.

Low-income families with children and families with many children are entitled to discounted pre-school fees and exemptions from income tax. The state contributes 90 per cent of pre-school costs. Families with four and more children pay only 50 per cent of the fixed pre-school fee. Pre-schools absorb 22 per cent of children in respective age groups. The first half of 1998 saw more than 48 per cent of these children attending at discounted fees or free of charge.

## **C. Employment opportunities for rural women in the transition period**

### **1. Strengthening land lease to generate female employment**

Land lease is the most common technique for creating jobs for men and women. Land lease helps to productively employ all household resources to raise family income and, in the long run, to fulfil public needs. Land lease provides employment as women carry out the bulk of planting, weeding and harvesting. The government has already initiated large-scale subsidies in support of designated cotton- and grain-producers. Cultivating and harvesting equipment greatly increases productivity, lowers costs and increases incomes. On 3 October 1998 measures were adopted to facilitate the repair of agricultural machinery, the development of maintenance facilities, and supply of spare parts.

As the practice of leaseholding develops, new problems emerge. The sustainability of income from lease, and social and legal safeguards in case of natural disasters and crop failure need to be addressed.

Sizeable returns have prompted the development of other agricultural sectors, which contributes to the employment of rural women. The private sector is becoming more prominent and accounts for 60 per cent of vegetables, 67 per cent of melons and watermelons, 62 per cent of fruit and 85 per cent of potatoes grown in farms. Further developments in this sector would require better export opportunities for private producers and better support services.

Animal farming has a good potential in terms of female employment. Crop cultivation on leased land is a seasonal activity, while animal farms provide employment throughout the year. Expansion of animal farms would create jobs for young people too. Increasing incomes have spurred growth of livestock in private farms and the subsequent increase in food production.

### **2. Promotion of private enterprises**

Private entrepreneurship has expanded rapidly after the dissolution of the former Soviet Union. The government promotes business activities that alleviate unemployment, especially rural areas. Agricultural producers and processing plants are exempted from income tax and land fees for a period of five years following the purchase of land. The Income Tax Act of 1 October 1993 fully exempts new agricultural

producers or processing plants from income tax in the first year following registration and requires only half tax payments in the second year if more than 70 per cent of the total revenue comes from agricultural production or processing.

These measures facilitated business undertakings, including in rural areas. According to the Smeda information agency, as of 1 July 1998 Turkmenistan had 4,828 enterprises with a total staff of 38,497. As many as 34,326 natural persons worked as license-holders without forming a legal entity. Of the above, 362 enterprises and 4,000 individual entrepreneurs were producing agricultural commodities.

The above policies have significantly improved the employment situation both in urban and rural areas and facilitated access to jobs for rural women. However, low mobility and housekeeping responsibilities of rural women shut them out from active business pursuits. A survey was carried out by the authors in two villages in the Ahal velayat to determine the extent of female unemployment and income-raising options for women. A total of 16 women between 16 and 60 year took part in the poll. Of them, 25 per cent (four women) were not married. The other 75 per cent were married and had children.

As shown by the poll, most respondents were prepared to join operating enterprises provided they had a fixed schedule and were located in the proximity of their home. One way to reduce unemployment and develop business initiative, therefore, is to set up small subsidiary workshops where women would use their traditional skills to produce textile and food items.

Work at home is an important source of employment for rural women. Turkmenistan is famous for its hand-made carpets, which are produced both in enterprises and at home. Home-based carpet manufacturing is of major social importance. First, it secures female employment during the long breaks between harvesting seasons. Second, it preserves the cultural heritage as young people learn the art of carpet making. Finally, the sale of carpets brings stable and good profit. Export facilitation through reduced customs duties, preferential export treatment of carpets and tax-free import of required inputs would stimulate home-based carpet weaving.

Female home workers also take up needlework, knitting and other lines of handicrafts. As many as 70 per cent of respondents in our poll were doing needlework, although mainly for their own needs. One respondent used to do custom needlework for five months a year, which brought her a yearly income of 400,000 to 500,000 manat. Others were equally prepared to do this work whenever the opportunity presents itself.

