



STUDY ON MAJOR IMPEDIMENTS FOR WOMEN ENTREPRENEURS AND EXPLORE WOMEN'S RIGHTS GAPS IN BUSINESS ACTIVITY OF ARMENIA

OCTOBER 2018



EASTERN PARTNERSHIP CIVIL SOCIETY FACILITY

The project is funded by the European Union and implemented by the consortium led by GDSI Limited



INTRODUCTION

This survey conducted in 2018 (June-October) was set to outline the nature and define the scope of the problems existing for women entrepreneurs and executives in Armenia.

The current survey of one hundred women owned/managed private companies emphasizes the issues faced in the Armenian business environment for women-owned, women-managed enterprises, as well as for ones with women in senior roles and executive employees.



1. STUDY OBJECTIVES AND METHODOLOGY

Main objective of the study conducted by European Business Association Armenia was

1. to reveal the obstacles in the major gender-specific toand general problematic areas for business activity in Armenia which is owned and/or managed by women or mainly represented by women executives;

2. to present the positive and negative trends in resolving gender-specific issues for businesswomen, point out to some legislation gaps, touching upon the state of overall business environment in the past year in Armenia and to raise those issues at the public-private dialogue level conducting corresponding joint actions for overcoming those challenges.

STUDY OBJECTIVES AND METHODOLOGY

For the purpose of this research, a structured questionnaire was administered to a sample of 100 businesses throughout Armenia. The demographical and geographical characteristics of the sample group are presented in the table below.

Company Legal Form	Company's ownership structure by gender	Business Diversification	Sectors of operation	Importers/Exporters	Size	Geography
LLC 47.10%	Women's business ownership 54.60%	Operating in more than one sector 32.40%	Services 46.90%	Importers 24.10%	Micro and Small 70.40%	Aragatsotn 4,9%
			Retail Trade 35.40%			
PE 38.20%	Mixed-gender business ownership 17.30%		Manufacturing 12.20%	Exporters 18.30%		Gegharkunik 2,4%
			Wholesale Trade 8.20%			Lori 17%
CJSC 8.80%	Male-owned businesses managed by women executives 28.10%	Operating in one sector only 67.60%	Tourism 8.30%	Local activity only 57.60%	Medium 23.50%	Shirak 7.3%
			Education 9.80%			Tavush 4.9%
			Transportation & Public Utilities 6.10%			
			Agriculture, Forestry & Fishing 2.90%		Large 6.10%	Vayots Dzor 9.8%
			IT 3.20%			Yerevan 53.7%
SE/NGO 5.90%						

2. GENERAL ASSESSMENT OF BUSINESS ENVIRONMENT

To identify key problematic areas for business development in Armenia. In this study I focused on the evaluation of the viewpoints on current economic situation, identification of the present issues the specific areas of the business activity during the past year, as well as collect respondents' recommendations and criticism.

