

II. STRENGTHENING INCOME-GENERATING OPPORTUNITIES FOR RURAL WOMEN IN KYRGYZSTAN*

A. Review of present socio-economic conditions

1. *Government efforts to raise rural incomes*

At the outset of the economic reforms, it was widely believed that freedom of enterprise and private ownership of production facilities would automatically trigger an efficient market economy. The same belief was held in agriculture. Agrarian reformers set out to promote private farming by transferring land and means of production from large collective farms and Soviet-type farms to the newly established peasant farming units.

Soon it became obvious that the right to own and use land at one's discretion did not guarantee success. Peasants and farmers could not afford to buy seeds, fertilizers, fuel and oil, machines and other equipment. Hardship forced many to slaughter cattle for sale, abandon their plots and head for the cities in the hope of finding work for pay. Many peasants in rural areas lost their work and income and most rural households were impoverished.

The government realized that state support was indispensable for small and big farms to survive and develop. Between 1992 and 1997 around 500 million som were disbursed through public loans to rural producers, in particular to new small and big farms. Unfortunately, the programme was poorly organized and mainly run by regional and provincial authorities

and commercial banks. A big portion of funds never reached the villages. And where it did, it was mismanaged and failed to produce the desired impact. Large amounts were stolen, and repayment of the principal is unlikely, and much less so the interest on the loans.

Whereas support for the rural producer had not lost its urgency, the government became more cautious. A special Decree adopted in 1997, defined what assistance was necessary and how it should be provided. The newly established Kyrgyz Agricultural Finance Corporation was expressly assigned to lend toward projects against collateral, collect debt, and interest on loans, and forfeit penalties. Lending toward agricultural projects did not become widespread because of high annual interest rates running up to 30 per cent.

To facilitate borrowing, the government supported the establishment of local rural credit unions. By pooling their funds, village co-operatives, peasants, farmer unions and associations, joint-stock societies and collective farms were to arrange easy loans. That practice was gaining recognition throughout the republic.

Task programmes such as Ayalzat, Araket and Emgek were developed and adopted at the highest government level.

2. *Economic conditions of rural women and their basic needs*

During the period 1991-1997 the employment of women in various sectors of the economy shifted as presented in table II.1. These changes do not point to any increase in the absolute number of employed women but rather to their ejection from labour force at varying rates in different sectors (table II.2).

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Table II.1. Distribution of women's employment over different sectors between 1991-1997

(percentage)

Sector	1991	1997
Industry	24.6	17.1
Education	20.1	27.8
Agriculture	13.9	10.2
Health, physical education and social security	13.1	20.6
Construction	3.7	2.2
Trade and catering	9.4	5.0
Government agencies	2.0	3.9
Others	13.2	13.2

Table II.2. Female employment in various sectors of the economy between 1991 and 1997

(percentage)

Sector	1991	1997
Industry	53.3	40.5
Education	67.5	66.4
Agriculture	38.5	37.5
Health, physical education and social security	76.5	75.3
Construction	18.2	17.8
Trade and catering	63.1	49.9
Government agencies	52.7	34.8
Supply and marketing	34.8	25.6
Others	13.2	13.2

The ongoing economic crisis and production cutbacks sharply increased unemployment, and women were the worst hit. In 1997, women accounted for 58.5 per cent of all registered jobless persons. They also prevailed among the unregistered unemployed, workers on unpaid leave, and those working only one or two days a week.

A March 1996 sampling survey of working and living conditions revealed changes in women's status over the last five years. The survey covered 800 rural and urban women, most of whom said their living standards had deteriorated. Rural women were more categorical on that point (72 versus 68 per cent for urban women). They resented more strongly the lack of attention to their problems (75 versus 72 per cent); complained more often about financial straits (12 versus 8 per cent); insufficient access to credit (7 versus 2 per cent); difficulty in educating their children (23 versus 21 per cent); and limited access to political activities (14 versus 11 per cent). However, they were less inclined to complain about poor housing (77 versus 82 per cent).

The above survey addressed the current economic and social conditions. In another survey women described their basic needs and problems (table II.3).

Although rural women complain of hardship less often than their urban counterparts (62 versus 95 per cent), they still consider it their main burden. Obviously, home farming helps but financial problems remain. Women, therefore, need jobs that would fit their profession. While this particular concern would appear insignificant (14 per cent), it was cited alongside major determinants of well-being. Rural women were less concerned about housekeeping pressures, difficulty of educating children or inadequate housing. However, these problems persist and affect their well-being.

The economic crisis, falling production and increasing deficit in the state budget have led to cutbacks in public spending, including on health care. All respondents indicated that health care standards have deteriorated both in urban and rural areas. Around 30 per cent have experienced difficulty getting proper medical assistance.

