



WOMEN ENTREPRENEURSHIP STUDY IN ARMENIA

Qualitative and Quantitative Study
SYNTHESIS REPORT

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IN PARTNERSHIP WITH



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About the Report

This report presents a synthesis of the main findings of both a qualitative study conducted among women entrepreneurs in Armenia and a quantitative survey conducted among over 400 Armenian businesses. The two studies focused on revealing the patterns, perceptions, opportunities and challenges facing women entrepreneurs in Armenia, including those due to COVID-19.

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Foreword

The International Finance Corporation (IFC), a member of the World Bank Group, initiated this diagnostic study aimed at identifying the barriers faced by women entrepreneurs in Armenia. The findings of the study will inform the design of capacity-building programs for women entrepreneurs in addition to capacity development of local intermediaries to provide support services for women entrepreneurship. IFC contracted the Caucasus Research Resource Center-Armenia (CRRC-Armenia) and EV Consulting to conduct both qualitative focus groups and a quantitative survey to reveal the challenges faced by women entrepreneurs. The current report presents the qualitative and quantitative findings of the study in addition to an outline of recommendations.

This study has been conducted as part of the *Economic Growth and Economic Empowerment of Women in Armenia* project implemented by IFC in partnership with the United Kingdom Government's Good Governance Fund (GGF). The project aims to help promote investment, business growth, and job creation in Armenia. The two-year initiative provides advisory support to the government to help improve the business environment by attracting foreign direct investment via investment promotion, supporting export promotion, and fostering female entrepreneurship via capacity-building interventions.

The goal of the project is to help improve the economic outcomes of women entrepreneurs by enhancing business competencies and access to business networks. The project's approach seeks to build the capacity of women entrepreneurs and intermediaries through the following actions:

- **Identifying firm-level constraints encountered by women-owned firms.**
- **Helping to develop the capacity of women entrepreneurs, including startups and SMEs.**
- **Supporting capacity development of local business intermediaries to deliver support services to women entrepreneurs.**

Expected results from the project include increased revenues for women entrepreneurs and SMEs, additional funding for female-led firms, and increased capacity of two intermediaries to deliver women entrepreneurship-support projects.

Summary

1 Background

The primary objective of this study was to improve the understanding of firm-level constraints for women-owned firms in Armenia. The secondary aim was to identify potential partners, including but not limited to donors, financial and micro-finance institutions, government, experts, and other relevant stakeholders who will ensure the sustainability of support to women entrepreneurs after the project.

This study was conducted in two phases: phase one qualitative research and phase two quantitative research. Phase one of the study consisted of focus groups with women entrepreneurs and interviews with stakeholders in addition to an initial desk study to map existing services available to women entrepreneurs in Armenia. Phase two consisted of the development and implementation of a nationally representative quantitative survey of both men and women entrepreneurs in Armenia to identify the challenges in entrepreneurship faced specifically by women.

As demonstrated by numerous previous studies on the topic, women entrepreneurship is an under-exploited source of increased employment, wealth creation, innovation, and overall economic development. Challenges to women

entrepreneurship on a global scale include access to finance, socio-cultural factors, lack of entrepreneurial knowledge, and lack of professional networks. Challenges to women entrepreneurship within Armenia reflect these global challenges with more specific issues originating from factors such as low levels of land ownership and household assets.

Currently existing support programs available to women in Armenia primarily focus on business education, skills building, and networking with limited opportunities for direct financial assistance or grants.

Organizations providing these services should increase their visibility and accessibility as the overwhelming majority of respondents in the survey indicated not having used or applied for services by the government, NGOs, or international organizations.

2 Profiles of Respondents and Motivations

The profiles of respondents in this survey reflect global trends among women entrepreneurs; particularly regarding the smaller size of women-owned businesses².

Women-owned businesses in the survey were more likely to be micro or small businesses (40.2 percent and 29.9 percent, respectively), younger (an average 6 years of operation), registered as sole-proprietorships/individual enterprises (79.9

² David Cuberes et al. "[The determinants of entrepreneurship gender gaps: A cross-country analysis.](#)" *Review of Development Economics*, 23, no. 1 (2018)

percent vs. 53.2 percent of businesses owned by men), and operate in the trade sector more frequently than men-owned businesses (61.5 percent vs. 52.4 percent, respectively). Women entrepreneurs in the survey were also less likely to have children less than 18 years old and more likely to be divorced or widowed. The challenge of maintaining a home-work balance was mentioned as a prominent obstacle during the qualitative study.

The motivations to go into business are generally the same for men and women, with the biggest motivation for starting/acquiring/joining their firms being “to earn money” (60.6 percent men and 63.9 percent women). This was followed by “unable to find work or another source of income” (24.3 percent men and 30.5 percent women) and “striving to apply related past experience” (16.4 percent men and 17.8 percent women). Women entrepreneurs in the qualitative study discussed other motivations for going into business; such as taking over a family business, leveraging knowledge and skillsets, changing specializations, capturing market opportunities, and pursuing passions for certain fields. Furthermore, low employment opportunities, particularly in the regions,³ has contributed to the motivation among women to pursue entrepreneurial activities.

Families of both male and female entrepreneurs are generally supportive of them starting their own businesses. The overwhelming majority of respondents in the quantitative study (80.3 percent) mentioned

that they received support from a family member or close relatives in their endeavors to run their own businesses. The qualitative study similarly identified general support among families for women entrepreneurs. Although many women entrepreneurs encounter pressure to maintain a work-home balance and uphold home responsibilities, most women entrepreneurs in the qualitative study noted that they are supported by their families, including husbands, parents, grandparents, and children. This family support for entrepreneurial endeavors ranges from helping with home/family care to providing financial assistance.

3 Finances and Initial Investments

While men are more likely than women to use personal/household savings to start a business, women are more likely than men to seek loans. About half (53.4 percent) of female-owned businesses used personal/household savings as the main source of funding to establish/acquire their enterprises compared to 69.3 percent of male-owned businesses. Furthermore, 21.6 percent of women-owned businesses used funds from commercial banks to establish/acquire their enterprises while only 12.3 percent of men-owned businesses did the same. The government and NGOs/international organizations are the least common sources of funding used for establishing/acquiring enterprises with no women respondent reporting use of these for funding. This reflects issues identified during the qualitative study related to social inheritance practices and land

privatization of the 90s, which have helped provide men with greater access to productive resources than women.

Over the past two years, 56.1 percent of women-owned businesses applied for loans while 41.4 percent of men-led businesses did the same. Firms operating in the manufacturing sector applied for loans more often (57.7 percent) than firms in the trade (47 percent) and services (40.5 percent) sectors. Notably, almost all (88.2 percent) loan applications were approved, yet participants in the qualitative study mentioned difficulty in obtaining loans due to high interest rates and collateral requirements. Interestingly, 78.8 percent of firms currently do not have savings accounts.

4 Training and Education

The overwhelming majority (92.1 percent) of entrepreneurs have not taken advantage of free support services or training sessions related to their businesses in the past two years, yet 43.6 percent would like to in the future. Micro, small, or medium sized businesses were less likely to have taken advantage of free services than large businesses. Participants in the qualitative study also expressed a desire to develop their business knowledge and skillsets. Nearly all women entrepreneurs in the focus group discussions acknowledged gaps in business knowledge and skillsets needed to properly conduct entrepreneurial activities.

The most requested and relevant areas for support services or training programs include (1) business management, (2) marketing, (3) financial consultations, (4) legal consultations, and (5) professional networking. Participants in the qualitative study mentioned facing significant challenges with marketing due to both a lack of knowledge and lack of dedicated staff. Additionally, although professional networking support and mentoring were mentioned by only 23.3 percent and 15 percent respectively of respondents, participants in the qualitative study noted the need for increased mentoring and networking support due to low interaction among women entrepreneurs between each other and with stakeholders.

5 Obstacles to Entrepreneurship

The quantitative and qualitative studies revealed similarities and differences in the specific obstacles encountered by men and women entrepreneurs in Armenia, with access to finance being the most prominent obstacle faced by both. Among the most commonly mentioned obstacles at relatively the same rate by both male and female respondents were “access to finance” (38.8 percent men and 39 percent women) and “practices of competitors in the informal sector” (27.6 percent men and 29.1 percent women). The most commonly mentioned obstacles expressed at different rates between male and female respondents included “political instability” (37.1 percent men vs. 29.8 percent women),

“inadequately educated workforce” (41.7 percent men vs. 22.8 percent women), “lack of time” (20.1 percent men; 25.1 percent women) and “maintaining work/life balance” (14 percent men vs. 21.9 percent women).

Among the obstacles, “lack of time” and “maintaining a work-life balance” notably impact more women entrepreneurs than men. This was reflected in discussions during the qualitative study in which women entrepreneurs mentioned difficulties in balancing home and family responsibilities with entrepreneurial activity. Furthermore, although “inadequately educated workforce” was mentioned by more men than women during the qualitative study, women entrepreneurs also mentioned challenges in finding and maintaining skilled employees.

6 Social and Cultural Norms

Respondents were asked to identify potential reasons for why most businesses in Armenia are run by men, and the top response was “housekeeping and childcare responsibilities of women prevent women entrepreneurship” (48.4 percent men; 39.2 percent women).

This was followed by “men are more likely to take risks in starting their own businesses” (36.2 percent men; 27.4 percent women), “current customs and traditions constrain women’s professional aspirations” (30.1 percent men; 26.1 percent women), and “while running their own businesses, women are still dependent on men’s guidance, sponsorship, or approval” (28.2 percent men; 28.7 percent women).

Respondents were also asked to identify specific barriers that women in business are not able to overcome. The predominant answer among men was “housekeeping and childcare responsibilities” (51 percent of men and 50.6 percent of women), while among female respondents, the most predominant answer was “absence of initial capital” (52.3 percent of women and 26.2 percent of men). These were followed by “current customs and traditions” (36 percent men; 25.5 percent women) “lack of relevant skills, knowledge, and experience” (16.1 percent men; 19.9 percent women), “fear of taxation and complexity of bookkeeping” (13.1 percent men; 18 percent women), and “lack of marketing opportunities” (16.4 percent men; 12.3 percent women).

7 COVID-19

The overwhelming majority of surveyed firms (80.7 percent) experienced a reduction in revenue as a result of the novel coronavirus outbreak. The virus also contributed to reduced demand for the products of almost two-third (62.7 percent) of firms. At the time of the survey, more than two-third (69.2 percent) of firms still suffered from less income, and over half (52.9 percent) still experienced lower demand for their products.

There is more optimism and certainty among men regarding business recovery expectations than there is among women. Almost half (44.5 percent) of women-owned firms did not know how long it will take to recover compared to 33.6 percent among men-

owned firms. Sixteen percent of female-owned firms believed their firms will recover in less than six months compared to 27.6 percent of male-owned.

Among government programs related to COVID-19 support, the 8th program³ was the most demanded among businesses.

40.6% percent of applicants believe that the program provided their businesses with important benefits. Among this group of respondents, male-owned firms had a more positive assessment of the program benefits than female-owned firms (47.5 percent and 29.1 percent, respectively).

8 Future Prospects

Over the next two years, 24 percent of respondents said they expect to invest in improving the premises, 23.8 percent in expanding production, and 22.1 percent in improving operations/technologies. The largest share (30.5 percent) of respondents

did not have any expectations about making investments in their businesses over the coming two years.

Almost half (43.7 percent) of firms reported higher total annual sales in 2019 compared to 2017, and 31.3 percent of firms reported lower sales. A small share of 12.2 percent of businesses said that their total annual sales remained the same. As for the next year, the largest share of respondents (40.7 percent) are optimistic regarding their expected total sales, whereas the second-largest share (31 percent) is not certain whether their sales will increase or decrease. Another 18.6 percent of businesses expect a decrease in their sales next year.

³ [The 8th Package of Measures to Alleviate the Economic Consequences of COVID-19 Outbreak](#) focuses on supporting employees and individual entrepreneurs in areas of the private sector most impacted by the pandemic.

Abbreviations

ADB	Asian Development Bank
AGBU	Armenian General Benevolent Union
AIWA	Armenian International Women’s Association
AYWA	Armenian Young Women’s Association
CSO	Civil Society Organization
EBRD	European Bank for Reconstruction and Development
EDGE	Evidence and Data for Gender Equality
EU	European Union
FOBS	Factor of Business Success
GDP	Gross Domestic Product
GIWPS	Georgetown Institute for Women, Peace, and Security
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
MSME	Micro, Small, and Medium Enterprises
OECD	Organization for Economic Co-operation and Development
SBO	Survey of Business Owners
SME	Small and Medium Enterprise
SME DNC	Small and Medium Entrepreneurship Development National Center of Armenia
SMEDA	Support to SME Development in Armenia
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WBL	Women, Business and the Law
WE	Women Entrepreneur

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Background of the Study

Purpose and Goals

Gaps in entrepreneurial activity between men and women exist across the globe. The need to close this gap is essential to address a variety of issues ranging from economic growth to human rights. As indicated by numerous previous studies, women entrepreneurship is an underexploited source of increased opportunities for employment, wealth creation, innovation, and overall economic development. Support for women entrepreneurship is also a component of poverty reduction as a method to lift women from poverty through increased opportunities to have their own income.

Armenia faces unique challenges in closing the gap in entrepreneurial activity between men and women. To explore trends in doing business by women in Armenia, IFC contracted the Caucasus Research Resource Center-Armenia (CRRC-Armenia) and EV Consulting to conduct

a diagnostic study aimed at identifying the barriers faced by women entrepreneurs in Armenia. The study consisted of two phases; phase one qualitative research and phase two quantitative research. The qualitative research primarily consisted of focus groups and interviews with women entrepreneurs and stakeholders in Armenia while the quantitative research consisted of a nationwide survey of both male and female entrepreneurs to identify challenges to entrepreneurship and the differences in these challenges between men and women. This diagnostic study began with a desk study that informed the development of focus group discussions and the survey questionnaire. The findings of the study will inform the design of effective support programs for women entrepreneurs in Armenia.

PHASE 1: Qualitative Focus Groups and Interviews

The phase 1 qualitative study was conducted by EV Consulting. The study consisted of 12 focus groups and 54 individual interviews with women entrepreneurs nationwide; in all a total of 133 participants. In-depth interviews were conducted with 15 women entrepreneurs regarding the impacts of COVID-19. Key informant interviews were also carried out with 27 stakeholders (international

donor organizations, CSOs, public agencies, associations, etc.).

The focus group coverage was nationwide, including Yerevan and all ten regions of Armenia. The aforementioned 54 individual interviews replaced previously scheduled seven focus groups that were impossible to conduct due to COVID-19. Two of the conducted focus groups

were held online using the Zoom internet-based platform. Discussion guides were used during the focus groups and interviews, which covered business details, background, motivation, challenges, societal stereotypes, work-family balance, support and the role of the ecosystem, current business needs, and future plans.

The 15 follow-up in-depth interviews were conducted via phone with women entrepreneurs who participated in focus group discussions. These in-depth interviews also covered Yerevan and all ten regions of Armenia. The topics of the in-depth interviews included the current status of the businesses amid COVID-19, measures they have taken to mitigate/reduce the impact of the pandemic

on operations, available support programs and their effectiveness for businesses, current business needs, and regarding the current and future effects of the pandemic on the economy of Armenia.

The key informant interviews were conducted with 27 representatives of state institutions, international donor organizations, civil society organizations, and sectoral associations. The interviews focused on learning about the programs that stakeholders have been implementing, their rationale and objectives, their perceptions regarding the state and environment for women entrepreneurship in Armenia, and future plans.

PHASE 2: Quantitative Nationwide Survey

The phase two quantitative study was conducted by CRRCA-Armenia. It consisted of the development and implementation of a survey of 407 businesses in Armenia, both male and female-owned. It should be noted that, for the purposes of this survey, *a business is considered female-owned and managed if 50 percent or more is owned by a female and the top manager is also a female.*⁴ Otherwise, a business is considered male-owned. Based on this definition, 42.8 percent of surveyed businesses were female-owned and 57.2 percent male-owned.

The development of the survey was informed by the findings from the phase one qualitative research and the desk study. Phase one and phase two findings have been compiled together in this report to highlight the challenges faced by women entrepreneurs in Armenia.

The quantitative study aimed to achieve the following:

- **provide quantitative measurements of the severity of the constraints identified during the qualitative study**

4 According to the IFC definition, "An enterprise qualifies as a woman-owned enterprise if it meets the following criteria: a) ≥ 51 percent owned by a woman/women; or b) ≥ 20 percent owned by a woman/women; and (i) has ≥ 1 woman as CEO/COO/President/Vice President; and (ii) has ≥ 30 percent of the board of directors composed of women, where a board exists.

- **check the extent to which identified constraints are female-specific by comparing the results between male and female respondents.**

A questionnaire and a nationally representative sample of 407 female-led and male-led firms was developed. The firms were stratified by gender, sector (manufacturing, trade, and services), location (capital Yerevan versus the rest of Armenia), and size (micro, small, medium, and large⁵). The questionnaire went through a series of reviews and discussion sessions with research team members and representatives of IFC to create the final product. Once the final product was approved, it was translated into Armenian, underwent pilot testing and was adjusted before fieldwork.

The final questionnaire consisted of 44 questions divided into the following major sections:

- **General Information (8 questions),**
- **Labor and Human Capital (4 questions),**
- **Finance and investments (8 questions)**
- **Challenges in Business (2 questions)**
- **COVID-19 (6 questions)**
- **Gender Attitudes (4 questions)**
- **Performance and Expectations (6 questions)**
- **Post Interview-Demography (6 questions)**

The survey fieldwork was implemented by 11 trained interviewers between mid-June and mid-August of 2020 through Computer Assisted Telephone Interviews (CATI). More details about the survey methodology are provided in Annex 1 of this report.

Desk Study

This study began with an initial desk study that explored previous literature regarding challenges faced by women entrepreneurs, both in Armenia and around the globe. This desk study also reviewed research methods to study women entrepreneurship and potential

challenges to researching it. The following section highlights the major findings, research challenges, and other integral information identified by previous literature regarding women entrepreneurship.

⁵ Micro businesses are defined those with annual turnover up to AMD5 million, small: over AMD5 million and below 24 million, medium: over AMD24 million and below 115million, and large: with turnover over AMD115 million.

Women Entrepreneurship on a Global Scale

In [*To Be or Not to Be a Woman Entrepreneur in a Developing Country?*](#), Goyal and Yadav develop a broad overview of the challenges faced by female entrepreneurs specifically within developing nations. Although this is more a literature review rather than a specific study, it highlights the basic factors impeding women entrepreneurship that can be found in numerous other studies across the globe. These factors include difficulty in accessing finance, socio-cultural factors and status of women, low self-esteem/confidence, institutional voids, lack of skills, and poor entrepreneurial education. Although each of these factors is broad, they are echoed as barriers to women entrepreneurial success in several other case studies and reports.

The Organization for Economic Co-operation and Development's (OECD) [*Women's Entrepreneurship: Issues and Policies*](#) report argues for the global need for regular data collection regarding women's small business ownership. It provides an overview of data collection methods and a thorough breakdown of global obstacles to women entrepreneurship. The report outlines two different levels of analysis; firm level and individual self-employment level. The report also notes important variables that should be considered when collecting data regarding women entrepreneurship (pages 21-27). At the individual self-employment level, these variables include education, sector, industry affiliation, and career history. At the firm level, these include firm age, size, legal form, industry,

and mode of entry. The report continues to highlight different data collection methods and the strengths and weaknesses of each. One particularly valuable section of the report is the discussion of the difficulty in defining women entrepreneurship (page 26). It notes a common definition of a woman-owned firm being a firm where a woman owns more than 50 percent of the business, yet the report also explains several challenges and issues with this definition and inconsistent definitions used throughout studies regarding female entrepreneurship.

The United Nation's (UN) [*Measuring Entrepreneurship from a Gendered Perspective: Lessons Learned from the EDGE Project*](#) highlights the steps taken to develop a conceptual framework and indicators for measuring entrepreneurship based on gender for the UN's Evidence and Data for Gender Equality (EDGE) project. It also provides the EDGE project survey instrument, an overview of pilot study results, and a "lessons learned" section regarding the pilot study and questionnaire development. The lessons learned section is particularly valuable as it lists numerous challenges encountered during pilot testing in Georgia, the Philippines, Mongolia, and the Maldives. Several questions within the questionnaire are broken down with notes and their own individual lessons learned. Some of these lessons learned include issues such as respondents having difficulty understanding the term "enterprise" or determining what exactly was meant by the term "business earnings". Definitions and concepts are also presented in order to establish

indicators for concepts such as “entrepreneurial participation” and “entrepreneurial performance”.

Another source from the OECD is the short chapter [Measuring Women’s Entrepreneurship](#) from the report *Entrepreneurship at a Glance*. The chapter provides a brief overview of definitions, data sources, and methods for developing women entrepreneurship-related statistics. The chapter notes the definition of entrepreneur, and also highlights the difficulty in distinguishing between male and female-led enterprises. However, it does not provide a clear-cut definition of women entrepreneurship and only mentions different criteria that must be established in survey work such as whether or not a woman is the sole proprietor or to what degree a woman maintains a significant share of ownership. Regarding indicators of entrepreneurship, the chapter mentions self-employment being a widely used indicator, yet also recommends against distinguishing between those with employees and those without due to sample-size limitations when disaggregating based on other characteristics such as business sector. The chapter also mentions a lack of a common international framework for designing business surveys that also include information about the owners, yet it notes the Factor of Business Success (FOBS) survey that includes characteristics about a business’s founder. It highlights the Survey of Business Owners (SBO) from the U.S. Census Bureau, which is disaggregated by gender and other characteristics of owners with more than 51 percent stock or equity in a business.

The OECD and European Commission’s [Policy Brief on Women’s Entrepreneurship](#) explores the gender gap in entrepreneurship in Europe by identifying the differences between male and female-run businesses and the challenges faced specifically by female-run businesses. To measure women entrepreneurship activity, the study uses the Global Entrepreneurship Monitor survey, which asks questions regarding the steps participants have taken to launch a business and the current status of the business. The differences in female-run businesses as opposed to male-run businesses outlined in the report include smaller sizes, different sectors, and less growth potential. Self-employed women work fewer hours than men and also earn less. The specific challenges to women entrepreneurship identified by the report include an unsupportive culture and society, a perceived lack of entrepreneurial skills, greater difficulty in accessing finance than men, small professional networks, family, and tax policies.

The World Bank’s [Women, Business and the Law \(WBL\)](#) project collects data regarding the laws and regulations that may restrict women’s economic opportunities in 190 economies. The WBL is based on an analysis of domestic laws and regulations that affect women’s economic opportunities. The indicators used to measure these opportunities are selected based on research and consultation with experts. The eight indicators are structured around women’s interactions with the law; they include mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets, and pension (35 data points across eight scored indicators). The indicators are used to build evidence of the

relationship between legal gender equality and women's entrepreneurship and employment. The WBL index scores are based on the average of each economy's scores for the eight topics included in this year's aggregate score. A higher score indicates more gender equal laws. It is remarkable that, according to the WBL [2020 report](#) (the sixth in a series of studies conducted from 1970 to 2019), Armenia's rank is quite high—69 with an index score of 82.5 (55.6 in 1991 and 76.9 in 2011). While there are no legal differences in the areas of mobility, marriage, assets, and pension, the differences between men and women are significant in the [areas of workplaces \(50\), pay \(75\), parenthood \(60\) and entrepreneurship \(75\)](#). It estimates that disparities between women and men in entrepreneurship reduce economic output to an equivalent of 14 percent of gross domestic product (GDP).

The World Bank's [Profiting from Parity: Unlocking the Potential of Women's Businesses in Africa](#) report outlines how gender-specific restraints impact women entrepreneurs' decision-making throughout Africa. It further highlights how this restrained decision-making leads to gender gaps in business performance as well as policy suggestions on how to close the gaps. Specifically, female entrepreneurs' strategic decisions diverge from male entrepreneurs in the sector they choose, differences in capital and labor, willingness to compete, and differences in firm capabilities, practices, and formalization. The underlying constraints working against women entrepreneurs and their decision-making include legal discrimination, social norms, risk of gender-based violence, education/skills, confidence,

financing, networks and information, allocation of household assets, and domestic time constraints/chores. These constraints impact women entrepreneurs' decision-making on choice of sector, capital and labor management, business practices/innovation, and their general willingness to compete. The report uses data from a collection of enterprise surveys, household surveys, and impact-evaluation surveys conducted across several countries in Africa; all datasets are listed in an appendix. The analysis consists of several varying quantitative and qualitative methods listed in each section of the report.

The International Monetary Fund's (IMF) [Pursuing Women's Economic Empowerment](#) G7 paper argues for the need for women's economic empowerment by referencing several previous studies that demonstrate the economic benefits of gender equality. Although it mainly focuses on labor-market participation of women rather than entrepreneurial activity, it highlights significant gender gaps on a global level. These gender-based gaps include gaps in labor-force participation, wages, leadership positions, and inequality of opportunities such as access to health care, education, and financial services. Rather than being a specific study, the paper is more a review of previous literature on the economic benefits of closing gender gaps and offers policy suggestions to provide equal opportunities and help women balance work and family responsibilities.

The International Labour Organization's (ILO) [Entrepreneurship Development for Women](#) [Entrepreneurs: An Update on What Works](#) reviews the effectiveness of women entrepreneurship

development programs. The paper provides a diagram outlining strategies that have been demonstrated to work effectively in women entrepreneurship development. The areas of intervention that enable women to overcome barriers to entrepreneurship listed are; (i) access to finance, (ii) business training, (iii) mentorship/support networks, (iv) bundled services, and (v) enabling environmental factors. The paper notes several specific strategies within each of these areas.

Another paper for the ILO, [*A Global Survey of Enterprises*](#), argues for the need for gender diversity in management, board membership, and other leadership roles. Using data captured from an enterprise survey conducted in several regions across the globe, the paper noted that enterprises with gender diversity policies are 31 percent more likely to report improved business outcomes including profitability and productivity than enterprises without such policies. Although the paper does not address specific barriers to women entrepreneurship, it argues for the business case for gender diversity in the workforce using the results of the enterprise survey that demonstrate greater innovation, profitability, production, reputation, and consumer interest and demand associated with gender-diverse businesses.

The paper [*The determinants of entrepreneurship gender gaps: A cross-country analysis*](#) by Cuberes et al. uses aggregate data from the ILO and microeconomic data from the

European Values Study to quantify gender gaps in entrepreneurship, differentiating between gender gaps in employership and in self-employment. The sample consists of 40 European countries including 21 former Communist countries, including Armenia. In the aggregate data for 2000–2017, the authors observe a gender gap among employers of 59 percent (about 80 percent for Armenia, which means that on average there are only 20 female employers for every 100 male employers) and a gender gap in self-employment of 36 percent (-6.7 percent for Armenia). The authors express agreement with the statement that, in developing countries, the large majority of micro, small, and medium enterprises are managed by women and that the percentage of female ownership declines with firm size. The regressions that are used show that these gaps are still sizable even after controlling for a large set of control variables that include marital status, age, education, number of children, wealth, the participation of parents and spouse in entrepreneurship, values toward women, social capital, and prior unemployment. They identify important differences between the determinants of these gaps in former Communist countries and in high-income ones.