CHART 1. THE PERCEPTION OF THE CURRENT ECONOMIC SITUATION IN RA

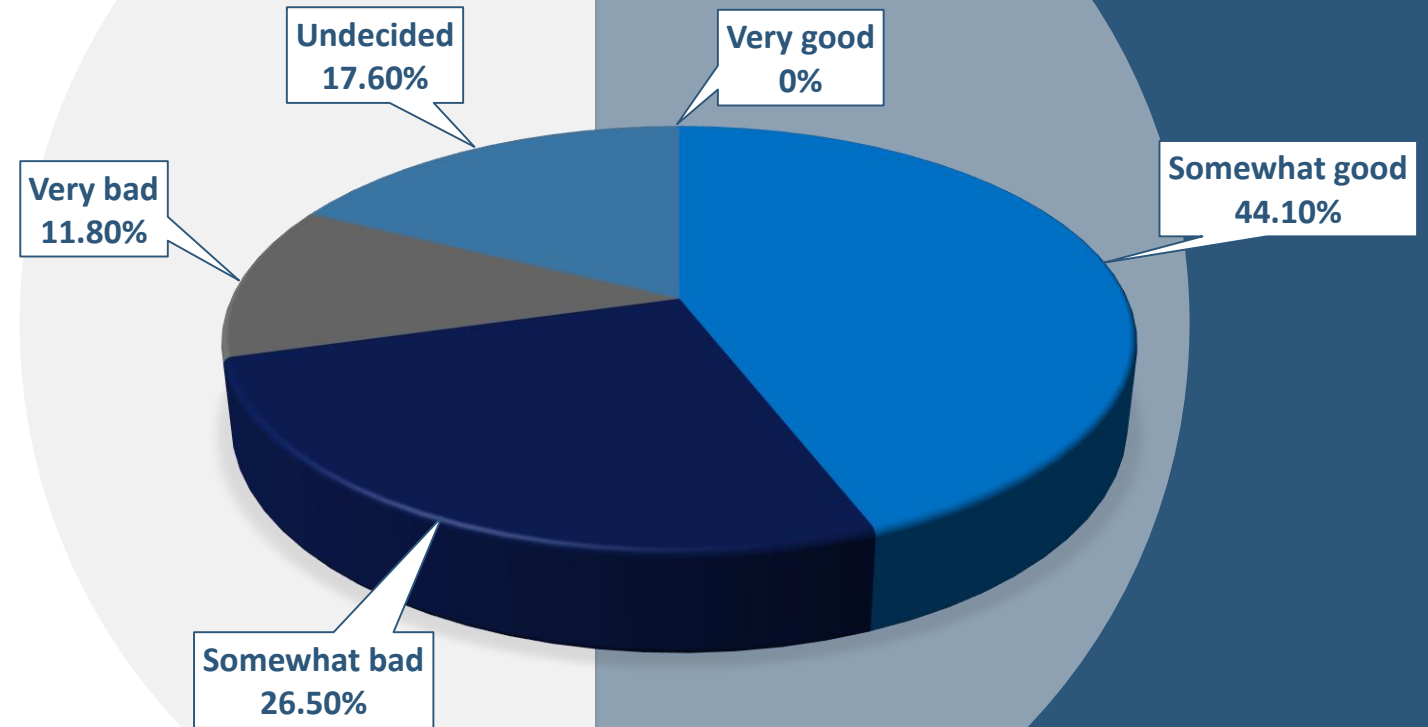
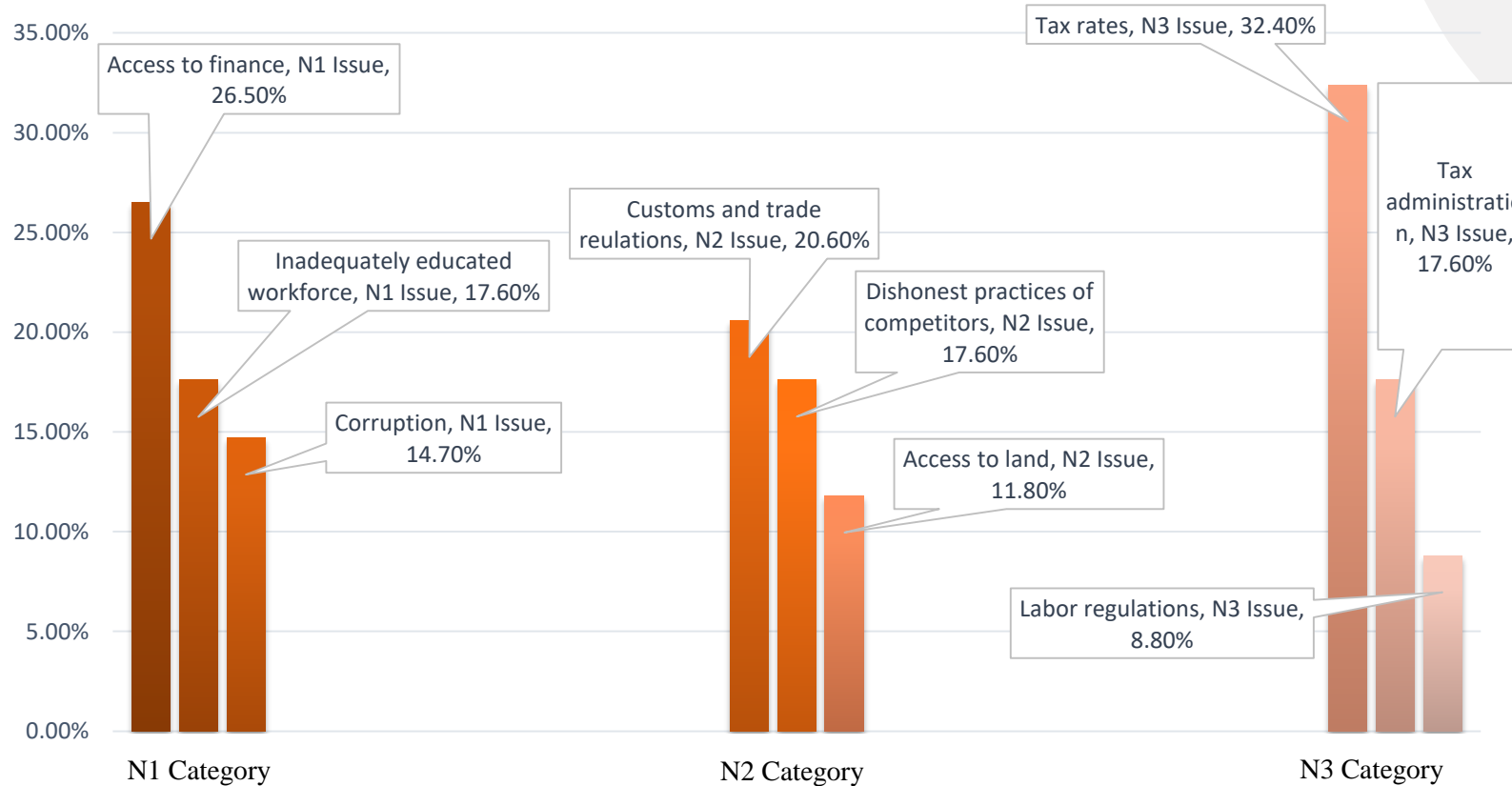