As the demand for labour falls, home-based manufacturing, especially in rural areas, would alleviate seasonal unemployment of women with relatively low professional and geographical mobility. Safeguards and incentives are the essential prerequisite. Social safeguards would include continuous supply of raw materials, and guaranteed purchase of the product at agreed prices. This could be arranged through entrepreneurial centres located in villages, close to the home workers.

Incentives could include soft miniloans to rural female workers. Financial support is essential for home-manufacturing partnerships and in regions where specialized centres are unlikely to appear. Loans could facilitate business initiative among female rural home workers and create off-season jobs.

Raising the profitability of the informal sector, especially in home farming, would contribute to female employment. According to Smeda information agency, there are some 470,000 home farming plots. With the start of the market reforms, each plot has become an important source of foodstuffs consumed by their owners themselves. Home farm workers could enhance their potential by learning to market their produce. According to our survey, all female respondents had home farms but only 40 per cent had managed to sell its produce in the marketplace. The rest were using the output for their own consumption.

Low profitability of home farming is due to lack of irrigation water, especially in summer. Renovation of rural water supply would facilitate the operation of home farms and create additional female employment and education of young people through work.

### **3. *Strengthening employment through investment in agriculture***

Investment in construction projects, particularly in processing plants, is a major tool for job-creation in rural areas. The Investment Programme launched by Turkmen President Saparmurat Turkmenbashi facilitated foreign investment in 147 projects by the end of 1998.

The programme accords high priority to rural projects, some of them built to provide employment for women, primarily in agriculture, textile and food industries. The construction of 33 agricultural enterprises, 13 textile spinning and weaving factories and 23 food processing plants is well under way.

The third quarter of 1998 saw the operation of five rural projects with foreign participation. The programme is important both in terms of employment and in terms of training, because construction work with foreign involvement implies the use of advanced

technology requiring skills development and training. Priority is accorded to young people who belong to the more mobile work force. New rural enterprises would stem the outflow of young people and reduce the pressure on the urban industrial and social infrastructure.

Women burdened with housekeeping and children are not as competitive. Rural workshops operating as branches of the above newly built enterprises would therefore be a welcome development. The textile refuse from factory operations could be re-utilized in home-based manufactures.

Expansion of the above projects is also possible through relocation of processing industries toward local sources of raw materials, or through the setting up of a complete production cycle yielding finished items. The latter could be manufactured in mini-tailoring shops, which would employ rural women.

## **D. Conclusions and recommendations**

### **1. *Conclusions***

- The Turkmen government stimulates the development of agriculture by numerous tax exemptions and preferential treatment of commodities produced by various enterprises. Agricultural producers use fuel and energy that are subsidized and water is virtually free of charge. Financial support of agriculture is the responsibility of the State Agriculture Development Fund set up specifically for this purpose. The government promotes private investment in agriculture and processing industry and applies competition in its soft lending toward investment and commercial projects. Rural residents are exempt from many taxes (on cattle, land etc.). Taxes levied on rural residents are not as high as in cities; hence the share of disposable income is higher.
- The population has easy access to natural resources, such as gas, water and electricity owing to free and virtually unlimited - except for electricity - consumption. The constitution proclaims free health and education.
- Female literacy and education levels are high. As many as 68 per cent of the rural employed have secondary education; just over 7 per cent, higher education; 13 per cent, incomplete higher and secondary specialized education; 12 per cent, incomplete secondary

and primary education. Education levels of rural women are slightly lower than of urban women.

