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*A.-M. Sütre***‘SOVIET HERITAGE’ AND WOMEN’S ENTREPRENEURSHIP IN RUSSIA**

In Russia, as in most other countries, differences between men’s and women’s entrepreneurial activities can be observed. This article, however, looks specifically into differences that can be linked to the survival of norms from the Soviet time. These are related to the rather different societal roles women and men had in the Soviet system as determined by the needs of the state in the building of socialism. The main argument here is that Soviet norms on gender relations continue to shape gender roles in contemporary Russia, which also contribute to explain the character of women’s entrepreneurship in today’s Russia. The empirical data is based on observations and qualitative interviews in two Russian regions in 2002-2016.

Keywords: domestic policy, social structure, female entrepreneurship, gender roles, Russia, Soviet norms, institutional theory.

Introduction

The aim of this article is to analyse how surviving norms from the Soviet time in a broad sense continue to shape women’s entrepreneurship in contemporary Russia. The analytical framework is based on North’s [15] categorisation of four main kinds of institutions which influence the way a society develops: legal rules, organisation forms, enforcement, and behavioural norms. ‘Institutions’ are all the restrictions that humans have created to regulate interaction in society. While formal rules can be changed by political decisions, informal rules, such as behavioural norms that are rooted in society, are not quickly changed. Here, I will, especially, pay attention to gender division.

Survival of informal institutions is often assumed to hinder development and change. Sometimes, however, they could facilitate change. One such feature is the ‘entrepreneurial’ skills of women, which they needed in the everyday life of the Soviet Union. In many cases such skills have been preserved and transferred to new generations, but the environment has changed. The main aim here is to analyze how surviving norms regarding women’s societal roles from the Soviet time have facilitated women’s entrepreneurship in post-Soviet Russia.

The empirical data is based on research in two Russian regions, including observations and interviews conducted between 2002 and 2016 in four communities in Arkhangelsk *oblast*. The interviews were made within the framework of the longitudinal follow-up studies of a development project by the Swedish International Development Cooperation Agency, SIDA, which began in 1999. The goal for this project was to help individuals to start their own businesses in a local context in Russia. 15 persons took part in this project. I have interviewed 11 women, three men and the mother of a woman who was not interviewed¹. The theory and the theoretical analysis in the present paper have been developed through an iterative process, starting after the first observations and interviews at the earlier visits in Arkhangelsk *oblast* in 2002–2003. The main questions concerned how they have been able to develop their businesses, what hinders they experienced, how they met these difficulties, and what resources they have used. I interviewed the three women who were still running businesses in 2014 and some of the other participants several times in the years 2003, 2005, 2006, 2008, 2011, 2012, 2013, 2014 and 2016, and have also on a few occasions interviewed some of their family members. In order to highlight overall circumstances, interviews were also carried out with other individuals who have either succeeded or failed in starting their own firms, as well as with authorities and politicians at the community level and their counterparts at the lowest political level on their experiences of

¹ The project involved education in business development, which included assistance in developing business plans in 2001, law, and a study visit to Sweden, where they visited individual entrepreneurs within the same business sphere. In 2016, three of the women were still running their businesses, although two of them in their daughter’s name. One of the men had been able to set up a Swedish-Russian timber-cutting firm in 2003, with a Swedish companion was out of business in 2008, but back again in 2012. Some of the others who had tried were running their businesses without being registered. Three of the women had engaged in local politics, of which in 2016, one was a vice-mayor in one of the communities and another was head of administration at the lowest political level in one of the other communities. One of the men had died and one of the women had moved to St Petersburg.

and views on entrepreneurship. As politicians have been frequently replaced, I had the opportunity to conduct interviews with quite a few different mayors and vice-mayors along with their counterparts at the lowest political level. The main aim with my regular visits was to hear about most recent developments concerning both their businesses and their local communities. (The communities have not been specified in order to preserve anonymity and confidentiality).