Housekeeping responsibilities are particularly aggravating. Chores consume between three and five and more hours a day, and six or more hours on weekends. While urban women mainly wash and clean (36 and 27 per cent), rural women spend their time heating the house (34 per cent) and tending the home farm (20 per cent).

Providing food, clothing, footwear, and things for the house is one of the basic concerns of women, including in rural areas. In the March 1996 survey, 40 per cent of respondents complained of scarcity of basic foodstuffs; 17 per cent mentioned children's footwear and clothing; 31 per cent, footwear and clothing for the whole family; 10 per cent wished they had a washing machine; 12 per cent had no household appliances; and 12 per cent complained of lack of detergents. The scarcity of basic necessities complicates both everyday life and the economic

Table II.3. Main problems of women*(percentage)*

	Urban	Rural	Total
Absence of work that would fit their profession	14	14	14
Pressures of housekeeping	8	13	20
Difficulty in educating children	13	11	12
Lack of money	95	62	75
Inadequate housing	17	12	14
Lack of required healthy care	30	30	30
Total respondents	100	100	100

activities of the rural women.

The decay of pre-schools has seriously aggravated problems faced by both rural and urban women. Previously financed by the state or state enterprises, they provided lodging, food and education. Today neither the state nor private enterprises can secure their upkeep. The number of pre-schools dropped from 1,072 in 1990 to 167 in 1997, i.e. by 6.4 times. In the same period, the number of children using them dropped from 98,700 to 12,900, i.e. by 7.7 times.

The share of children having access to full-time pre-schools diminished from 26.7 per cent in 1991 to 8.3 per cent in 1997. An additional blow came when schools closed their day-care centres. Previously, children could stay at school after classes and receive care and attention when working mothers could not tend them. The number of such schools in rural areas fell from 984 in 1990-1991 to just three in the 1997-1998 school year. The number of children in day-care groups declined in the same period from 120,400 to 200, i.e. by a factor of 602.

Mothers of pre-school children gave different reasons for keeping their children away from day-care centres. Many rural and particularly urban women (30 and 57 per cent, respectively) spoke of beggarly wages and exorbitant price of day care. Others refused to trust children to such institutions (22 per cent); lived too far from kindergartens and nurseries (23 per cent), or were not satisfied with the service (10 per cent).

Poverty is the most serious problem for women in Kyrgyzstan, especially in rural areas.

Table II.4 points to a higher incidence of poverty in rural areas. However, poverty is less common in women-headed households both in cities and rural areas. Obviously, rural women are more experienced and skillful in their home management, more prudent and thrifty in their spending. They can therefore assume leading roles in programmes creating jobs for women and raise rural earnings.

3. *Access to utilities and services*

The current economic situation precludes universal access to the full benefits of civilization. Cities have much better utilities and services than rural settlements. However, available energy resources are sufficient to supply electricity to all citizens. National hydropower stations produce a total of 140 billion kWh of electricity. In the last 40 to 50 years a number of powerful hydroelectric plants and a few thermal power plants went into operation. In 1997 they produced a total of 12.6 billion kWh. Electricity is thus available throughout the republic. In recent years, the power network came under pressure as the demand for electricity for heating purposes rose due to higher prices charged by gas companies and frequent gas supply breakdowns both in cities and rural settlements.

Prior to the reform, gas supply networks worked at full capacity and covered all cities and townships. Around 1,763 rural settlements, i.e. almost all of them, were using natural gas. The number of settlements connected to gas supply shrank from 1,765 in 1994 to 729 in 1996, i.e. by 2.4 times. Still worse are frequent cut-offs especially in rural areas. Tariffs have increased sharply and low-income families can no longer afford natural gas, particularly in rural areas.

Table II.4. Incidence of poverty, by area of residence and sex of the household head*(percentage)*

Category	Urban		Rural	
	Male	Female	Male	Female
Poor	39	38	60	51
Very poor	17	14	33	25
Not poor	61	62	40	49

Water supply is available in all cities and townships. In rural areas, water posts and, less often, water taps have been installed in 999 rural settlements, i.e. in more than half. Water supply to villages remains a serious problem requiring immense human and financial efforts. Sewage disposal presents even greater difficulty, with just 17 of 20 cities, and 15 of 29 townships enjoying its benefits. The number of rural settlements with sewage disposal facilities is as low as 58, a negligible proportion (3 per cent).

The situation with utilities is roughly described by housing statistics (which exclude housing built by owners). In 1995 water supply was available in 42 per cent of homes; sewage disposal in 30 per cent; centralized heating in 27 per cent; bath-tubs in 21 per cent; gas-fired systems in 57 per cent; hot water supply in 9 per cent; electric ovens in 3 per cent. Telephone networks are inadequate. In 1997 around 138 of every 1,000 permanent urban residents had telephone lines installed in their apartments; the figure for the rural areas was 23, or six times less.