CHART 2. TOP 3 PROBLEMS FOR THE OPERATION AND GROWTH OF THE BUSINESS IN ARMENIA

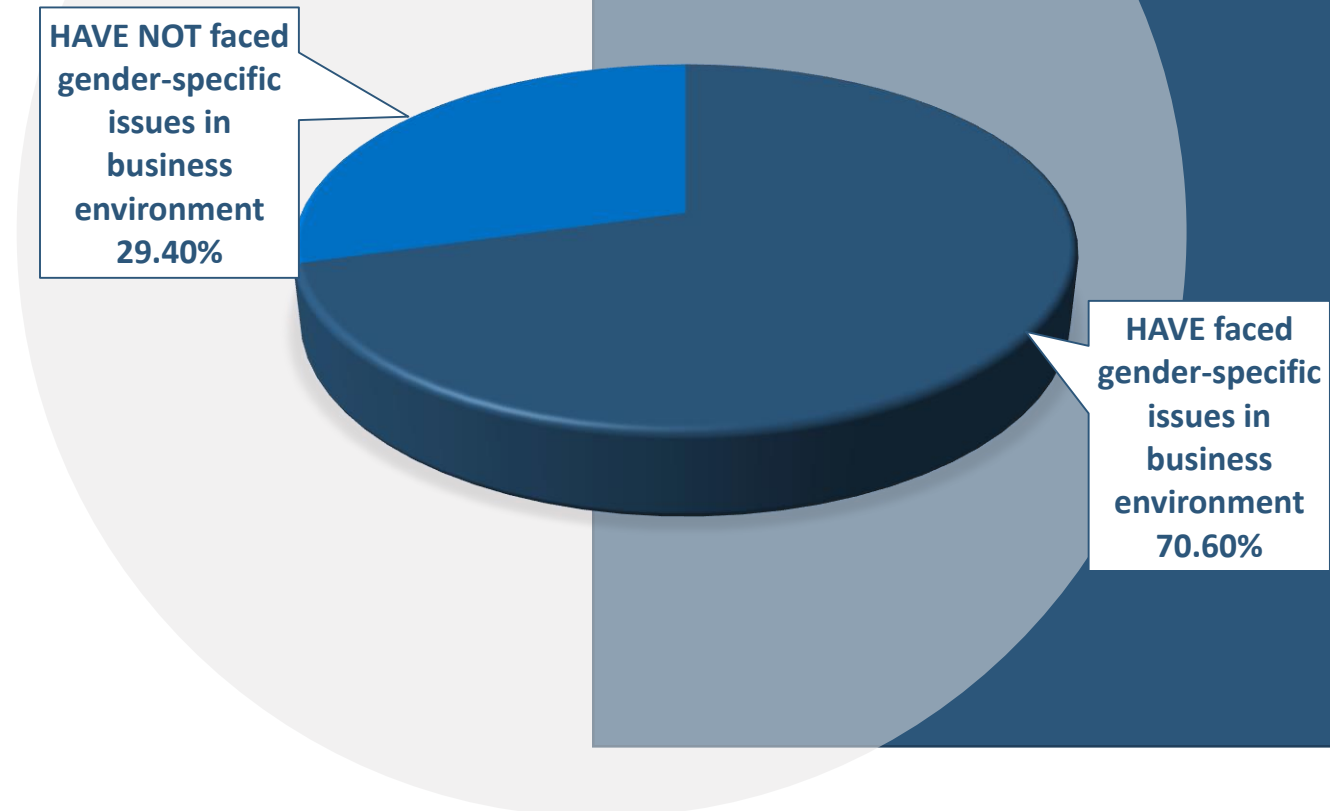


In order to provide detailed picture of the interviewed companies' perceptions of main issues hindering their operation and expansion, we are introducing you the 3 most popular answers for each place in the respective top 3 in a descending order of priority from N1 category to N3 category.

3.1. GENDER-BASED ISSUES IN BUSINESS ENVIRONMENT OF ARMENIA

After revealing the perception of overall business environment situation in Armenia and especially detecting those spheres, which require the high-level approach to ensure positive changes, we focused on the environmental barriers, which are faced by women entrepreneurs and private sector senior employees and professionals.