In addition, the article draws on a research project on poverty, which included a survey and qualitative interviews in two communities in Nizhny Novgorod *oblast* in 2011 and 2013-14. The interviews were conducted with local residents and families experiencing poverty, professionals from local social welfare departments and representatives of the local administration.

Institutional theory and the gender dimension

In the Soviet Union, the image of the “working mother” came to dominate the female identity, which became constructed upon the double burden of domestic care duties and full-time paid work [9]. The gender contract that relies on women’s double burden is also characteristic of the contemporary gender order [1; 10]. Analyzing developments in the 1990s and onwards, one could easily find striking similarities with earlier experiences [14]. Just as in the years around the revolution, in the early years of *perestroika*, there were basically two different directions of women’s engagement to improve women’s situation in society. On the one hand, we can see those who attempted to increase women’s influence in society, and on the other hand, we can see those who promoted women’s traditional situation, given their “natural” responsibility for the family and social security. In the 2000s, just as in the 1930s, the second line of the women’s engagement came to dominate the development. As earlier research shows, this is also reflected in the private sphere. Russian women in general do not tend to question the gender division of household duties, and they view the domestic sphere as a natural female responsibility [7]. Women continue to carry the main responsibility for domestic duties and childcare, while they play a key role in forging and maintaining the family’s social networks. In the Soviet Union, women were commonly responsible for social policies. Women continue to take this responsibility at all political levels in post-Soviet Russia [3; 11; 13]. Also, women’s social activism seems to survive, despite hardening restrictions on NGOs as expressed in the new law from 2006.

Gender relations in the Russian labour market show remarkable consistency with the Soviet era [6; 18]. Women have preserved their presence in the labour force, and the labour market continues to be heavily segregated by gender. The relative wages of female-dominated and male-dominated sectors have not changed much since the Soviet era [8]. In addition, gender divisions that are characteristic of the Russian labour market can also be identified in the business sphere. This means that women have developed small-scale businesses in the fields of retail trade, services, child care, healthcare, education, dressmaking, knitting, handicraft and fruit and/or vegetable production[5].

Although North [15] mentions women’s role in society as an example of an informal institution, he does not provide any further elaboration. Adding the gender dimension to institutional analysis highlights, however, crucial features of Soviet society. In the Soviet Union, while industry and agriculture were formally completely integrated in the state system of planning, social services were only partially integrated. As a result, social issues remained partly outside of the planned target system and were to be dealt with in the informal sphere. Actors were left to look for solutions for social problems outside the hierarchical structures for planning. Taking the prevailing family model, women had to be entrepreneurial in a broad sense in the Soviet system.

The continuity of women’s role in society and surviving norms

It is often argued that survival of norms of behaviour from the Soviet system is unlikely to promote business development. In North’s terms, surviving habits of obedience and “playing it safe behavior” do not promote entrepreneurial thinking [4]. A number of risks, uncertainty, bureaucratic obstacles and large firms already in place are some of the reasons that have been mentioned in the literature. But the survival of norms could also facilitate change. In particular, cultural norms and values help shape women’s intentions to set up a business [22].

Khotkina [9] argues that the increasing unemployment among women in 1990 to 1998 corresponds to a transfer of millions of women from the legal economy into various ways of earning incomes in the informal economy, including non-registered self-employment. Increasing employment of women in female-dominated

sectors such as trade, education and services since 1998, where women have also started their firms, however, suggests that women have been able to use their entrepreneurial experience from the informal sector to improve their situation in the business sphere. Coaching, private lessons, translation and sewing are all examples of moderately paid activities where women get rates for their services depending on how well-educated or highly qualified they are. Women might also have benefitted from a positive attitude towards female entrepreneurship, as they are believed to take responsibility and to be trustworthy in their business relations, driven by the need to support their families and running businesses with social aims [2].