Rural retail networks are not much better. In 1996, Kyrgyzstan had 11,200 retail businesses, of which 6,200 were catering for 1,585,000 urban residents, and 5,000 shops for 3,022,000 rural dwellers. Cities have therefore one retail store per 257 inhabitants, whereas rural areas have, on the average, one retail shop per 604, or 2.3 times more, customers. The economic crisis is forcing the state to abandon many community facilities in rural areas. Cultural centres, movie theatres, libraries are decaying or in their death-throes. Public baths, laundries and service shops have closed down in many villages, making life less enjoyable and placing more pressure on women.

4. *Distribution of rural women by educational and professional categories*

The former Kyrgyz Soviet Socialist Republic built up considerable educational, cultural, and scientific potential and made progress in other areas of social development. The 1989 census produced data on the distribution of women by educational categories (table II.5).

Table II.5 points to high educational standards of adult women. Of every 1,000 women, 80.6 per cent have higher or secondary (complete and incomplete) education. Obviously, rural women have the same or even higher levels, as suggested by data on ethnic Kyrgyz women who account for 52 per cent of all female population and are predominantly from rural areas. Taking them as the rural standard, we may conclude that 82 per cent of adult rural women have higher and/or secondary (complete and incomplete) education, with 8.6 per cent having complete higher education; 1.8 per cent, incomplete higher education; and 12.8 per cent, special secondary education. Russian and Tartar women exhibit better levels but only because most of them live in cities and townships.

The Uzbek women live mainly in the rural areas of the Osh and Jalal-Abad regions. They form the smallest share of women with higher (4.0 per cent), incomplete higher (0.6 per cent) and secondary specialized education (11.4). Their low rating slightly impairs the general high educational levels of rural women in Kyrgyzstan.

Table II.5. Education level of girls and women of 15 years and above, by ethnic group

(percentage)

Ethnic group	Higher	Incomplete higher	Special secondary	General secondary	Incomplete secondary	Total
Kyrgyz	8.6	1.9	12.8	41.9	16.8	82.0
German	5.3	1.0	16.7	29.3	18.3	70.7
Russian	13.5	2.0	23.4	24.6	17.9	81.4
Tartar	12.9	2.0	23.6	24.5	17.1	80.1
Uzbek	4.0	0.6	11.4	46.4	17.6	80.0
Ukrainian	10.3	1.5	21.4	18.9	17.6	69.7
Total	9.5	1.7	16.2	35.8	17.4	80.6

The results of the 1996 survey in the 16-25 age group indicate that women with secondary (complete and incomplete) education account for the biggest share, 78 per cent. The 25 to 35 and 36 to 55 age groups exhibit higher ratios with complete higher education, 41 and 44 per cent; and conversely, lower ratios with secondary (complete and incomplete) education, 46 and 39 per cent. Among women of 56 to 60 years, primary education dominates (37 per cent), with relatively few having secondary (complete and incomplete) education (20 and 22 per cent). Women in this group were born during the war and have not had much access to secondary or higher schools.

B. Status of women working in the informal sector

1. Rural employment

Agricultural reform brought deep institutional changes in the socio-economic make-up of rural communities. In 1992 efforts were initiated to end the predominance of state and collective farms and create individual and collective farms based on private ownership and business initiative (table II.6).

Whereas state farms shrunk to 35, collective farms gained in prominence. Their number surged to 953 in 1995 and dropped to 676 in 1997, still more than in early 1990s.

The modern collective farm differs from its predecessor, the *kolkhoz*, which was based on collective and public ownership. The present-day collective farms bring together private owners of

basic means of production, including land. Another trend is the emergence of peasant farms, whose number has grown to 38,724 in 1997, changing the structure of agricultural production. The share of non-state economic actors is growing while the share of public and collective farms is diminishing (table II.7).

Table II.7 indicates that the share of public and collective farms in agricultural output shrank by 2.2 times between 1993 and 1997. The change benefited both home and peasant farms. A striking evolution occurred in the home farm sector. By 1995 its share surged to 61.1 per cent and by 1997 dropped to 54 per cent, still accounting for over half of entire output. The share of peasant farms also grew considerably, by more than two times.

Early market reforms depressed output in all sectors. In agriculture, production contracted in 1995 by one third from 1990. Despite the 1996 and 1997 increases, the 1990 peak is yet unattainable. Curiously, the fall in output did not lead to layoffs. On the contrary, the number of employees grew but productivity dropped. Obviously, the survival of rural residents was the higher priority.