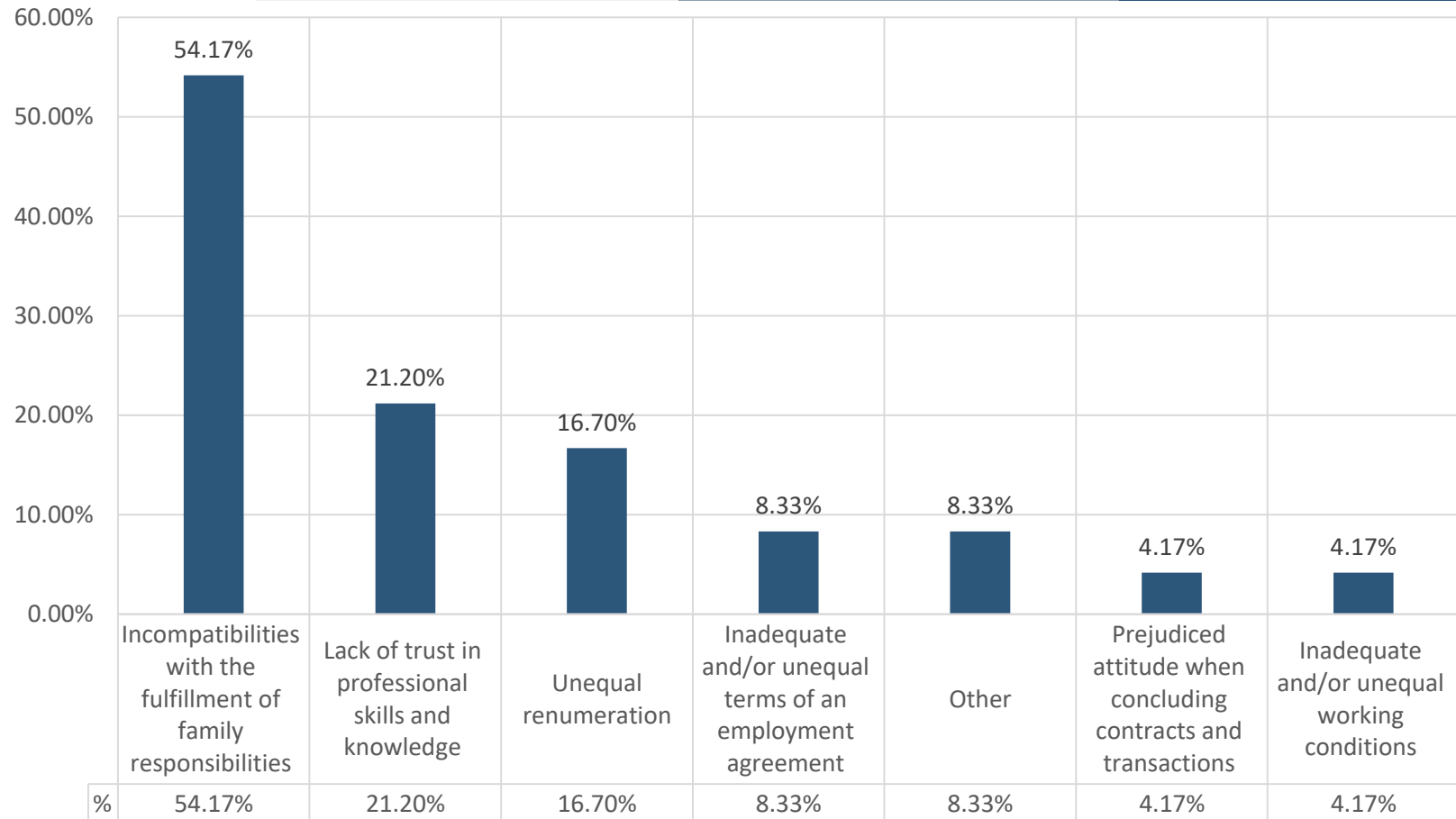
CHART 3. PERCEPTION OF GENDER-BASED ISSUES IN BUSINESS ENVIRONMENT



3.1. GENDER-BASED ISSUES IN BUSINESS ENVIRONMENT OF ARMENIA

Given the wide range of difficulties for female entrepreneurship and in order to reveal particularly which are the main gender-specific issues encountered by women in business environment, those respondents who reported having experienced gender-related difficulties (70.60%) have been requested to highlight what are those occurred to them.

