Impacts of the global economic and financial crisis on women in Central Asia

By Nurgul Djanaeva

2010 Edition
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The Association for Women’s Rights in Development (AWID) is an international, feminist, membership organization committed to achieving gender equality, sustainable development and women’s human rights. AWID’s mission is to strengthen the voice, impact and influence of women’s rights advocates, organizations and movements internationally to effectively advance the rights of women.
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The negative trends of the global economic and financial crisis remained in Central Asia throughout 2010.¹ The impacts of the crisis on women have not as yet been addressed by governments in the region.

Rising unemployment and migration

Unemployment is one of the consequences of the global crisis. In 30 percent of households in Tajikistan, only half of the household members, who are able to work, have jobs.² In Kazakhstan, in the second quarter of 2009 compared to the previous year, the number of unemployed women increased by 31.4 percent more than the number of unemployed men.³ In Kyrgyzstan, many women in the garment sector have lost their jobs, but there is no statistical data indicating the trends and scale of these losses.

The lack of jobs is leading to labour migration. The scale of migration is highly significant in the town of Isfana, in the Batken Province of Kyrgyzstan.

Women lose jobs

Case from Dushanbe, Tajikistan
“I myself lost a job. We had a bakery shop, where I worked as a baker. When the crisis started, prices for sugar jumped as well as for other items. We were not able to buy enough supplies. We also increased the prices of our products, and less were sold. Gradually, our profits reduced and in the end, the boss had to close the workshop and release workers. So I became jobless.” FGD. 21.11.2009

Case from Houdjant, Tajikistan
“I worked in the plant and after the crisis the plant didn’t find supplies and we were given a vacation without pay. For two months we were not paid. I sat at home, didn’t work anywhere and it was very difficult. Recently, I have started working again. I have already worked three months and only recently have got my first salary.” FGD 14.11.2009.

Source: Bozrikova, Tatiana. Impact of the Global Economic Crisis on Households in the Republic of Tajikistan (based on Results of Survey).

Migration trends: Tales from a street in Kyrgyzstan

According to Nazym, a woman from Isfana in Kyrgyzstan, in the street where she lives, 51 out of 53 households have one to five family members who have migrated. In the last few years, in 43 families, one to five family members have returned home because of the loss of jobs and employment opportunities.⁴

Source: Jalilova, Nazym, June 2010.

Footnotes
1 - Interstate Statistical Committee of the CIS.
2 - Bozrikova, Tatiana.
3 - Maja Gavrilovic et al.
4 - Jalilova, Nazym.
Declining remittances

The crisis has led to a substantial reduction in remittances. Remittances play a significant role in the household economy in all Central Asian countries. The decline in remittance flows is affecting families back home, mostly consisting of poor women and children. The reduction of remittances in Tajikistan by 35 percent in 2009 has severely affected women-headed households. As a major source of family income, remittance reduction leads to a drop in poor household’s spending. Women compensate for these losses with their own (unpaid) labour, thereby losing out on other career opportunities. This leads to greater income insecurity and increased burdens of family care on women.

Household impacts

In Tajikistan, households reduced their consumption by 20 percent during the crisis period and about 30 percent of households have incurred debts. In some provinces (Gorno-Badahshan), 62 percent of households borrowed money for food, while in the capital, 67.2 percent of households have rarely eaten meat in the last six months.

Kazakhstan, Central Asia’s largest economy, is not taking any steps to protect women affected by the crisis. The number of poor women-headed households increased by 10 percent, pointing to an increasing vulnerability of women-headed households. The problem is particularly acute where incomes are already low, which is common in large families with many children, households with disabled family members, single-parent families (especially women-headed households), families with disabled children and migrant families. Common coping strategies in crisis-affected households include: reducing expenditure on food and changing consumption patterns to eat cheaper, less nutritious food; cutting back on medicines, applying self-medication and treatment or delaying medical attention; incurring debt; and taking on additional income-generating activities. In areas where water quality is poor, indications are that people may start to cut back on buying water.