For example, in 2011, there was still no dairy in a municipality. A politician at the lowest local level believes this was because the men who planned it did not have enough patience. "If it had been women, it would have been done", she says (Interview, 2011).

A continued double burden explains why women are not prepared to take risks and that they are reluctant towards taking loans; they prefer to develop their businesses in a gradual and safe manner [17; 21]. In my data, the majority of women either ran the household themselves or at least were responsible for organizing it. There are also examples of how households have used the possibility to hire cheap labour to employ enough staff to take care of household duties as well. The development of the tourism business with the gradual expansion in the number of employees has facilitated life for the private household, which has benefitted from cooking, cleaning, building repairs, maintenance of vehicles and even on some occasions child-care (Interview, owner of a tourism firm, 2008 and 2011). One woman solves her own family's needs for meal preparation, laundry, carpentry and car repairs as part of her business. One of the employees is also an "extra mother" to the youngest son, and she is available around the clock. These findings are also indications of an emerging new division of labor as observed by Salmenniemi *et al.*, [17], and compatible with earlier research which found that extended families had a crucial role in making post-socialism survivable [12; 16].

It also has to do with the survival of the state policy that prioritizes production over social security. Such a priority implicitly accepts the image of the "working mother" and thus imposes the "double burden" as a residual element. Here, we find the survival of entrepreneurial behaviour dealing with shortcomings resulting from the low-priority status of social issues in the Soviet system. Data from both Arkhangelsk and Nizhny Novgorod *oblast* show that such shortcomings were solved by women's horizontally organized informal networks of mutual support or care.

Although social policy partly continues to be financed by the state, it is organized in a new way. It is indicated that women who are responsible for social welfare have to find sponsors by themselves, for their regular activities [20]. Being responsible for organizing social welfare, women working in the social sphere have created their own support networks for this. They use relations to create resources. Their agenda might be unclear, and it is clearly larger than the directives they might be subject to from above. They are also actively working to increase available resources by for example applying for projects, striving to participate in state programs and collecting charity [20]. Interviews provide examples of how local politicians use their entrepreneurial skills to compensate for inadequate financial resources. A mayor in a rural community and a director of the department for cultural affairs, both females, encourage entrepreneurship by advising people how to apply for funds for projects (Interview, 2003). I hear about similar activities in another community, also at later visits, how officials promote cultural activities, education and local development groups, to make people more self-content, thus imposing a change in mentality of people towards seeing opportunities and taking action (Interviews, 2011 and 2012). Politicians are actively taking part in starting cultural organizations, trade unions and women's councils. They promote the starting of social NGOs, which are used for applying money from welfare funds at higher levels [19].

Another norm that has survived is the active role of women in ensuring survival of local places. Through their non-paid voluntary work as well as through paid work, they continue to be entrepreneurial in a broad sense. This means that women can be expected to continue to solve problems that "fall between the chairs". The continued "double burden" manifests itself not only in the economic sphere but also reflected in politics, where women continue to take responsibility for social welfare [13]. The reliance on women's double attachments continues, including females' roles as local officials responsible for social affairs and their engagement in the women's councils. In answer to the question about where women get their strength, a former female vice-mayor responsible for social issues replied in the following way: "Women are focused on how to survive, they are not aggressive and they do not have to prove anything" (Interview, 2005). Another answer was: "Women have themselves and their own strength, they do not count on anything else" (Interview, vice-mayor, 2006). Another female vice-mayor emphasized how her grandmother had been her best

teacher. From her she learnt how to bargain in various ways, when it is important to be a diplomat and how to avoid problems. She said:

It is about being able to talk in front of other people and to know your history. It is what you actually do that matters. As a Russian woman you are used to surviving, you simply have to. It is not about experience from your work life, training or education, it is an instinct, a habit (Interview, 2008).