CHART 4. GENERAL GENDER-SPECIFIC ISSUES FOR WOMEN ENTREPRENEURS/EXECUTIVES

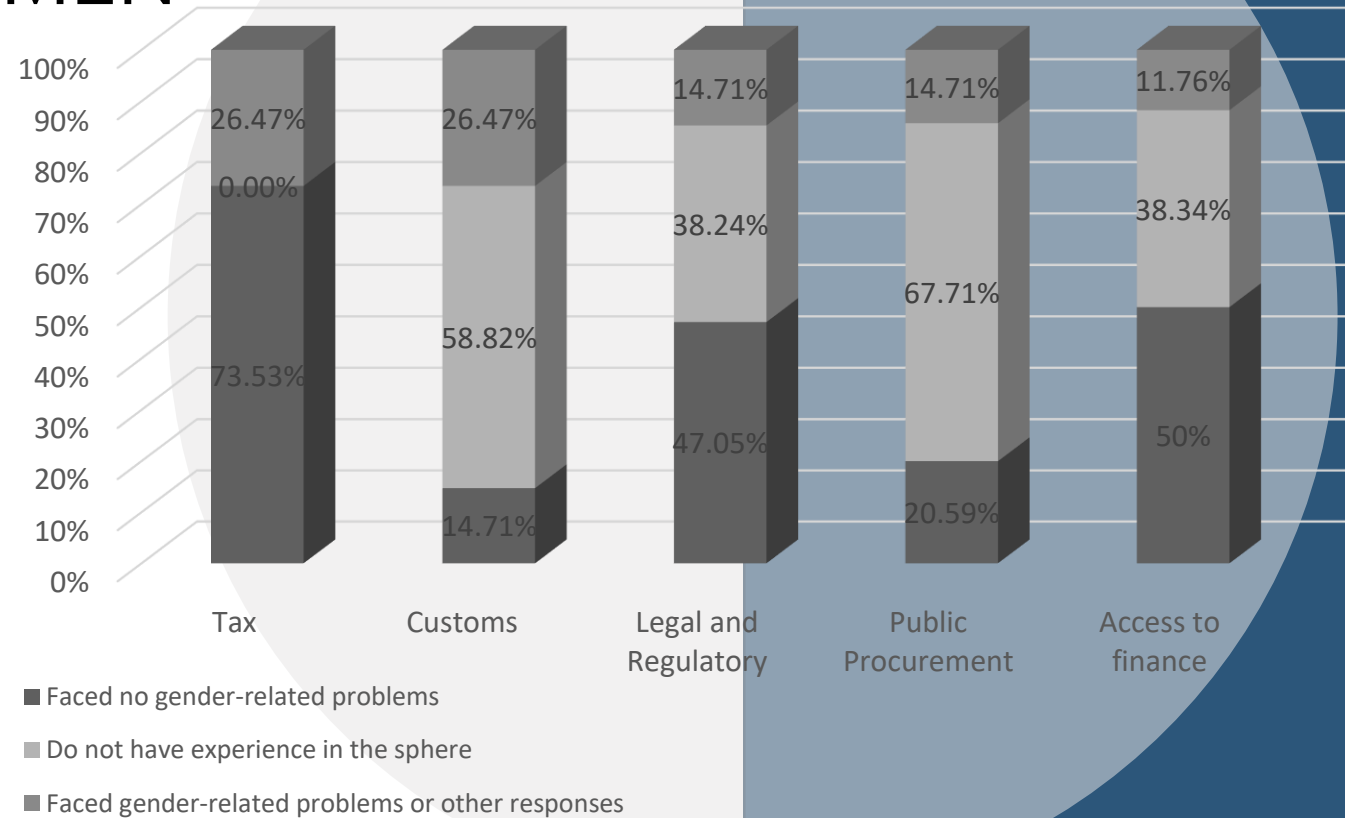


3.2. OVERALL PERCEPTION OF REGULATORY AND FINANCIAL BARRIERS FOR BUSINESSES OWNED OR MANAGED BY WOMEN

We present the perception of women about gender-related issues existing within the framework of communication with state business-related regulatory agencies, such as tax, customs, public procurement, and barriers in the access to finance.

Further we'll present the women's perceptions of each of the spheres.

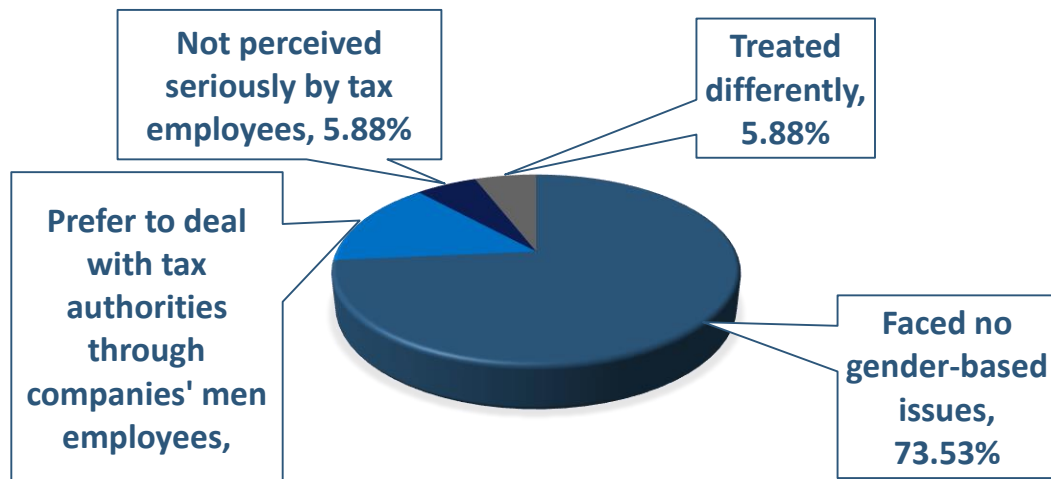
CHART 5. WOMEN'S PERCEPTION OF GENDER-BASED REGULATORY AND FINANCIAL BARRIERS



3.2.1. PERCEPTION OF GENDER-BASED ATTITUDE & BARRIERS IN TAX AND CUSTOMS SYSTEMS

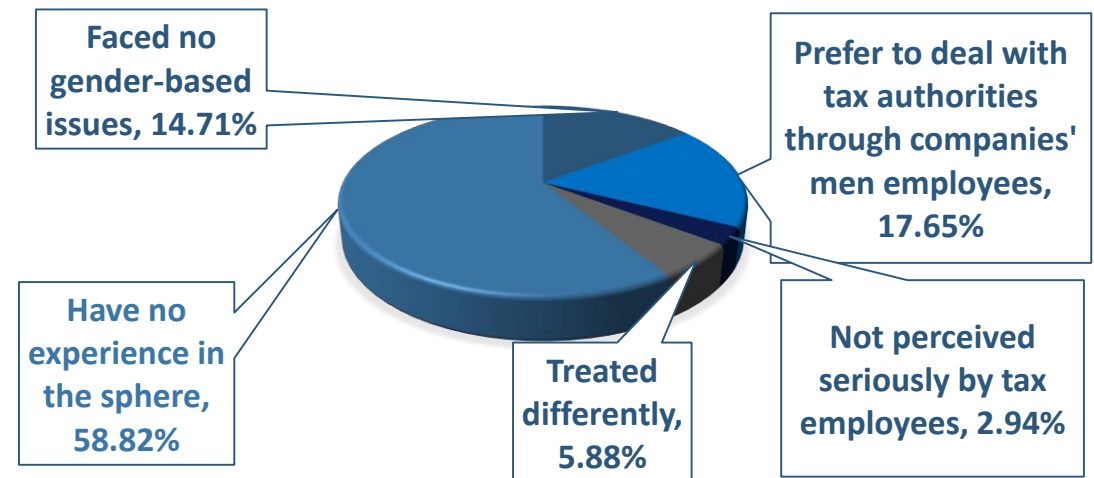
Tax system was mentioned in the top 3 problematic areas with the most respondents faced general barriers in for operation and development of business in Armenia, as was seen in the Chart 2, as well as particularly for the enterprises owned and led by women, as shown in the Chart 5 above. **The detailed picture of perceptions can be seen in the Chart 6 below.**