Zuhra, a widow from Dushanbe had to send her adult son to the Russian Federation to earn money. Money sent by her son helps her to feed the other five children, but it is still not enough in order to buy meat every day. There are fruits at home only in season and still not every day. She was cleaning houses, providing childcare services and washing linen and yet money was still lacking. She does not even dream of going to the hairdresser’s for a modern haircut or going to a café. She is very frustrated because she practically lost her profession. She has graduated university in light industry technology and she misses it; she does not see a good future for herself. Her dreams are now only about her children. Crises deepened her personal crisis and frustration.
Wage discrimination and women’s purchasing power

Low wages combined with price increases exacerbate the problem, especially for women, who work for less money than men. The devaluation of local currencies results in the loss of women’s purchasing power. It leads to a significant deterioration of the quality of food and access to healthcare, as well as increases in the homecare work burden of women, who care for children, the elderly and sick family members. Uzbekistan, for example, devalued its currency by around 15 percent in May 2009. In Kazakhstan, inflation is projected to rise to 11 percent, and families are already experiencing declining living standards, owing partly to inflation, the devaluation of the tenge (Kazakhstan currency) and the rise in prices of essential commodities, combined with a reduction or loss of income. In Kyrgyzstan, the minimum wage for 2010 is 500 soms (USD11) and one kilogram of meat costs about 150-250 soms. For this high altitude country, meat is a necessary food item, and reduced meat consumption leads to anemia, especially among poor women. This poses a special risk to pregnant women and lactating mothers.

In Central Asia, poor women also suffer from lack of state funding for childcare facilities. In Kyrgyzstan, for example, the number of pre-school institutions dropped from 1,696 in 1991 to 412 in 2006. Today, in the small town of Isfana in the south of Kyrgyzstan, only two out of 12 kindergartens are operating. The shortage of kindergartens increases women’s household burdens and their physical, moral, financial and psychological problems.

Gender discrimination in wages in Kazakhstan

The Report on Impact of the Economic Crisis and Food and Fuel Price Volatility on Children and Women in Kazakhstan (2010) showed that because of the crisis, women face discrimination in wages and employment, and their earnings are a mere 62 percent of men’s. Even in sectors with a high share of women’s employment (health care, education and public administration), male employees get paid 18 to 28 percent higher than female employees.

Source: Maja Gavrilovic et al., 2010.

Dushanbe, Tajikistan

“I do one time jobs, for example, I go to neighbors whom I know, after marriage parties and family events I wash dishes for money. This service costs 20–30 somoni. After the crisis these incomes were sharply cut.

Our income is enough for food only; there is no money for the rest. We also have to economize on food. When I speak about food I mean the very basics: tea, bread and sugar. We don’t buy meat for months. Recently, we had a fair in the market “Barakat”. I wanted to buy meat there but it was so bad that nobody looked at it. I bought two pumpkins and returned home.”

Kuliab District, Hatlon Province, Tajikistan

“Prices increased and we don’t have enough money. We buy sugar for 4, 20 somoni, and we can’t afford it all the time. In order to economize, our students do not use public transport but walk.”

Source: Bozrikova, Tatiana.

Footnotes

12 - Ibid.
13 - Ibid.
14 - Mitra, Pradeep K.
15 - “Global Crisis Forces Kazakhstan to Cut 2009 Budget”
Impacts of the global economic and financial crisis on women in Latin America: Djanaeva, AWID

Prostitution

Shrinking opportunities for decent employment, poverty and lack of financial resources available for households has led to increasing numbers of girls and young women from rural areas entering the sex industry in the capital of Kyrgyzstan. There are no statistics available, but conversations with women in Asteria, a shelter for sex workers, indicate that girls from rural areas have been visibly moving into this sector since 2008. There are even cases where under-aged girls support their families with their earnings. Even middle-class women are being affected as a result of the bankruptcy of enterprises, unemployment, a decrease of incomes and repayment of debts incurred during periods of economic growth. Since there is no data available, the extent of the problem cannot be assessed, but there are reports of women becoming sex workers to repay USD 2,000 bank loans.

The economic, financial, and social status of women, their well-being and human rights are worsening not only due to the global financial crisis, but also due to poor governance and political instability. In Kyrgyzstan, for example, political turmoil and heavy ethnic conflicts in April and June 2010 dramatically worsened the circumstances faced by women. In July 2010, the Kyrgyzstan Ministry of Economic Regulation announced that economic losses in the southern provinces due to ethnic conflicts amounted to 25.4 percent of the GDP.

