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DISSERTATION

CONTEMPORARY RUSSIAN WOMEN: ENTREPRENEURING FOR SURVIVAL

Submitted by

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School of Education

In partial fulfillment of the requirements

for the Degree of Doctor of Philosophy

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Fort Collins, Colorado

Spring, 1999

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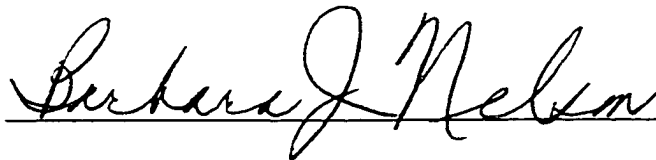
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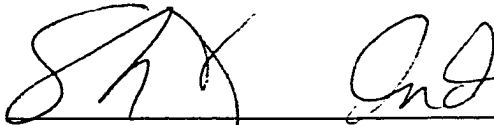
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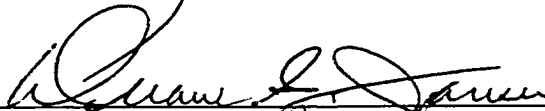
WE HEREBY RECOMMEND THAT THE DISSERTATION PREPARED UNDER OUR SUPERVISION BY SUSANNE E. JALBERT ENTITLED: CONTEMPORARY RUSSIAN WOMEN: ENTREPRENEURING FOR SURVIVAL BE ACCEPTED AS FULFILLING IN PART REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY.

Committee on Graduate Work









Advisor



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ABSTRACT

CONTEMPORARY RUSSIAN WOMEN: ENTREPRENEURING FOR SURVIVAL

In Russia dismal economic conditions, unemployment rates of 70 to 80 percent, and divorce impel women towards entrepreneuring. How do women in a nation converting from a planned economy to a demand economy acquire requisite attributes and skills to grow businesses? Tremendous obstacles such as accounting, banking, legal, taxation, registration as well as the Mafia inhibit an entrepreneur's progress. This research explores how and why in a transitional economy Russian women today are using small business creation to adapt to an evolving market economy.

On-site field research based on a mixed method phenomenological design was conducted from July to December 1998 in the Novgorod Oblast of Russia. The dominant qualitative element sought to hear the voices of Russian women entrepreneurs. Interviews were conducted in-person, in-depth, and audiotaped with 13 information-rich women enterprise owners. The quantitative portion of distributing surveys to 200 women entrepreneurs in the Novgorod region netted a return rate of 37 percent.

The interviews, surveys, and field observations were triangulated to reflect contemporary female entrepreneurial

experiences during Russia's historic transition. The findings revealed that women average 38 years of age, 65 percent are college educated, 65 percent are married with two children, 50 percent own 100 percent of their businesses, 79 percent are engaged in service or retail industries, 61 percent reported a role model, and women currently average four years in business.

Overall this study revealed that small and mid-sized enterprises do empower women by:

1. contributing to family expenses,
2. feeling more self-confident,
3. discovering a degree of optimism,
4. changing their outlooks and expectations of society,
5. knowing that the business can be passed on to children, and
6. recognizing positive changes in their community status, family position, leadership roles, mentoring responsibilities, and personal economics.

Desperate to put milk and bread on the table for their children, women entrepreneurs are defying communist norms, instead of doing what they are told to do, they are replacing this antiquated thought with doing what must be done.

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To my family, faculty committee, friends, colleagues, and Ph.D. cohorts who listened, suggested, supported, advised, agreed, disagreed, reassured, and applauded my efforts ...

Spasiba Bolshoiya!

DEDICATION

The title alone demonstrates that this dissertation is distinctly devoted to stalwart, industrious, creative, and determined Russian women. Moreover, it is dedicated to women of the world who came together united by a common cause in Beijing, China at the Fourth United Nations Conference for Women.

We came together to promote peace, development, and equality.

Though we have traveled far, we have even further to go. The voices recorded here are dedicated to women's united, resolute progression into the future. The words to our marching music are, "Keep on moving forward!"

And so we shall.

You can fall asleep to dream or
you can dream to change the world.