Women Entrepreneurship in Armenia

Wistrand and Mkhitarian's report for the OSCE, [Women Empowerment and Cooperation in Armenia with a Focus on the Syunik Region](#), outlines issues facing women in politics, unemployed women, and women in business based on information obtained from 15 focus groups in the Syunik region in 2007. They argue that the situation in Syunik reflects the overall situation of women in Armenia, including blindness towards issues of gender. Among their recommendations, they stress the importance of enhancing gender-based statistics whenever research or studies are carried out. Among the challenges women entrepreneurs face specifically in Syunik, they highlight the following: (i) less influence in economic and political life, (ii) exclusion from male informal networks, (iii) dependency on men's support, (iv) extra workloads, (v) unawareness of rights, (vi) limited economic resources, (vii) lack of networks or contacts outside of family, and (viii) lack of public arenas where women can meet.

Based on an extensive collection of data from numerous sources, the Asian Development Bank's (ADB) [Armenia Country Gender Assessment](#) (2015) provides a thorough overview of various gender-related issues in the country. Regarding economic challenges for women in Armenia, the report points out that despite constitutionally guaranteed equal rights to women and men, there are still significant disparities between them in the workforce; in large part due to gender stereotypes that constrain them to specific social, domestic, and economic roles. These gender stereotypes are related to the underrepresentation of women in several sectors that are dominated by men. In the

specific context of SMEs, there is an overall lack of available data. However, among SME issues, it does highlight the lack of access to financing. While this is an issue for both men and women, women face extra difficulties due to less access to property and land due to reasons such as local customs that grant inheritances exclusively to sons rather than daughters. The report also notes ADB's [Women Entrepreneurship Support Sector Development Program](#), which includes both training and financial support for women-led MSMEs.

Through a review and analysis of both primary and secondary data, USAID's [Armenia Gender Analysis Report](#) identifies advances, constraints, and opportunities in Armenia related to women's empowerment. It also provides a thorough list of recommendations in the areas of economic empowerment and growth and democracy and governance. Among SME-related findings, the report notes that despite the higher educational achievement of young women, young men are twice more likely to work in managerial positions. Furthermore, senior roles in both the private and public sectors are overwhelmingly held by men than women (70.5 percent versus 29.5 percent). The report also notes anecdotal evidence that women are represented in managerial roles at a higher rate than men in certain sectors such as hospitality, IT, and fashion, yet states that there is no quantitative data available to confirm this. However, despite the lack of quantitative data at the managerial level regarding sector segregation, the report emphasizes overall labor-market segregation that constrains men and women to working in respective male-

dominated and female-dominated sectors.

The [Women, Peace, and Security Index](#) developed by the Georgetown Institute for Women, Peace, and Security is a ranking of countries around the world based on women's empowerment and wellbeing. The motivation behind the creation of this index (based on 11 indicators) is the belief that countries are more prosperous and peaceful when equal rights and opportunities are provided for women. Armenia's 2020 index score (0.72 out of 1) and global rank (82 out of 167 countries), based on these 11 indicators, is provided in Annex 1 of this desk study. Definitions are provided for each of the indicators in the final report as well. The indicators that reflect the most direct challenges to SME development include financial inclusion (women aged 15+ who have access to an account at a bank or other financial institution or are personally using a mobile money service), discriminatory work norms (men aged 15+ who believe women should not have a paid job), and employment. Notably, only 40.9 percent of women in Armenia report having access to an account at a bank or other financial institution and 17 percent of men in Armenia believe it is unacceptable for women to work.

Another resource is Hayrapetyan's 2016 dissertation [Factors That Drive Female Entrepreneurship in Armenia](#). According to Hayrapetyan, while women and men entrepreneurs face many similar challenges in Armenia, there are distinct gender gaps contributing towards greater difficulty for women entrepreneurs. Using data from The World Bank's enterprise survey conducted in

Armenia, Hayrapetyan notes that the most significant challenge to entrepreneurship shared at an almost equal rate between men and women is the tax rate. Other shared challenges include the system of tax administration, political instability, and corruption. However, some of the unique challenges specific to women entrepreneurs include access to land, business education, gender stereotypes, and being restricted to certain business sectors. One notable issue pointed out by Hayrapetyan affecting data collection is that men may sometimes register a business in the name of a female member of the family to hide their association to the business due to a variety of reasons such as manipulating the risk of debt repayments. This makes collecting statistics on female entrepreneurship in Armenia particularly challenging.

The [OECD's 2016 SME Policy Index: Eastern Partner Countries](#) report provides a framework for policy makers and other stakeholders in the Eastern Partner (EaP) region (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) to assess progress in designing and implementing SME policies. The report includes a chapter on entrepreneurial learning and women's entrepreneurship. Progress in women's entrepreneurship is measured using four indicators; focusing on policy, institutional support, good practice, and training. Overall, women's entrepreneurship has received greater attention in each EaP country's policy agenda, including in Armenia. The report references support from the ADB for the government to provide financial and institutional support to women's entrepreneurship. Events hosted by organizations such as AYWA are also noted

as examples of good practice. It includes a list of recommendations on how to help promote entrepreneurial learning and women's entrepreneurship, and a further chapter provides a list of strengths and weaknesses of SME development in Armenia.

Other reports highlight general non-gender specific barriers to entrepreneurship in Armenia. These include Kuriakose's [Fostering Entrepreneurship in Armenia](#) report prepared for The World Bank. The constraints to entrepreneurship in Armenia listed by Kuriakose include; (i) a difficult and volatile tax regulation system, (ii) corruption and government officials favoring well-connected individuals, (iii) access to finance, (iv) inadequate skills, inadequate insolvency regime, (v) no interaction between industry and research communities, and (vi) lack of public awareness of the benefits of entrepreneurial activity.

The EU4Business's [Country Report Armenia: Investing in SMEs in the Eastern Partnership](#) similarly highlights general challenges to SME development in Armenia. Echoing previous literature, these challenges include: (i) access to finance, (ii) policy and regulatory frameworks, (iii) lack of skills and knowledge, and (iv) lack of statistical data and analysis. The report outlines policy recommendations for each of these issues.

Mikaelian's report [Self-Employment, Micro and Small Business in Armenia](#) offers another general overview of Armenia's SME situation based on survey data. Mikaelian outlines his research methods including limitations and

the definitions he uses for entrepreneurship, self-employed, micro enterprise, and small enterprise. Among the findings, Mikaelian notes a lack of understanding of the concept of "business", and that many micro-entrepreneurs, agricultural workers, and the self-employed did not consider their activities to be a business activity. Agricultural workers in particular consider themselves unemployed. Part of this is due to the perception of their economic activity aimed more at survival than establishing a business. He also observes a high perception of corruption among small and micro-enterprises despite the actual low level of corruption at the small and micro-enterprise level.

The 2019 [Small and Medium Entrepreneurship in the Republic of Armenia Statistical Bulletin](#) published by the Statistical Committee of the Republic of Armenia provides an overview of SME activity and statistics within Armenia. The report does not identify any specific challenges to entrepreneurship, but outlines several SME business demographics regarding business sectors, regions, size, turnover, employee numbers, wages, and more. The report also provides useful definitions and links to definitions, including a breakdown of the definition of SME. However, the definition of SME provided is based exclusively on the number of employees in each category of SME rather than additional factors of turnover and assets as outlined in the definition of SME adopted by the Armenian government in 2011.

In her story for EVN Report, [The Need for Gender Equality in the Labor Market: Women in Armenia's IT Sector and Beyond](#), Martirosyan highlights the

potential contributions of women to Armenia's IT sector. Women already have a greater share of representation, than the global rate, in the IT sector, yet this is still significantly lesser than men. The report notes that female leadership roles in IT is only 11 percent. Martirosyan also provides an extensive list of statistics regarding economic gender inequality in Armenia and lack of political participation and representation. She argues that as IT development is gradually becoming a greater priority of the government, women's participation and potential contributions in this sector should not be overlooked.

Abramian developed a similar report for Forbes titled [Armenia's Women Tech Trailblazers Are Forging New Horizons](#). The report highlights several women entrepreneurs from Armenia's tech sector. Similar to Martirosyan's story for EVN Report, the Forbes report notes the higher rate of women in the IT sector in Armenia compared to the global rate. Whereas the global rate of women within IT does not exceed 20 percent, the rate within Armenia is 30 percent. The report also provides a list of 11 tech companies in Armenia with female leadership or majority female employees.

According to the [Women and Men in Armenia](#) 2018 report prepared by the Statistical Committee of the Republic of Armenia, the level of economic activity of women in the labor market is 53 percent, which is significantly lower than that of men at 71 percent. Furthermore, 47 percent of economically inactive women are housewives, with 42 percent of those having secondary vocational education or higher.

Eighty percent of employers and 54 percent of self-employed are men, while the number of women in unpaid work is twice that of men. The employment gap is followed by the wage and income gaps: the average wage for women is lower than men by 33 percent and the income gap is even greater at 40 percent (2013), even though 58 percent of women and 47 percent of employed men have secondary vocational education or higher. Looking into sector-based employment, 16 percent of Armenia's labor resources and 31 percent of employed people are engaged in agriculture. Among these, women make up 53 percent, and if they are not formally employed, they are often deprived of social guarantees. Women also often do not participate in high-level decision-making in their communities (community leaders—1.6 percent, council members—10.5 percent). Women are mainly employed in lower paying sectors. There are also 2.4 times more men in leadership positions than women. Women are more often involved in middle and lower positions, even in sectors where they have a high rate of involvement (for example, social, health, education, and culture-leisure-recreation).

The UN Women and Armstat report, [Analysis of the Gender Pay Gap and Gender Inequality in the Labour Market in Armenia](#), focuses on the gender wage gap and other issues impacting women employment in Armenia. Although it does not specifically focus on female entrepreneurship, the issues highlighted by the report are critical issues facing women in the Armenian labor market and are related to women's abilities to climb the corporate

ladder. The report notes different methods in calculating gender pay gaps, including both adjusted and unadjusted gaps. The adjusted calculations are based on characteristics of respondents such as occupation, sector, contract status, education, and other personal factors. While the unadjusted raw gap is 23.1 percent, the adjusted gap accounting for these characteristics is 28.4 percent. After controlling for both characteristics and selectivity bias, the gap declines to 10 percent, which the report argues can be considered the gender pay discrimination gap facing women in Armenia. Other factors of gender inequality in the market are also explored, such as differences in hours worked. Men work more hours than women across all ages, educational levels, occupations, and employment statuses, which reflects the increased time women spend in unpaid domestic work.

The Global Entrepreneurship Monitor (GEM) [*Armenia National Report 2020*](#) (the first one for Armenia) explores the rates and characteristics of entrepreneurship in Armenia, including women entrepreneurship. Many valuable figures and other aspects related to entrepreneurship in Armenia are included in the report. Regarding due to favorable social and cultural values that

support entrepreneurship and a general lack of other opportunities to earn income. This lack of opportunities to earn income significantly impacts rural areas, therefore contributing to high rates of entrepreneurial activity, particularly within the agricultural sector and trade. The EBO rate among men is 2.3 times that of women, indicating much less female-owned sustainable businesses than male-owned. The TEA rate among men is also 1.5 times that of women. The report explores the motivations for going into business, and notes that although most women, like men, are motivated to start their businesses to earn money because jobs are scarce, a greater number of women, rather than men, express wanting “to make a difference in the world” as a motivation for going into business. Because there is a high rate of early-stage entrepreneurship in Armenia and only an average rate of established businesses, the report recommends improving conditions to make businesses become sustainable. The report recommends specific improvements to the entrepreneurial environment including (1) entrepreneurial education, (2) R&D transfer, (3) government-sponsored entrepreneurial programs, (4) and entrepreneurial financing.

Mapping of Existing Services

In addition to the literature review, the desk study also included a mapping of services available to women entrepreneurs in Armenia. The organizations and initiatives identified by this mapping collectively offer a mix of support services for women entrepreneurs. The services identified by this mapping include (1) business education and skills-building programs (AGBU, AYWA, Girls in Tech, HERA, Impact Hub, SMEDA, and SME DNC), (2) political representation and participation support (OxYGen, SMEDA), (3) networking and mentorship support (AIWA, AWAY, Impact Hub, WINNET, and Women Entrepreneurs Network), (4) financial assistance (HERA, SMEDA, SME DNC), and (5) general SME development support (SMEDA, SME DNC). These supports primarily focus on business education, skills building, and networking with some limited opportunities for direct financial assistance or grants for businesses. The following is a list of the organizations, projects, and initiatives identified during this mapping:

- [Armenian General Benevolent Union \(AGBU\): Women's Entrepreneurs Program](#)
- [Armenian International Women's Association \(AIWA\)](#)
- [Armenian Young Women's Association \(AYWA\)](#)
- [EU4Business: Support to SME Development in Armenia \(SMEDA\)](#)
- [Girls in Tech - Armenia](#)
- [HERA](#)
- [Impact Hub Yerevan: Women Entrepreneurship Incubation Program](#)
- [Innovative Women Entrepreneurship Association](#)
- [OxYGen: "Equal" Campaign](#)
- [Small and Medium Entrepreneurship](#)

[Development National Center of Armenia \(SME DNC\)](#)

- [UNDP: Women's Economic Empowerment in South Caucasus, 2018-2021](#)
- [WINNET Armenia](#)
- [Women Entrepreneurs Network in Armenia: Developing Women Entrepreneurship in Armenia](#)

The following is a list of projects and initiatives related to women entrepreneurship in Armenia that have been undertaken in the past and are no longer active:

- [Asian Development Bank: Women's Entrepreneurship Support Sector Development Program](#)
- [EU4Women: Economic Empowerment through Social Enterprise](#)
- [The European Bank for Reconstruction and Development: Women in Business TAM/BAS Programme - Armenia & Georgia](#)
- [European Union: Social and Economic Empowerment of Women in Armenia Project](#)
- [EU Green Agriculture Initiative in Armenia \(EU-GAIA\)](#)
- [Federal Ministry Republic of Austria, Europe, Integration and Foreign Affairs: Social Entrepreneurship for development of small poultry farms in Voskevan](#)
- [OxYGen: Promoting growth, enforcing rights: Women in the labor market; 2018–2019](#)
- [OxYGen and the European Partnership for Development \(EPD\): INSPIRED+ Armenia](#)

Qualitative and Quantitative Study Findings

The following is a compilation of the most prominent and relevant findings from both the qualitative and quantitative phases of the study. These selected findings are primarily those that highlight the differences in obstacles faced by men and women entrepreneurs and other challenges that are relevant to potential intervention projects. While this compilation is mostly based on the findings of the quantitative study, it is complemented where possible by the findings of the qualitative study. The topics covered in this section include respondent profiles, motivations for going into business, finances and investments, training and education, obstacles to entrepreneurship, social and cultural norms, the impacts of COVID-19, and future prospects.

Notes regarding charts and tables:

- o All charts and tables reflect all answers in percentages of the total, unless noted otherwise (frequencies are mentioned in the chart title).*
- o Numbers presented in the analysis may differ slightly from the numbers in the charts and tables, due to rounding up of the numbers. In some cases, "don't know" and "refuse to answer" options were merged due to very small shares.*
- o The charts in "Profile of Businesses" and "Profile of Respondents" are presented based on unweighted data as it is the description of the sample. In other cases, the data is weighted.*
- o Whenever a correlation between the variables is assumed, a F-test (on weighted data) or Chi square test (on unweighted data) is run and the test statistics is inserted as a footnote in the following format: F (model degrees of freedom, residual degrees of freedom) = F value, p – p value or X² (degrees of freedom, N = sample size) = chi-square statistic value, p – p value. Whenever p value is less than .05, the difference between groups (for example, gender, sector, etc.) is considered statistically significant.*

1. PROFILE OF RESPONDENTS

Business Size:

Among the most significant differences in the business profiles between male and female respondents is the size of their businesses. The majority of female-owned enterprises are either micro or small businesses (40.2 percent and 29.9 percent, respectively), while half of the businesses owned by men are either medium or large (35.6 percent and 14.2 percent, respectively, see figure 1.1).⁶

Figure 1.1 Distribution of firms by size and owners' gender (percentage of total by gender of owners, n=407)



Business Age, Form, and Sector:

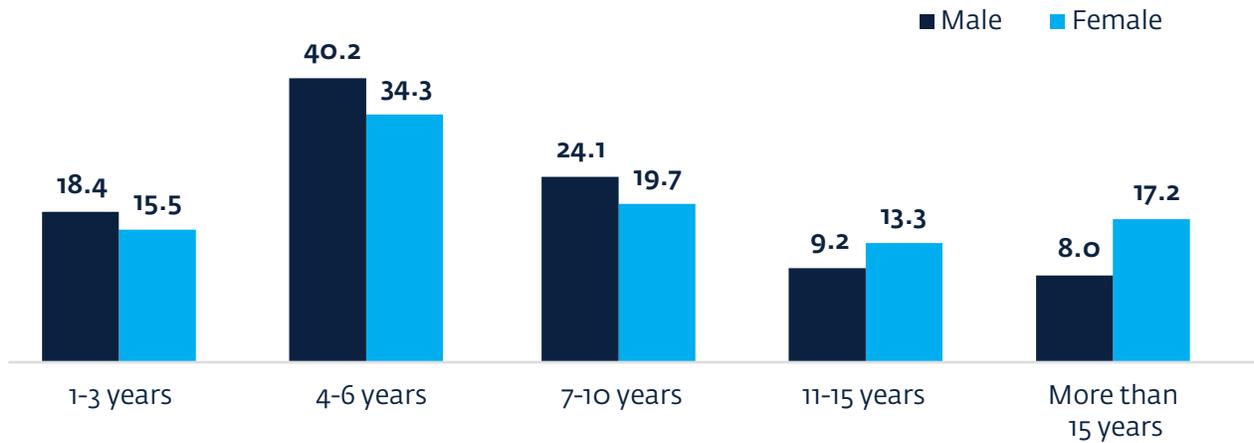
The overwhelming majority of women enterprises are registered as sole proprietorships/ individual enterprises (79.9 percent vs. 53.2 percent of businesses owned by men) and much less as limited liability companies (20.1 percent vs. 41.6 percent for male-owned businesses). No woman entrepreneur within the sample owns a closed joint-stock company or an open joint-stock company (among men entrepreneurs, 4.7 percent and 0.4 percent, respectively).⁷

Female-owned businesses are younger than male-owned: 18.4 percent of women-owned businesses have been actively operating for 1-3 years, 40.2 percent for 4-6 years, 24.1 percent for 7-10 years, 9.2 percent for 11-15 years, and only 8 percent for more than 15 years (figure 1.2). The average number of years of active operation of men-owned businesses is 8.4, while for women-owned businesses it is six.

⁶ $(\chi^2(3, N = 407) = 20.6989, p = .00)$

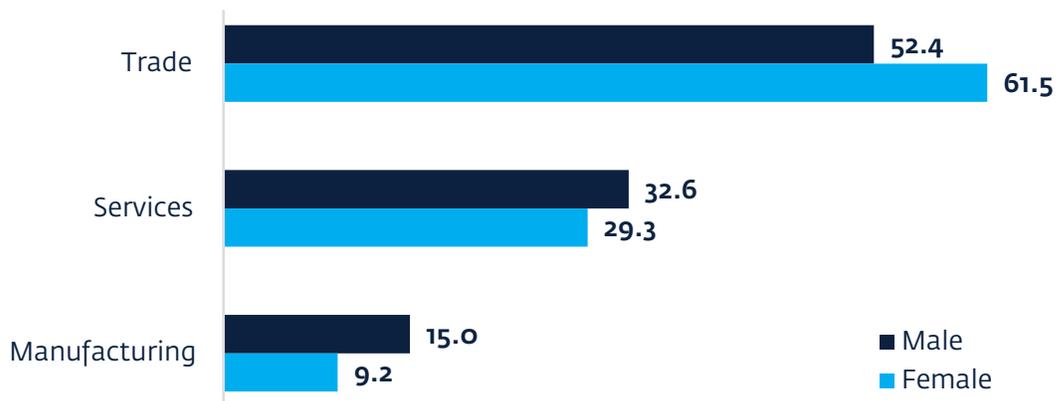
⁷ $(\chi^2(3, N = 407) = 34.414, p = .00)$

Figure 1.2 Distribution of firms by years of activity and owners' gender (percentage of total by gender of owner, n=407)



Women-owned businesses operate in the trade sector more frequently than men-owned (61.5 percent vs. 52.4 percent, respectively) and are much less engaged in manufacturing (9.2 percent vs. 15 percent, respectively). However, women and men-owned businesses operate in the services sector at almost an equal rate (29.3 percent and 32.6 percent, respectively; figure 1.3).

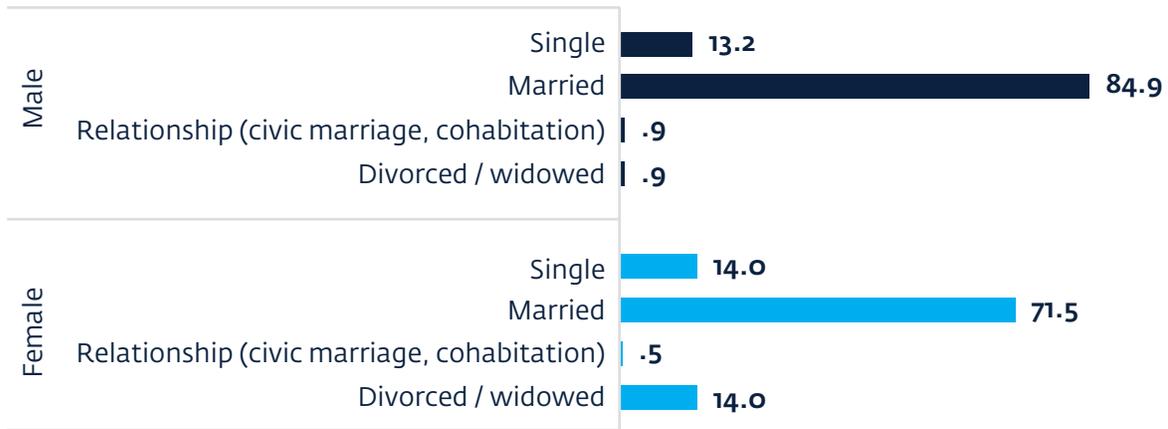
Figure 1.3 Distribution of firms' sector by owners' gender (percentage of total by gender of owner, n=407)



Marital Status and Children:

Notably, less women respondents in the survey are married compared to men (71.5 percent female versus 84.9 percent male, figure 1.4). Additionally, more women respondents are divorced or widowed at 14 percent compared to only 0.9 percent of men.

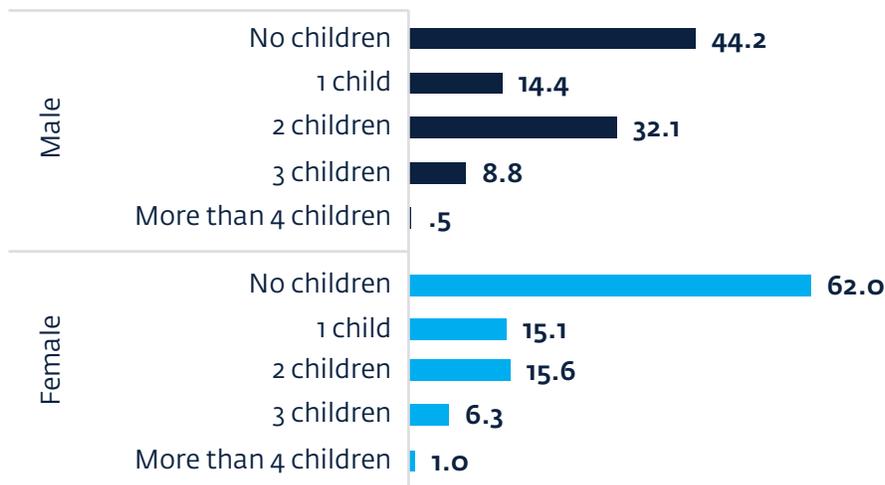
Figure 1.4 Marital status by respondents' gender (percentage of total, n=407)



More than half of the respondents (52.6 percent) have no child below 18 years old, 14.7 percent have one child, about a quarter (24.3 percent) have two children, 7.6 percent have three children and only 0.7 percent have more than four children. As shown in figure 1.5, the share of women with no children below 18 years old is much larger than that of men (62 percent and 44.2 percent, respectively).

The pressure of maintaining a home-work balance was mentioned during the qualitative discussions. Women entrepreneurs expressed concern that their continuous and growing involvement in entrepreneurship might lead to less time for everyday home duties and could adversely affect family relationships. However, many have had their children grow up along with the growth of their business, and eventually have their children help with the business too.

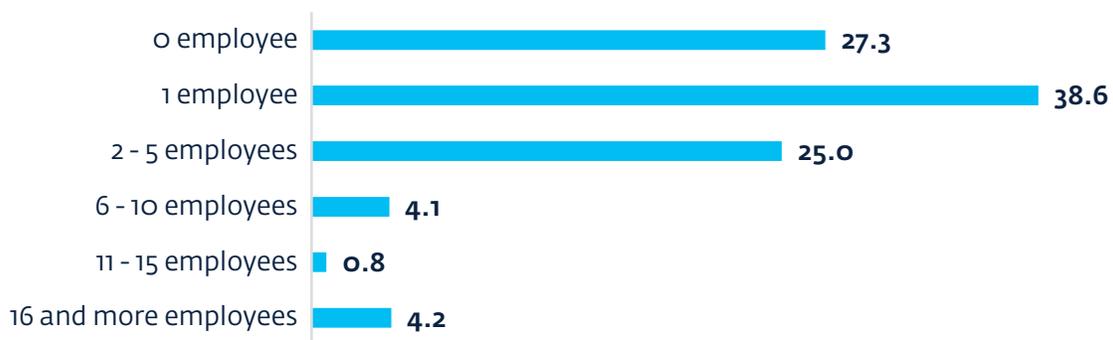
Figure 1.5 Number of children below 18 by respondents' gender (percentage of total, n=407)



Human Capital:

The number of full-time employees per surveyed firm was quite modest at an average of only 10 (out of which seven full-time employees are men and three are women). Furthermore, men-owned businesses reported having far more employees than women-owned. Men-owned businesses reported having 15.5 full-time employees (11.8 men and 3.8 women), while women-owned businesses reported only 3.3 (1.2 men and 2.1 women). This can be explained by the distribution of male versus female businesses by size. As already mentioned, 70.1 percent of female-owned businesses are micro or small whereas about half of the businesses owned by men are medium or large (35.6 percent and 14.2 percent, respectively). The reported number of part-time employees on average was 1.3 (of which 0.4 men and one woman). Men-owned businesses reported having 1.1 part-time employees, while women-owned businesses reported 1.6 (predominantly women). The share of businesses with no full-time staff was 27.3 percent and 63.6 percent reported having only 1 to 5 employees. The share of businesses with 16 or more employees was 4.2 percent (see figure 1.6).