Kyrgyzstan: Women’s vulnerability in ethnic conflicts

Twenty-eight-year-old Bagdadgul lived in a refugee camp in an agricultural field in a suburb of Osh city in Kyrgyzstan, in a tent without floor covering, in temperatures over 30 C° with 20 other people. She is seven months pregnant and has two other children, a six-and-a-half-year-old son and a four-year-old daughter. She is one of the 450 Kyrgyz villagers from Jany Turmush, Kara Suu District, Osh Province, who fled during the ethnic conflict in desperate fear of attacks from the Uzbeks. When she felt sick and had high blood pressure, she went to a maternity clinic in Osh city. The doctor at the clinic asked her, a refugee woman, to bring her own linen and buy a long list of medicines for her kidneys. She was not given any food and treatment so she left the maternity clinic and went back to the refugee camp. When I met her in the camp, she was drying an old mattress, given by a charity, because it had rained heavily during the night and the tent flooded with water. She and her children spent the night on wet mattresses without linen. All their shoes and clothes were wet, but because that particular day was sunny, they were able to dry all their belongings. In the camp, there was no toilet, no kitchen, and no food supplies. Bagdadgul is a poor rural Kyrgyz woman without social insurance and without any crisis support, afflicted by the political turmoil and conflict.

Personal interview with Nurgul Djanaeva

Footnotes

17 - Anonymous sexual workers.
18 - “Crisis and Commercial Sex”
19 - Ministry of Economic Regulation of Kyrgyzstan.
20 - Ibid.
21 - June 2010 in Kyrgyzstan: heavy ethnic conflicts in Osh and Djalalabad Provinces.
22 - Ministry of Economic Regulation of Kyrgyz Republic.
23 - Panomarev, S.
27 - Ismailova, Burul.
28 - Panomarev, S.
The Kyrgyzstan province of Issyk-Kul is heavily dependent on tourism. The Issyk-Kul’s households obtained a major part of their earnings for the year during the three summer months. The political unrest in 2010 led to a significant reduction of household incomes from tourism. Altynai, a woman in the village who rents out her rooms for 300 soms during the previously stable periods, now desperately seeks out clients for 100 soms. Her fruit garden was also a source of income, but now she has no customers.

**Kyrgyzstan: women’s entrepreneurship undermined**

Trade in Kyrgyzstan has reduced significantly, by almost 35 percent in June 2010\(^{21}\) compared to June 2009. The trade turnover in Osh has decreased by more than 52 percent, Djalalaabad by 24.1 percent, and Batken Province by 24.6 percent.\(^{22}\) This loss of trade has hit women hard. Women comprise about 70 percent of all those working in the retail trade sector alone (220,000 people).\(^{23}\) In April–May 2010, there was a 55 percent reduction of trade turnover, which translated in major income losses for women.

It was not only foreign and international trade that were affected, but official data also show a massive decline in production in the sewing industry in Kyrgyzstan, an industry with 90 percent women workers.\(^{24}\)

In June 2009, production volumes were only 59.8 percent of the June 2008 volumes.\(^{25}\) The sewing industry also suffered from the 2010 June unrest. The border with Kazakhstan, a gate to the Kazakhstan market, was closed for industrial products from August until July 2010. The stocks piled up while foreign orders of garments were reduced. Ninety-eight percent of owners of sewing shops in Kyrgyzstan are women. These women, who practically developed the new textile industry in Kyrgyzstan and made it a serious income-generating activity with huge contribution to the GDP, are not assisted by the state. State Programme for Development Entrepreneurship for 2009–2011 (SPED)\(^{26}\) is not sensitive to their needs. It does not identify any special measures to protect women as a vulnerable group from the impact of crisis. It does not even mention the need for support to the textile industry, where women are losing their jobs or businesses and need more targeted assistance. For example, about 70 percent of orders for garments were lost after April 2010 because Kazakhstan stopped placing orders. The Kyrgyzstan women entrepreneurs were not able to export even the garments that were already produced on order.\(^{27}\) There are no stimulus packages to support these industries.\(^{28}\) The National Statistical Committee of Kyrgyzstan did not even include the sewing industry in its data on major indicators of social and economic development (9 July 2010), thus ignoring women’s enterprises in this industry.

**Women vendors take action**

About 50 women – small market vendors in the city of Osh in Kyrgyzstan – marched in protest to the municipal administration offices on 24 June 2010 demanding the opening of the markets. The Osh markets were not operating for more than two weeks and women entrepreneurs were left without any income. Some of them had almost nothing to eat and were ready to take action, even at a risk to themselves, to provide for their families.