Gradual business development based on personal relations

The results from the interviews show that women have started up new businesses in different ways. The shut-down or privatization of state firms has sometimes implied opportunities for former employees to take over equipment or the firm itself from the state.² Some of the interviewed have started up slowly, and the invested money has been saved up gradually within the firm. One woman, for instance, has only after twelve years started to make some money. She developed her textile enterprise slowly, and did not invest in new technically advanced machines until there was enough capital within her own enterprise (interviews 2003, 2005, 2006, 2008, 2012). She was sewing on orders only, due to the limited buying capacity in the local sphere. These orders included ladies clothes, costumes and work clothes for firms and textiles, towels and tablecloths to restaurants. She said her expansion in the local community was limited by a lack of skilled staff. Her solution was to educate her staff herself. In 2008, she had opened a new shop in a town 400 kilometers away. The number of employees had increased to 18. She had also expanded her activity to the sewing of curtains and design of interiors. She learned by attending special courses in the town. Another example is a tourist enterprise that has been built up gradually, step by step (interviews, 2003-2016). An example from Nizhny Novgorod *oblast* is a hotel and shop owner who started by selling oranges in the 1990s (interviews 2013-14)

One strategy to obtain financial capital has been to engage in trade through the running of shops. A couple that started a sports school, free for children, was interviewed. Their salaries are paid by the state. This couple had earlier run a shop in the village together with some relatives. Although they earned very little from this shop after the payment of salaries, taxes and repayment of loans, some money was left to put into the development of a business within tourism. As they let the shop for rent, they got money to build a house of their own to live in as well as other houses (the timber you need for building your own house to live in is free). The tourism business has been built up step by step. In 2016, nine houses were made available for rent to tourists, the first of which had been built in 2003. From the money they earned they have also been able to build two saunas, a restaurant and a building for administration and selling souvenirs. Gradually the ski and tourism centre is being developed partly by state money and partly and increasingly with money from the private sector. In 2014 the owner explains that her business is big enough. They had cross-country skiing teams from the Ukraine and Belarus, training for the Olympic games.

Starting capital can be earned in one way or the other. In most cases several of the above-mentioned strategies were combined, something that reflects the difficulties of getting hold of the necessary financial means.³ Some of those who have tried to get licenses without success run their businesses without being registered and the community knows it, and those interviewed could give clear illustrations. One example is the tourism firm which by the end of 2006 had not yet been able to get a license due to problems of getting land registered. The manager felt unsafe as they had built houses without being registered as legal owners of these (interview with the female manager, 2005). In this case it is the legislation of ownership of land that is not yet developed, something that is scheduled to take place in each community in Russia. Finally, by the end of 2006 she was registered as the owner of the land, and thus of all eight houses. This is important to her, some of the uncertainty is gone, and she has the possibility of selling a house if she wants to (interview, 2011). The person who had tried to start a processing firm for berries and mushrooms for almost five years was able to register in mid-2007, but in her daughter's name, in the framework of a family business in the same village. Until then she was running her business without a license as well (interviews 2005, 2006 and

² This was how individuals started after the privatization reform in 1993 (interviews with owners or managers of firms in the textile, agriculture and dairy business, 2003 and 2005).

³ Some of the invested money in the textile firm, for example, comes from the husband's timber cutting earnings (interview, 2005).

2008). A few years later, the gradual expansion had allowed them to employ three young persons from the local village (interview, 2012).

Others run businesses although not the one they had planned. Most individual entrepreneurs with a license are found in the trade sector. Some households are entirely self-subsistent. Some of the business ideas are part of local development projects that rely on considerable amounts of non-paid work. Female entrepreneurs are found within trade and forestry, but also within cultural tourism, which builds on historical places and is connected with special events in the past.

Some of the female businesses in one of the communities also buy from each other. The ski and tourism centre, for example, order caps, ski vests and pants, including embroidered clothing, from the textile firm (interview, 2003). Also, the largest entrepreneur orders working clothes for its staff from the textile firm (interviews 2003, 2005, 2006, 2008 and 2012). In such a way a network-based development is achieved, although it is as one of them puts it, "directly controlled by the most solvent entrepreneurs".

