

# Women's Path in the Transitional Economy of Russia *From Unpaid Work to Business*

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*Cet article examine la façon dont les femmes se sont adaptées aux changements du marché en Russie, le travail des femmes, les salaires selon le sexe, la durée du travail et la structure des groupes sociaux (avant et après la crise de 1998), les stratégies d'adaptation aux activités du monde des affaires, ainsi que des évaluations de leur efficacité.*

The informal economy plays a key role in the present-day Russian. The relationships and tradeoffs between paid and unpaid work are therefore crucial for understanding Russian women's economic participation. Over the last decade, incomes obtained in the formal sector of the economy have dropped substantially ("Doklad o razvitii cheloveka za 1995 god."). Unpaid work<sup>1</sup> and non-declared or hidden paid work (including trade, informal finance, barter, and mafia or black market activities) have become a way for people to maintain their material well-being or adapt to its deterioration. The growth of household production and production on small farms (mostly of agricultural goods and services) is aimed not only at everyday subsistence needs within families, but also for savings or a safety net for the uncertain future.

One problem with this unpaid or informal sector work is that it is not officially recognized, which leads to "underestimation of total public product, and the contribution to the economy made by many people, in particular by women, remains unrecognised and unremunerated" ("Socialnoe polozenie i uroven zjizni naselenija Rossii" 87).

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en's work plays a very important role in providing societal stability and families' survival. This paper outlines some of the implications for women of Russia's recent economic restructuring and discusses women's role in the Russian economy as a whole.

## **Changes in Russian Women's Employment**

In the pre-reform period before 1989, women's participation in the public sector of the economy was very high. From 1992 to 1998, due to the significant downturn in Russia's manufacturing industry, and overall economic activity, women's participation rate decreased from 82 to 73 per cent (and men's dropped from 87 to 78 per cent) ("Statisticheskij Bulletin"). Many women have moved from active participation in the formal labour market to the unpaid work of the household. During this same period, the level of em-

ployment for working-age women decreased from 77 to 64 per cent while the unemployment level increased from five to thirteen per cent ("Socialnoe polozenie i uroven zjizni naselenija Rossii"). Since 1998, economic activity has increased and the unemployment rate dropped to around ten per cent by 2001 ("Obsledovanie naselenija po problemam zanjatosti").

Young women (20-29 years old) left the labour force in larger numbers than young men, not to have children or because husbands are insisting they stay home, but because of a lack of suitable jobs ("Statisticheskij Bulletin" 7).

There is also a marked difference in employment levels between urban and rural areas. In rural areas the number of women who do not work outside the home is 1.6 times higher than in urban areas. Since 1994 these numbers have increased (among women from 22 per cent to 30 per cent, among men from 15 per cent to 25 per cent). The tight job market in rural areas obliges people to be more active in household private farming.

Many women have abandoned the labour market after losing hope of finding a job, especially in rural areas. This is one of the main reasons for the declining number of women among the unemployed. Nevertheless, among the registered unemployed they are still in the majority (72 per cent in 1992, 65 per cent in 1998, and 68 per cent in 2000) ("Socialnoe polozenie i uroven zjizni naselenija Rossii"; "Doklad o razvitii chelovecheskogo potenciala v Rossijskoj Federacii").

From one point of view, women's decreasing participation in the for-

mal economy may indicate an amelioration of their total workload, but their unpaid work in the household and private farming has increased (Gvozdeva and Rostovtsev). Increasing gender segregation is evidenced by the quick growth of the Duncan Index (from 28 in 1980 to 31 in 1990, and to 35 in 1999) (estimated on the basis of data from "Socialnoe polozhenie i uroven zjizni naselenija Rossii"). Women are concentrated in lower-paid public service, administration, and service occupations.

A small minority of women try to establish their own businesses. In 1996, 18 per cent of managers of small enterprises were women. Half of those ran trade and public service enterprises while a fourth were in charge of industrial and/or construction businesses. The special difficulties facing women business owners are discussed below.

### **Differentiation of Monetary Incomes**

How have recent changes in Russia's economy affected the relationship between men's and women's incomes? While in the U.S. the gender gap in wages seems to be declining (Blau, Morgan), in Russia market transformations have had the opposite result. In 1989 the wages of women in different age groups were 70-75 per cent of men's wages, but by 1994 the difference had risen, especially for younger women: in the 20-24-year-old age bracket, women received 56 per cent of the average male wage, and in the 25-29-year-old age bracket it was 60 per cent ("Doklad o razvitii chelovecheskogo potenciala v Rossijskoj Federacii. God 1998"). In a few professions, women and men are paid equally: teachers, house-painters, flight attendants ("Men and Women in Russia").

Russian Longitudinal Monitoring Survey (RMLS) data<sup>2</sup> for all of Russia, show that in Moscow and St. Petersburg the gap in monetary incomes between men and women is

the largest. Employed men make 1.8 to 2.1 times what women do. In other urban and rural areas the gap is lower. Nevertheless, the wage gap between men and women rose steadily until 1998. The 1998 financial crisis has considerably reduced this gap partly because men in high-paying jobs have had their wages decreased, while others have lost their jobs as a consequence of the financial crisis.