Table II.8 shows that the agricultural work force grew by almost 143,000 (21.8 per cent) between 1993 and 1997. The increase came from new home farms and peasant farms. The number of home farm workers grew to 118,000. The increase in 1995 was even bigger - 162,000 for home farms and 137,000 for peasant farms. Actually, people were creating jobs for themselves, and the above statistics rather point to an increase in individual and entrepreneurial self-employment. In 1997 around 83 per cent of all

Table II.6. Number of economic actors in agriculture, end of year

	1988	1993	1995	1997
State-run enterprises	290	192	49	35
Collective farms	178	449	953	676
<i>including</i>				
joint-stock societies		5	74	41
peasant cooperatives		284	271	317
agricultural cooperatives		160	608	318
Individual peasants and farmers		15 810	23 180	38 724
Total	468	16 451	24 182	39 435

Table II.7. Agricultural output by type of farm

(percentage)

	1993	1995	1997
State and collective farms	38.3	22.6	17.3
Home farms	47.7	61.1	54.0
Peasant farms	14.0	16.3	28.7
Total output	100	100	100

agricultural workers were self-employed and just over 17 per cent worked in public and collective farms.

A survey carried out by the authors in the Studentcheskoye and Frunzenskoye villages (the Sokuluk district of the Tchuiskaia oblast) produced similar results. For better coverage, pollsters studied almost 15 per cent of all family households. About 122 respondents, or 81.3 per cent of all heads of households described themselves as working in official jobs, be it a collective or a Soviet-style farm; industrial, transport or construction enterprise; school; technical college; hospital; clinic or administrative office.

However, this official employment exists only on paper. In real life, as answers indicate, these doctors, teachers, nurses, veterinarians and administrative officers had not been receiving their wages for up to four months. To survive, they turned to home farms. According to 188 respondents (58.7

per cent), their home farm became a major source of work and income. Only 15 people described themselves as self-employed or entrepreneurs. Together with home farm workers, they account for 68.7 per cent of respondents (103).

Men continue to prevail as breadwinners. They control 106 households, or 70.7 per cent of the total. Women head 44 households or 29.3 per cent. The fact that women are running almost one-third of the households surveyed in the poll is significant and suggests their stronger economic status.

More importantly, able-bodied women have relatively high educational levels. Of the total 157 respondents, 35.7 per cent have higher education, 39.5 per cent complete or incomplete higher, 48.4 per cent secondary specialized, and 56.7 per cent secondary specialized and incomplete secondary education. Only three women said they had no education; and three had primary education. Most women, therefore, have

Table II.8. Number of agricultural workers, by farm type

Farm type	Number of agricultural workers, thousands			Share, percentage		
	1993	1995	1997	1993	1995	1997
State and collective farms	250.8	175.8	138.1	38.3	22.6	17.3
Home farms	312.7	474.4	430.8	47.7	61.1	54.0
Peasant farms	91.9	126.2	229.2	14.0	16.3	28.7
Total	655.4	776.4	798.1	100	100	100

secondary special or higher education.

Respondents belong to different professional groups. Of the total 165 able-bodied or retired women, 34, or 20.1 per cent, are manual workers; 40, or 24.2 per cent, teachers; 26, or 15.8 per cent, accountants or financial experts; 17, or 10.3 per cent, veterinarians; 10, or 6.1 per cent, economists; 11, or 46.7 per cent, agronomists; 5, or 43.0 per cent, physicians; and 5, or 3 per cent, technicians. The remainder are housewives or women who have not indicated their profession. Even manual workers have at least secondary school behind them, while teachers, doctors, economists, accountants, financial workers, agronomists, veterinarians and other professionals have higher levels.

The self-employment trend shows women's willingness to work in home farms or as independent entrepreneurs. More importantly, they are beginning to produce for the marketplace, sell their produce, and provide services. Most women take up dairy and animal farming. Of the 44 female-headed families, 39 were selling dairy products, and 22 meat items. Five were selling vegetables; one was selling fruit; one traded in melons and watermelons; one specialized in grain; one in cakes and pies; and one did construction work. Entrepreneurship has not become common but the idea is catching on. Of the 44 women, six respondents (13.6 per cent) called themselves entrepreneurs. The results of the survey suggest a significant shift toward self-employment, including among rural women. Women are cautiously assuming more active business roles.

2. *Incomes of urban and rural households headed by women and government support for low income families*

Over the past few years, the economic crisis and severe production cutbacks have critically

aggravated the living standards of the Kyrgyz people. By frequent estimates, the material wealth of the people has been cut by more than half from late 1980s - early 1990s. Current people's earnings are so low they don't add up to half of the subsistence minimum (table II.9).

Statistics on median monthly wage provide yet another proof of widespread penury. In 1997 it stood at 630.4 som, the equivalent of US\$36.3. In the United States of America this amount equals the pay for one working day or less while Kyrgyz workers get that for an average work month. Official sources do not distinguish between urban and rural incomes. Median monthly wage for industry and agriculture may provide a rough indication of their total earnings. Indeed, industrial workers live mainly in urban and semi-urban areas and agricultural workers in rural areas. Table II.10 shows the gap between urban and rural incomes.