Figure 1.6 What is the number of full-time employees? (percentage of total, n=407)



2. STARTING A BUSINESS

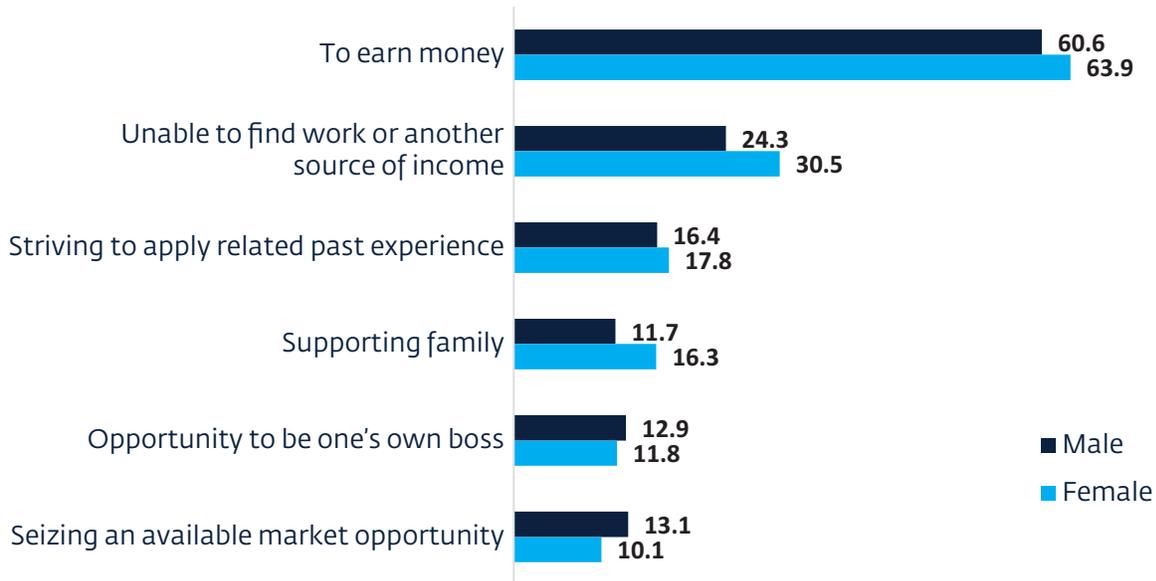
Motivations:

There is no significant difference between men and women regarding the reasons for starting/acquiring/joining a firm. The biggest motivation among both male and female respondents for starting/acquiring/joining their firm was “to earn money” (60.6 percent and 63.9 percent, respectively) followed by “unable to find work or another source of income” (24.3 percent and 30.5 percent, respectively) and “striving to apply related past experience” (16.4 percent and 17.8 percent, respectively; see figure 2.1).

In addition to the motivations outlined in figure 2.1, women entrepreneurs in the qualitative study discussed other motivations for going into business such as taking over a family business, leveraging knowledge and skillsets, changing specializations, capturing market opportunities, and

pursuing passions for certain fields. Furthermore, low employment opportunities⁹, particularly in the regions, have contributed to the motivation among women to pursue entrepreneurial activities.

Figure 2.1 What were the main two reasons for starting/acquiring/joining the firm? (percentage of respondents by gender; up to two answers were accepted, n=407)



Family Support:

Families of both male and female entrepreneurs are generally supportive of them starting their own businesses. The overwhelming majority of respondents in the quantitative study (80.3 percent) mentioned that they received support from a family member or close relatives in their endeavor to run their own business (figure 2.2). However, 10.4 percent of respondents said there was someone among their families or close relatives who disapproved/hindered their intentions to run their own business (figure 2.3). There is no significant difference based on gender in terms of disapproval from family members or close relatives to run a business.

In Sevan, a family was against a WE when she wanted to launch a beauty salon. Nevertheless, she did and, in 2015, was awarded "Woman Entrepreneur of the Year" by the Prime Minister. Now her family takes pride in her.

⁸ Supporting evidence in this regard is that in 2018 in Armenia, 97.5% of employment in the agricultural sector was informal, compared to 20.8% in non-agricultural sectors (Statistical Committee of RA, 2018. Labor Market in Armenia). According to the WB report [Work for a Better Future in Armenia: An Analysis of Jobs Dynamics](#) (p 17), in general, "women are more likely to drop out of labor markets altogether, especially in rural areas where family formation begins earlier."

The qualitative study similarly identified general support among families for women entrepreneurs. Although many women entrepreneurs encounter pressure to maintain a work-home balance and uphold home responsibilities, most women entrepreneurs in the qualitative study noted that they are supported by their families including husbands, parents, grandparents, and children. This family support for entrepreneurial endeavors ranges from helping with home/family care to providing financial assistance. In certain cases, the family is skeptical regarding the woman’s idea to launch a business, yet the family often begins to provide support after witnessing success in the business.

Figure 2.2 Was there anyone in your family (or close relatives) who supported your endeavor to run your own business? (percentage of total, n=407)

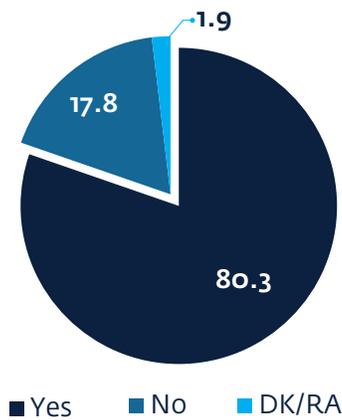
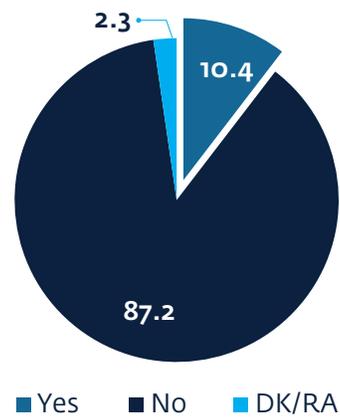


Figure 2.3 Was there anyone in your family (or close relatives) who disapproved of/hindered your intention to run your own business? (percentage of total, n=407)



3. FINANCES AND INITIAL INVESTMENTS

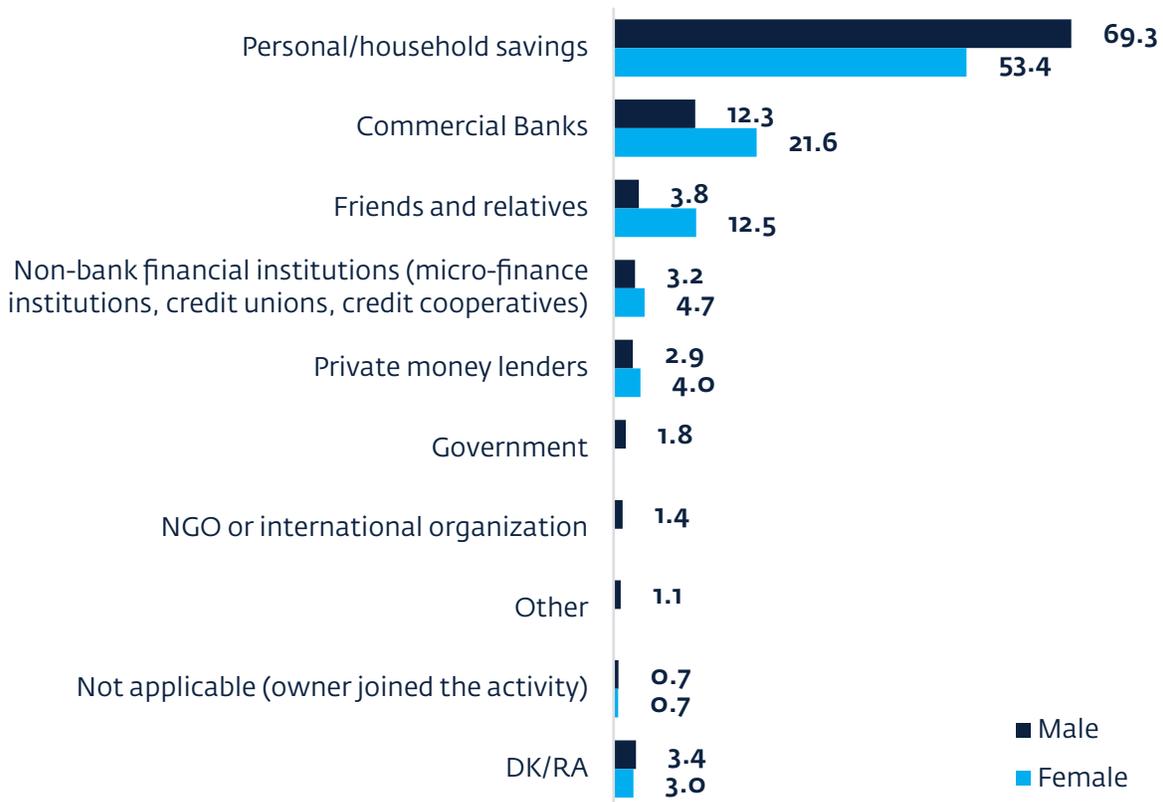
Sources of Initial Financing:

There are notable differences between men and women in their sources of initial financing for their businesses. About half of female-owned businesses (53.4 percent) used personal/household savings as the main source of funding to establish/acquire the enterprise compared to over two-thirds (69.3 percent) of male-owned businesses. Furthermore, 21.6 percent of women-owned businesses used funds from commercial banks as a source to establish/acquire the enterprise while only 12.3 percent of men-owned businesses did the same.⁹ The government and NGOs/International organizations are the least common sources of funding used to establish/acquire the enterprise by both men and women.

⁹ $F(8.83, 3583.74) = 1.8867, p = .05$

These numbers indicate that while men are more likely than women to use personal/household savings to start a business, women are more likely than men to seek loans. This reflects issues identified during the qualitative study related to social inheritance practices and land privatization of the 1990s, which have helped provide men with greater access to productive resources than women. Participants in the qualitative study noted high interest rates and the highly collateralized nature of loans, which are great obstacles. Although the Armenian legislative framework provides equal opportunities and property rights to women and men, in practice women are often at a disadvantage. During the post-independence period of the early 1990s, the government of Armenia began privatizing land by distributing it among households, and land ownership was granted to the “head of the household”. Although this could legally be a woman or a man, the majority of land was registered in the names of men as household heads by default. Furthermore, due to widespread traditional inheritance practices in Armenia, parents usually grant the house and other assets to sons. The aforementioned issues are also highlighted in *Armenia Country Gender Assessment* by ADB (2015). Altogether, these issues reduce opportunities for women to pursue entrepreneurial activities.

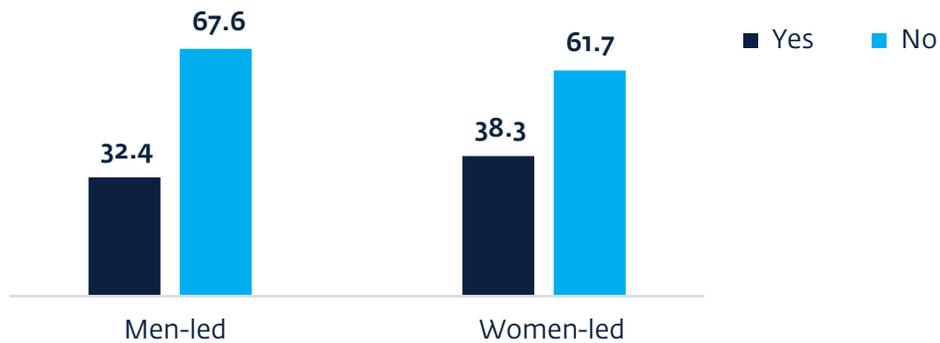
Figure 3.1 What was the main source of funding used for establishing/acquiring this enterprise? (percentage of total by gender, n=407)



Business Investments:

Despite the differences between men and women-owned businesses in initial sources of financing, there is no significant difference between them in business investments. In the past two years, 38.3 percent of women-owned businesses sought financial resources to develop their businesses compared to 32.4 percent of men-owned businesses (figure 3.2).

Figure 3.2 Has this firm tried to attract financial resources to develop the business in the past two years (other than support/aid related to the recent coronavirus outbreak)?
By gender leadership of firm (percentage of total by gender, n=407)

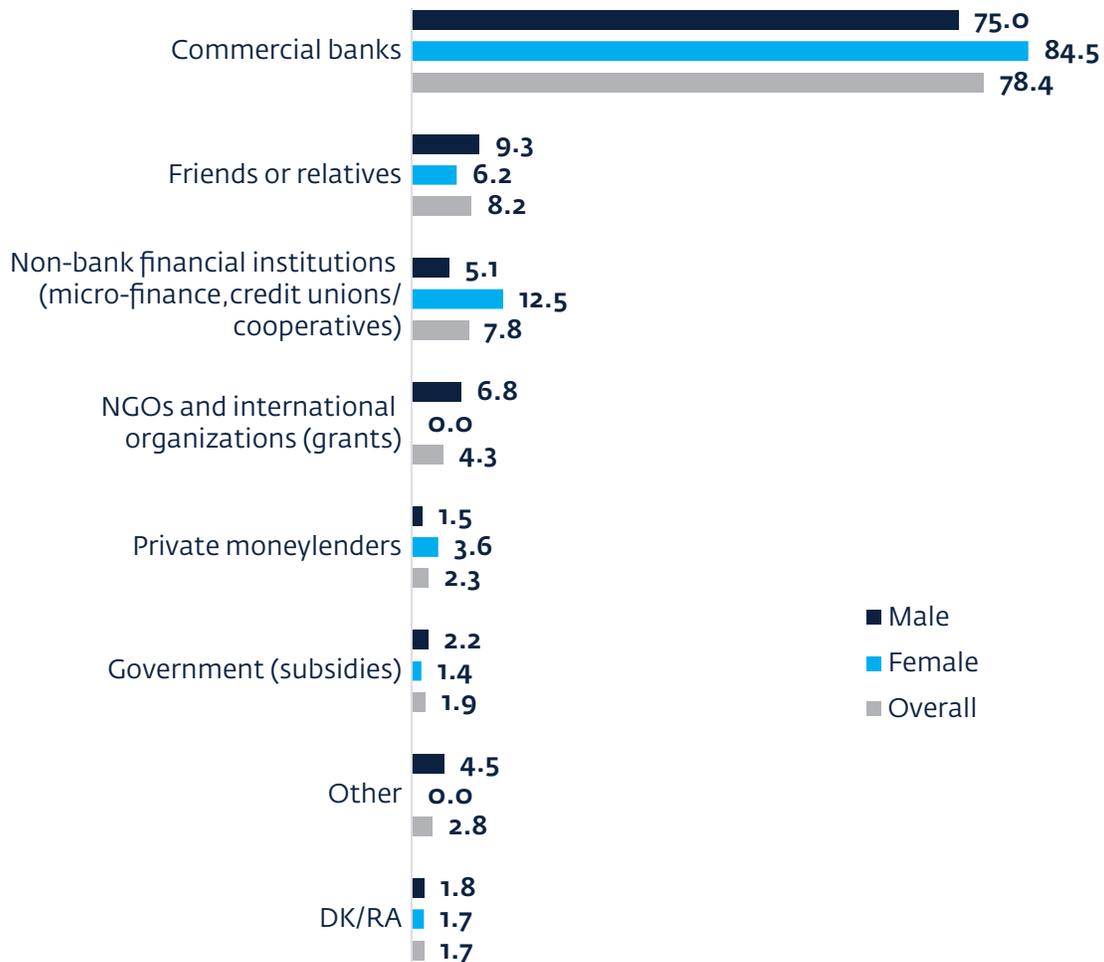


Sources of Investment Financing:

The overwhelming majority of respondents (78.4 percent) who sought financial resources in the past two years tried to receive them from commercial banks. Moreover, women-owned businesses received more financial resources from commercial banks (84.5 percent) compared to men-led businesses (75 percent);¹⁰ however the difference is not statistically significant. Only 8.2 percent of surveyed firms received financial resources from friends or relatives and 7.8 percent from non-bank financial institutions (micro-finance institutions, credit unions, credit cooperatives). These were followed by NGOs and international organizations at 4.3 percent. Only 1.9 percent of entrepreneurs received subsidies from the government (figure 3.3).

¹⁰ (F(1, 140) = 1.4822, p = .225)

Figure 3.3 If yes, from where did this firm try to receive the financial resources?
(percentage of respondents, n=141; breakdown by gender of owner)



Loan Applications:

Over the past two years, 46.2 percent of firms applied for loans (see figure 4.5). 56.1 percent of women-owned businesses applied for loans while 41.4 percent of men-led businesses did the same.¹¹ Firms operating in the manufacturing sector applied for loans more often (57.7 percent) than firms in the trade (47 percent) and services (40.5 percent) sectors (figure 3.4).

¹¹ (F(2.62, 1065.18) = 2.6342, p = .056)

Figure 3.4 In the past two years, has this firm applied for any loans? (percentage of total, n=407)



Notably, almost all (88.2 percent) loan applications received approval. The main reason for rejection was bad credit history (47 percent), followed by being too small a business (7.9 percent) and overburdened credit history (7.6 percent). A small portion of respondents (16.8 percent) do not know the reason for rejection (see figures 3.5 and 3.6).

Figure 3.5 Referring only to the most recent application for a loan, what was the outcome of the application? (percentage of total, n=195)

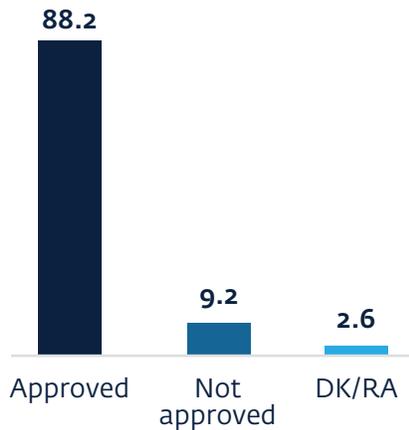


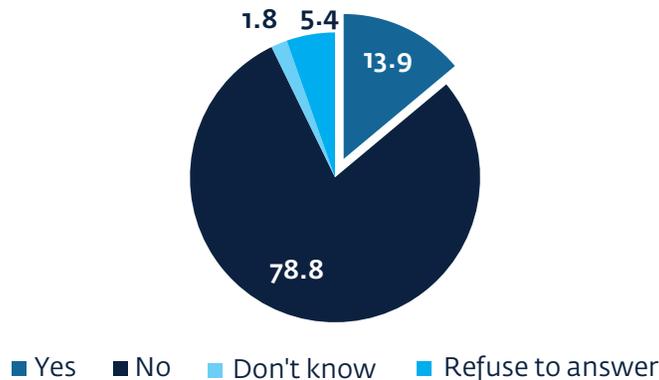
Figure 3.6 Please specify the reason for rejection of your application (percentage of total, n=18)



Bank Account:

Interestingly, 78.8 percent of firms currently do not have a savings account. A small 1.8 percent didn't know, and 5.4 percent refused to answer (see figure 3.7).

Figure 3.7 Does this establishment currently have a savings account? (percentage of total, n=407)



4. TRAINING AND EDUCATION

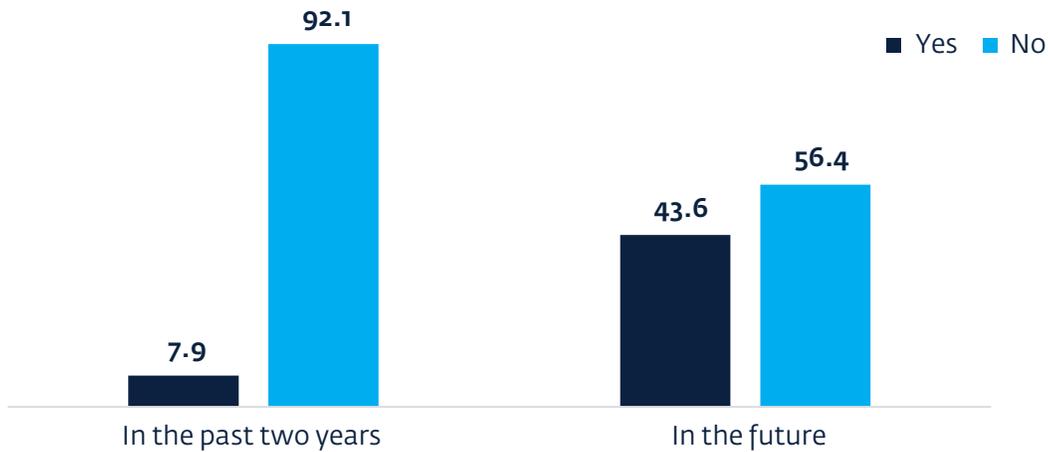
Previous Business Training and Interest in Training:

In the past two years, the overwhelming majority (92.1 percent) of entrepreneurs have not taken advantage of any free support services or training sessions related to their businesses. However, 43.6 percent would like to take advantage of such support services or training sessions in the future (see figure 4.1).

Participants in the qualitative study also noted a desire to develop their business knowledge and skillsets. Nearly all women entrepreneurs acknowledge gaps in business knowledge and skillsets needed to properly conduct entrepreneurial activities. These gaps include business planning, analytics, financial literacy, marketing, and much more. The gaps have resulted from both the lack of quality in formal education in the case of those who received specialized (business-related) education and the general lack of education in the case of others. This issue is particularly widespread in regions where there are fewer opportunities for formal/informal education. This leads many women entrepreneurs to conduct business intuitively.

Recently, the Women Entrepreneurs' Club established an entrepreneurial school. The objective is to provide business skills along with soft skills. "Lots of women entrepreneurs have talent and skills, but do not know well how to deliver this to their potential customers. Moreover, communication, presentation and leadership skills, self-confidence, and emotional intelligence are increasingly important in doing business, nowadays."

Figure 4.1 Have you taken advantage of any free support services or training sessions related to your business in the past two years? Would you like to take advantage of any in the future? (percentage of total, n=407)



There are no significant differences between men and women-owned businesses in terms of previous training experience and future intention to participate in free training sessions or benefit from free support services. However, there is a significant difference between firms based on size (figure 4.2). Only 6.3 percent of micro, small, and medium enterprises took advantage of free support services or training sessions in the past two years compared to 28.4 percent of large firms.¹²

Figure 4.2 Have you taken advantage of any free support services or training sessions related to your business in the past two years? (percentage of total by size, n=407)

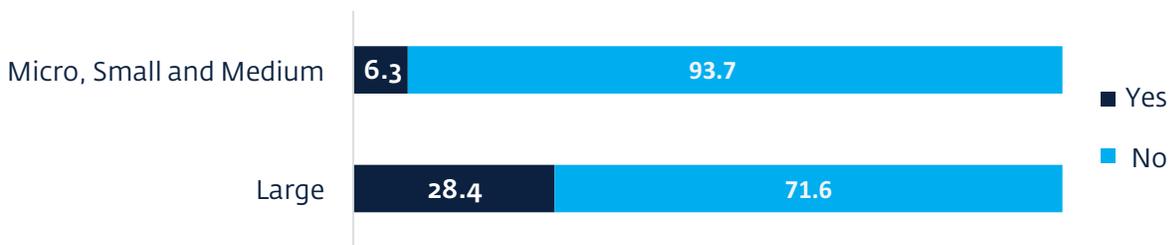
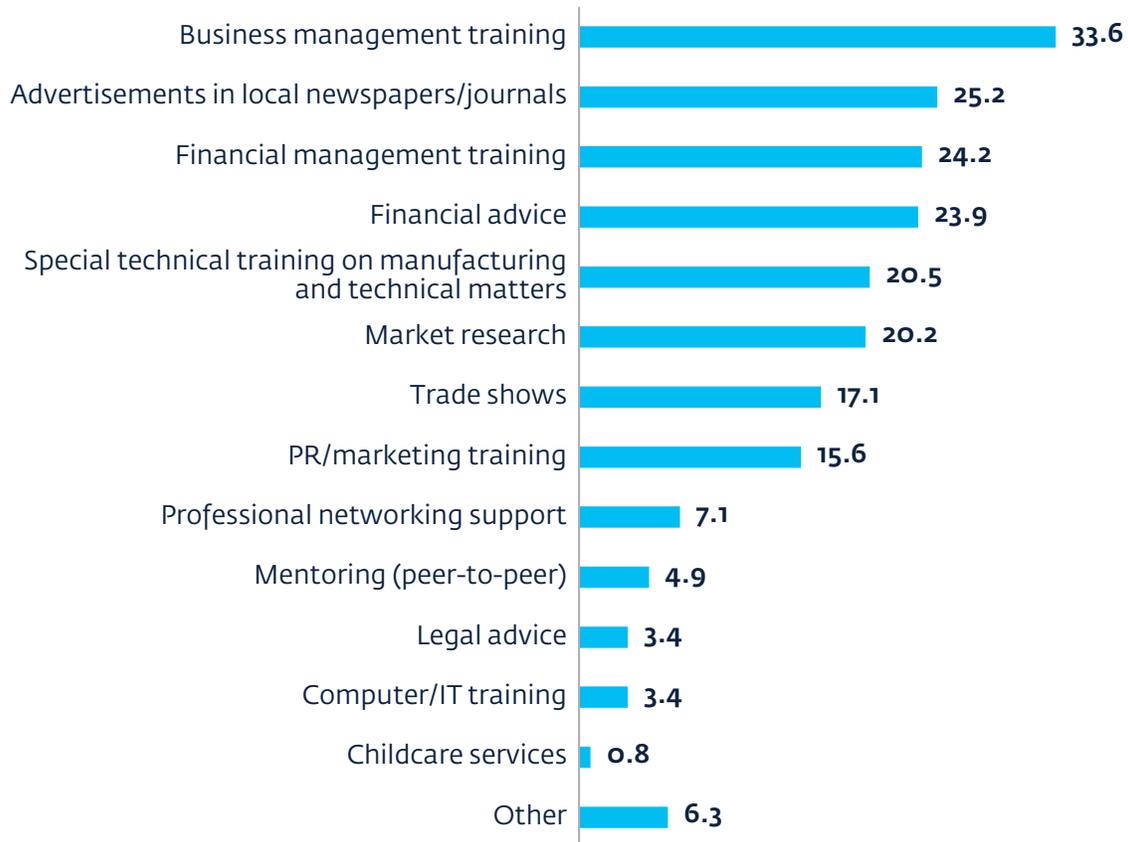


Figure 4.3 outlines several free support services and training that businesses have already taken advantage of in the past two years. Among respondents who have taken advantage of free support services and training sessions, business management training (33.6 percent) and financial management training (24.2 percent) were the most popular options. Alongside training sessions, surveyed companies mostly benefitted from advertisements in local newspapers/journals (25.2 percent) and financial advice (23.9 percent).