CHART 6. PERCEPTION OF GENDER-BASED ATTITUDE AND BARRIERS IN TAX SYSTEM



Customs and trade regulations were mentioned as the 2nd among the problematic areas with the most respondents faced general barriers in for operation and development of business in Armenia, as was seen in the Chart 2, as well as particularly for the enterprises owned and led by women, as shown in the Chart 5 above. **The detailed picture of perceptions can be seen in the Chart 7 below.**

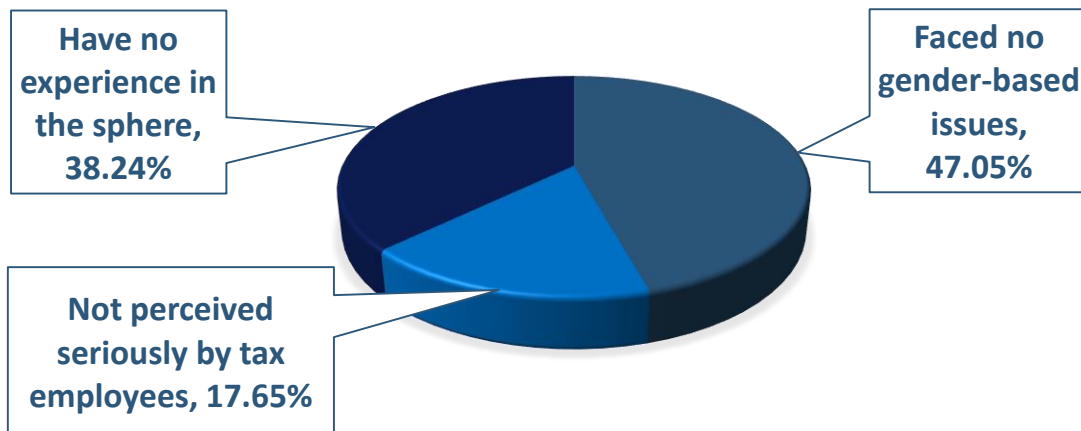
CHART 7. PERCEPTION OF GENDER-BASED ATTITUDE AND BARRIERS IN CUSTOMS



3.2.2. PERCEPTION OF GENDER-BASED ATTITUDE & BARRIERS IN LEGAL AND REGULATORY SYSTEM & PUBLIC PROCUREMENT

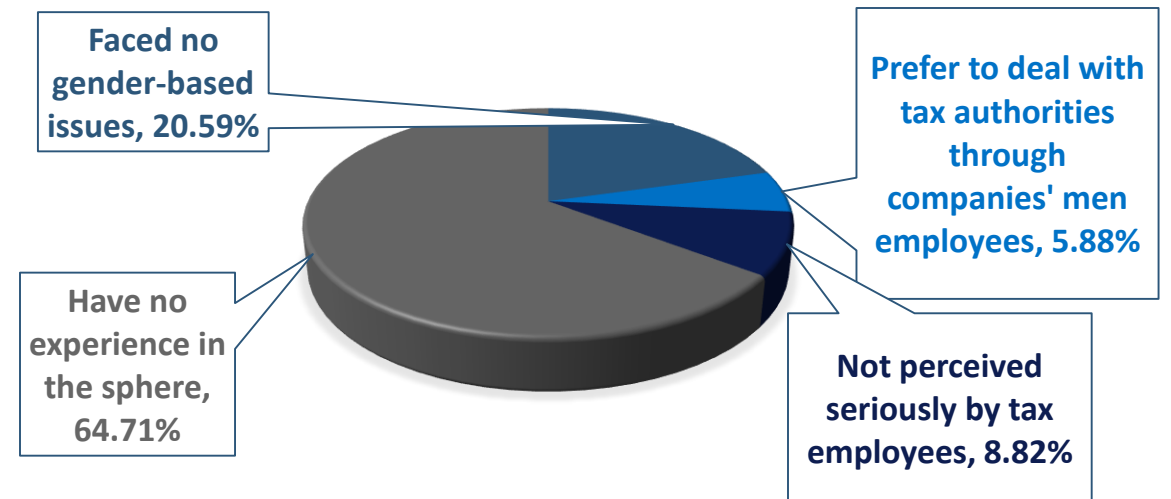
The women entrepreneurs' perceptions of the key areas of the legal environment in Armenia can be described as one with **the least encouraging state** for the development and growth of women entrepreneurship compared to other regulatory spheres. **The detailed picture of perceptions can be seen in the Chart 8 below.**

CHART 8. PERCEPTION OF GENDER-BASED ATTITUDE AND BARRIERS IN LEGAL AND REGULATORY SYSTEM



The survey showed that the public procurement is the sphere, in which women entrepreneurs/executives have **the least experience** at all with 64.71% of all the respondents. **The detailed picture of perceptions can be seen in the Chart 9 below.**