Frantz Fanon (1925-1961)

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CHAPTER I

INTRODUCTION

In a risk-laden environment transitioning from a command to demand economy, Russian women entrepreneurs are troubled by many barriers: some real, some perceived, and some self-imposed. Yet, women are motivated to become entrepreneurs under confounding conditions. Two key reasons explain why Russian women are leading the charge to become entrepreneurs. The first reason is economic survival. Entrepreneurship is an expedient means for meeting daily needs. Since employment prospects are bleak in most regions of Russia due to the transitioning, stagnate economy, military and state-owned industry closures, and political altercations, entrepreneurship provides an immediate measure of self-sufficiency (Creevey, 1996; United Nations, 1990). The demographic shift in the Russian work place has presented employment problems for women, and has revealed the freedom to entrepreneur.

The second reason women start businesses is opportunity. The lack of access to economic mobility, also known as the "glass ceiling," is cited as a problem by many women in the United States (U.S.). In Russia, the lack of access to

economic mobility is, in reality, the lack of productive profitable industries in which to work, let alone grow. As a consequence, whether in America or Russia, women leave large companies to strike out on their own. Entrepreneurial opportunity also means the ability to make more money, to be independent, and to pursue desired interests (de Melo & Ofer, 1994).

This study, a phenomenological inquiry, explored the "lived" experiences of Russian women entrepreneurs who have been forced out of traditional employment. As a consequence, they have acknowledged business ownership as a solution to economic survival. In-depth interviews of ten women were conducted. A survey to 200 women in order to collect entrepreneurial demographics was distributed. The interviews and questionnaires examined the current experience women entrepreneurs confront in the Novgorod region today.

This dissertation questions how women entrepreneur and how women overcome the barriers of entrepreneuring in a transitional economy. Further, the research questions frame being a woman in general, in the context of sexism, gender roles, and feminine values, and how the context of being a woman intersects with being in business. These analogous themes underpin the need for the study.

Need for the Study

The need to study Russian women entrepreneurs is centered on four main dominions:

1. The phenomenon of women entrepreneuring in Russia is unique and new.
2. Adequate statistical data is practically nonexistent.
3. Due to the transition from a planned economy to a demand economy, the research is timely.
4. The relevance of women's experiences and the impact of their voices have not been heard.

Worldwide, women are engaged in entrepreneuring with commitment and integrity because they care about economic empowerment, entrepreneurial development, as well as professional and personal support. Marginalized women living in poverty struggling to provide for their children play major economic roles in their countries as entrepreneurs and producers, particularly in the informal sector (Heyzer, 1995).

Women are playing increasingly indispensable roles in international, national, and household economies, but they have a disadvantaged economic position compared to men. The new opportunities offered by globalisation will not be fostered if women, new actors on the world scene, do not play key roles in the economy, in social and political life, and in the family. (Women's International Network, 1997, p. 70)

The global impact of women entrepreneuring is beginning to gain economic intensity. The growth in women-owned businesses on an international basis has followed the same

pattern that has been occurring in the United States (Hisrich & Fulop, 1994/5). Yet, so many women today live at poverty levels and are repressed culturally. World Bank (1994) estimated there are 1.3 billion people living on a dollar a day or less. "There are many women who are held down by cultural and historical traditions, prevented from exercising the choices they might want to make," First Lady Hillary Rodham Clinton (1997) remarked. Entrepreneurship is a form of freedom from being held down economically, culturally, and socially. Worldwide economic stress is pressuring women to seek alternative means for family survival outside traditional employment.

In Russia, 87% of employed urban residents with incomes under \$21 a month are female ... in Slovakia, between 1989 and 1993 women earned just over half what men did ... in Belarus, where the majority of specialists are female, women search for a job three times longer than their male counterparts ... in Ukraine, women constitute 70% of the unemployed (Hunt, 1997, p. 4).

The National Foundation of Women Business Owners (NFWBO) (1995) reported that by the year 2000 over 59 percent of the U.S. labor force would be women, of which 51 percent will be employed by small businesses. There is an explosion in the number of women entrepreneurs worldwide and Russian women are exploring business ownership. As Russian women start SMEs lack of infrastructure heavily weights business concerns (Shcherbakova, 1998). Ninety percent of women business owners surveyed said that tax policies are an extremely important business issue, 81 percent point to business laws, 66 percent cite banking system instability, and 55 percent

are very concerned about government corruption (NFWBO & Urals Women's Association, 1997).