In 1995, the median agricultural wage was just 26.6 per cent, i.e. slightly over a quarter of the industrial pay. In subsequent years, it somewhat increased but was less than half the industry rate, reflecting the general spread between median per capita earnings of city and rural workers.

The autumn 1996 survey of living standards carried out by the Kyrgyz National Statistical Board and the North Carolina Research Institute suggested a slight narrowing of the income gap. With median family income standing at 1,733 som a month, city workers were earning an average of 2,195 som, and rural workers 1,445 som, i.e. 750 som or 34 per cent, less. Statistics on per capita distribution of rural and urban earnings are also noteworthy (table II.11).

Table II.11 suggests that rural families earn much less than urban families in the form of salaries and wages, proceeds from own business, property and private payments. On the other hand, rural residents sell their own produce or consume it within the

Table II.9. Median per capita monthly income and subsistence minimum, 1993-1997

	1993	1994	1995	1996	1997
Average per capita income (som)	48.3	143.4	192.8	248.0	324.0
Subsistence minimum (som)	95.2	348.4	334.3	534.0	690.6
Average per capita income to subsistence minimum (percentage)	50.7	41.2	45.1	38.3	38.2

Table II.10. Median monthly wage in industry and agriculture

	1993	1994	1995	1996	1997
Agriculture (som)	60.1	111.7	151.9	255.0	380.0
Industry (som)	124.8	369.1	571.3	737.7	986.9
Agriculture/industry ratio (percentage)	48.2	30.3	26.6	34.6	38.5

Table II.11. Sources of per capita family earnings

(percentage)

	Cities	Rural areas	Total
Salaries and wages	23.9	13.7	19.6
Income from self-started businesses	32.7	18	26.4
Subsidies from enterprises and district budgets	1.9	1.9	1.9
Pensions	8.7	14.6	11.2
Social security payments	0.9	1.6	1.2
Private payments	11.7	5.6	9.1
Income from property	19.5	8.5	14.8
Income from the sale of produce (processed and unprocessed)	-0.3	15.81	6.6
Income equivalent to the value of produce grown and consumed within the household	1.0	20.3	9.2
Total income	100	100	100

household, which generates twice as much income as the same does in urban households.

Rural pensions are significant too, although not because they are higher than in cities. They are, in fact,

lower but the total rural family earnings are so small that pensions, whatever their size, are of major survival value. Half of the income earned by rural families comes from their home farms or in pension payments.

**Table II.12. Sources of family incomes, Sokuluk district, Tchuiskaia oblast
(monthly average per family)**

Source of income	Percentage
Salaries and wages	51.6
Income from individual businesses	7.6
Income from home farms	32.2
Pensions	7.8
Other sources (excluding social security payments)	0.7
Total	100

The sampling survey of two villages carried out in the Sokuluk district of the Tchuiskaia oblast led to similar findings. Median monthly per capita incomes in the two villages differ but are close to the levels of the Tchuiskaia oblast surveyed in 1996.

The August-September 1998 poll in the two villages put the median per capita income at 1,179 som, with the 1996 figure for the entire oblast standing at 1,445 som. The difference may be due to the fact that the oblast as a whole has a wider range of income sources than the Sokuluk district villages. The more likely cause is the incorrect evaluation of earnings by family heads. The calculation they make, especially on in-kind gains from home farms, may be inexact. Moreover, the survey did not cover all social security and private payments because people could not tell exactly how much is paid to a family.

Family households in the two villages referred only to tangible income that includes wages, pensions, income from individual business, home farms and other sources. Table II.12 shows the percentage of each income group.

The survey points to the importance of salaries and wages. They account for more than 50 per cent of the direct income of rural families. The formal sector continues to contribute a major portion of rural earnings.

The Kistakuz and Formankurgan villages are particularly representative because they are close to Bishkek and some of their residents work for pay in city enterprises, organizations and private businesses. However, indefinite payment delays impair the reliability of wages, and informal sources of income acquire tremendous importance. Almost one-third, or 32.2 per cent, of all rural earnings come from home farms. The amount, significant in itself, would be bigger if accounting were accurate.

Home farm earnings, together with income

from individual business, account for 40 per cent of all observable rural earnings, which points to the scale of unofficial employment.

The survey helped define the profitability of rural households headed by women. Their median per capita monthly income (excluding social security payments) stands at 1,189 som which is 10 som higher than the national average and 14 som higher than the average for households headed by men. Obviously, women manage their resources more skillfully and adapt better to market economy rules.

Amounts earned or received by women-headed households deserve a special note. The average stands at 618 som a month, more than half of the median monthly income of the rural households headed by women (1,189 som). This proves the tremendous economic significance of women in rural households.