¹² (F(2.76, 1122.41) = 5.2211, p = .001)

Figure 4.3 Have you taken advantage of any free support services or training sessions related to your business in the past two years? If yes, which? (percentage of respondents who have taken advantage; multiple answers were accepted, n=37)



Desired Training Programs:

Regarding what potential free support services or training businesses may like to take advantage of in the future, business management training received the most responses (46.3 percent, figure 4.4). This was followed by PR/marketing training (39.1 percent), financial advice (38.2 percent), legal advice (33.9 percent), financial management training (32.2 percent), and professional networking support (23.3 percent). There is no significant difference between women-owned and men-owned businesses in terms of desired training sessions and free support services.

39.1 percent of respondents mentioned PR/marketing training as a service they would like to take advantage of; participants in the qualitative study mentioned facing significant challenges with marketing due to both a lack of knowledge and lack of dedicated staff. Although many of them take on marketing responsibilities themselves, they acknowledged they have not received quality marketing instruction.

Additionally, although professional networking support and mentoring were mentioned by only 23.3 percent and 15 percent of respondents respectively, participants in the qualitative study noted the need for increased mentoring and networking support. Overall, there is little interaction among women entrepreneurs between each other and there is a lack of networking with stakeholders such as sectoral associations and specialized NGOs. This limits access to information and opportunities for women. Networking is more prevalent in the IT sector due to sectoral institutions.

On the lack of networking, an EBRD representative stated, "There is a need for a sustained networking and mentorship program as a powerful tool for leading women entrepreneurs through a successful business path."

Figure 4.4 Would you like to take advantage of such free support services or training in the future? If yes, which? (percentage of those who would like to take advantage; multiple answers were accepted, n=191)



5. OBSTACLES TO ENTREPRENEURSHIP

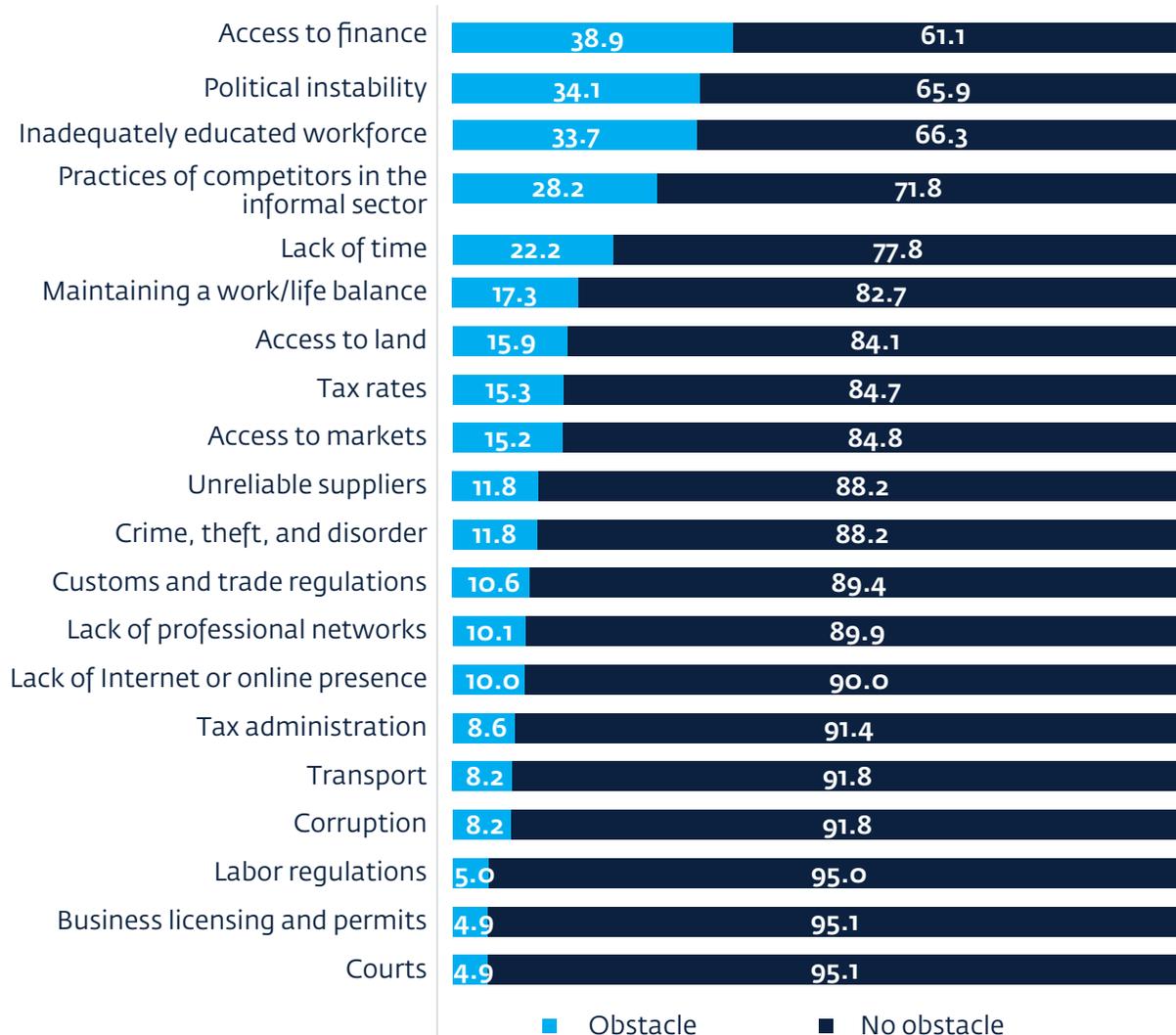
Most Common Obstacles:

The quantitative and qualitative studies revealed differences in the specific obstacles encountered between men and women entrepreneurs in Armenia. Respondents were asked to rate the degree to which each of the suggested elements of the business environment (such as tax and labor

regulations, corruption, access to finance, land, markets, etc.) was an obstacle or challenge to their operations. The initial five-point scale (no obstacle, minor, moderate, major and very severe obstacle) for analytical purposes was recoded dichotomously as “no obstacle” and “obstacle”. The first category comprises the answers “No obstacle” and “Minor obstacle”, while the latter category comprises the answers “Moderate obstacle”, “Major obstacle” and “Very severe obstacle”. “Don’t know” and “Refuse to answer” categories were excluded from the analysis.

The results shown in figure 5.1 indicate that the most common obstacles are “access to finance” (38.9 percent of all respondents), “political instability” (34.1 percent), “inadequately educated workforce” (33.7 percent), “practices of competitors in the informal sector” (28.2 percent), and “lack of time” (22.2 percent).

Figure 5.1 To what degree are each of the following elements of the business environment an obstacle/challenge to the current operations of this establishment? (percentage of total by row)



Obstacles by Gender Distribution:

Figure 5.2 shows the gender distribution of respondents' perceptions of obstacles to entrepreneurship in Armenia. While some obstacles were reported by male and female respondents at the same rate, other obstacles were mentioned at noticeably different rates. The two most commonly mentioned obstacles expressed at relatively the same rate by both male and female respondents included "access to finance" (38.8 percent men and 39 percent women) and "practices of competitors in the informal sector" (27.6 percent men and 29.1 percent women). The perceived obstacles that differed between male and female respondents included "political instability" (37.1 percent men vs. 29.8 percent women), "inadequately educated workforce" (41.7 percent men vs. 22.8 percent women), "lack of time" (20.1 percent men; 25.1 percent women) and "maintaining work/life balance" (14 percent men vs. 21.9 percent women).

Figure 5.2 Challenges by respondent's gender, part 1 (percentage of total by row)



Inadequately Educated Workforce:

Respondents provided details and examples of why an “inadequately educated workforce” is perceived as an obstacle. Figure 5.3 shows the distribution of reasons based on gender. The majority of women (72.8 percent) said there was a lack of an educated workforce in their field, followed by 13.2 percent who stated that people are not motivated and in general didn’t want to work. Notably, an inadequately educated workforce was perceived more as an obstacle for medium and large businesses than small and micro.

The participants in the qualitative study also discussed the challenge of quality human resources within a few certain sectors, particularly in IT. In the case of IT, this is a challenge both in Yerevan and in the regions (Shirak, Lori). In the regions, quality graduates and specialists tend to move to the capital driven by better opportunities and higher remuneration, leading to local staff shortages. This problem is amplified due to regional issues—poor infrastructure in health, education (schools and kindergartens), entertainment, etc. The larger challenge is to attract professionals from Yerevan due to adaptation issues. These gaps impede companies’ efforts to try and retain experienced professionals in the regions.

Figure 5.3 *Inadequately educated workforce: details of challenges by respondent’s gender (percentage of total, n=140)*



Access to Finance:

Figure 5.4 shows the distribution of the reasons why respondents rated “access to finance” as an obstacle. The most commonly expressed reason (42.7 percent) is high interest rates and difficult terms of loans. This was followed by 22 percent who expressed that people in Armenia are not solvent, and 10.1 percent who mentioned that they lack enough financing for different expenses. Notably, access to finance was rated as an obstacle primarily by micro businesses, that is, those that are mostly women-owned (44.9 percent of representatives of micro businesses vs. 24 percent of respondents from large businesses).

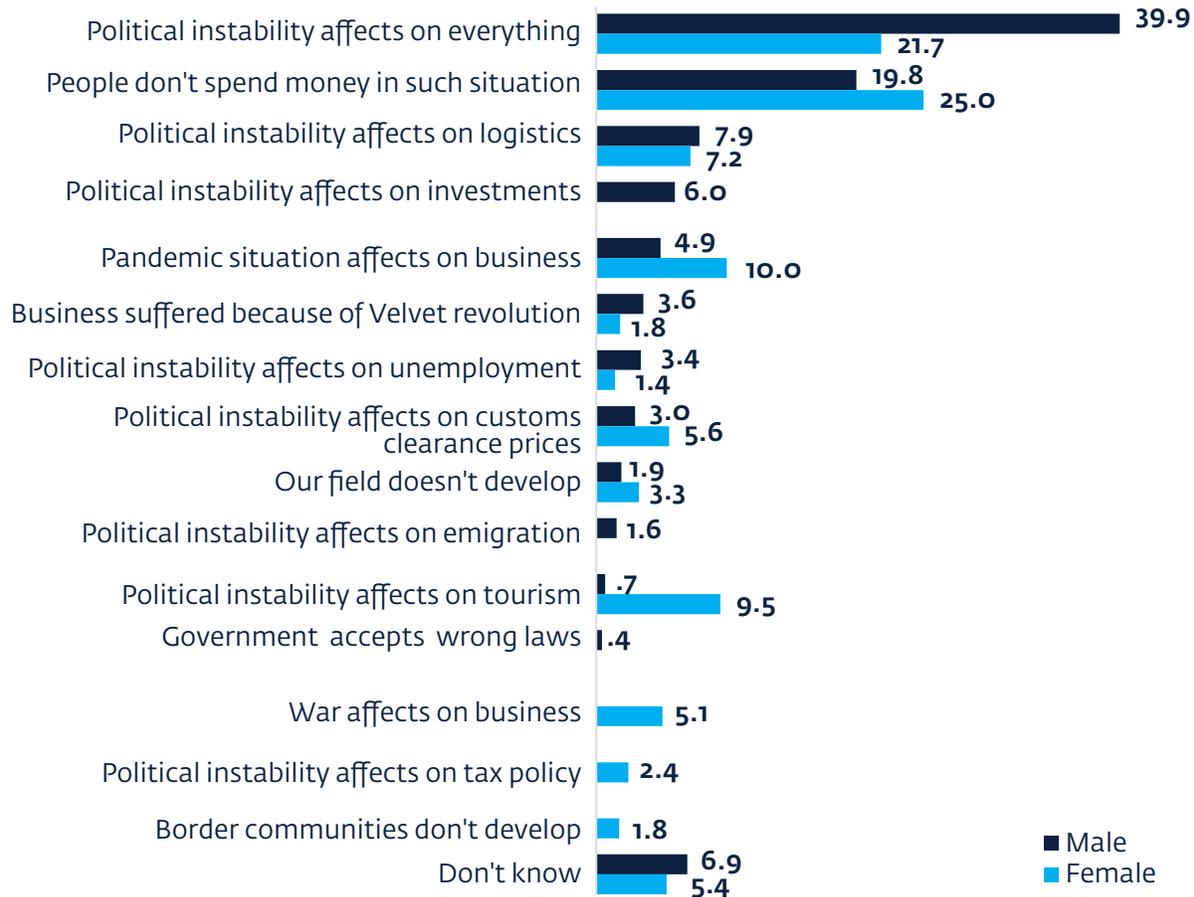
High interest rates and difficult loan terms were also mentioned during the qualitative study. Participants in the qualitative study discussed financing challenges that occur throughout the entrepreneurial cycle, from establishment to growth. Through all phases, loans from banks are challenging to obtain due to high interest rates and a highly collateralized nature. As previously mentioned, collateral is a specific issue encountered by women entrepreneurs due to issues such as societal inheritance practices, that favor sons. And the land privatization of the 1990s, which both put men entrepreneurs at a greater advantage than women.

Figure 5.4 Access to finance as a challenge: some details (percentage of total, n=147)



Political Instability:

“Political instability” was mentioned as a challenge by 37.1 percent of male respondents and 29.8 percent of females (figure 5.2). Further details regarding this challenge based on the gender of respondents are presented in figure 5.5. The reasons provided by male and female respondents for why political instability is perceived as a challenge greatly varied. Among those who mentioned political instability as a challenge, 39.9 percent of male and 21.7 percent of female respondents argued that it affects every aspect of business and life. About one-fifth (19.8 percent) of male and a quarter (25 percent) of female respondents said that when faced with politically unstable situations, people don’t spend money.

Figure 5.5 Political instability: challenges by respondent's gender (percentage of total by column, n=119)

Lack of Time and Maintaining a Work-Life Balance:

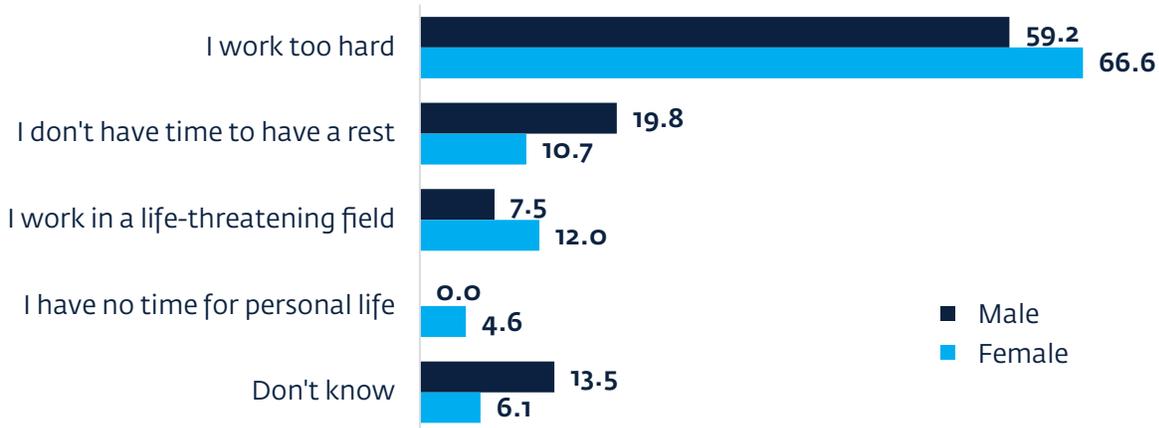
“Lack of time” and “maintaining a work-life balance” notably impact more women entrepreneurs than men. 20.1 percent of men and 25.1 percent of women rated “lack of time” as an obstacle, while “maintaining work/life balance” was mentioned by 14 percent of male and 21.9 percent of female respondents.¹³

The challenges associated with maintaining a work-life balance were also discussed by participants during the qualitative study. The pressures of home responsibilities decrease the time and effort available for women to pursue entrepreneurial activities. During the qualitative study, entrepreneurship-family issues and work-life balance seemed to be more noticeable among women entrepreneurs from Gegharkunik and Syunik regions. These issues were also observed to a smaller extent in Kotayk and Armavir regions.

¹³ [The Labour Market in Armenia, 2019](#) report notes far more male employers than female employers working excessive weekly hours (59 percent men; 34.4 percent women), potentially indicating the greater home-based responsibilities of women entrepreneurs.

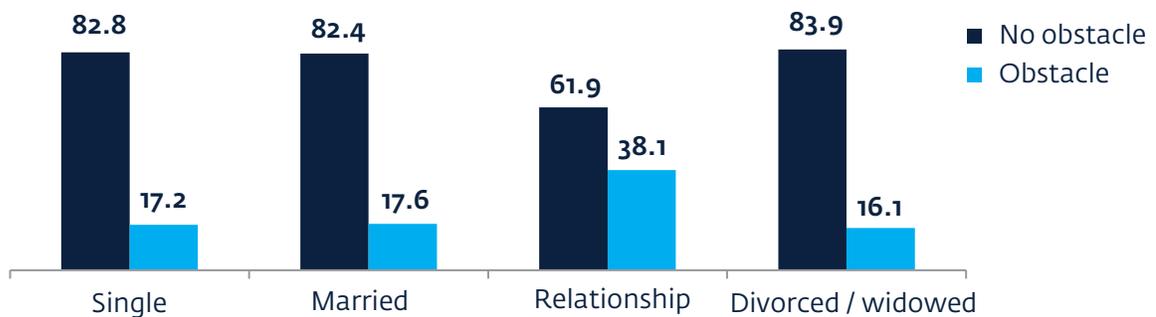
Figure 5.6 outlines the specific reasons provided by respondents as to why maintaining a work-life balance is perceived as an obstacle. The top reason was “working too hard”, which was mentioned by 59.2 percent of male and 66.6 percent of female respondents. This was followed by “lack of time to rest” (19.8 percent and 10.7 percent, respectively), and working in a high-risk field” (7.5 percent and 12 percent). Not having time for personal life was a challenge for female respondents, while no male respondent mentioned this as an obstacle.

Figure 5.6 Maintaining a work/life balance as a challenge, by respondent's gender (percentage of total by column, n=72)



Despite the general support from families for entrepreneurial endeavors, as mentioned previously, maintaining a work-life balance is more of a challenge for respondents in relationships (38.1 percent, figure 5.7).

Figure 5.7 Maintaining a work/life balance: distribution by marital status (percentage of total by column, n=385)



Access to Markets:

Although only 15.2 percent of all respondents in the quantitative survey mentioned “access to markets” as an obstacle, challenges in marketing were discussed in depth by participants during the qualitative study. According to participants, sales channels and marketing are distinct issues. It is a challenge to market locally, let alone regionally and countrywide. Some do business promotion

online via social media (mainly through Facebook, also Instagram). This trend is increasing due to COVID-19 and emerging restrictions on regular business operations. In regional towns like Yeghegnadzor, promotion through company websites and other standard marketing methods do not work as well as in the capital Yerevan. Thus, in the regions, an important factor of business growth is word of mouth and local reputation.

The majority of participants in the qualitative study do digital marketing themselves rather than through dedicated staff/outsourcing. Thus, it is done intuitively rather than through pre-defined dedicated promotion strategies.

While marketing is particularly instrumental for certain businesses, for example, guesthouses, this again requires proper digital skills and budgets to outsource. Overall, it is costly to do proper multi-channel marketing. While marketing is a widespread issue, it is an acute challenge for certain service sectors like tourism/hospitality and handicraft production.

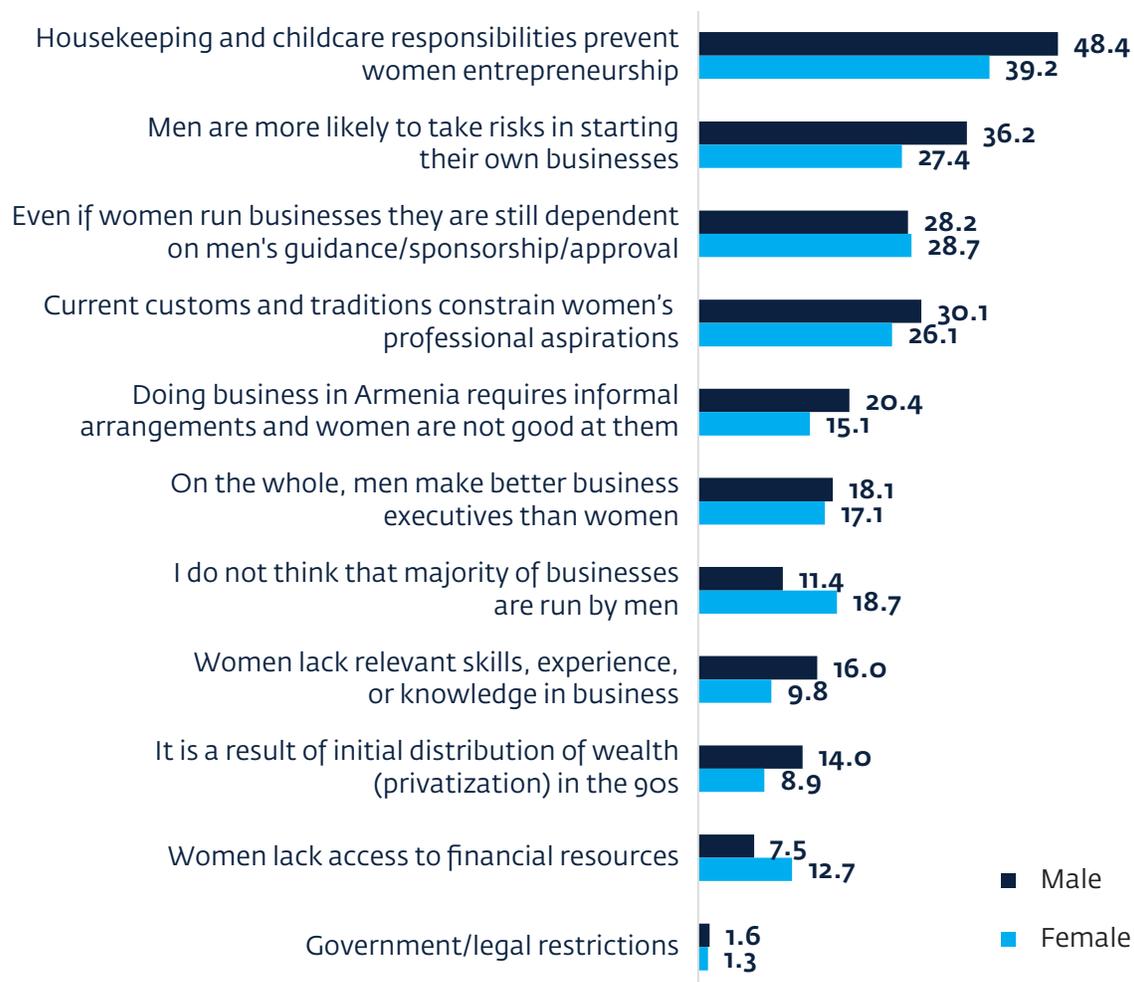
A WE involved in textiles in Gegharkunik region says, “There should be someone responsible for marketing and do it effectively. What I do is ineffective and insufficient, and also interferes with my direct responsibilities of managing the business, overall”.

6. SOCIAL AND CULTURAL NORMS

Business and the Role of Gender:

The respondents were asked two questions regarding business and the role of gender. Specifically, they were asked to identify potential reasons for why most businesses in Armenia are run by men and to identify specific barriers facing women who want to engage in business. With some notable exceptions, many of the perceived reasons provided by male and female respondents were roughly the same, yet mentioned at different rates. Notably, the top three reasons provided at a higher rate by male respondents were rooted in gender role stereotypes and assumptions. This difference in the rate between male and female respondents in providing these answers indicates a more prevalent perception among male respondents that men are more suited to business than women based on gender role assumptions rather than systematic institutionally-based obstacles (see figure 6.1).

Figure 6.1 Most businesses in Armenia are run by men. Please consider the following statements to identify the reasons for this phenomenon percentage of respondents by gender that agree with the listed statements; n=407)



The top answers provided by respondents for why most businesses in Armenia are run by men included:

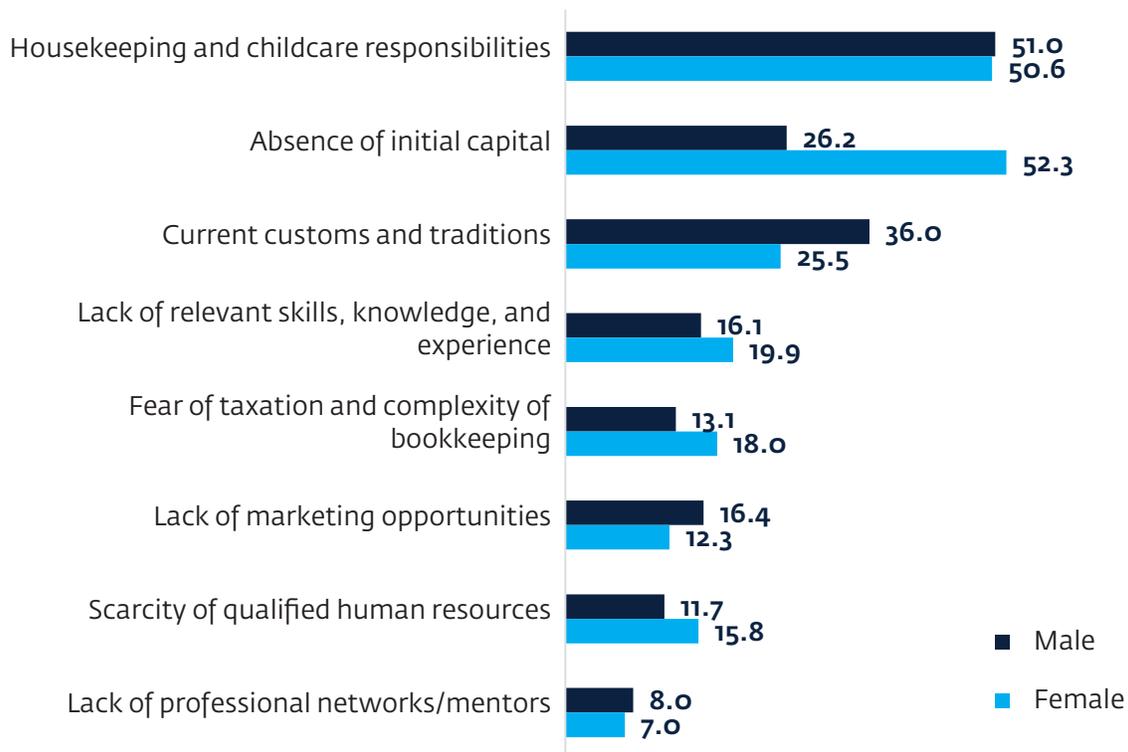
- **Housekeeping and childcare responsibilities of women prevent women entrepreneurship (48.4 percent men; 39.2 percent women)**
- **Men are more likely to take risks starting their own businesses (36.2 percent men; 27.4 percent women)**
- **Current customs and traditions constrain women's professional aspirations (30.1 percent men; 26.1 percent women)**
- **While running their own businesses, women are still dependent on men's guidance, sponsorship, or approval (28.2 percent men; 28.7 percent women)**

Perceived Barriers that Women in Business Cannot Overcome:

Respondents were also asked to identify specific barriers that women in business are not able to overcome. Figure 6.2 shows the responses by gender. The most predominant answer among men was “housekeeping and childcare responsibilities” (51 percent of men and 50.6 percent of women), while among female respondents, the most predominant answer was “absence of initial capital” (52.3 percent of women and 26.2 percent of men).