Understanding various cultures, politics, societies, and economies, is an underlying, guiding principle to identifying the phenomenon of women entrepreneurs. Entrepreneurship is a relatively new concept in many revitalizing economies. In certain locations like Eastern Europe, Russia, and the Newly Independent States (NIS) entrepreneurship is considered legitimized black market activity. Thus entrepreneurship has surfaced only since the collapse of the Cold War, the downfall of the Berlin Wall, and the disintegration of the USSR political entity.

Dr. Zoya Khotkina (1994), senior researcher at Moscow's Russian Academy of Sciences Gender Centre, stated, "The economic effect has yet to be seen, since there are no statistics on this [women entrepreneurs] as yet, and the process of women setting up small enterprises, firms, foundations, and associations, which began so recently, is so dynamic that even information a month old is out of date" (p. 105). Dr. Khotkina's remarks could easily pertain to regions beyond Russia, such as Slovakia, Nepal or Kenya. The concept of entrepreneurship is catching on with such great rapidity that facts, figures, and candid statistics lag far behind the entrepreneurial growth curve.

Since glasnost, perestroika, and the Cold War crash, women have been significantly economically impacted by high unemployment. They have virtually been forced into

entrepreneuring just to provide daily basics. Conditions of an emerging market economy and dilemmas of a country attempting to democratize affect women's small business development, so, too, do women impact their environment. It is essential to understand how the impact of the past planned economy imprints a currently growing demand economy.

Research, such as this study, specific to women entrepreneurs, to a unique time, to a peculiar culture, and to a transitional region, is severely needed. Investigation related specifically to Russian women entrepreneurs has yet to be developed in any significant amount. The economic effect or impact of Russian women entrepreneurs has yet to be seen. Since there are no credible statistics on Russian women entrepreneurs to date, and the process of women setting up small enterprises, firms, foundations, and associations, which began so recently, is so dynamic that information is immediately outdated (Khotkina, 1994). Researchers must seek to understand, learn, and document this phenomenon. Lack of data specifically related to the Russian woman entrepreneur is further recorded by Monica S. Fong (1993), a researcher for the World Bank. Fong and Khotkina both pointed out that limited funding, lack of appropriate data, and restrictions on existing information have frustratingly limited the range and scope of research on women entrepreneuring in Russia. Therefore, the obstacles Russian women entrepreneurs face are unexplored and unreported.

With Russia fighting to transition from a collapsed

command economy to their version of a market economy, Russian women entrepreneurs play a vital role. Women in Russia are well suited for entrepreneurial ventures and small business operation due to economic need, education, and motivation. Practical training of household management while working full-time and caring for multiple generations of family has aided Russian women to develop essential business skills like flexibility, adaptability, perseverance, creativity, resourcefulness, and balancing of budgets (Business Collaboration Center, 1998). This study is needed to examine how women entrepreneurs are coping, changing, growing, and surviving in the Russian roller coaster, crisis world of abrupt and continual economic, political, and social change.

Problem Statement

In this transitional period for Russia, there is a need for all citizens to be contributing and participating members of an economic system as it shifts from a planned economy to a demand economy. The problem is, with an estimated unemployment rate of 70-80 percent (Fong, 1993; Kay, 1995; Khotkina, 1994; Lehmann, 1995; United Nations, 1990), women are in dire need to determine how they can be economically self-sufficient. The specific problem related to this study is how to uncover the obstacles that prospective women entrepreneurs face. Tremendous obstacles such as accounting, banking, taxation, legal foundations, other infrastructural issues, as well as the Mafia inhibit an entrepreneur's

progress (Eavis, 1995; Handleman, 1994; Sullivan, 1997; Sweeney, 1996). This study will investigate contemporary Russian women, who are using business creation to adapt to a budding new market economy. How do women in Russia, a nation converting from a planned economy to a demand economy, acquire the abilities to overcome obstacles, and yet, progressively develop business enterprises capable of supporting them and their families?

Primarily, entrepreneuring is a survival instinct that motivates women to start a business.

The mounting economic crisis precipitated by the Gorbachev leadership's erratic economic policies drove sheer economic survival to the top of women's agendas. Rampant inflation and the disintegration of the consumer sector produced growing hardship and increasing social strain, while economic breakdown and rising unemployment made women its major victims." (Lapidus, 1993, p. 137).