The income structure in women-headed households is similar to that of other households in the surveyed villages. Certain differences do exist though. In women-headed households the share of wages is 2.5 points lower while the share of income from home farming is 6.3 points higher (8.5 per cent versus 2.2 per cent). Income from individual businesses and entrepreneurial activity is less significant, 1.3 versus 67.6 per cent for all households while pensions take a bigger share, 10.5 versus 7.8 per cent in all households.

Female breadwinners shoulder the burden of looking after all members of the family, especially children. It is particularly difficult for them to start a business outside the home which, naturally, ties them to income sources closest to home and the family, i.e. their home farm. In addition to working in public enterprises, organizations and offices, women invest a lot of time in home farming, producing meat, milk, vegetables, fruit and other items; sell that produce in city markets and contribute substantially to the family purse.

The per capita angle is of particular importance in any study of rural family earnings. The survey of the two villages established a median per capita income at 315 som a month. In households headed by men, it is lower than in families headed by women 292 som versus 388 som.

Official statistics for September 1998 put the cost of living (subsistence minimum) at 758 som, or US\$34 (at 22.5 som to a dollar). Even this ridiculously low level was 2.4 times higher than the median per capita monthly income for all households covered by the survey; almost two times higher than in households headed by women, and 2.6 times higher than in male-headed households.

The autumn 1996 survey by the National Statistical Board of Kyrgyzstan and the North Carolina Research Institute put the line of extreme poverty at a per capita monthly income of 221 som. Adjusted for the increase in consumer prices in 1997 and January-August 1998, the poverty line for August-September 1998 was around 270 som. As a result, all households with five or more members were living below this line. This group comprised 31 of the 150 surveyed households, i.e. around 20 per cent.

Irrespective of family size, the per capita income of 73 of the 150 households was below 270 som, the official line of extreme poverty, and this puts almost half of all rural households below the poverty line. Only seven (4.7 per cent) earned more than the minimum of subsistence (758 som). Their monthly income per family member was 1,400 som.

Just around five per cent enjoyed monthly per capita earnings rising above the minimum of subsistence, while the rest lived in abject poverty. Of the 150 households, 73 (48.7 per cent) had earnings below the line of extreme poverty, i.e. earned less than 270 som.

By all accounts rural living standards are the worst in the Republic. Villages are hotbeds of poverty. Various surveys have put 66 to 95 per cent of rural workers among the poor, depending on their profession and type of employment, with extremely poor families representing 22 to 40 per cent. The survey of the Sokuluk district has confirmed previous findings, putting more than 95 per cent of rural households among the poor, and almost half of them (48.7 per cent) below the extreme poverty line.

3. *Government support for low-income families*

Aware of the desperate straits in which most people have found themselves, the government seeks to pursue social policies that would improve the living standards of the people and overcome poverty. To this end, government agencies developed, between late

1997 and early 1998, the Araket programme for poverty alleviation in 1998-2005. The programme was approved by the President in February 1998 and contains a range of measures that would guarantee work opportunities and paid employment as well as welfare support.

Special emphasis is on continuous material support for low-income families. To provide for minimum social protection, the programme introduced a new social index that would help calculate the guaranteed minimum individual income. This index sets the level of income necessary for the purchase of a minimum food basket required for sustenance. The index shall be annually revised by the government in the framework of the fiscal budget approval on the basis of the cost-of-living index, the estimated number of low-income people and the financial limits of the budget.

The guaranteed minimum income would basically fulfill the function of the extreme poverty line. Back in 1997 it would have been equivalent to 221 som a month. However, the state has no resources to support all low-income persons. Payments are limited to amounts that make up for the difference between actual pay and the 100 som of the standard minimum wage. Even this pittance, when multiplied by the number of eligible people (several hundreds of thousands) would mean around 340-370 million som a year. As the economy improves, the level of guaranteed minimum income and poverty allowances would increase considerably.

The programme stresses targeting of payments to really needy people, rather than those who are better off. The highest priority goes to the elimination of extreme poverty. The benefits should reach the poorest of the poor. The authors call for better methods to identify needs, actual earnings and the cost of living by regions, and emphasize that people's involvement in recovery is preferable to state support and poverty allowances. This study suggests therefore a number of subprogrammes, including the establishment of small and medium-sized enterprises, food and processing plants; networking of small production units and farms on the basis of micro-credits, grants and private investment; setting up of advisory services that would teach private farmers how to increase profitability.

C. Employment opportunities for rural women during the transition period

1. *New employment opportunities for rural women*

Kyrgyzstan is making significant efforts to improve the status of women in this particularly

complex and difficult time. In 1996 the Kyrgyz President Akaev approved a special national programme, Ayalzat, covering the 1996-2000 period and developed in cooperation with women's non-governmental and international organizations.