CHART 9. PERCEPTION OF GENDER-BASED ATTITUDE AND BARRIERS IN PUBLIC PROCUREMENT

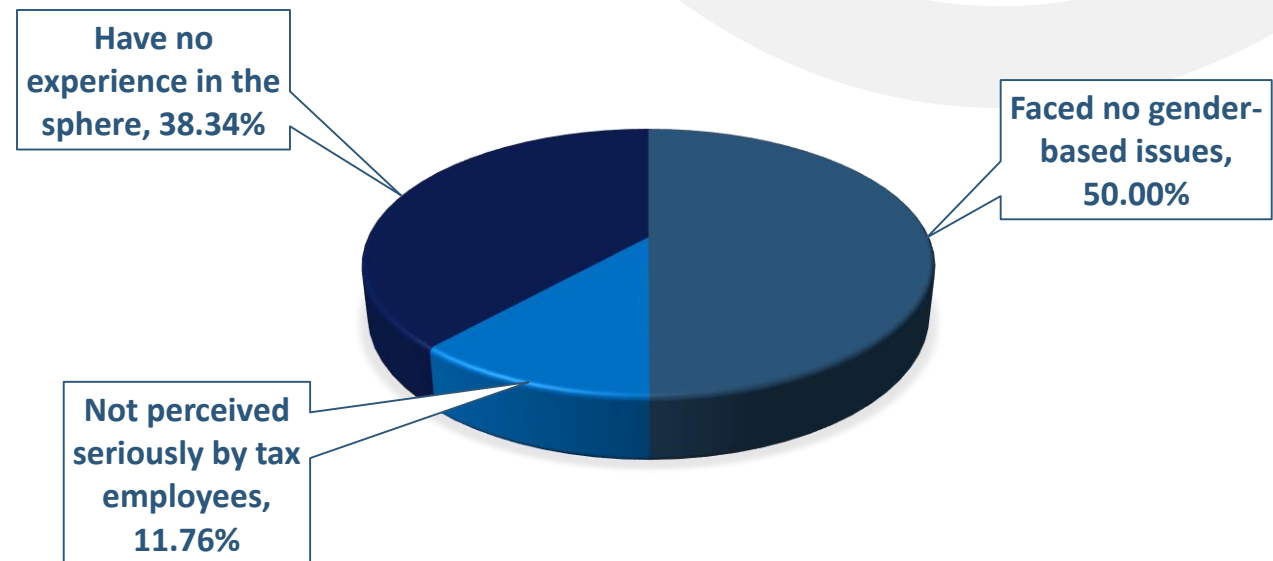


3.2.3. PERCEPTION OF GENDER-BASED ATTITUDE & BARRIERS IN ACCESS TO FINANCE

As was mentioned earlier and presented in Chart 2, the access to finance is a general No. 1 impediment to the growth of MSMEs in Armenia, mostly due to the high collateral requirements and interest rates. Access to finance with the 11.76% of the respondent evaluated it as the second among the discussed spheres, where the women are not perceived seriously as the entrepreneurs, especially when it comes to newly opened SME's.

The detailed picture of perceptions can be seen in the Chart 10.

CHART 10. PERCEPTION OF GENDER-BASED ATTITUDE AND BARRIERS ACCESS TO FINANCE



4. PERCEPTION OF THE ROLE OF THE GOVERNMENT

In this section we present you the general business environment development challenges according to women entrepreneurs and executives, as well as how the Government's role in Women's Entrepreneurship and Economic Empowerment is perceived by our respondents.



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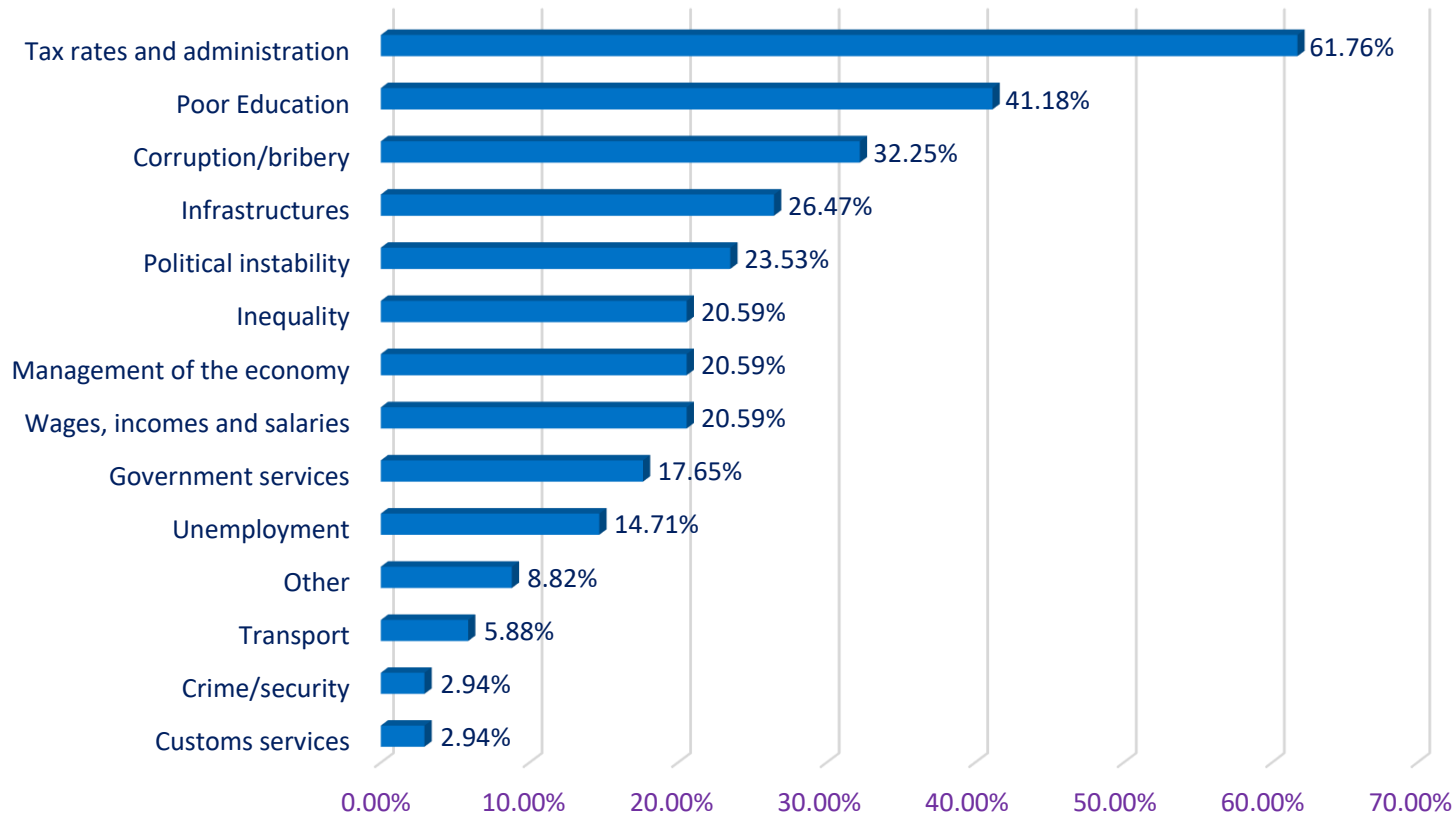
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Delivering Sustainable Solutions