**Crisis and conflict: a double blow for women entrepreneurs**

Larisa, a 38-year-old single mother selling imported garments from Republic of Korea in the Dordoi market in Bishkek, lost 10 percent of her income and had to fire one of her two sales staff in October 2009. She works 50 percent in wholesale and 50 percent in retail merchandising. Her colleagues in wholesale also had to face and impose cutbacks. Larisa was forced to reduce the workday: from December 2009 to February 2010, she worked only half a day instead of the whole working day. Larisa worries about the future because of the high rate of the U.S. dollar in relation to the local currency and the possible changes in tax fees. Since the political turmoil and ethnic conflicts in June, she has not placed any orders to Republic of Korea, because she was unsure about the political situation in the country. Some of her wholesale clients are from the south of Kyrgyzstan, in the Kara-Suu District, and after the June events, prospects of trade with them were also unclear.

*Based on interviews with the author*
Keeping women’s enterprises afloat

Burul, a 42-year-old women owner of a medium-sized sewing workshop, managed to find new orders from the Russian Federation to replace orders from Kazakhstan. Women comprise 95 percent of her workers. Despite the crisis, she didn’t fire the women workers and maintained their salaries at the same level. She has not heard of any governmental support or any stimulus package or measures to reduce her losses. Women in this business only expect one form of assistance from the state: the opening of the border to industrial products. In 2008, the women in her workshop earned about 3,000-4,000 soms per month; in 2009 and 2010, earnings were 4,000-5,000 soms per month. The women working in her shop are from the villages and have no formal training. The women owners spend many resources training these women workers, free of charge, because there are no vocational training facilities for them. The women workers have no signed contracts or labour agreements, and no social protection.

Based on interviews with the author

Unprotected women garment workers

Sewing workshops in Kyrgyzstan do not provide any support systems for women workers in times of crisis. In 2008-2010, twenty percent of women lost their jobs in this sector. When the workshops are closed, women workers are not paid any salary or allowances and do not receive any social insurance. When a woman becomes pregnant, she loses her job. Working hours are at least 12 hours a day and the women sometimes work non-stop with a few hours’ sleep inside the shop. The women’s health is imperiled by extended working hours and increased family burden, with little or no time for rest and leisure. Increases in food prices leads to growing malnutrition and health deterioration, as women workers either reduce or cut their spending on their own consumption, and care and leisure activities.

A profile of women garment workers in Kyrgyzstan

Guljash, a 31-year-old woman worker in a sewing workshop, has two children. There are two working members in her family and she supports six people with her earnings. She works from 8am until 9pm, with short 10-20 minute intervals for eating. She has no paid vacation. In 2008, her monthly salary was 12,000 soms, or USD270, and in 2009, it was 14,000 soms, or USD300. She is a migrant worker from the mountainous province of Naryn.

Nazgul, another woman worker in the sewing shop, is 23-years-old and has one child. She supports nine family members with her income. In 2008, she earned 6,000 soms a month; in 2009, 7,000 soms; and in 2010, 10,000 soms. She is from Chui Province.

Aigul, a 28-year-old woman with two children, works in Bishkek in a small sewing workshop. In 2010, she earns about 4,000 soms (USD90) monthly. She is also a migrant worker from the Issykul Province in Kyrgyzstan.

Since these women workers are migrants, they have to pay rent for their accommodation. They also often send money to their families in the provinces. Their employers do not pay maternal leave and social insurance. They have no vacation or health care allowances. It is assumed that they have employment even when they have to stop working for weeks or months when the owners of the sewing shops do not have garment orders from the Russian Federation, Kazakhstan or elsewhere. Women workers often have to work more than the normal 12-13 hours per day. When there are urgent, rushed orders, they stay in the sewing shop for 24 hours and work 20 hours, sleeping only four hours, in the work place. They earn more during these periods, but to the detriment of their health.

Questionnaire of the project and in-depth interview by Nurgul Djanaeva [June 2010]
State and donor responses

The impact of the global and national crisis on women is not addressed in Kyrgyzstan by state officials or among decision-making bodies in the private sector. The number of women in decision-making bodies is very small. Out of 77 members of the Association of Businessmen of Kyrgyzstan, only five are women and in the 19-member Coordination Council of this association, only five are women. In the Union of Entrepreneurs, there are no women leaders.