“Current customs and traditions” were considered a barrier for women running a business by 36 percent of male and 25.5 percent of female respondents. This was followed by “lack of relevant skills, knowledge, and experience” (16.1 percent of men and 19.9 percent of women), “fear of taxation and complexity of bookkeeping” (13.1 percent of men and 18 percent of women), and “lack of marketing opportunities” (16.4 percent of men and 12.3 percent of women). At the bottom were “scarcity of qualified human resources” (11.7 percent of men and 15.8 percent of women), and “lack of professional networks/mentors” (8 percent of men and 7 percent of women).

Figure 6.2 What specific barriers are women who want to engage in business not able to overcome? (percentage of respondents who mentioned each barrier by gender, n=407)



Other Stereotypes:

During the qualitative study, participants stated that the situation caused by gender discrimination and societal stereotypes has generally improved in recent years, yet there are still noticeable issues for women entrepreneurs, particularly in the regions. These issues are related to wider gender barriers driven by social and cultural norms, leading to discriminatory practices that impede women's opportunities for advancement. In the regions in particular, there is still a widespread perception that girls should study social sciences and humanities, while boys should study natural and technical sciences. A female IT entrepreneur recalled that her family was against her receiving higher education, and believed that she was "not going to apply it in life".

WE believe they are under extra pressure. As one stated, "When a man starts a business, his woman helps him in everything she can. When a woman starts a business, along with business challenges, she simultaneously has to prove to her man that she will succeed."

Women entrepreneurs also encounter societal discrimination among families of their female staff. In the regions, it is not uncommon that female staff encounter problems with their families if they stay long at their workplaces. This is not welcomed by husbands and families, who believe that women need to be back at home to deal with housework. One stakeholder (OxYGen) recalled, "When we hold trainings at restaurant spaces in the regions, sometimes women do not attend due to restrictions by their spouses." Additionally, there is a false perception that if a woman is engaged in business, her husband/father must have helped her.

The prevalence of societal stereotypes regarding women entrepreneurship in Armenia has been highlighted in recent reports. The 'Armenia Country Gender Assessment' report (ADB, 2015) noted that there are still significant disparities between men and women in the workforce, in large part due to gender stereotypes that constrain them to specific social, domestic, and economic roles. The Women, Peace, and Security Index 2020 (Georgetown Institute for Women, Peace, and Security) identified discriminatory work norms as one of the key constraints to women entrepreneurship development in Armenia. According to the 'Armenia Gender Analysis Report' (USAID, 2019), among SMEs, despite the higher educational achievement of young women, young men are two times more likely to work in managerial positions. Furthermore, senior roles in both the private and public sectors are overwhelmingly held by more men than women (70.5 percent vs. 29.5 percent)¹⁴.

A WE confessed that she once found herself in an internal discussion over whether to employ a male or female candidate, and even though the latter was more knowledgeable and experienced they decided to employ the male candidate. It was explained that eventually the girl will get married, pregnant, and skip work/not come back after childbirth.

According to the qualitative study participants and other stakeholders, fewer stereotypes are present in the IT sector. Relatively open work environments, young staff, and international affiliations (for example, doing outsourced work) contribute to this. Yet there are still considerably low female leadership roles in the sector—only about 11 percent (Martirosyan, 2020).

¹⁴ "Armenia Gender Analysis Report", USAID, 2019, p 25.

In addition to all these issues, women spend significant time doing household and agricultural work for their families, which is neither monetized nor properly acknowledged.

7. COVID-19

In mid-March, 2020, the Armenian government declared a state of emergency to combat the spread of COVID-19, which included restrictions of movement, facemask requirements, border closures, and substantial restrictions on business operations. Although the state of emergency has since been lifted, its impact on businesses is significant, and some businesses in hard-hit sectors such as tourism continue to feel its effects. To ease the economic and social impacts of the virus, the government issued a series of support packages for families, employees, and businesses that were affected by the pandemic. However, as of this writing, the virus continues to spread across the country.

Coronavirus Impacts:

As figure 7.1 shows, the overwhelming majority of surveyed firms (80.7 percent) experienced a decrease in revenue as a result of the novel coronavirus outbreak. The virus also contributed to less demand for the products of almost two-thirds (62.7 percent) of the firms. More than half the firms (50.7 percent) had to temporarily cease all operations as a result of the outbreak. Cross-tabulation of these results by gender showed no significant differences between female and male-owned businesses.

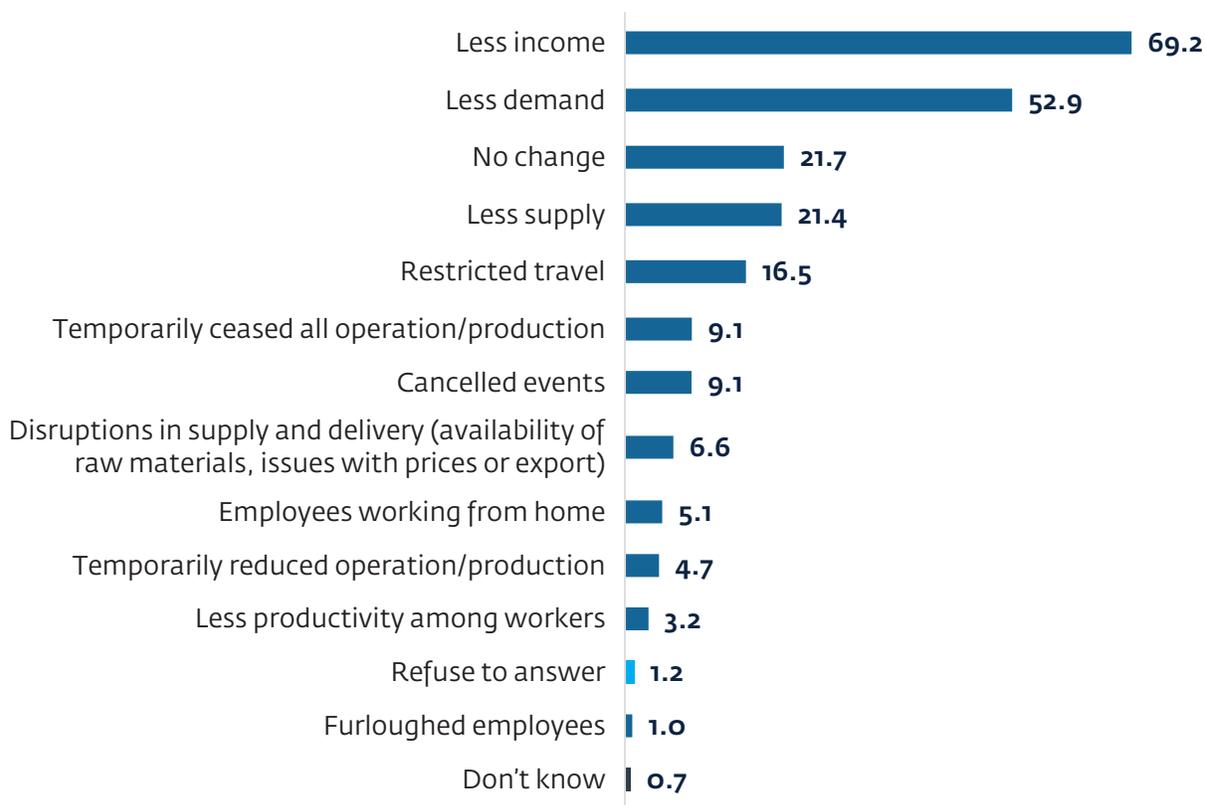
Figure 7.1 Which of the following did the firm experience as a result of the novel coronavirus outbreak?



Furthermore, figure 7.2 shows that at the time of the survey, more than two-thirds (69.2 percent) of firms still suffered from less income, and over half (52.9 percent) still experienced less demand for their products. The percentage of those firms that had to temporarily cease operations had decreased from 50.7 percent to 9.1 percent. Cross-tabulation of these results by gender showed no significant differences between female and male-owned businesses.

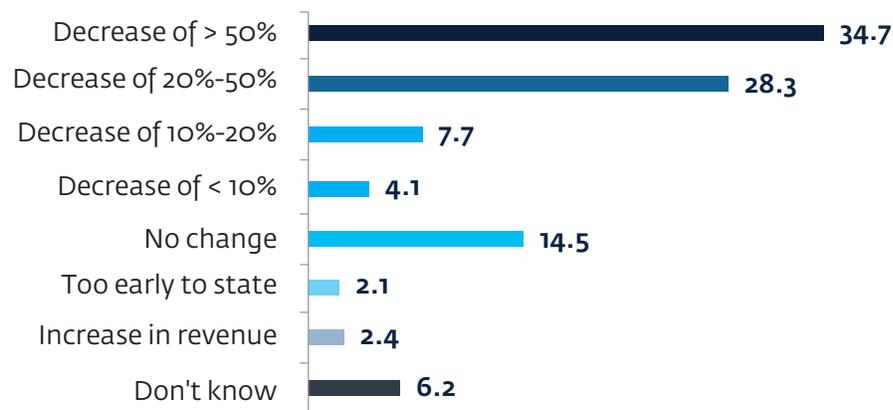
Participants in the qualitative study similarly noted drops in sales, prohibition of activities by the government (particularly restaurants and cafes), and cancellations of partnerships, agreements, reservations, and planned projects. Although most participants were able to maintain staff, several mentioned the need to undertake impact mitigating strategies such as non-paid vacations, reducing wages, and sending staff home to work remotely. Many women entrepreneurs altered their business models, including their selling/distribution channels, client segments, and product range. To comply with government requirements and continue operations, some businesses started integrating online platforms as sales channels and means of communication with clients in addition to starting social media campaigns. The attempts have been successful among businesses operating in the capital city, which includes more financially stable residents and residents who are more tech-friendly and used to making online purchases. On the contrary, a restaurant business in Dilijan, Tavush has not had success in online orders and delivery due to low demand in the town.

Figure 7.2 Which of the following is the firm still experiencing as a result of the novel coronavirus outbreak?



Altogether, about three-quarters (74.8 percent) of firms stated that in the first half of 2020, the firms' revenues decreased compared to the first half of 2019 due to the novel coronavirus outbreak and the resulting prevention and control measures. The largest share of firms (34.7 percent) reported a decrease of over 50 percent in revenue, 28.3 percent of firms reported a 20 to 50 percent decrease, and 7.7 percent a 10 to 20 percent decrease in revenue. No change in revenue was reported by 14.5 percent (figure 7.3). Cross-tabulation of the changes in revenue by gender showed no significant differences between female and male-owned businesses.

Figure 7.3 To what extent did the novel coronavirus outbreak and the resulting prevention and control measures impact the firm's revenue in the first half of 2020 compared to the first half of 2019?

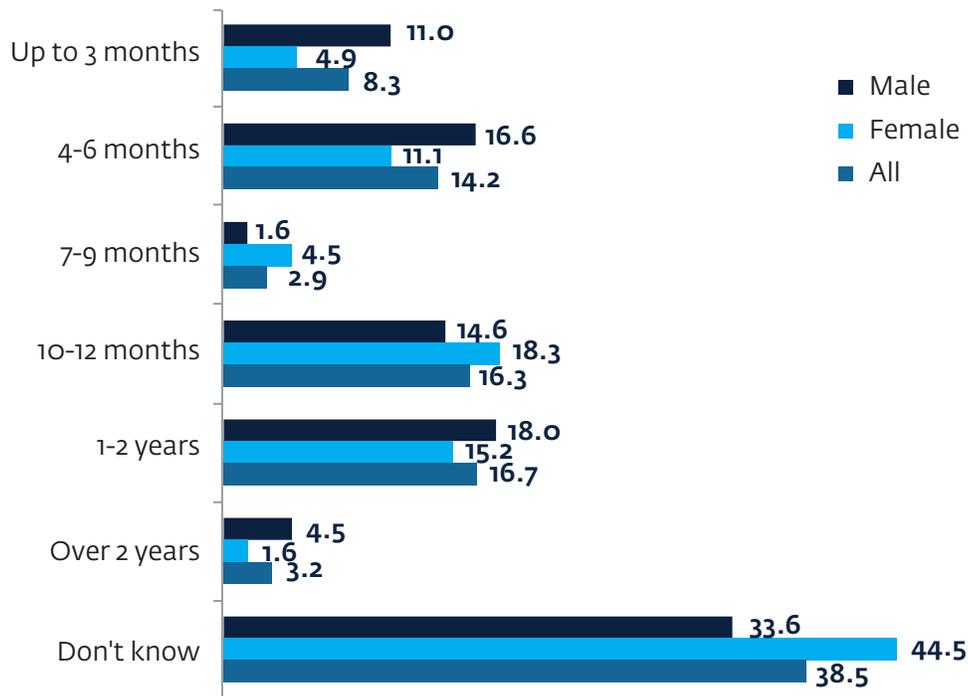


Recovery Expectations:

As figure 7.4 shows, the largest share of respondents (38.5 percent) did not know how long it will take for their firms to recover from the COVID-19 outbreak. Among those who provided expected recovery timeframes, 16.7 percent believed it will take 1-2 years, and 16.3 percent 10-12 months. 22.5 percent were more optimistic and believed that recovery will occur in less than 6 months (answers "4-6 months" and "up to 3 months" aggregated). The proportion of male-owned firms that were more confident and optimistic about how long it will take to recover from COVID-19 was larger compared to female-owned firms. Nearly half (44.5 percent) of female-owned firms did not know how long it will take to recover compared to 33.6 percent of male-owned firms. 16 percent (aggregated) of female-owned firms believed their firms will recover in less than six months compared to 27.6 percent of male-owned firms.¹⁵

¹⁵ (F(6.89, 2798.95) = 2.1200, p = .039)

Figure 7.4 How long do you expect it will take from now for the firm to recover from the COVID-19 outbreak?

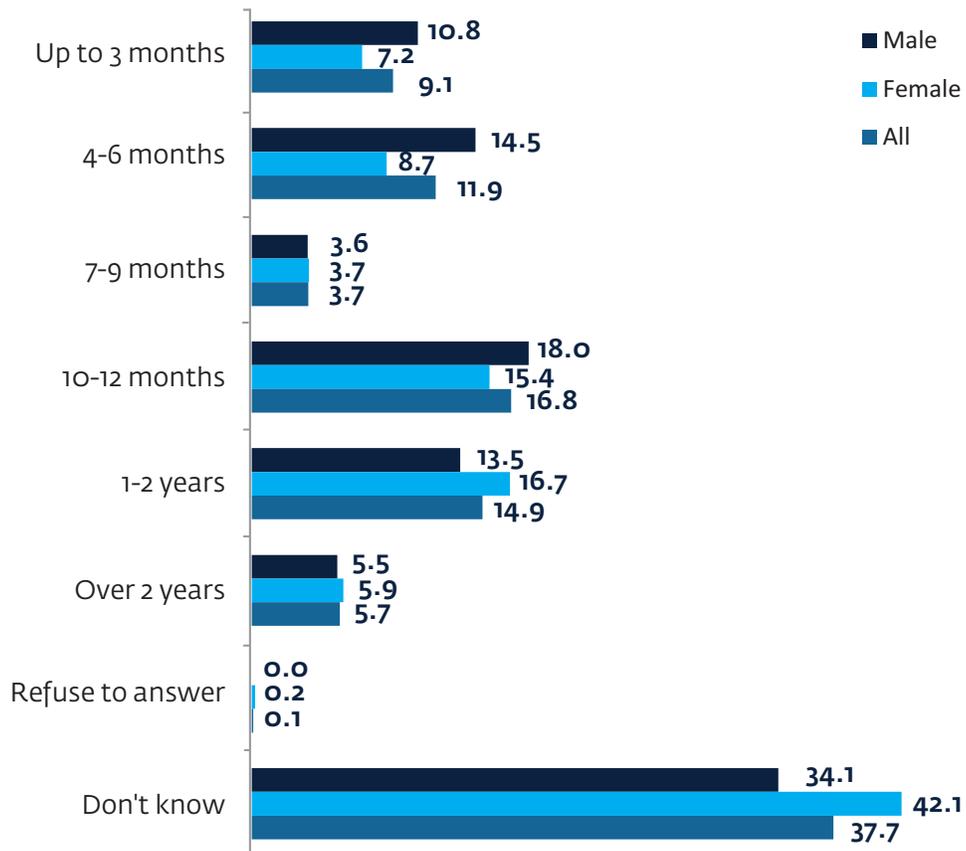


As figure 7.5 shows, women-owned businesses were generally less optimistic than men-owned businesses on how long it will take for their business’s industry to recover from COVID-19; 25.3 percent (aggregated) of respondents from men-owned firms believed their business’s industry will recover in less than six months compared to 15.9 percent of women-owned firms. Additionally, 42.1 percent of women-owned firms did not know how long it will take for their industry to recover compared to 34.1 percent of men-owned firms.

This uncertainty among women-owned firms was also reflected in the qualitative study. The overall perception among women entrepreneurs in the qualitative study was that it will take long for the economy to recover: not in the current year. There is a perceived risk that as local purchasing power decreases along with fall in remittances from the diaspora, the economy will enter a recession. There is also a risk that Armenia might face a second phase of the pandemic in autumn. Women entrepreneurs in the tourism and hospitality sectors have particularly negative expectations due to the prolonged decline in tourist numbers. Even if tourism operations restart this year, businesses are not likely to fully recover since the peak season will be missed. The agricultural sector faces a similar situation due to seasonality.

A number of WEs believed that their business ties with suppliers and customers have deteriorated due to decline or cessation of business activities. Thinking forward, their first challenge would be reestablishing these connections.

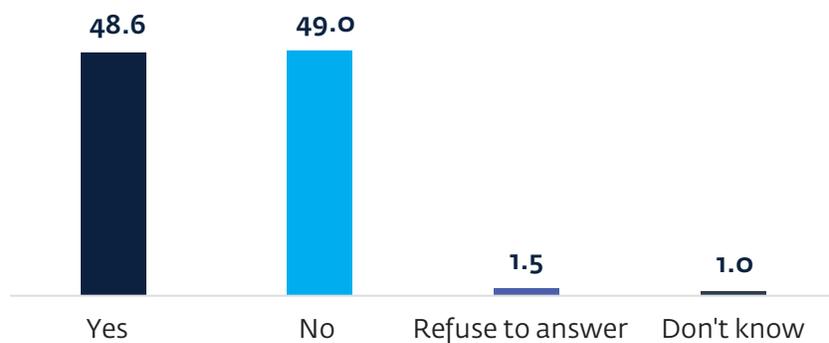
Figure 7.5 How long do you expect it will take from now for the industry to recover from the COVID-19 outbreak?



Government Support Programs:

According to figure 7.6, almost half of the firms (48.6 percent) applied for a government program to support businesses negatively affected by COVID-19. Another 49 percent did not do so.

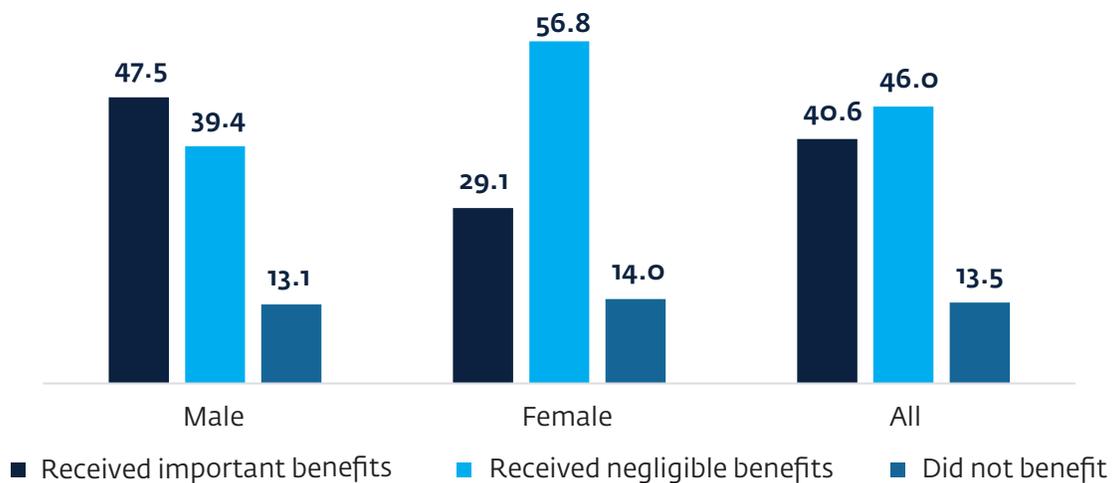
Figure 7.6 Has the firm applied for any government programs to support businesses negatively affected by COVID-19?



Most businesses applied for the 8th program¹⁶ of all government programs related to COVID-19 support; over two-thirds (67 percent) of applicants said they applied for this. However, as figure 7.7 shows, less than half (40.6 percent) of the applicants think the program provided their businesses with important benefits. Among this group of respondents, male-owned firms had a more positive assessment of the program’s benefits than female-owned firms (47.5 percent and 29.1 percent, respectively). Another 46 percent stated they received negligible benefits. The proportion of female-owned firms to whom the program provided negligible benefits is larger compared to male-owned (56.8 percent and 39.4 percent, respectively).

During the qualitative study, state-support programs were not perceived by participants to be effective for businesses as they are small-scale and short-term. The design of targeted support programs for different sectors where businesses face different challenges would seem to be more effective.

Figure 7.7 To what extent did the firm benefit from the program?

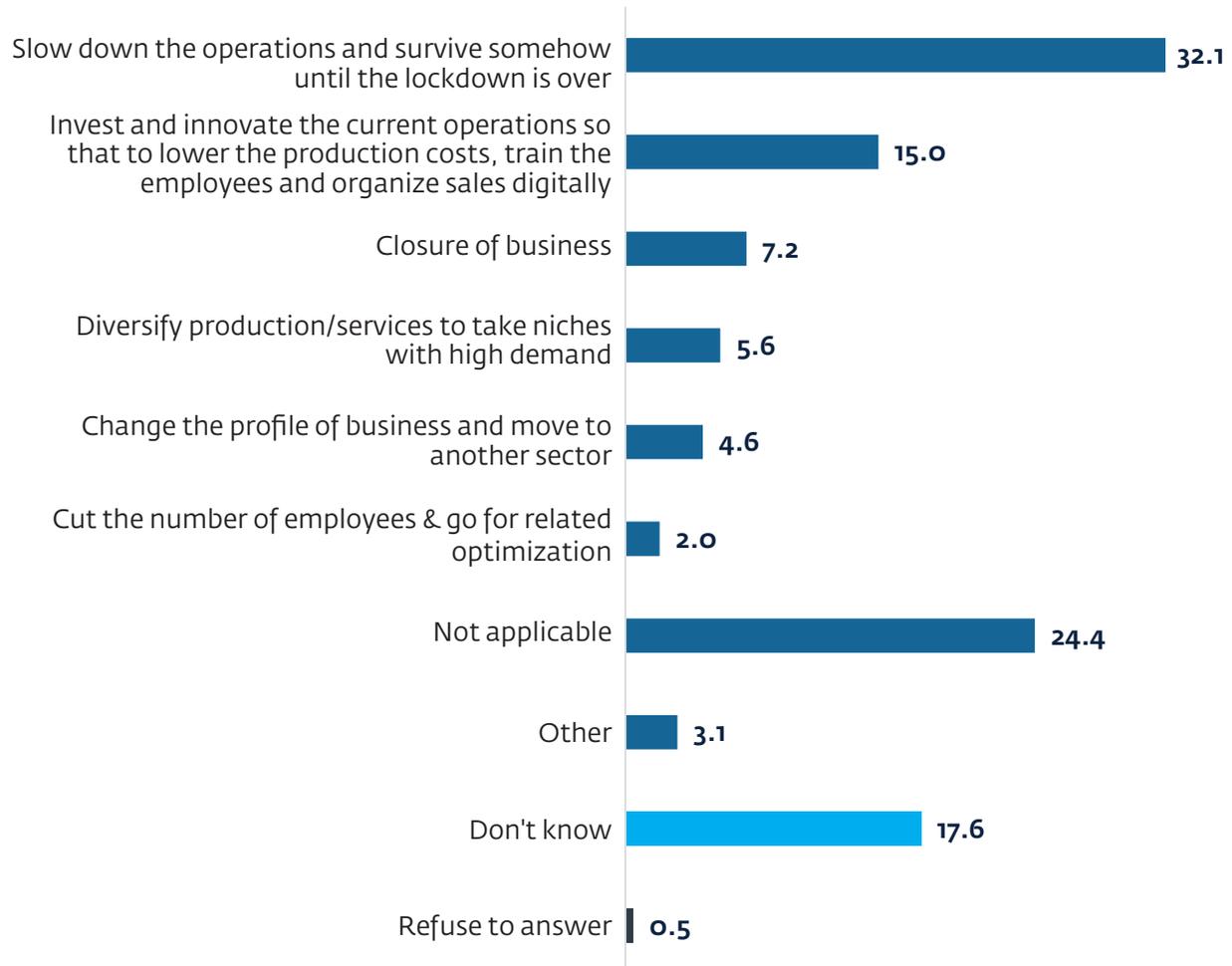


Impact Mitigation Strategies:

When asked about strategies that firms will implement in the near future to cope with the risks and unexpected circumstances related to COVID-19, the largest share (32.1 percent) said they would slow down operations until the lockdown is over (figure 7.8).