4.1. GENERAL BUSINESS ENVIRONMENT DEVELOPMENT CHALLENGES

CHART 11. WOMEN ENTREPRENEURS'/EXECUTIVES' PERCEPTION OF GENERAL BUSINESS ENVIRONMENT DEVELOPMENT DEMANDS

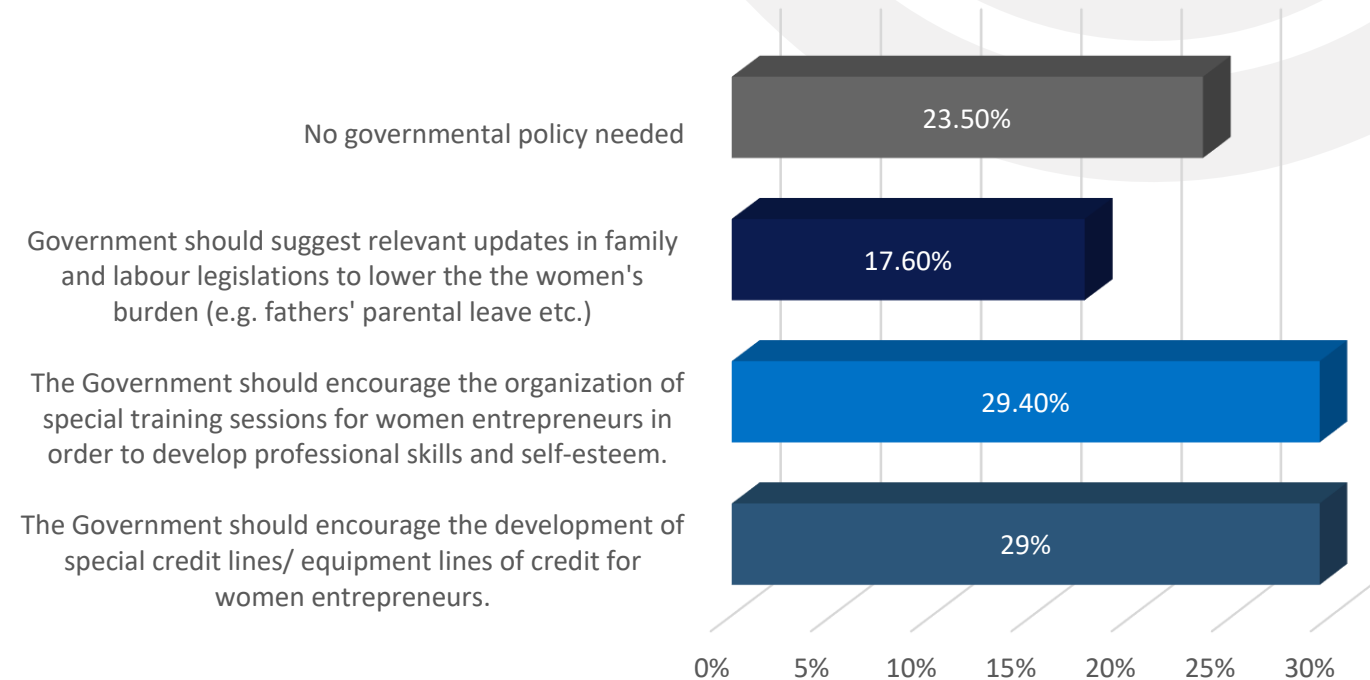


When indicating the most important problematic areas that should be addressed by the government, tax rates and tax administration were ranked at the top with 61.76% of the women-owned and women-led MSME's expressing the opinion that government should draw special attention on this area. The poor education and corruption and bribery were following the top ranking.

4.2. GOVERNMENT'S POSSIBLE ROLE IN WOMEN'S ENTREPRENEURSHIP AND ECONOMIC EMPOWERMENT

When discussing the needs and challenges of the development of women entrepreneurship and economic growth, the most of the respondents agreed on the crucial role of the Government as the main initiator, which should develop and suggest effective tools to achieve tangible results in overcoming existing barriers.

CHART 12. WOMEN'S PERCEPTION OF THE GOVERNMENT'S POSSIBLE ACTIONS IN THE EMPOWERMENT OF FEMALE ENTREPRENEURSHIP





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THANK YOU



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