- Median per capita incomes of rural households are lower than in cities. Principal causes include high dependency ratios (the number of dependants in rural households is almost twice as high as in urban ones), seasonal character of employment, and lower productivity of agriculture as compared with other economic sectors. About 70 per cent of low-income households have three and more children and they are mainly from rural areas.
- Reproductive behaviour of rural residents diverts considerable numbers of fertility-age women (15-49 years) from economic activity, adds to population pressure, and reduces per capita incomes, especially in rural areas. Women perform both family and production functions and suffer double workloads. They are only remunerated for the production part and partly compensated for the reproductive part (low-earning families receive allowances for children of up to three years of age).
- Many rural women are employed in farmer associations and farms. Apart from the main job, the overwhelming majority of rural residents, especially women, work in home farms (the informal sector). Over half of all rural residents, have additional jobs (women less often than men, due to housekeeping responsibilities). Nevertheless, the seasonal nature of agriculture affects the annual consumption rates of rural residents and needs to be addressed to mitigate the impact on employment (in particular female employment) and to generate income.
- Unemployment problems are more acutely felt by men than by women. However, male workers are in higher demand than women. Balancing of demand and supply in the labour market has been a most formidable challenge, which led to the development of a draft State Programme on Employment in Turkmenistan for 1998-2002. The programme approved by the State Commission on Employment points to the stronger role of the state in matters regarding labour. However, the programme does not draw any distinction between urban and rural areas or between men and women. Job-search problems faced by men and women differ too. The distinctions, and respective problems and solutions should have been reflected in the state programme on employment.

- By international standards, the proportion of registered female job seekers in the total number of working-age women is low, slightly above 1 per cent (separate statistics for urban or rural areas are not available). The principal causes of rural women's unemployment are absence of jobs in a given locality, responsibility for child care, upbringing and education, and lack of skills. Approximately 3 per cent of working-age rural women do not want to work, as compared to 9 per cent for urban women. Employment and income policies for rural women should therefore emphasize job creation and skill formation.

## 2. *Recommendations*

- The survey suggests that the provision of gainful employment is of vital importance to solve the problems of rural women.
- Promotion of leaseholding and private ownership is one way to generate employment for rural women because family-based lease involves them in agricultural production. Another important tool is the promotion of rural business structures offering paid work, which does not entail high economic risks for those responsible for production.
- Investment in new enterprises creates additional jobs and the production infrastructure plays a vital role in the employment of rural women.
- Rural workshops operating as branches of new textile factories and food plants and employing women in traditional occupations would enhance entrepreneurial pursuits.
- As demand for labour falls, home-based manufacturing, especially in rural areas, would alleviate seasonal unemployment of women with relatively low professional and territorial mobility. Safeguards and incentives are the essential prerequisite. Social safeguards would include continuous supply of raw materials, and guaranteed purchase of the product at agreed prices. This could be arranged through entrepreneurial centres located in villages, close to the home workers.
- Incentives could include soft miniloans to rural female workers. Financial support is essential for home-manufacturing partnerships and in regions where specialized

centres are unlikely to appear. Loans could facilitate business initiative among female rural home workers and create off-season jobs.

- Accelerated development of the informal sector, in particular home farms would require improvements in water supply and marketing systems. To this end, the Turkmen Consumer Union (Turkmenpotrebsoyuz) should enhance its marketing operations, especially in outlying areas.
- The study revealed various problems faced by rural women. Female workers form the core of the Turkmen labour force, and yet not a single survey has been carried out to highlight these issues. Our sociological survey of two villages is not representative enough, because the sampling is too small and it would be a mistake to apply its findings to the rest of the country.
- Scanty statistics, the rise in leaseholding and private farming, and the absence of gender data create the need for regular sampling of rural residents, including their budget, jobs (especially self- and informal employment), barriers to income-generation, training and retraining demands (by occupation), etc.
- The lack of complete and reliable statistics precludes any in-depth analysis or detailed definition of actual needs of rural women (and other rural residents) with regard to strengthening their potential. Assistance of international organizations (in particular ESCAP) in the conduct of systematic surveys would be useful, taking into account the economic constraints stemming from transition to a market economy. A systematic analysis of rural women's status would help formulate recommendations on long-term reform options that strengthen rural employment and income-generation.