The programme sets forth major goals and measures to raise functional literacy of women, protect their health, reduce maternal and infant mortality, alleviate poverty, curb violence against women, promote their political status and facilitate improvement in other areas of women's life and activity. The programme touches upon women's employment issues and their initiatives for income generation. Ayalzat contains guidelines on various aspects of the public, economic and social status of women. However, it suggests few specific measures and does not say how to proceed in any particular area.

Emgek, the national programme on labour market and employment in 1998-2000 and until 2005, is more specific in the way it tackles employment. The programme forecasts an increase in official employment from 1,719,000 in 1998 to 1,977,000 in 2005, i.e. by 258,000 workers.

Where would the jobs come from? The increase is supposed to occur in the small and medium-sized enterprises and in self-employment where the number of jobs would increase to 273,000, i.e. by 15,000 more than for the entire economy. Obviously, this would require a certain redistribution of labour force between industries.

The authors of this paper pin their hopes on self-started enterprises and self-employment options. The increase in these two areas would be from 960,000 in 1998 to 1,219,000 in 2005, i.e. by 259,000. The message is that self-started enterprises and self-employment would be responsible for the entire increase in nation-wide employment. The same applies to rural residents who would establish and develop big and small farms, processing plants, service units, small businesses in light and food industries, logistics and community services.

A sampling survey of the two villages in the Sokuluk district, Tchuiskaia oblast, sought to identify opportunities for women's employment in new jobs. Respondents took the questions seriously. They spoke in very specific terms of opportunities related to mainstream rural economy and their living standards. As most of them worked in agriculture, they emphasized the need to create new jobs for rural women in food processing (34 of the 150 respondents).

Respondents advised to establish small and new businesses for other purposes too, mainly in the garment and knitting sectors. The same solutions were recommended for self-started enterprises and home manufacturing. The latter were typical options

recommended for rural women. Twenty-four respondents suggested sewing, knitting, growing, sale of agricultural, construction work, growing and selling flowers, household services.

2. *How to create new jobs for rural women*

The respondents who have not quite forgotten the role played by the state in the Soviet period still hope that the state itself will create small plants to process produce, garment and knitting factories, construction companies, community services, etc. Suggestions to this effect were made in 100 completed questionnaires, i.e. almost two-thirds of them.

Some people do not place their hopes in the government and would rather rely on their own business initiative, energy and drive. Answers to this effect came to questions on self-started enterprises, home and peasant farming, home manufacturing or sale of produce in the marketplace. Rural women are prepared to take up any activity. However, to proceed further, they need financial assistance. Most respondents, 81 of the 150 (54 per cent), indicated the need for large, small and micro loans.

Less frequent are calls for the transfer of land ownership to peasants. At the time of the poll, the two respondents who wanted to see that happen were trying to split away from Soviet-style farms. The adoption of the law on private ownership of land has resolved the controversy. Whoever works the land shall be able to take it into private ownership and manage it independently without being tied up in any Soviet-style or collective farm, cooperative, joint-stock society or other agrarian association.

3. *Potential areas for of rural female employment*

The survey helped identify areas which are open to women. Some respondents (70, or 22 per cent of all who wished to answer this question) believed women could do any work. Others suggested growing and processing of produce, home farming and manufacturing, various types of enterprise and self-employment.

The most frequently mentioned areas may perhaps be described as pre-determined for women. First come processing and sale of produce, including poultry and cattle breeding; sausage-making; bakery; dairy farming; glass-culture, and flowers. These account for more than half of the suggestions. Next come garment-making and knitting - about one-third of answers. Less frequent were references to retailing, catering and community services, including work in cafeteria and dining rooms, resale of consumer goods, sale of produce, work in hairdresser saloons, public

baths and other establishments (12 to 15 per cent).

A few people said women should have more access to government posts, including administrative and economic management (6.4 per cent). Several respondents mentioned construction, health care and other areas. The range of opportunities for rural women appears extensive. The actual solution would largely depend on local conditions which limit women's choices.

D. Recommendations to improve social and economic conditions of rural women

Any government considers effective economic development as its priority task. Its policies should create favourable conditions in which economic entities and the entire working population could develop their business, take initiatives and act on them. Business drive and willingness to work pave the way to prosperity, education and cultural development of the entire nation.

The role of the Government of Kyrgyzstan has grown during this complex and difficult time of transition to sovereignty and economic development based on market principles. All economic reforms and changes in society take place at the initiative and under the guidance of the state. It is therefore essential that the political, economic and social guidelines exert positive influence on the economy and social sphere, on all classes and groups, and contribute to their well-being, development and prosperity.