The new Poverty Reduction Strategy of Tajikistan developed in 2010 does not include compensation measures for women’s losses from the global financial and economic crisis. The 2010 Anti-Crisis Plan of Action of the Government of the Republic of Tajikistan does not include any significant measures for the protection of the poor. Kazakhstan has a well-established social assistance programme and, as part of the crisis response, the number and size of benefits have been increased, including child benefits, birth payments and unemployment pay. However, the Kazakhstan’s Anti-Crisis Plan excluded certain vulnerable groups from the programme, such as informal workers’ and migrants, and women may not benefit proportionately because the primary sectors where job creation is targeted (construction, communication and infrastructure) are male-dominated. The programme allocated US$1 billion for credit to small- and medium-sized enterprises (SMEs), but according to The United Nations Children’s Fund (UNICEF), “It is not clear, however, how accessible the loans are for small entrepreneurs, especially women in rural areas.”

The relevant regional structures are also not addressing women’s concerns. The agenda of regional bodies such as the Astana Economic Forum, the Summit of EurasIS, the Shanghai Cooperation Organization, the Eurasian Economic Community and Central Asia Regional Economic Cooperation, do not even hint at addressing the negative impacts of the crisis on women. At the regional level, there is an ongoing, intensive integration process, but this does not address women’s issues.

Various international funds are in the process of being created, but the beneficiaries — the poor and vulnerable groups, including women — are not aware of the processes underway. The beneficiaries are not involved and therefore it is unlikely that the funds will benefit them.

The World Bank Group’s Gender Action Plan is expected to allocate its financial resources to assist in ensuring that the banks’ responses to the crisis maximize women’s income, especially in the countries where women and girls are most vulnerable to the effects of the crisis. The Kyrgyzstan business women’s associations, however, are not aware of this plan. How does the World Bank implement its planned action without the participation of local women? The same is true with the United Nations Development Programme (UNDP) Action Plan for gender-responsive crisis recovery at the country level. Where are the money and the resources for cushioning the impact of the crisis on poor women?

A weak state machinery for gender equality led to: the low prioritization of women’s issues and concerns in state recovery plans; the lack of sex-disaggregated and gender data, and of special stimulus packages and funds for women, including especially vulnerable women, such as rural women or women and families living on remittances; and the lack of funding of state national plans for gender equality — all of which could and should have played a key role in mitigating the impact of the crisis on women. For example, the Kyrgyzstan Country Development Strategy (CDS) for 2009–2011 only identified the lack of gender-disaggregated indicators and the importance of gender-sensitive measures in sectoral politics and programmes. It did not include substantial measures and approaches to implementing the National Plan of Action from ministries and state agencies. The CDS of the Kyrgyzstan, while including gender equality as a priority, allocates no financial resources for gender equality actions.

It is obvious these women are hard hit by the crisis and that there are gender differential impacts of the crisis. Gender analysis of the crisis and its impacts is essential to protect gender equality gains, which are more at risk now, and to defend and strengthen women’s rights. Stimulus measures, policy coordination and adjustments and monitoring of systemic risks for maintaining the financial stability of households of poor urban and rural women are not on the agenda of decision-makers in the region and are not being reflected in policy dialogue.

If the intersectionality of gender and poverty is not addressed, it will make women increasingly vulnerable to the crisis and the recession. In times of crises, there is an urgent, increasingly obvious need for women to become part of the decision-making processes. The patriarchal models and processes of decision-making, however, are gender-blind and incapable of addressing key challenges and issues related to women’s rights.
References

Anonymous Sexual Workers (clients in Bishkek Shelter). “Changes in Life of Sexual Workers during Last Two Years.” Personal interview. 26 June 2010.


Trudovaya migrazia v Tajikistane obretet jenskoe lizo.
New from AWID is this 2010 edition of the brief series: Impacts of the Crisis on Women’s Rights: Sub regional perspectives. We are excited to present an update, by region, to the exceptional research conducted in 2009 on the impact of the global financial crisis on women’s rights. This update provides relevant new data, testimonies, and voices from women activists on the ground. Each case presents an opportunity to unpack the in-depth challenges faced by different women in diverse contexts while examining possible policy solutions from a feminist perspective. This work takes us on a journey to help us think beyond the financial crisis and its implications, and start reflecting about the new world being created. At AWID we believe these studies contribute to building and supporting women’s movements.

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