¹⁶ [The 8th Package of Measures to Alleviate the Economic Consequences of COVID-19 Outbreak](#) focuses on supporting employees and individual entrepreneurs in areas of the private sector most impacted by the pandemic.

Figure 7.8 Please name a few steps that you are going to undertake in the near future and beyond to cope with risks and unexpected circumstances related to COVID-19 and similar risks.



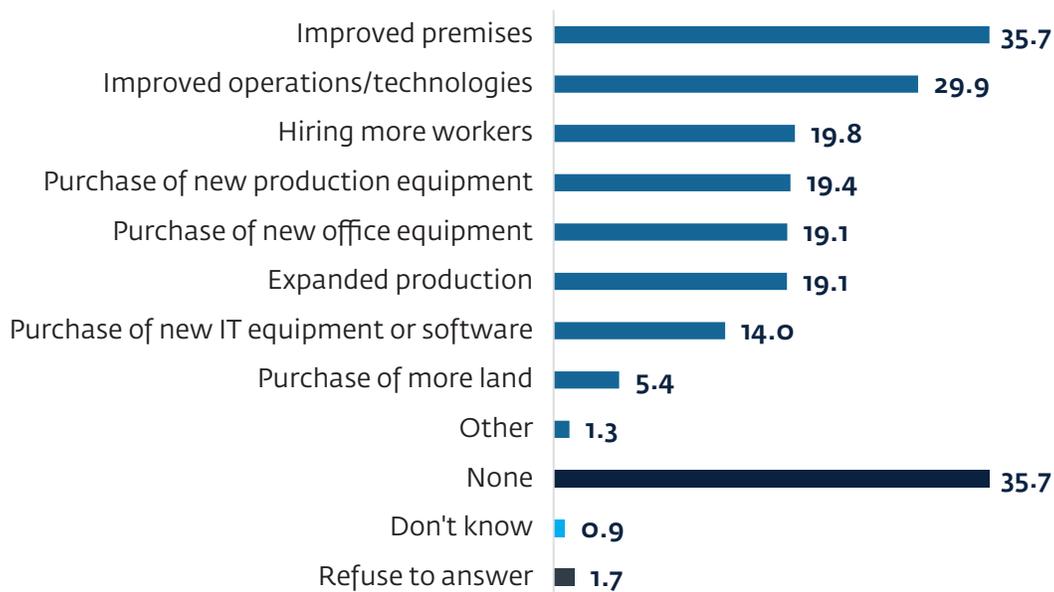
The second-largest share of firms (15 percent) said that they would “invest and innovate current operations so as to lower production costs, train employees, and organize sales digitally.” Closure of business and diversification of products/services as possible strategies for coping with risks in the future were mentioned respectively by 7.2 percent and 5.6 percent of firms.

8. FUTURE PROSPECTS

Investments:

Figure 8.1 shows that, over the past two years, over one-third (35.7 percent) of surveyed organizations invested in improving their premises, either by moving to better premises, expanding existing premises, or establishing additional ones. The second-largest share of the firms (29.9 percent) invested in improving their operations and technologies, and the third largest (19.8 percent) in hiring more workers. 35.7 percent of firms did not benefit from any investments over the same time period.

Figure 8.1 Over the past two years, has the firm benefited from any of the following investments?



When asked about the prospect of making any investments over the next two years, 24 percent of respondents said they expect to invest in improving the premises, 23.8 percent in expanding production, and 22.1 percent in improving operations/technologies. Meanwhile, the largest share (30.5 percent) of respondents did not expect to make investments in their businesses over the coming two years (figure 8.2).

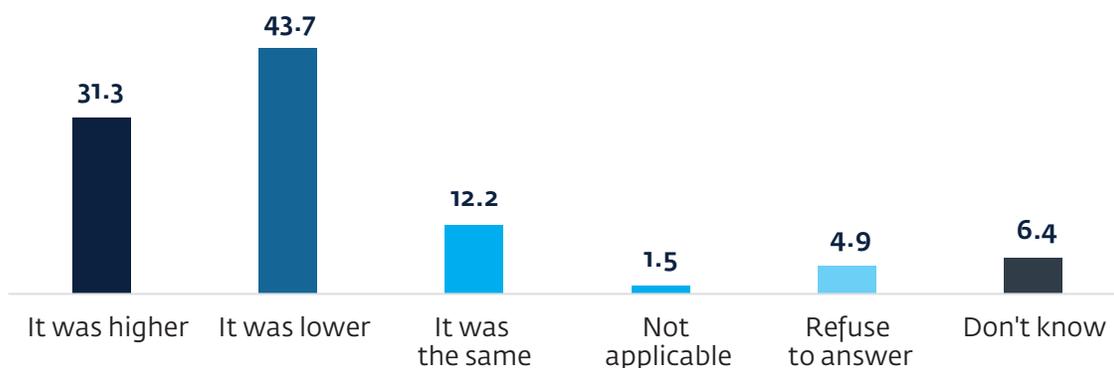
Figure 8.2 Over the next two years, do you expect to make any of the following investments in your business?



Annual Sales:

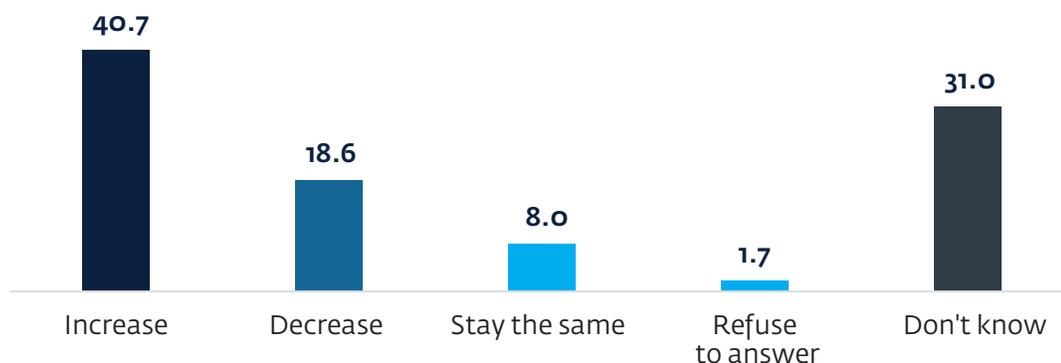
As figure 8.3 shows, 43.7 percent of firms reported higher total annual sales in 2019 compared to 2017, and 31.3 percent of firms reported lower sales. Only 12.2 percent of businesses said that their total annual sales remained the same.

Figure 8.3 Was the volume of total annual sales in 2017 compared to 2019 higher, lower, or the same?



For the next year, according to figure 8.4, the largest share of respondents (40.7 percent) are optimistic about expected total sales, whereas the second-largest share (31 percent) is not sure whether sales will increase or decrease. Another 18.6 percent of businesses expect a decrease in sales next year. The overall mean expected increase in sales for the next year is 42 percent, whereas the overall mean expected decrease in sales is 47 percent.

Figure 8.4 Considering the next year, are this establishment's total sales expected to increase, decrease, or stay the same?



During the qualitative discussions, participants mentioned improvements in the Armenian business climate and women entrepreneurship in particular following the Velvet Revolution of 2018. Participants also noted increased trust towards the government. Registration of previously unregistered businesses also increased (for example, in the fashion industry).

The majority of businesses recorded growth in 2018-2019 and expressed plans for growth and expansion in the future (prior to the COVID-19 pandemic) including the following:

- **Scaling up business in production volume**
- **Branding**
- **Attracting additional sales team members**
- **Introducing new products/service lines**
- **Entering new geographical markets**
- **Entering adjacent segments of original production in pursuit of synergy.**

The qualitative study participants acknowledged that as competition becomes fiercer in all sectors, they need to ensure an effective price-quality ratio to stay competitive in the market. Most are happy with their entrepreneurial endeavors, and they would take the same risks again if they had the chance to start over.

Conclusion and Recommendations

The women-owned businesses in the survey tended to be younger than men-owned, with an average six years of operation versus 8.4 among male businesses. They were also smaller than men-owned businesses. More than half of the women-owned businesses were micro and small enterprises (70.1 percent). Women respondents were also more likely to be widowed/divorced and less likely to have children. Although both men and women entrepreneurs generally receive support from family members for their entrepreneurial activities, the pressure of housekeeping and childcare was perceived by participants as one of the main barriers for women to engage in business.

Personal and household savings are the main source of funding used to establish/acquire an enterprise among women entrepreneurs.

However, women have less access to this type of funding compared to men and seek loans from commercial banks more often than men. Access to finance continues to be perceived as the main obstacle to women entrepreneurship; in addition to maintaining a work-life balance, lack of time, an inadequately educated workforce, and the practices of competitors in the informal sector.

The majority of firms experienced a decrease in revenue and less demand as a result of the novel coronavirus outbreak. At the time of the survey, more than two-thirds of firms were still affected by lesser income and over half still experienced less demand for their products. Men were more optimistic and confident about business recovery, compared to women.

To support entrepreneurs and particularly women involved in business, the following recommendations have been developed based on the findings of this study and previous global strategies to support women entrepreneurship. These recommendations are categorized based on (1) financial resources and investment support, (2) capacity-building support, (3) networking and mentorship support, (4) social attitudes and engaging families, and (5) COVID-19. It is important to note that existing global evidence and the findings of this study indicate that holistic interventions, combining capacity building, networking, and access to finance components are among the most effective methods to support women entrepreneurs. These recommendations also highlight the roles that currently existing programs and initiatives in Armenia can play in supporting women entrepreneurship.

Financial Resources and Investment Support

In line with the most prominent challenges faced by women entrepreneurs worldwide, access to finance was mentioned by women entrepreneurs in Armenia as the most significant obstacle to entrepreneurship. While it significantly affects both men and women entrepreneurs, it is particularly an issue for women in Armenia because of a lack of initial resources and collateral due to inheritance practices and land privatization in the early 1990s. This has contributed to more women than men seeking loans rather than using personal savings to start businesses. To address this, the following strategies are recommended:

- Any financial assistance, both through loans or grants, should be accompanied by and integrated with business training and mentoring/networking support to ensure the most effective use of loan or grant money and guide women in developing effective business investing habits.
- **SME DNC** and **SMEDA** both provide financial assistance to start-ups and SMEs in addition to training opportunities. These two could be financially and administratively supported to provide microcredit loans and/or grants specifically designed for and targeted at women entrepreneurs who are already more likely than men to own micro or small businesses.
- Microcredit or other loan opportunities specifically designed for women entrepreneurs should both ease initial loan collateral requirements and contain flexible repayment options to encourage risk-taking. Microcredit access over extended periods has also proven to bolster women's risk-taking and improve business performance.¹⁷
- Any government programs, domestic NGOs, and international organizations that offer financial assistance and support to women entrepreneurs should increase their visibility and accessibility. Only about 4 percent of all entrepreneurs has attempted to seek financial support from them to start or acquire a business. No woman respondent within the survey reported seeking financial assistance from

17 International Labour Organization "Entrepreneurship Development Interventions for Women Entrepreneurs: An update on what works" (2018)

the government, NGOs, or international organizations.

- The creation of targeted financial products for women entrepreneurs by commercial banks should be advocated to encourage more participation and investment by women. Like the proposed conditions for microcredit opportunities mentioned above, these financial products for women entrepreneurs should be more innovative, with less stringent collateral requirements and flexible repayment options. Organizations with experience in advocacy such as [OxyGen](#) or [SME DNC](#) may be able to advocate for such targeted financial-product development.
- Resources and training should be made available to women entrepreneurs on how to best manage banking-related issues, including setting up and maintaining bank accounts.

Capacity-Building Support

Financial support opportunities and activities should be conducted in parallel with training and mentoring support to ensure the success and growth of women-owned enterprises. The obstacles outlined by this study reflect what is already in previous literature: that financing alone may have only a minimal effect on entrepreneurial development and that financial support is most effective when offered in combination with training and mentoring.¹⁸ The following are recommendations for women entrepreneurship training opportunities in Armenia:

- Based on the study's findings, the most relevant areas for training are: (1) business management/improving managerial capabilities, (2) marketing, (3) financial consultations, (4) legal consultations, and (5) professional networking.
- Among identified organizations and initiatives that already provide or can provide such training include AGBU, AYWA, Girls in Tech, HERA, Impact Hub, SMEDA, and SME DNC. Each of these organizations offers some form of training for entrepreneurial development and some already provide combined intervention and training programs that may include either financial support and/or mentorship opportunities. Among the combined intervention services, it is worth mentioning AGBU's [women entrepreneurship course](#), Impact Hub's [Women Entrepreneurship Incubation Program](#), HERA's [entrepreneurship course](#), and [SME DNC training programs](#).
- Existing services that provide training support for women entrepreneurs should be made more visible and accessible and expanded to reach a wider range of women entrepreneurs. Although a number of training programs and initiatives already exist, the overwhelming majority of survey respondents (92.1 percent) said they have not benefitted from any support services in the past two years. Micro, small, and medium sized businesses in particular were less likely to have taken advantage of such training.

¹⁸ Ibid.

- Training programs should be available to women entrepreneurs in convenient locations and at convenient times due to challenges of balancing work and family obligations. To increase convenience, free transportation and accommodation should be available to women entrepreneurs to bring them to training locations, in addition to offering childcare support. This increase in accessibility should also include conducting training in the marzes to make sure that such opportunities are not limited only to women entrepreneurs in the immediate vicinity of Yerevan.
- Training related to marketing should address both basic marketing knowledge and skills and include marketing strategies within the context of the coronavirus crisis. During the qualitative study, participants elaborated on problems specifically related to marketing due to lack of marketing knowledge. Furthermore, marketing issues have become particularly relevant during the coronavirus crisis due to social distancing limitations and other restrictions that have impacted access to customers. Such marketing training and skill building within the context of COVID-19 could focus on how to successfully conduct sales online.
- Based on previous research, training opportunities are most effective when provided in high intensity and high duration with high-quality inputs, including expert trainers. Some identified organizations already provide high-duration training programs such as

Impact Hub Yerevan's nine-month [Women Entrepreneurship Incubation Program](#) and AGBU's [women entrepreneurship course](#). Support for these programs could include identifying additional expert trainers to expand the reach of the programs and coordinating effective methods to sustain participation in training programs for long durations of multiple months.

- Training programs should be expanded to include employees of women-led businesses in order to build their knowledge and skillsets. Lack of qualified staff and the ability to hold onto qualified staff was noted by entrepreneurs as an obstacle in entrepreneurship.
- Any training materials developed for training programs should be made publicly available in a format that is easily accessible to ensure wider reach and dissemination of knowledge and skills beyond immediate beneficiaries of training programs.

Networking and Mentorship Support

Previous studies have noted the impact that mentoring and peer support may have on business performance. As a result, networking and mentorship opportunities within Armenia should be supported in combination with the previously suggested financial and training support. During the qualitative phase of the study, representatives of women entrepreneurship networks and organizations noted the lack of networking among women entrepreneurs in Armenia despite its potential benefits.

- Existing women entrepreneurship networks should be supported to increase their visibility and opportunities to connect with women entrepreneurs. The mapping of programs and initiatives that currently provide support to women entrepreneurs identified a few notable networks for women entrepreneurs in Armenia, including AIWA, AWAY, Impact Hub, WINNET, and the Women Entrepreneurs Network. Stakeholders during the qualitative study mentioned a lack of networking between women entrepreneurs in Armenia.
- The existing women entrepreneurship networks could be used to develop mentorship programs for beneficiaries of financial and training-support programs to ensure better and more sustainable impact.
- Another important market failure to be addressed by existing networks is women entrepreneurs' limited access to information and business opportunities.

Social Attitudes and Engaging Families

Prevailing social attitudes and family obligations are significant challenges encountered by female entrepreneurs in Armenia. The following is a list of recommendations of how to address these issues are based on findings of this study:

- Women entrepreneurs mentioned several examples of gender discrimination in

the work environment, which could be addressed through legal reforms. As noted by the 2020 WBL score breakdown for Armenia, there is no legislation on sexual harassment in employment, no criminal penalties or civil remedies for sexual harassment in employment, and no law mandating equal remuneration for work of equal value.¹⁹ Organizations with experience in advocacy such as OXYGen and SME DNC may be integrated within advocacy work for legal reforms addressing gender discrimination in the workplace.

- Support programs should be designed to address time constraints and work-life balancing as obstacles, and may include a combination of time-management training, child-daycare programs, and family engagement. Currently, no existing initiative offers such services, yet existing programs and initiatives could collaboratively work together to develop such services and support for women entrepreneurs in the future. More women than men mentioned lack of time and maintaining a work-life balance as obstacles to pursuing entrepreneurial activity. During the qualitative study, several participants expressed concerns that they may end up neglecting their families and home responsibilities by pursuing entrepreneurial activity.
- As noted by both the quantitative and qualitative phases of the study, the

¹⁹ The World Bank's [Women Business and the Law \(WBL\) 2020 score for Armenia](#).

families of women entrepreneurs are often ready to help and support them. This willingness among families to support women's entrepreneurial activity should be incorporated within any support programs, particularly those related to relieving work-life balance pressures (via engaging women along with their families so that women are empowered to reach their full potential).

- Women entrepreneurs in the study discussed examples of societal stereotypes that impede their ability to pursue entrepreneurial activity. Social media and other public campaigns could break preconceived notions of women and business by targeting perceived gender roles that exclude women from entrepreneurial activity

COVID-19

The economic impacts of COVID-19 still continue to impact the country as of writing this report. The following are recommendations based on the current context of the virus and mitigation efforts:

- The economic impacts of COVID-19 should be continually monitored and measured, including the specific challenges faced by entrepreneurs. There is currently a great deal of uncertainty among entrepreneurs regarding the impacts of the virus and continual monitoring of the virus's economic impacts will help identify the most pressing issues. This monitoring can be done by the Ministry of Economy, think tanks, or international organizations via pulse studies.
- The government should increase awareness and accessibility of business support programs related to the pandemic as only about half of respondents applied for them.
- Government support programs should be more targeted to specific issues faced by businesses. A little more than half (56.8 percent) of female entrepreneurs noted that they received negligible support from government programs during the coronavirus crisis. Participants in the qualitative study also mentioned that they were not effective.

Lessons Learned

A number of challenges were encountered while conducting the study. These challenges can be categorized as *theoretical-methodological* (such as lack of relevant literature and operational definitions of women-owned and/or women-led businesses, classification of SMEs, etc.), and *technical-organizational* (such as lack of lists of women enterprises and appropriate sampling frames with information on location, size, activity sphere, and owners of businesses). Additionally, several challenges arose as a result of COVID-19, which began to spread throughout Armenia during phase one of the study, the qualitative research.

The following is an overview of some challenges the research team encountered and lessons learned that may be relevant and important for similar studies.

► **Gender of Business Owners:**

The definition of a women-owned business varies throughout previously conducted studies on women entrepreneurship²⁰. To operationalize the existing definitions for Armenia (including the one by IFC) and sample women-owned businesses would require access to a business registry that indicates gender-specified ownership. Unfortunately, in Armenia there are no *publicly available* comprehensive lists of businesses, let alone a list that would also provide names and gender of business owners/founders. Despite this, CRRC-Armenia was provided with a list of businesses for another project, without the right to disclose any contact information, which was used to compile a sampling frame and design the sampling. Initially, the gender of business owners for this study was determined by registered business names. A list of

the most common Armenian names of women was compiled, and if any of these names were a part of the business name, it was considered to be owned by a woman. However, after collecting the data, the owner variable was revised and, subsequently, a business was considered to be woman-owned if one of the business managers was a woman and at least 50 percent of the business was owned by a woman. An updated owner-gender variable was used for weighting based on this definition. Greater collaboration with the National Statistical Committee and the State Revenue Committee to collect gender-based firm-level data may help resolve such issues and discrepancies in the future, particularly in using consistent definitions of women-owned businesses.

- **Definition of SMEs and classification of businesses by size:** The definition of SMEs in Armenia is aligned with the definition

²⁰ Organization for Economic Co-operation and Development's (OECD) "[Women's Entrepreneurship: Issues and Policies](#)" (2004) and International Finance Corporation's (IFC) [Definitions of Targeted Sectors](#).

of SMEs operating in EU member states.²¹ The latter classifies businesses in a way that most women-owned enterprises operating in Armenia are categorized; as micro if they employ fewer than 10 persons and have turnover or assets at the end of the previous year of less than AMD100 million.²² Lacking data on the number of employees and assets of businesses and considering that women entrepreneurs tend to operate smaller businesses, the research team, on consultation with IFC experts, decided to define businesses of annual turnover of up to AMD5 million as micro businesses, from AMD5 to 24 million as small, from AMD24 to 115 million as medium, and over AMD115 million as large.

► **Fieldwork adjustments due to COVID-19:**

Several restrictions occurred due to the emerging COVID-19 pandemic, which resulted in methodological and organizational changes of the overall study, especially for the qualitative phase. These changes included switching from the initially planned face-to-face mode of fieldwork of both qualitative and quantitative components of the study to an online mode (via the Zoom platform for focus group discussions and in-depth interviews), and Computer-Assisted

Telephone Interviewing (CATI) for the survey. These modifications resulted in a higher number of individual interviews (69 versus 15 planned) and less focus groups. Furthermore, the topic of the COVID-19 pandemic was added to the discussions and included in the survey questionnaire to explore the challenges emerging as a result of the virus and accompanying business restrictions.

► **Data Collection/Survey Design Issues:**

The survey fieldwork was initially planned to be conducted via face-to-face interviews. However, due to the COVID-19 pandemic and the resulting lockdown, the data were collected using CATI, which entailed some difficulties during the fieldwork. The sampling frame used for the survey contained information on the location of the company, providing only its address; other contact information, such as the phone and/or e-mail, had to be collected by the interviewers. Hence, the contact information of the randomly selected companies was very limited, in particular for selected micro and small enterprises: an oversampling of companies in this group had to be done to achieve the required number of interviews. The development of a database for the

21 To harmonize the SMEs' local standards with the standards adopted in EU, the [Law of the RA "On Small and Medium Entrepreneurship State Support"](#) (2000) was amended and the terms were changed. (05.10.2010, HO-142-N) Law of the RA "On Small and Medium Entrepreneurship State Support" (2000) was amended and the terms were changed. (05.10.2010, HO-142-N).

22 According to the legislation, small businesses are considered enterprises that employ fewer than 50 persons and have turnover or assets less than AMD500 million, and medium-sized businesses are considered to employ fewer than 250 persons have turnover less than AMD1500 million with assets not exceeding AMD1000 million.

SRC with available business contact information would help overcome such issues in the future.

► **Data Archiving Required Some Adjustments, too, Particularly in:**

• **Weighting:** Because all the survey data were weighted with the exception of the respondents/business profiles section, this led to some challenges in interpreting the data as well as discussion regarding which results should be weighted or not. To address this, significant attention has been given to generalizations and the specific terminology used throughout the analysis.

• **Gender Distribution:** The survey was originally planned for 200 female business owners and 200 male business owners, but after a post-field review of the gender variable, this proportion changed. This unequal proportion was addressed through weighting.

• **Business Size:** Initially, preliminary data determined the size of the businesses for the survey. However, after the completion of the fieldwork, business sizes were updated according to turnover mentioned in the survey. For example, if the preliminary data indicated that it was a medium-sized business, but during the survey it was noted that the turnover was lower, then the business size was changed. It should be noted that less

than half of those who agreed to take the survey provided information on the annual turnover of the company. Compared to face-to-face interviews, the respondents were less prone to provide data on company turnover over the phone.

To sum up the lessons learned, the research team recommends the institutionalization of firm-level surveys to ensure regularity while addressing the following:

- **Clarification of definitions and their criteria for defining the terms “women entrepreneurship” and “SME”**
- **Creating a sample frame of businesses and providing public access**
- **Developing a filter for separating women’s businesses in the business register and/or in the list of taxpayers**
- **Continually updating information about SMEs**
- **Using online survey methodology.**

ANNEX 1:

Survey Methodology

This section describes the methodology of the enterprise survey conducted by the Caucasus Research Resource Center (CRRC) Foundation in Armenia.

SAMPLING METHODOLOGY

The nationally representative sample of firms was designed according to the Terms of Reference and the respective proposal submitted to IFC: it includes both female-led and male-led firms stratified by sector, location and size using the stratified random sampling design.

POPULATION DESCRIPTION

To design the sample, the RA State Revenue Committee list of acting taxpayers of 2018²³ was analyzed through the following steps.

Step 1: Enterprises were selected from the list of acting taxpayers of commercial organizations or private entrepreneurs that had a total turnover above zero in 2018. The selected types of organizations included Limited Liability Companies (LLC), Open Joint Stock Companies (OJSC), Closed Joint-Stock Companies (CJSC), Cooperatives (commercial and consumer) and branches of foreign legal entities.

Step 2: The taxpayers were classified into four groups according to their total annual turnover in 2018. The grouping was done assuming that the most of women businesses are micro ones, and thus taking into account the following thresholds: the ones with annual turnover below AMD5 million were considered as micro, AMD5 million to AMD24 million, small; AMD24 million to AMD115 million, medium; and over AMD115 million, large. It is worth mentioning that as of January 1, 2020, micro-businesses, defined as businesses with annual sales of less than AMD24 million (approximately \$50,000) are exempt from Corporation Income Tax (CIT) and Value Added Tax (VAT), and those below AMD115 million are VAT exempt. The distribution of businesses by turnover is presented in Table 1.

²³ The data was available in the frames of another project implemented by CRRC-Armenia for the State Revenue Committee and is used for the survey sample design only.

Table 1. The distribution of the enterprises by volume of turnover (share of total, percentage)

Size		Female	Non-female	Total
Micro	Number	9589	14164	23753
	% within size	40%	60%	100%
	% within gender	56%	40%	45%
Small	Number	5156	10915	16071
	% within size	32%	68%	100%
	% within gender	30%	31%	30%
Medium	Number	1996	7042	9038
	% within size	22%	78%	100%
	% within gender	12%	20%	17%
Large	Number	500	3461	3961
	% within size	13%	87%	100%
	% within gender	3%	10%	7%
Total	Number	17241	35582	52823
	% within size	33%	67%	100%
	% within gender	100%	100%	100%

Step 3: For the purposes of the research, three major sectors were identified and the enterprises grouped into the following categories—Manufacturing, Trade, and Services (see Table 2). The distribution of acting businesses by economic sector is presented in Table 3.