Any improvement in the social and economic condition of rural women depends on the general economic situation and the development of industries directly related to rural economy; the overall employment situation, and economic mainstreaming of rural residents who are willing and able to work. Wherever rates of male remunerated employment are high, women as household members stand a better chance to enjoy the benefits of the positive socio-economic environment. They will be able to have a job, work part-time, or devote themselves to the home and rely mostly on money earned by their husbands, fathers or brothers.

Lasting improvements in the socio-economic status of rural women would require the following steps:

1. Effective use of all land, cropland, pastures and other agricultural territories, and the resulting substantial growth of agriculture. All entities, including individual peasant farms, associations and unions of peasant farmers, joint-stock

societies, co-operatives, collective and state farms and other enterprises should have access to the land for economic purposes. This is a major pre-requisite for any increase in rural employment, including women's employment.

2. Extensive development of small processing plants, including meat and dairy plants, bakeries, fruit and vegetable canneries, jam and confectionery units, noodle factories, cafeterias, dining-rooms, snack-bars and other businesses. All of them should apply market principles. This improves employment prospects in rural areas and provides a good basis for better living standards. These activities may become the principal source of employment and income for rural women.
3. The rural economy requires a developed production infrastructure. Traditional breeding nurseries and pedigree farms should resume their operation; specialized firms should be set up to provide machines, fertilizers, seeds, fuel and oils, and other agricultural inputs. Agricultural services boost agro-industrial development, add to employment, wages and income of the entire village, and women would certainly be among those to take these new opportunities.
4. Any increase in employment and economic activity of rural women would require a network of kindergartens and nurseries. New kindergartens and nurseries would also create more jobs, mainly for women.
5. The widest possible development of community services could contribute to job creation. These would include public baths, laundries, dry-cleaning, repair-shops, hairdressing and beauty saloons where women account for the biggest share of employees. Community services offer good prospects for work and income.
6. In a market economy, business initiative leads to development. However, the government should extend assistance to businesses as a tool to develop the rural economy and to secure employment and better living standards, especially for women. Assistance would include budget subsidies and easy loans, access to commercial bank lending, credit lines extended by foreign banks and investors as well as special grants offered by international financial and charity foundations. Special attention should be paid to business education through specialized advisory services and "business nurseries".

In the short run, the government should induce rural women to start individual business or generate their own income. The following steps could be outlined in this case.

1. Women have a distinct leaning towards home farming which supplements income received in government, public or collective businesses and organizations. Step by step, home farms may become their chief source of income. Therefore, home farming should be promoted and developed so that, over time, it will become a full-fledged business.
2. Rural women can easily do individual work, mainly at home, including sewing, knitting, embroidery, manufacture of headscarves, ethnic carpets and similar items. Similarly, primary processing of agricultural produce can be undertaken at home category and include sausage-making; preparation of butter, curds and sour cream; making of jam, fruit and vegetable preserves, and other items. The food produced may be consumed within the household and treated as its in-kind income, or may be sold in the marketplace.
3. Women should be encouraged to take up marketplace retailing. They may sell their own produce or resell goods from other suppliers, including imports. These skills will help women in opening businesses not only in production but also in services and other sectors.
4. Step by step, rural women are already venturing into full-fledged business, opening cafeterias, repair shops, restaurants and other establishments. They are on the right track and deserve all possible support.
5. Work done by rural women may easily grow into a regular business, and should be supported by micro-credits, to be extended preferably to women-headed households and financed from the budgets or funds supplied by international financial and charity organizations.
6. The government should also teach special business skills to rural women. Short-term

courses organized at regular intervals in provincial centres or big villages could serve this purpose.

7. To facilitate employment and, more importantly, to raise the social status of rural women, their representatives should take positions in high-level bodies of administrative and economic management, and in the management of public, co-operative and other informal organizations.

E. Conclusions

Rural residents account for almost two-thirds of the entire population of Kyrgyzstan. They face enormous challenges in their efforts to find jobs, start a business, earn a living, generate income, and secure more or less acceptable living standards. The transition to a market economy resulted in a profound and far-reaching economic crisis, vast production cutbacks and spiraling unemployment. The worst-hit are rural areas where people are losing their traditional jobs and sources of income. Women who are the main custodians of their families and children found themselves at the biggest disadvantage.

Solutions to this painful and complex problem would be found in the real-life experience accumulated by rural people in their efforts to adapt and secure employment and livelihood. The same experience would help rural women identify opportunities for work, survival and income generation.

Realistic and promising avenues to rural development, employment and prosperity, include small-scale food processing; self-employment in home farms, garment industry, knitting and carpet-making; retailing, catering and other sectors.

The government should encourage initiatives for the rehabilitation of the rural economy, job creation and improvements in the quality of life, and take prompt and effective action to ensure financial, material and institutional support for the business endeavours of rural women. Rural women should have access to subsidies and easy loans, extensive micro-lending and programmes teaching fundamental business skills.