From the interviews it seems rather clear that a perceived arbitrary enforcement of rules by political and juridical organisations leads to uncertainty and general problems of trust. Some potential female entrepreneurs felt that their possibility to set up a business depended very much on how administrators deal with the different licenses that are needed. Several explicitly said they did not want companions from outside the family.

Conclusions

Institutional factors have an important influence on the nature and extent to which entrepreneurship develops. This article analyzed how the nature of the institutional factors exert influence on women's entrepreneurship in Russia. Although formal institutions such as legal rules and regulations allow for the possibility of women's business development, informal institutions can both restrict and facilitate the development of these. Gender distinctions play a role in the priority structure, which has survived from the Soviet period, along with its gendered nature. By focusing here on the facilitating impact of surviving norms on women's entrepreneurship, the present article has highlighted how the survival of women's entrepreneurial skills from the handling of various shortcomings in the Soviet time, has also facilitated women's entrepreneurship in a broad sense.

Former female-dominated non-priority branches seem to have been able to transform as those managing these were used to heavy shortages and already had acquired behavioural norms consistent with a market economy. It seems more common that employees from these sectors have been able to take over equipment and start their own firms directly after the privatization reforms in the early 1990s. Some of these firms have survived for a long time, while others have been purchased, or simply closed down.

The interviews illustrate that there are many new possibilities for potential entrepreneurs, even if there are so many possible and sometimes unpredictable obstacles to overcome. Women have set up firms in trade, but firms have also been set up to process timber, berries and mushrooms and agricultural products, or within the textile branch, hair-cutting and tourism. Interviews from both Arkhangelsk oblast and Nizhny Novgorod *oblast* support the impression that it is more difficult to start small businesses in recent time than it used to be just after the privatization reforms. The research provided examples of individuals mobilizing private entrepreneurs to provide support to charity. However, the strong tendencies of women being entrepreneurial in a broad sense through voluntary work, creating projects for local development, was not supported by the data from the Nizhny Novgorod *oblast*.

The analysis shows that it was important to incorporate norms connected to women's societal roles to the institutional theory. The survival of norms might, however, imply that women's entrepreneurship tends to conserve some features. Although the survival of such norms tend to prevent changes, in their case the possibility to start private businesses has in fact opened up new ways for women to fulfill their different societal responsibilities.

The continuation of the gendered labour market from the Soviet time is reflected in women's entrepreneurship: the slow step-by-step development, development based on personal relations, and the tendency to rely on several sources of income. Among women, however, a new division of labor also seems to be emerging in which those who are able to develop private businesses use hired help to ease their own double burden. Although there are examples of females who have managed to build up businesses, women continue to solve everyday problems by means of various traditional strategies for entrepreneurship and survival.

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A.-M. Campe**«СОВЕТСКОЕ НАСЛЕДИЕ» И ЖЕНСКОЕ ПРЕДПРИНИМАТЕЛЬСТВО В РОССИИ**

В России, как и в большинстве других стран, можно наблюдать различия между предпринимательской деятельностью мужчин и женщин. В этой статье, однако, конкретно рассматриваются различия, которые могут быть связаны с сохранением норм советского времени. Они связаны с довольно разными социальными ролями, которые женщины и мужчины выполняли в советской системе, определяемой потребностями государства при строительстве социализма. Главная идея статьи в том, что советские нормы в сфере гендерных отношений продолжают формировать гендерные роли в современной России, что также способствует объяснению характе-

ра женского предпринимательства в современной России. Эмпирические данные основаны на наблюдениях и проведенных интервью в двух регионах России в 2002–2016 гг.

Ключевые слова: внутренняя политика, социальная структура, женское предпринимательство, гендерные роли, Россия, советские нормы, институциональная теория.

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