Table 2. Economic sectors

Sector	Code	Sub-sector
Manufacturing	C	Manufacturing
	F	Construction
Trade	G	Wholesale and retail trade; repair of motor vehicles and motorcycles
Services	D	Electricity, Gas and Steam
	E	Water Works and Supply
	H	Transport and Storage
	I	Hotels and restaurants
	J	Information and Communication
	K	Financing, Insurance
	L	Real estate activities
	M	Professional, Scientific, and Technical Services
	N	Administrative and auxiliary activities
	O	Public administration and defense; compulsory social security
	P	Education
	Q	Health and social work
	R	Recreational and Cultural Services
	S	Other service activities
T	Private households with employed persons	
U	Extra-territorial organizations and bodies	

Table 3. The distribution of enterprises by sector (share of total, percentage)

Sector		Female	Non-female	Total
Manufacturing	Number	976	4529	5505
	% within sector	18%	82%	100%
	% within gender	6%	13%	10%
Trade	Number	11868	19716	31584
	% within sector	38%	62%	100%
	% within gender	69%	55%	60%
Services	Number	4397	11337	15734
	% within sector	28%	72%	100%
	% within gender	26%	32%	30%
Total	Number	17241	35582	52823
	% within sector	33%	67%	100%
	% within gender	100%	100%	100%

Step 4: Female-led companies were identified by determining the gender of the first name using the following data available in the list of taxpayers:

- For private entrepreneurs (PE) —name of the PE.
- For enterprises—name of the owner of the organization. In case of multiple owners, the database contained the first mentioned owner.

The two categories identified—female owned and non-female owned—included firms and private entrepreneurs as well as companies founded by another legal entity. The distribution of businesses by these categories is presented in the Table 4.

Table 4. The distribution of the enterprises by sex of owner (share of total, percentage)

Sector	Number	Percent
Female	17241	33%
Non-female	35582	67%
Total	52823	100%

Step 5: The enterprises were segregated into two groups by location—Yerevan and Regions (see Table 5).

Table 5. The distribution of the enterprises by location (share of total, percentage)

Location		Female	Non-female	Total
Yerevan	Number	8521	19827	28348
	% within region	30%	70%	100%
	% within gender	49%	56%	54%
Regions	Number	8720	15755	24475
	% within region	36%	64%	100%
	% within gender	51%	44%	46%
Total	Number	17241	35582	52823
	% within region	33%	67%	100%
	% within gender	100%	100%	100%

The detailed population description stratified by size, gender, sector and region is presented in Table 1 of the sub-annex to this part of the report.

SAMPLING DESIGN

The businesses were stratified by size, gender, sector and region, considering the following conditions:

- An equal number of enterprises selected in each of the gender categories (female, non-female) to be able to provide a gender-disaggregated analysis;
- A minimum of 20 observations in each category;
- A close to equal distribution among Micro, Small, and Medium businesses to be able to provide a size-disaggregated analysis.

The suggested sample structure by size is as follows:

Table 6. Stratification by turnover size (number of firms)

Size	Female	Male	Total
Micro	85	45	130
Small	55	55	110
Medium	40	70	110
Large	20	30	50
Total	200	200	400

The Probability Proportional to Size (PPS) distribution by region and sector was adjusted using Excel Solver add-in, meeting the abovementioned conditions. Additional conditions were that the sample size should be no more than the population size (assuming non-response would be no more than 90% in each stratum) and the deviation from PPS sample was minimized. The detailed distribution is in the Table 2 of the sub-annex of this part of the report.

Table 7. Stratification by economic sector (number of firms)

Sector	Female	Male	Total
Manufacturing	21	28	49
Trade	135	108	243
Services	44	64	108
Total	200	200	400

Table 8. Stratification by location (number of firms)

Location	Female	Male	Total
Yerevan	98	105	203
Regions	102	95	197
Total	200	200	400

SAMPLING IMPLEMENTATION

To reach the required number of respondents in each strata, a list of around 4400 enterprises was generated from the RA State Revenue Committee list of acting taxpayers of 2018 in the first stage, assuming a response rate of 10 percent. After 3 weeks an additional list of over 900 enterprises was sampled and provided to interviewers. After the oversampling, the required number of interviews was reached (Table 9). To get contact details of sampled businesses, Yellow Pages of Armenia (www.spyur.am), Social Media (Facebook) and other sources identified by search engines (Google, Yandex, etc.) were used.

Table 9. Call results

Number of unsuccessful calls*	Number of successful calls	Refusal	Agreement	Respondent reach out rate**	Response rate***
3189	929	522	407	23%	44 %

* Including the following instances: firm's contact number can't be reached or number not responding.

** Percent of successful calls from the total number of call attempts.

*** Percent of successful calls from the total number of successful call attempts.

The achieved distribution of surveyed businesses by strata is presented in the below Table 10.

Table 10. Sample distribution by gender of business owners

	Planned			Actual		
	Female	Male	Total	Female	Male	Total
Size						
Micro	85	45	130	70	53	123
Small	55	55	110	52	64	116
Medium	40	70	110	41	83	124
Large	20	30	50	11	33	44
Total	200	200	400	174	233	407
Region						
Yerevan	98	105	203	81	125	206
Regions	102	95	197	93	108	201
Total	200	200	400	174	233	407
Sector						
Manufacturing	21	28	49	16	35	51
Trade	135	108	243	107	122	229
Services	44	64	108	51	76	127
Total	200	200	400	174	233	407

*Note: Actual numbers differ from planned ones because of adjustment of firm size, sector and gender parameters based on survey responses.

FIELDWORK

The fieldwork for the survey was conducted from June 15 to August 17, 2020 among the acting entrepreneurs of Armenia. The interviews were conducted in Armenian via phone (CATI). The final sample included 407 interviews. The fieldwork personnel consisted of 11 individuals in total, who were trained prior to the fieldwork. The enumerators were selected from CRRC-Armenia pool, all of whom are experienced and have worked with CRRC-Armenia for several years. All enumerators had previous experience in conducting CATI within CRRC-Armenia. The average length of the interviews was 36 minutes.

The overall management and quality control of the fieldwork was exercised by the CRRC-Armenia Data Initiative team. The data were monitored on a bi-weekly basis and the interviewers were immediately instructed on issues rising throughout the collection process. In the frames of the data quality assurance process, monitoring of around 10 percent of audio recordings of the calls was done.

WEIGHTING

To account for the differences of non-proportionate to population stratification, weights were applied to the dataset. The post stratification weights were calculated by enterprises' sector, size, founder's gender and region. The database contains two different sets of weights. The first set of weights (SRC_WEIGHT) was calculated based on the stratification suggested by SRC data. The second (VNW3_VN1) was based on actual survey data.

- Whether the business was female-owned was defined in case it was at least 51 percent owned, operated and controlled²⁴ by a woman or women by crossing two variables ("What percentage of the firm is owned by females?" and "Is the top manager of this business a female?"). The categorization of enterprise sizes was done based on the variable on the turnover (g3_1_integer): the respondents were asked to indicate the total annual sales for all products and/or services in 2019. The missing values were substituted with data from the SRC.

The weight calculated based on the actual survey data (VNW3_VN1_) was applied during the analysis of survey data.

24 In this context "operated" means being actively involved in the daily management of the business, while "Control" means exercising the power to make policy decisions.

Sub-Annex Table 1. Distribution of enterprises by size, gender, sector and region.

Size													
<AMD5 million													
Region	Yerevan						Regions						
Sector *	Manufacturing		Services		Trade		Manufacturing		Services		Trade		
Gender	Non female*	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	
	708	224	2742	1522	3657	2688	699	177	1862	1086	4496	3892	
Percent from GT	1.3%	0.4%	5.2%	2.9%	6.9%	5.1%	1.3%	0.3%	3.5%	2.1%	8.5%	7.4%	
Size													
AMD5 million to AMD24 million													
Region	Yerevan						Regions						
Sector	Manufacturing		Services		Trade		Manufacturing		Services		Trade		
Gender	Non female*	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	
	645	160	2050	768	2905	1491	677	142	1066	277	3572	2318	
Percent from GT	1.2%	0.3%	3.9%	1.5%	5.5%	2.8%	1.3%	0.3%	2.0%	0.5%	6.8%	4.4%	
Size													
AMD24 million to AMD115 million													
Region	Yerevan						Regions						
Sector	Manufacturing		Services		Trade		Manufacturing		Services		Trade		
Gender	Non female*	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	
	551	115	1784	450	2033	688	509	73	582	136	1583	534	
Percent from GT	1.0%	0.2%	3.4%	0.9%	3.8%	1.3%	1.0%	0.1%	1.1%	0.3%	3.0%	1.0%	
Size													
>AMD115 million													
Region	Yerevan						Regions						
Sector	Manufacturing		Services		Trade		Manufacturing		Services		Trade		
Gender	Non female*	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	Non female	Female	
	566	71	1051	140	1135	204	174	14	200	18	335	53	
Percent from GT	1.1%	0.1%	2.0%	0.3%	2.1%	0.4%	0.3%	0.0%	0.4%	0.0%	0.6%	0.1%	

Sub-Annex Table 2. Sample distribution of enterprises by size, gender, sector and region.

Gender	Size	Region	Sector	Population	PPS	Adjusted sample size
Non female	Micro: <AMD5 million	Yerevan	Manufacturing	708	4	0
			Trade	3,657	21	13
			Services	2,742	15	8
		Regions	Manufacturing	699	4	0
			Trade	4,496	25	19
			Services	1,862	10	5
	Small: AMD5 million to AMD 24 million	Yerevan	Manufacturing	645	4	2
			Trade	2,905	16	14
			Services	2,050	12	10
		Regions	Manufacturing	677	4	3
			Trade	3,572	20	20
			Services	1,066	6	6
	Medium: AMD24 million to AMD 115 million	Yerevan	Manufacturing	551	3	8
			Trade	2,033	11	16
			Services	1,784	10	15
		Regions	Manufacturing	509	3	8
			Trade	1,583	9	14
			Services	582	3	9
Large: >AMD 115 million	Yerevan	Manufacturing	566	3	4	
		Trade	1,135	6	8	
		Services	1,051	6	7	
	Regions	Manufacturing	174	1	3	
		Trade	335	2	4	
		Services	200	1	4	
Female	Micro: <AMD5 million	Yerevan	Manufacturing	224	3	0
			Trade	2,688	31	25
			Services	1,522	18	12
		Regions	Manufacturing	177	2	0
			Trade	3,892	45	40
			Services	1,086	13	8
	Small: AMD5 million to AMD 24 million	Yerevan	Manufacturing	160	2	1
			Trade	1,491	17	17
			Services	768	9	7
		Regions	Manufacturing	142	2	0
			Trade	2,318	27	27
			Services	277	3	3
	Medium: AMD24 million to AMD 115 million	Yerevan	Manufacturing	115	1	8
			Trade	688	8	9
			Services	450	5	6
		Regions	Manufacturing	73	1	5
			Trade	534	6	8
			Services	136	2	4
Large: >AMD 115 million	Yerevan	Manufacturing	71	1	6	
		Trade	204	2	4	
		Services	140	2	3	
	Regions	Manufacturing	14	0	1	
		Trade	53	1	5	
		Services	18	0	1	
Total				52,823	400	400

ANNEX 2: Survey Questionnaire

WOMEN ENTREPRENEURSHIP STUDY IN ARMENIA

Questionnaire (15.07.2020)

ID

Region

City/Village

ID of Interviewer.....

Hello, my name is [last name, first name] and I represent the Caucasus Research Resource Center-Armenia (CRRC-Armenia). I am collecting data for a survey commissioned by the International Finance Corporation jointly with the UK's Good Governance Fund to explore the key constraints and challenges for women in business in Armenia, discuss opportunities and perception on development of Women Entrepreneurship (WE), as well as to inform the policy-makers and authorities on attitudes and perceptions of WE in Armenia.

We will ask questions on key characteristics of your business, your opinion on obstacles of doing business, your financial and non-financial needs, and effects of various social, cultural and personal factors which impact women entrepreneurs' life.

The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other projects aimed to support women entrepreneurship in Armenia.

Your organization/business has been randomly selected from the general list of micro, small and medium businesses, among 400 organizations, to form a representative sample. The information that you provide will remain strictly confidential and will be used only in aggregated form, without attribution to your name or identifying information about your business, and will be used only for research purposes. The survey will take us about 20 minutes to complete. Thank you very much for your time and responses in advance.

I hope you agree to participate in this survey.

[Interviewer: get verbal consent].

I agree to participate.

Day/Month/Year	____/____/_____
Beginning of interview: [Interviewer: USE 24-HOUR CLOCK]	____/____/ Hour Min.

A. GENERAL INFORMATION

A.1 What is the organizational-legal status/form of the firm?

Sole proprietorship/Individual Entrepreneur	1
Cooperative/ Partnership	2
Limited liability company	3
Open joint-stock company	4
Closed joint-stock company	5
Informal/unregistered	6
Other (specify)	7
Don't know / Refuse to answer	99 / 88

A.2 In what year did this establishment begin operations?

Year of (re)establishment _____

A.3 In which sector does the firm predominately operate?

Manufacturing (including food processing)	1
Retail trade	2
Wholesale trade	3
Construction	4
Accommodation and catering (hotel, restaurant, etc.)	5
Provision of services (transportation, financial, real estate, education, utility, etc.)	6
Information technology, communication	7
Other (specify)	8
Don't know/ Refuse to answer	99 / 88

A.4 How did this business start?

Founded by personal initiative	1
Founded jointly with business partner(s)	2
Founded as a family-owned business	3
Purchased as an existing business	4
Joined as existing family business	5
Joined as existing non-family business	6
Through a government program	7
Through an NGO	8
Other (specify)	9
Don't know/ Refuse to answer	99 / 88

A.5 What percentage of the firm is owned by females?

Interviewer, record % of ownership _____

A.6 Is the top manager of this business a female?

Yes	1
No	2
Don't know/ Refuse to answer	99 / 88
Not applicable	77

A.7 Please indicate which option best describes your position in the business?

Owner/Shareholder	1
President, Executive Director/ CEO/Vice-President	2
Chief Financial, Chief Operating Officer (CFO/COO)	3
Other Managerial position	4
Other (specify)	5
Don't know / Refuse to answer	99 / 88

A.8 Which were the main two reasons for starting/acquiring/joining the firm? (1st reason, 2nd reason).

Interviewer, do not read, record the answers in appropriate lines.

Reason	1st	2nd
To earn money	1	1
Opportunity to be one's own boss	2	2
Seizing an available market opportunity	3	3
Unable to find work or another source of income	4	4
Supporting family	5	5
Convenience of location and/or hours	6	6
Striving to apply related past experience	7	7
Opportunity to apply the education received	8	8
Family forbidding work outside the home	9	9
Taking over/continuing the family business	10	10
Family has related background and experience	11	11
The business is also a hobby	12	12
Receiving support from state/stakeholders	13	13
Desire to grow professional opportunities through this business	14	14
Having a secondary source of income in addition to other work	15	15
Other (specify)	16	16
Don't know/ Refuse to answer	99 / 88	99 / 88

A.9 What was the main source of funding used for establishing/acquiring this enterprise?

Personal/household savings	1
Friends and relatives	2
Private money lenders	3
Non-bank financial institutions (micro-finance institutions, credit unions,	4
Commercial Banks	5
Government	6
NGO or international organization	7
Other (specify)	8
Not applicable (owner joined the activity)	9
Don't know/ Refuse to answer	99 / 88

B. LABOR AND HUMAN CAPITAL

B.1 Including yourself, what is the number of full-time and part-time employees, men and women separately, at your organization as of now?

	Full time	DK/RA	Part time	DK/RA
Men		99 / 88		99 / 88
Women		99 / 88		99 / 88

B.2.1 Have you taken advantage of any free support services or training sessions related to your business in the past two years?		B.2.2 Which one of the listed would you like to take in the future?
Legal advice	1	1
Financial advice	2	2
Financial management training	3	3
PR/marketing training	4	4
Computer/IT training	5	5
Business management training	6	6
Professional networking support	7	7
Trade shows	8	8
Advertisements in local newspapers/journals	9	9
Childcare services	10	10
Mentoring (peer-to-peer)	11	11
Market research	12	12
Special technical training on manufacturing and technical matters	13	13
Other (specify)	14	14
None	15	15

B.3 From which sources do you normally get support, information and advice on business and legal matters?

TV, newspapers or Internet	1
Friends/family members/acquaintances	2
Business associations/professional networks	3
Lawyer/attorney, accountant, professional business advisor	4
Business training programs	5
Government	6
Special business publications	7
I do not get any advice	8
Other (specify)	9
Don't know/ Refuse to answer	99 / 88

C. FINANCE

C.1 Has this firm tried to attract financial resources to develop the business in the past two years (other than support/aid related to the recent coronavirus outbreak)?

Yes	1	Go to C.1a
No	2	
Don't know/ Refuse to answer	99 / 88	Go to C.2

C.1a If yes, from where did this firm try to receive the financial resources?

Friends or relatives	1
Private moneylenders	2
Non-bank financial institutions (micro-finance institutions, credit unions, credit cooperatives)	3
Commercial banks	4
Government (subsidies)	5
NGOs and international organizations (grants)	6
Other (specify)	7
Don't know/ Refuse to answer	99 / 88

C.2 In the past two years, has this firm applied for any loans?

Yes	1	Go to C.2a
No	2	Go to C.2c
Don't know/ Refuse to answer	99 / 88	Go to C.3

C.2a Referring only to the most recent application for a loan, what was the outcome of the application?

Approved	1	Go to C.3
Not approved	2	Go to C.2b
Don't know/ Refuse to answer	99 / 88	Go to C.3

C.2b Please specify the reason for rejection of your application:

C.2c What was the main reason for why this firm did not apply for any loan?

No need for a loan	1
Establishment had sufficient capital	2
Application procedures were complex	3
Interest rates were not favorable	4
Collateral requirements were too high	5
Size of loan and maturity were insufficient	6
Did not think it would be approved	7
Other (specify)	8
Don't know/ Refuse to answer	99 / 88

C.1 Does this establishment currently have a checking or savings account?

Yes	1
No	2
Don't know/ Refuse to answer	99 / 88

C.4 Working capital for everyday activities comes from a variety of sources. What is the share of each of the following sources in the average working capital of your organization for the previous two years (2018- 2019)?

Interviewer, read and check that total sums to 100%]

Source	% share
Internal funds or retained savings	1
Loans from banks, private and state-owned	2
Loans from non-bank financial institutions, which include micro-finance institutions, credit cooperatives, credit unions or finance companies	3
Purchases on credit from suppliers and advances from customers	4
Government grants	5
Friends or relatives	6
International projects	7
Other	8
Don't know/ Refuse to answer	99 / 88

D. CHALLENGES IN THE BUSINESS ENVIRONMENT

D.1 To what degree are each of the following elements of the business environment an obstacle/challenge to the current operations of this establishment?

Interviewer, read all the options line-by-line and mark the appropriate code. The options should be rotated.

	No obstacle	Minor obstacle	Moderate obstacle	Major obstacle	Very severe obstacle	Don't know / Refuse to answer	Does not apply
Access to finance	1	2	3	4	5	99 / 88	77
Access to land	1	2	3	4	5	99 / 88	77
Access to markets	1	2	3	4	5	99 / 88	77
Business licensing and permits	1	2	3	4	5	99 / 88	77
Corruption	1	2	3	4	5	99 / 88	77
Courts	1	2	3	4	5	99 / 88	77
Crime, theft, and disorder	1	2	3	4	5	99 / 88	77
Customs and trade regulations	1	2	3	4	5	99 / 88	77
Inadequately educated workforce	1	2	3	4	5	99 / 88	77
Lack of Internet or online presence	1	2	3	4	5	99 / 88	77

Lack of professional networks	1	2	3	4	5	99 / 88	77
Lack of time	1	2	3	4	5	99 / 88	77
Labor regulations	1	2	3	4	5	99 / 88	77
Maintaining a work/life balance	1	2	3	4	5	99 / 88	77
Political instability	1	2	3	4	5	99 / 88	77
Practices of competitors in the informal sector	1	2	3	4	5	99 / 88	77
Tax administration	1	2	3	4	5	99 / 88	77
Tax rates	1	2	3	4	5	99 / 88	77
Transport	1	2	3	4	5	99 / 88	77
Unreliable suppliers	1	2	3	4	5	99 / 88	77
Other (specify)	1	2	3	4	5	99 / 88	77

D.2 This is an open question for you to provide details and examples on the obstacles that you did rate as moderate, major and very severe for your business.

Interviewer, ask this question to those who have marked codes 3, 4, 5 for the previous question. Write down examples and details.

E. COVID-19

E.1 Which of the following the firm experienced(ing) as a result of the novel coronavirus outbreak?

Interviewer, accept all that apply; ask if it is still the case.

	So far	Currently
Temporarily ceased all operation/production	1	1
Temporarily reduced operation/production	2	2
Furloughed employees	3	3
Disruptions in supply and delivery (availability of raw materials, issues with prices or export)	4	4
Less income	5	5
Less supply	6	6
Less demand	7	7
Employees working from home	8	8
Cancelled events	9	9
Less productivity among workers	10	10
Restricted travel	11	11
Other (specify)	12	12
No change	13	13
Don't know / Refuse to answer	99 / 88	99 / 88

E.2 To what extent did the novel coronavirus outbreak and the resulting prevention and control measures impact the firm's revenue in the first half of 2020 compared to the first half of 2019?

Interviewer, accept all that apply; ask if it is still the case.

Decrease of < 10%	1
Decrease of 10%-20%	2
Decrease of 20%-50%	3
Decrease of > 50%	4
Increase in revenue	5
Too early to state	6
No change	7
Don't know/Refuse to answer	99/88

E.3 How long do you expect it will take from now for the firm to recover from the COVID-19 outbreak?

	Your business	Your industry
Up to 3 months	1	1
4-6 months	2	2
7-9 months	3	3
10-12 months	4	4
1-2 years	5	5
Over 2 years	6	6
Don't know / Refuse to answer	99 / 88	99 / 88
Not applicable	77	77

E.4 Has the firm applied for any government programs to support businesses negatively affected by COVID-19?

Yes	1	Go to E.4a
No	2	Go to E.5
Don't know/ Refuse to answer	99 / 88	

E.4a To which government programs related to COVID-19 support did the firm apply, and to what extent did the firm benefit from the program?

Interviewer, read the levels of benefits and record all the programs

Name/number of the program applied for	Received important benefits	Received negligible benefits	Did not benefit
	1	2	3
	1	2	3
	1	2	3
	1	2	3
Other (specify)	1	2	3
Don't know / Refuse to answer	99 / 88	99 / 88	99 / 88

E.5 We do believe that your business already has its own strategy to cope with risks and unexpected circumstances related to COVID-19 and similar risks? Please name a few steps that you are going to undertake in the near future and beyond.

Interviewer, do not read, match and mark the respective option from the list below or record under the "other"

Possible Strategy	
Closure of business	1
Slow down the operations and survive somehow until the lockdown is over	2
Cut the number of employees & go for related optimization	3
Diversify production/services to take niches with high demand	4
Change the profile of business and move to another sector	5
Invest and innovate the current operations so that to lower the production costs, train the employees and organize sales digitally	6
Other (Specify)	7
Not applicable	77
Don't know / Refuse to answer	99 / 88

F. GENDER ATTITUDES

F.1 Most businesses in Armenia are run by men. Please consider the following statements to identify the reasons for this phenomena.

Interviewer, read all the options, accept all that apply.

On the whole, men make better business executives than women	1
It is a result of initial distribution of wealth (privatization) in the 90s	2
Men are more likely to take risks in starting their own businesses	3
Current customs and traditions constrain women's professional aspirations	4
Women lack relevant skills, experience, or knowledge in business	5
Women lack access to financial resources	6
Housekeeping and childcare responsibilities prevent women entrepreneurship	7
Government/legal restrictions	8
Doing business in Armenia requires informal arrangements and women are not good at them	9
Even if women run businesses they are still dependent on men's guidance/ sponsorship/approval	10
I do not think that majority of businesses are run by men	11
Other (specify)	12
Don't know/Refuse to answer	99 / 88

F.2.1. Was there anyone in your family (or close relatives) who supported your endeavor to run your own business?

Interviewer, ask this question if the respondent is the owner/partner/shareholder of the business (A7=1).

Yes	1
No	2
Don't know/ Refuse to answer	99 / 88

F.2.2 Was there anyone in your family (or close relatives) who disapproved/hindereded your intention to run your own business?

Interviewer, ask this question if the respondent is the owner/partner/shareholder of the business (A7=1).

Yes	1
No	2
Don't know/ Refuse to answer	99 / 88

F.3 What specific barriers are women who want to engage in business not able to overcome?

Interviewer, do not read and record all the answers that match with the options or in the "Other" line.

Absence of initial capital	1
Housekeeping and childcare responsibilities	2
Current customs and traditions	3
Fear of taxation and complexity of bookkeeping	4
Lack of relevant skills, knowledge, and experience	5
Lack of professional networks/mentors	6
Lack of marketing opportunities	7
Scarcity of qualified human resources	8
None	9
Other (specify)	10
Don't know/Refuse to answer	99/88

G. PERFORMANCE AND EXPECTATIONS**G.1 Over the past two years, has the firm benefited from any of the following investments?**

Interviewer, read the options and mark the respective codes.

Purchase of new production equipment	1
Purchase of more land	2
Purchase of new IT equipment or software	3
Purchase of new office equipment	4
Expanded production	5
Hiring more workers	6
Improved premises, either by moving to better premises, expanding existing premises, or by establishing additional ones	7
Improved operations/technologies	8
Other (specify)	9
None	10
Don't know/ Refuse to answer	99 / 88

G.2 Over the next two years, do you expect to make any of the following investments in your business?

Interviewer, read the options and mark the respective options.

Purchasing new production equipment	1
Purchasing more land	2
Purchasing new IT equipment or software	3
Purchasing new office equipment	4
Expanding productions	5
Hiring more workers	6
Improving the premises, either by moving to better premises, expanding existing premises, or by establishing additional ones	7
Improving operations/technologies	8
Other (specify)	9
None	10
Don't know/Refuse to answer	99 / 88

G.3.1 In 2019, what were this establishment's total annual sales for all products and/or services?

Interviewer, please write out the number.

Total sales 2019 (mln AMD)	
Not applicable - Establishment was not in business during 2019	77
Don't know / Refuse to answer	99 / 88

G.3.2 In 2017, what were this establishment's total annual sales for all products and/or services?

Interviewer, please write out the number.

Total sales 2017 (mln AMD)		Go to G.4
Not applicable - Establishment was not in business during 2017	77	
Don't know/ Refuse to answer	99 / 88	

G.3.3 Was the volume of total annual sales in 2017 compared to 2019 higher, lower or the same?

Interviewer, ask those who did not know or refuse to name the volume of sales in 2017.

It was higher	1
It was lower	2
It was the same	3
Don't know / Refuse to answer/Not applicable	99 / 88 / 77

G.4 Considering the next year, are this establishment's total sales expected to increase, decrease, or stay the same?

Increase	1
Decrease	2
Stay the same	3
Don't know / Refuse to answer	99 / 88

G.5 In percentage terms, what is the expected change in total sales for the next year?