### **Differentiation in Work Duration and Structure**

RMLS data on the duration of basic activities in a week allow a gender analysis of tradeoffs between paid and unpaid work. (Note that the data refer to October when work in gardens and kitchen gardens decreases). They show a decline in time spent in household work, including cooking, laundering, cleaning, etc.

Inequality in the sphere of unpaid work is shown in that women with lower money incomes have to work more in the house and on household plots. For example, in the autumn of 1996 unpaid work among employed rural women was 23 hours a week longer than among their husbands, eight hours longer than among their urban counterparts and 26 hours longer than among urban men. And although paid work among men was five or seven hours a week longer than among women, it is obvious that women did far more unpaid work than men. On the other hand, men, especially rural men, did most of the heavy work in private farming (for example, care of cattle). The gap between men and women and between urban and rural unpaid work had decreased by 1998 as had differentials in monetary incomes. This was a result of the reallocation of the average work load (unpaid work in particular) for those employed who had become employed unemployed. Thus, as women and those living in rural areas lost their jobs, their workload decreased.

Overall, pensioners have lower incomes than the employed, and try to off-set this by doing more unpaid work, primarily on private household plots.

Non-working women, ages 18-65, are mostly occupied with care of children and housework. But the participation of non-working men in housework is limited to about the same amount as among male pensioners. This again confirms the rigid division of housework into male and female activities and the reluctance of unemployed men to take on themselves additional household duties.

### **Adaptation through Business Initiatives**

Russia's transition to a market economy considerably expands the choice of behaviour strategies which can increase women's chances for successful adaptation. More educated women are in a better position to take advantage of the new realities than less educated women, and this leads to misunderstanding social tensions between those who can benefit from the advantages of the market economy and those who are alienated from them.

According to the latest results of the RMLS, many women are adapting through increasing their unpaid work, but a few ambitious women choose private enterprise as an advanced way of adaptation. On one hand, a business undertaking expands freedom and control over working activity, and, on the other, it requires of women special efforts. A special danger is in connection with the growing criminal situation in business and the very real potential physical risks to business-women's safety. Fewer than 20 per cent of business owners are women.

Women's adaption strategies to Russia's economic crisis and new realities have varied widely. Some switched jobs or found a secondary job, came over to a private enterprise, or began to spend less money and time on leisure and more on

business. Four times as many underwent retraining in order to get a more suitable job. Many changed their patterns of consumption: they economised on food and clothes, asked for material assistance from their relatives and state authorities, sold domestic possessions or goods, or changed housing in order to economise. In other words, they have tried any possible way to diminish their expenditures and increase incomes. Only eight per cent of women switched paid jobs but one of five women increased her household small-farm production. According to self-assessments, those who tried to take advantage of market opportunities by starting new enterprises were generally successful and pleased with the results.

The household has become the main arena of changes of activity for most women; more intensive work on household plots is common to all groups, especially in villages.

The financial crisis of 1998<sup>3</sup> has made imported goods relatively more expensive and, thus, promoted the development of Russian businesses in manufacturing and services. The search for new ways of increasing material well-being is implemented actively by women. Resale of consumer goods ("making trips to purchase goods for sale") has become a prevalent means of adaptation to the new economic environment among enterprising people, and it has been used by almost half of women and about 20 per cent of men.

### Conclusions

In Russia, there is ongoing and increasing discrimination against women in both paid and unpaid work. This is related to gender segregation in workplaces and occupations, gender related wage inequities, lower opportunities for women's promotion, a higher probability that women remain unemployed, and a higher probability of long term unemployment for women.

The most effective measures to

address economic discrimination against women are programs that promote women's competitiveness in the labour market, their self-employment and their business initiatives. In the unpaid and household sectors, eliminating discrimination against women is an especially difficult task involving intergenerational and intergender cultural change on many levels. The impetus and crucial role must come from women's organizations, armed with information and new economic potentialities.

*This work was supported by the Russian Humanitarian Academic Foundation, grant No: 00-02-00269a. The authors thank the Federation for its assistance.*

<sup>1</sup>"Unpaid work" is defined as work in the house (washing, cleaning, preparation of food, repair of household goods, and etc.), household-small farm (work on private plots, tending cattle) as well as care of children, old people and invalids. Part of the produce of small household farms may be sold and the work involved then becomes paid not declared. As it is difficult to single out this part of housework and since this represents a relatively small fraction, undeclared paid work is here combined with unpaid work.

<sup>2</sup>Empirical results are based on the data from the Russian Longitudinal Monitoring Survey (RMLS 1994, 1995, 1996, 1998—more than 10,000 respondents in each wave). The RMLS collects data on incomes, health, and the duration of paid and unpaid work. Data are provided on one week in October/November. The RMLS data permits us to demonstrate the differences in the work structures of various groups, as well as the impact of the 1998 financial crisis.

<sup>3</sup>In August 1998 the Russian Federal Government declared default, and as a consequence the ruble/dollar exchange rate increased dramatically.

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