Percentage of change	
Don't know	99

H. POST-INTERVIEW

H.1 Gender of respondent

Male	1	Female	2	Not specified	3
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H.2 Age of respondent _____

H.3 Highest educational level

Primary (either complete or incomplete)	1
Secondary (either complete or incomplete)	2
VET (preliminary and middle)	3
Higher (either complete or incomplete BA, MA, etc.)	4
Post graduate	5
Refuse to answer	88

H.4 Marital status (de-facto)

Single	1
Married	2
Relationship (civic marriage, cohabitation)	3
Divorced / widowed	4
Refuse to answer	88

H.5 Number of children below 18 (if any) _____

ANNEX 3:

Focus Group Discussion Guide

FG THEME: GENERAL

PREPARATION AND INTRODUCTION

Welcome and thank you for volunteering to participate in our focus group today. You have been asked to participate as your point of view is important for studying women entrepreneurship in Armenia.

Introduction: My name is _____. I will moderate the discussion and assisting me is _____. The main aim of this research is to explore the key constraints and challenges for women in business in Armenia, discuss opportunities and your perception on development potential. Today we will discuss key characteristics of your business, your opinion on obstacles to doing business, your financial and non-financial needs, and effects of various social, cultural and personal factors which affect women entrepreneurs' life.

Anonymity: We are going to record the session discussion, because we do not want to miss any of your comments. Despite being taped, you may be assured of complete confidentiality. We will be on a first name basis tonight, and we will not use any names in our reports.

General: This study on Women Entrepreneurship in Armenia is commissioned to CRRC-Armenia and EV Consulting by the International Finance Corporation (member of the World Bank Group). These focus group discussions as part of qualitative study are being implemented by EV Consulting. The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other pipeline projects aimed to support women entrepreneurship in Armenia.

I want to stress yet again that what you say in this room is completely confidential. You can see that you are given cards with "Respondent X", so that no one can actually link your name to anything you say.

We have a few guidelines and rules to facilitate our discussion:

- **The most important rule is that only one person speaks at a time.**
- **There are no right or wrong answers.**
- **You do not have to speak in any particular order. You can address each other if you like. We are only here to assist in the discussion.**
- **When you do have something to say, please do so. It is very important for us to obtain the views of each of you.**
- **You do not have to agree with the views of other people in the group.**
- **We ask that you turn off your phones. If you cannot and if you must respond to a call, please do so as quietly as possible.**
- **Ask if anyone has any question about the rules.**

Instructions for the Moderator

- **Use purposeful small talks to create a warm and friendly environment before the discussion starts.**
- **Use 5-10 second pauses after each answer.**
- **Use probing questions, such as "Would you explain further?"; "Would you give an example?"; "Could you please clarify your answer?"**
- **Encourage discussions: question other participants ("Thank you. What do other people think?", "Does anybody else have a different thought/strategy?"), point contradicting opinions and ask other participants' opinion.**
- **Observe the group dynamics, try to balance the input of dominant ("Let's have some other comments.") and shy participants (Smile, call their name, make eye contact).**
- **Sometimes participants lead the talk in the direction that interests them and is irrelevant for the research. In that case, the moderator will have to remind the group about the research topic.**

FOCUS GROUP DISCUSSION: TOPICS

Introduction

1. **First, I would like everyone to introduce themselves in a few words of your own.**

Business Details

2. **Can you please tell us some details about your business: what does your business do, the services you provide, when and where you have established it, number of employees, what legal form does your business have (LLC, sole proprietorship, etc.).**

(Instruction for moderator: Make sure everyone answers these questions, these are icebreaker questions to get the participants talking in group settings)

Business Motivation

3. Can you recall the moment when you decided to launch the business? What were your motivations of starting your journey of entrepreneurship?

(follow up probing questions):

- Were you encouraged by your family members to start your own business?
- Do you feel supported in taking risks for your business?
- Is your business the result of a perceived opportunity or economic necessity?
- How did you determine the sector in which your business would operate? Were there any sectors that you wanted to enter but were discouraged by your family or others around you from entering?

Challenges

4. What have been the main challenges in different stages of development of your business?

(for facilitator: probe participants to elaborate on challenges in 5 key areas: regulatory environment, social norms, access to markets, access to finance, access to human capital and business support)

5. Do you think there are certain stereotypes associated with business women, and to what extent they hinder your business? Do you think these stereotypes tend to change recently?
6. Please share with us your experience of balancing family with business life. Do you manage to take care of children (if any) and housework?

Current Business Needs

7. How would you evaluate your business performance over past 2-3 years? Has your business dynamics changed recently? What factors do you think affected your business?
8. What needs do you have for your business development? Do you receive any support from the public, private or other sources to address these? If yes, how did you benefit, were you satisfied with the services provided?
9. Do you belong to any business associations, chambers of commerce, or boards of directors? If so, why did you join?

Final Questions

10. Please share with us your plans about future developments of your business? What are your plans for the next three years? What are the key factors that might impact (both negatively/positively) these plans?
11. (Instruction for moderator: review the purpose of the study and then ask this to participants) "Have we missed anything?"

We wish you all success. We appreciate you all giving us so much of your time despite your busy schedule.

FG THEME: MOTIVATION & FUTURE PLANS

PREPARATION AND INTRODUCTION

Welcome and thank you for volunteering to participate in our focus group today. You have been asked to participate as your point of view is important for studying women entrepreneurship in Armenia.

Introduction: My name is_____. I will moderate the discussion and assisting me is_____. The main aim of this research is to explore the key constraints and challenges for women in business in Armenia, discuss opportunities and your perception on development potential. Today we will discuss your motivation and future plans as women entrepreneur.

Anonymity: We are going to record the session discussion, because we do not want to miss any of your comments. Despite being taped, you may be assured of complete confidentiality. We will be on a first name basis tonight, and we will not use any names in our reports.

General: This study on Women Entrepreneurship in Armenia is commissioned to CRRC-Armenia and EV Consulting by the International Finance Corporation (member of the World Bank Group). These focus group discussions as part of qualitative study are being implemented by EV Consulting. The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other pipeline projects aimed to support women entrepreneurship in Armenia.

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- **You do not have to speak in any particular order. You can address each other if you like. We are only here to assist in the discussion.**
- **When you do have something to say, please do so. It is very important for us to obtain the views of each of you.**
- **You do not have to agree with the views of other people in the group.**
- **We ask that you turn off your phones. If you cannot and if you must respond to a call, please do so as quietly as possible.**
- **Ask if anyone has any question about the rules.**

Instructions for the Moderator

- Use purposeful small talks to create a warm and friendly environment before the discussion starts.
- Use 5-10 second pauses after each answer.
- Use probing questions, such as "Would you explain further?"; "Would you give an example?"; "Could you please clarify your answer?"
- Encourage discussions: question other participants ("Thank you. What do other people think?", "Does anybody else have a different thought/strategy?"), point contradicting opinions and ask other participants' opinion.
- Observe the group dynamics, try to balance the input of dominant ("Let's have some other comments.") and shy participants (Smile, call their name, make eye contact).
- Sometimes participants lead the talk in the direction that interests them and is irrelevant for the research. In that case, the moderator will have to remind the group about the research topic.

FOCUS GROUP DISCUSSION: TOPICS

Introduction

1. First, I would like everyone to introduce themselves in a few words of your own.

Business Details

2. Can you please tell us some details about your business: what does your business do, the services you provide, when and where you have established it, number of employees, what legal form does your business have (LLC, sole proprietorship, etc.).

(Instruction for moderator: Make sure everyone answers these questions, these are icebreaker questions to get the participants talking in group settings)

Business Motivation

3. Can you recall the moment when you decided to launch the business? Elaborate, please.
4. What were your motivations/primary reasons/events/circumstances of starting your journey of entrepreneurship?

(follow up probing questions):

- Were you encouraged by your family members to start your own business?
 - Do you feel supported in taking risks for your business?
 - Is your business the result of a perceived opportunity or economic necessity?
 - How did you determine the sector in which your business would operate? Were there any sectors that you wanted to enter but were discouraged by your family or others around you from entering?
5. What enabling and impeding factors have effected your motivation?
 6. How has your business evolved starting from its establishment? Have you reached the milestones you planned when establishing the business? Please, elaborate.

7. How has your motivation changed throughout this time? What are the main reasons?
8. What is your motivation for the next level of development for your business?

Future Plans

9. Please share with us your plans about future developments of your business? What are you plans for the next three years? What are the key factors that might impact (both negatively/positively) these plans?
10. What specific business needs do you have for future development, i.e. partnerships, investments, human capital, etc.?

Final Questions

11. (Instruction for moderator: review the purpose of the study and then ask this to participants) "Have we missed anything?"

We wish you all success. We appreciate you all giving us so much of your time despite your busy schedule.

FG THEME: START-UP ENTREPRENEURSHIP

PREPARATION AND INTRODUCTION

Welcome and thank you for volunteering to participate in our focus group today. You have been asked to participate as your point of view is important for studying women entrepreneurship in Armenia.

Introduction: My name is _____. I will moderate the discussion and assisting me is _____. The main aim of this research is to explore the key constraints and challenges for women in business in Armenia, discuss opportunities and your perception on development potential. Today we will discuss start-up entrepreneurship.

Anonymity: We are going to record the session discussion, because we do not want to miss any of your comments. Despite being taped, you may be assured of complete confidentiality. We will be on a first name basis tonight, and we will not use any names in our reports.

General: This study on Women Entrepreneurship in Armenia is commissioned to CRRC-Armenia and EV Consulting by the International Finance Corporation (member of the World Bank Group). These focus group discussions as part of qualitative study are being implemented by EV Consulting. The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other pipeline projects aimed to support women entrepreneurship in Armenia.

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- **Ask if anyone has any question about the rules.**

Instructions for the Moderator

- **Use purposeful small talks to create a warm and friendly environment before the discussion starts.**
- **Use 5-10 second pauses after each answer.**
- **Use probing questions, such as "Would you explain further?"; "Would you give an example?"; "Could you please clarify your answer?"**
- **Encourage discussions: question other participants ("Thank you. What do other people think?"; "Does anybody else have a different thought/strategy?"), point contradicting opinions and ask other participants' opinion.**
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- **Sometimes participants lead the talk in the direction that interests them and is irrelevant for the research. In that case, the moderator will have to remind the group about the research topic.**

FOCUS GROUP DISCUSSION: TOPICS

Introduction

1. First, I would like everyone to introduce themselves in a few words of your own.

Business Details

2. Can you please tell us some details about your business: what does your business do, the services you provide, when and where you have established it, number of employees, what legal form does your business have (LLC, sole proprietorship, etc.).

(Instruction for moderator: Make sure everyone answers these questions, these are icebreaker questions to get the participants talking in group settings)

Launch of Entrepreneurship

3. Can you recall the moment when you decided to launch the business? What were your motivations/primary reasons/events/circumstances of starting your journey of entrepreneurship?

(follow up probing questions):

- Were you encouraged by your family members to start your own business?
 - Do you feel supported in taking risks for your business?
 - Is your business the result of a perceived opportunity or economic necessity?
 - How did you determine the sector in which your business would operate? Were there any sectors that you wanted to enter but were discouraged by your family or others around you from entering?
4. Have you been employed prior to starting your current business - please elaborate how your experience is related to your current start-up? Are you currently employed parallel to your business - why and what are your plans on this?
 5. Let's think back over the period when you decided to start the business: what were your main steps to launch the business? Can you describe them in details (e.g. idea generation, team, financial sources, etc.)?
 6. Have you received any support to start your business? If yes, how did you benefit, were you satisfied with the services provided?

Challenges

7. What are your main challenges as start-up entrepreneur? How do you address them?

(for facilitator: probe participants to elaborate on challenges in 5 key areas: regulatory environment, social norms, access to markets, access to finance, access to human capital and business support)

8. Do you manage to devote sufficient time to your start-up? What are the challenges? How do you see overcoming them? What about family-job-life balance?
9. Do you think there are certain stereotypes associated with business women, and to what extent they hinder your business? Do you think these stereotypes tend to change recently?

Future Plans

10. Please share with us your plans about future developments of your business? What are you plans for the next three years? What are the key factors that might impact (both negatively/positively) these plans?
11. What specific business needs do you have for future development, i.e. partnerships, investments, human capital, etc.?

Final Questions

12. (Instruction for moderator: review the purpose of the study and then ask this to participants) "Have we missed anything?"

We wish you all success. We appreciate you all giving us so much of your time despite your busy schedule.

FG THEME: MATURE/CONSOLIDATED ENTREPRENEURSHIP

PREPARATION AND INTRODUCTION

Welcome and thank you for volunteering to participate in our focus group today. You have been asked to participate as your point of view is important for studying women entrepreneurship in Armenia.

Introduction: My name is _____. I will moderate the discussion and assisting me is _____. The main aim of this research is to explore the key constraints and challenges for women in business in Armenia, discuss opportunities and your perception on development potential. Today we will discuss the path you passed as entrepreneur in developing your business.

Anonymity: We are going to record the session discussion, because we do not want to miss any of your comments. Despite being taped, you may be assured of complete confidentiality. We will be on a first name basis tonight, and we will not use any names in our reports.

General: This study on Women Entrepreneurship in Armenia is commissioned to CRRCA-Armenia and EV Consulting by the International Finance Corporation (member of the World Bank Group). These focus group discussions as part of qualitative study are being implemented by EV Consulting. The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other pipeline projects aimed to support women entrepreneurship in Armenia.

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- **When you do have something to say, please do so. It is very important for us to obtain the views of each of you.**
- **You do not have to agree with the views of other people in the group.**

- We ask that you turn off your phones. If you cannot and if you must respond to a call, please do so as quietly as possible.
- Ask if anyone has any question about the rules.

Instructions for the Moderator

- Use purposeful small talks to create a warm and friendly environment before the discussion starts.
- Use 5-10 second pauses after each answer.
- Use probing questions, such as "Would you explain further?"; "Would you give an example?"; "Could you please clarify your answer?"
- Encourage discussions: question other participants ("Thank you. What do other people think?", "Does anybody else have a different thought/strategy?"), point contradicting opinions and ask other participants' opinion.
- Observe the group dynamics, try to balance the input of dominant ("Let's have some other comments.") and shy participants (Smile, call their name, make eye contact).
- Sometimes participants lead the talk in the direction that interests them and is irrelevant for the research. In that case, the moderator will have to remind the group about the research topic.

FOCUS GROUP DISCUSSION: TOPICS

Introduction

1. First, I would like everyone to introduce themselves in a few words of your own.

Business Details

2. Can you please tell us some details about your business: what does your business do, the services you provide, when and where you have established it, number of employees, what legal form does your business have (LLC, sole proprietorship, etc.).

(Instruction for moderator: Make sure everyone answers these questions, these are icebreaker questions to get the participants talking in group settings)

Business Launch and Development

3. Can you recall the moment when you decided to launch the business? What were your motivations/primary reasons/events/circumstances of starting your journey of entrepreneurship?

(follow up probing questions):

- Were you encouraged by your family members to start your own business?
 - Do you feel supported in taking risks for your business?
 - Is your business the result of a perceived opportunity or economic necessity?
 - How did you determine the sector in which your business would operate? Were there any sectors that you wanted to enter but were discouraged by your family or others around you from entering?
4. Please describe the transition of your business from a start-up to a more consolidated business? What have been the enabling factors and growth milestones?
 5. What support have you received for your business? How did you benefit, were you satisfied with the services provided?

Challenges

6. How have the main challenges for entrepreneurship changed in the transition period from a start-up to a more consolidated business? How do you address these?

(for facilitator: probe participants to elaborate on challenges in 5 key areas: regulatory environment, social norms, access to markets, access to finance, access to human capital and business support)

7. Do you think there are certain stereotypes associated with business women, and to what extent they hinder your business? Do you think these stereotypes tend to change recently?

Future Plans

8. Please share with us your plans about future developments of your business? What are your plans for the next three years? What are the key factors that might impact (both negatively/positively) these plans?
9. What specific business needs do you have for future development, i.e. partnerships, investments, human capital, etc.?

Final Questions

10. How enabling is state legislation and regulations for women entrepreneurs in Armenia? Please elaborate.
11. If you had a chance to open your business again, what would you change or would you launch it overall?
12. (Instruction for moderator: review the purpose of the study and then ask this to participants) "Have we missed anything?"

We wish you all success. We appreciate you all giving us so much of your time despite your busy schedule.

FG THEME: NEEDS AND CHALLENGES

PREPARATION AND INTRODUCTION

Welcome and thank you for volunteering to participate in our focus group today. You have been asked to participate as your point of view is important for studying women entrepreneurship in Armenia.

Introduction: My name is _____ . I will moderate the discussion and assisting me is _____ . The main aim of this research is to explore the key constraints and challenges for women in business in Armenia, discuss opportunities and your perception on development potential. Today we will discuss main challenges and needs for women entrepreneurs.

Anonymity: We are going to record the session discussion, because we do not want to miss any of your comments. Despite being taped, you may be assured of complete confidentiality. We will be on a first name basis tonight, and we will not use any names in our reports.

General: This study on Women Entrepreneurship in Armenia is commissioned to CRRC-Armenia and EV Consulting by the International Finance Corporation (member of the World Bank Group). These focus group discussions as part of qualitative study are being implemented by EV Consulting. The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other pipeline projects aimed to support women entrepreneurship in Armenia.

I want to stress yet again that what you say in this room is completely confidential. You can see that you are given cards with "Respondent X", so that no one can actually link your name to anything you say.

We have a few guidelines and rules to facilitate our discussion:

- **The most important rule is that only one person speaks at a time.**
- **There are no right or wrong answers.**
- **You do not have to speak in any particular order. You can address each other if you like. We are only here to assist in the discussion.**
- **When you do have something to say, please do so. It is very important for us to obtain the views of each of you.**
- **You do not have to agree with the views of other people in the group.**
- **We ask that you turn off your phones. If you cannot and if you must respond to a call, please do so as quietly as possible.**
- **Ask if anyone has any question about the rules.**

Instructions for the Moderator

- Use purposeful small talks to create a warm and friendly environment before the discussion starts.
- Use 5-10 second pauses after each answer.
- Use probing questions, such as "Would you explain further?"; "Would you give an example?"; "Could you please clarify your answer?"
- Encourage discussions: question other participants ("Thank you. What do other people think?", "Does anybody else have a different thought/strategy?"), point contradicting opinions and ask other participants' opinion.
- Observe the group dynamics, try to balance the input of dominant ("Let's have some other comments.") and shy participants (Smile, call their name, make eye contact).
- Sometimes participants lead the talk in the direction that interests them and is irrelevant for the research. In that case, the moderator will have to remind the group about the research topic.

FOCUS GROUP DISCUSSION: TOPICS

Introduction

1. First, I would like everyone to introduce themselves in a few words of your own.

Business Details

2. Can you please tell us some details about your business: what does your business do, the services you provide, when and where you have established it, number of employees, what legal form does your business have (LLC, sole proprietorship, etc.).

(Instruction for moderator: Make sure everyone answers these questions, these are icebreaker questions to get the participants talking in group settings)

Challenges

3. Looking back at the path you passed as entrepreneur, let's reflect on your readiness to start business: do you think you had enough skills, information, and knowledge to open business?
4. How have the main challenges for entrepreneurship changed in in different phases of your business development? How do you address these?

(for facilitator: probe participants to elaborate on challenges in these key areas: access to markets, access to finance, access to human capital and business support)

5. How enabling is state legislation and regulations for women entrepreneurs in Armenia? What are the main gaps?
6. Do you manage to devote sufficient time to your start-up? What are the challenges? How do you see overcoming them? What about family-job-life balance?

Women and Barriers

7. What do your community members think about women running businesses?
8. Do you think there are certain stereotypes associated with business women, and to what extent they hinder your business? Do you think these stereotypes tend to change recently?

Business Needs

9. Currently what specific business needs do you have for future development, i.e. partnerships, investments, human capital, information, etc.?
10. Do you receive any support from the public, private or other sources to address these? If yes, how did you benefit, were you satisfied with the services provided?

Final Questions

11. If you had a chance to open your business again, what would you change or would you launch it overall?
12. (Instruction for moderator: review the purpose of the study and then ask this to participants) "Have we missed anything?"

We wish you all success. We appreciate you all giving us so much of your time despite your busy schedule.

ANNEX 4: In-Depth Interview Guide - Covid-19

PREPARATION AND INTRODUCTION

Welcome and thank you for volunteering to be interviewed. You have been asked to participate as your point of view is important for studying women entrepreneurship in Armenia.

Introduction: My name is _____. The main aim of this research is to explore the key constraints and challenges for women in business in Armenia, explore opportunities and your perception on development. This interview will be on COVID-19 situation and impact on business.

Anonymity: We are going to record the session discussion, because we do not want to miss any of your comments. Despite being taped, you may be assured of complete confidentiality. We will be on a first name basis tonight, and we will not use any names in our reports.

General: This study on Women Entrepreneurship in Armenia is commissioned to CRRC-Armenia and EV Consulting by the International Finance Corporation (member of the World Bank Group). The in-depth interviews with women entrepreneurs as part of qualitative study are being implemented by EV Consulting. The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other pipeline projects aimed to support women entrepreneurship in Armenia.

IN-DEPTH INTERVIEW: QUESTIONS

Current situation

- current status of the firm - (still operational, temporarily closed, permanently closed)
- any changes in:
 - employment,
 - revenues/sales,
 - reduction of work capacity
 - business models
 - cashflow

Measures undertaken by firm to mitigate COVID-19 impact internally:

- change in sales channels, e.g. online
- change in work mode, e.g. working from home
- changes in staff - retention/firing, change in remuneration level/pay modes
- changes in getting supplies

State support program

- access to support programs (both government or other public money, donors, etc.)
- current needs: financing (for what? – loan repayment, rent, staff wages, etc.), online sales platforms, legal, etc.
- awareness on support programs
- perception on programs most relevant for businesses, etc.

Towards the future:

- expectations and uncertainty
- perception on resuming the normal operations (think about different scenarios)
- plans on changing business model (for example, wider application of digital tools, ecommerce, other technologies, changes in staff, products/services)
- new opportunities emerged because of COVID-19

Thank you very much for your time

ANNEX 5: In-Depth Interview Guide - Stakeholders

GOVERNMENT/STATE STAKEHOLDERS

PREPARATION AND INTRODUCTION

Welcome and thank you for readiness to be interviewed. Your point of view is important for studying women entrepreneurship in Armenia.

Introduction: My name is _____. The main aim of this research is to explore the key constraints and challenges for women in business in Armenia, explore opportunities and your perception on development.

Anonymity: We are going to record the session discussion, because we do not want to miss any of your comments. Despite being taped, you may be assured of complete confidentiality.

General: This study on Women Entrepreneurship in Armenia is commissioned to CRRC-Armenia and EV Consulting by the International Finance Corporation (member of the World Bank Group). The stakeholder interviews with women entrepreneurs as part of qualitative study are being implemented by EV Consulting. The results of the study will be used to develop recommendations that will inform the final design of the capacity building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other pipeline projects aimed to support women entrepreneurship in Armenia.

1. Can you please introduce yourself? Your name, state body/organization, position.
2. How do you perceive state policy towards women entrepreneurship? Is there such vision, policy, actions that you are aware of?
3. How is your organization related to women entrepreneurship policy, development/ implementation/support?
4. Can you please elaborate on your target audience, main goals, outcomes, in the context of women entrepreneurship?
5. Do these policies/programs support women entrepreneurs in the (a) start-up or (b) consolidation stages?
6. What are the plans for future?
7. Do you know other state bodies involved in the implementation/support of policies/ programs related to women entrepreneurship programs?

8. Do you collaborate with them and in what forms?
9. How would you evaluate the overall business environment for women entrepreneurs in Armenia?
10. According to you what are the main economic sectors, geographical areas that women entrepreneurs are engaged in Armenia? How would you explain this?
11. Can you please outline the main needs that women entrepreneurs have in Armenia?
12. How supportive is Armenia's legislation and regulations with regard to women entrepreneurs? What are the main strengths and gaps?
13. What good examples of state support to women entrepreneurs can you recall? Are you aware of failures?
14. What kind of support do you think the state shall provide to enhance women entrepreneurship in Armenia?
15. Do you think the state policy on women entrepreneurship has changed after the Velvet Revolution of 2018? How?
16. In your opinion, what are the reasons that women are less involved in entrepreneurship in our society? What stereotypes and other obstacles are there that hinder women entrepreneurship in Armenia?
17. In your opinion, what does the future of women entrepreneurship look like in Armenia?
18. (Instruction for interviewer: review the purpose of the study and then ask the stakeholder) "Have we missed anything?"

Thank you very much for your time.

CIVIL SOCIETY, INTERNATIONAL DONORS AND OTHER STAKEHOLDERS (APART FROM THE STATE)

PREPARATION AND INTRODUCTION

Welcome and thank you for readiness to be interviewed. Your point of view is important for studying women entrepreneurship in Armenia.

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INTERVIEW QUESTIONS

1. Can you please introduce yourself? Your name, organization, position.
2. How is your organization related to women entrepreneurship?
3. Can you please describe your organizational initiatives to promote and support women's enterprise development? Are these in (a) start-up or (b) growth stages? Please elaborate.
4. Can you please elaborate: your target audience, main goals?
5. Who are your main partners?
6. How did the program start? What was the background and rationale?
7. What challenges do you encounter? What success stories do you have, what failures can you recall?
8. What other organizations do you know in women entrepreneurship sphere? Do you collaborate with them?
9. How would you evaluate the overall business environment for women in Armenia?
10. What state policies/programs are you aware of that support women entrepreneurship development in Armenia?
11. How supportive is the legislation and regulations in Armenia to women entrepreneurs? Are there any specific obstacles that you can recall?
12. What needs to be done by the state to strengthen enabling environment for women's entrepreneurship development?
13. According to you what are the main economic sectors, geographical areas that women entrepreneurs are engaged in Armenia and why?
14. In your opinion, what are the main motivations and reasons for women to start entrepreneurial life?
15. Can you please outline the main needs that women entrepreneurs have in Armenia?
16. Do you think the state policy on women entrepreneurship has changed after the Velvet Revolution of 2018? How?
17. In your opinion, what are the reasons that women are less involved in entrepreneurship in our society? What stereotypes and other obstacles are there that hinder women entrepreneurship in Armenia?

18. Are you aware of existing networks of women entrepreneurs? What do they do?
19. What potential partnerships in the area of women entrepreneurship would your organization be looking for?
20. Do you plan to continue women entrepreneurship support activities in near future? In what forms?
21. In your opinion, what does the future of women entrepreneurship look like in Armenia?
22. (Instruction for interviewer: review the purpose of the study and then ask the stakeholder) "Have we missed anything?"

Thank you very much for your time.

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