Dismal economic conditions, high unemployment rates, and divorce catapult women towards entrepreneuring. Women head approximately one fourth of the new businesses in Russia (Bragina, 1997). Bragina speculated that this is a relatively high number given economic crisis, psychological stereotypes of the society, male domination in business, and the traditional "double burden". The "double burden" phenomenon was deemed by researchers in Minnesota as the punishing demands of working the "double shift" of employment and responsibilities at home (Goscilo, 1996; Myntti, Gravon, & Gravon, 1998; United Nations, 1990). Statistical data of 1989 showed 86.5 percent of Russian families were "poor", and only 11 percent fell into the middle income category

(Yampolskaya, 1994). Desperate to put milk and bread on the table for their children, women are defying obsolete Communist norms of doing what they are told to do by doing what must be done.

Purpose Statement

The purpose of this study is to discover the obstacles for developing Russian women entrepreneurs using a phenomenological approach resulting in a description of emergent themes. In this research, the problem of women transitioning from a planned economy to a demand economy will be identified as Russian women entrepreneurs who are entrepreneuring for survival.

The research task is to gather information about women who own and operate their own businesses in Russia with specific attention to the attributes that compel them to entrepreneur and allow them to survive in a transitional economy, as well as barriers that prevent penetration into the newly emerging marketplace.

Research Question

The nature of the study is to look at the essence of experiences for Russian women business owners. Pursuing the qualitative paradigm outlined by Creswell (1994) with a "grand tour" question and followed by subquestions (Miles & Huberman, 1984), the research question is: What are the primary obstacles Russian women entrepreneurs confront in an

economy transitioning from a planned to a demand system from Russian women entrepreneurs' perspectives?

The subquestions and/or subtopics falling within the scope of the grand tour question are to:

1. depict characteristics of women entrepreneurs, both strengths as well as improvements required to own and operate a small business efficiently,
2. record specific illustrations of women entrepreneurs citing who they are, what they do, and why they entrepreneur,
3. examine the economic impact of women entrepreneurs,
4. discuss how women entrepreneurs function as role models,
5. describe effective mentoring programs,
6. identify problems in accessing credit, and
7. document how non-governmental organizations support and promote the efforts of women entrepreneurs.

Significance of the Research

Entrepreneurship, still a new concept in Russia, has surfaced legally, moving past black-market activity only since the 1990's. The U.S. has had 220+ years of perfecting free enterprise. Russia has practically no history of market economy, except for an experiment in the 1920's that was disastrous. The czars, empresses, and feudal system made no allowance for free-market conditions. During the Communist regime, a planned economy was strictly enforced. The U.S. relies on supply and demand to modulate the market but in a command economy, supply and demand is irrelevant (Yergin &

Stanislaw, 1998). All resources, labor, and raw materials were totally controlled by the Soviet government, who cared only about fulfilling the official plan with no concern of profitability or efficiency. The loosening of economic controls began to penetrate Russia with glasnost and perestroika. Transition from the known planned economy into the uncharted waters of a market economy is fraught with problems.

In the U.S., evidence is plentiful (Aburdene & Naisbitt, 1992; Kalbaugh, 1991; Buttner & Moore, 1997; NFWBO, 1995; OECD, 1990) that entrepreneurial women have passed many tests including the test of time, survival, and growth. Attributes of entrepreneuring could be described much like this, "The defining feature of feminism [insert entrepreneuring here] is the focus on changes in women's social status: access to economic resources, power to affect decisions in the community as a whole, and autonomy in relation to personal life choices" (Ferree, Risman, Sperring, Gurikova, & Hyde, 1997).

Evidence is not plentiful about Russian women entrepreneurs. The study of Russian women entrepreneurs is of most value today. There is a critical need to know, to collect information, and to understand the Russian entrepreneurial process now. Timeliness is of considerable concern in order to understand the linkage of action and interactional sequences (Strauss & Corbin, 1990). The action is entrepreneuring. The interaction is the entrepreneur's

connection to a market economy. Contemporary economic conditions have built in temporality, meaning that actors are seen artificially (Strauss & Corbin, 1990) as a slice of time rather than over time with relevant pasts, presents, and futures.

This research provided a framework to holistically understand Russian women entrepreneurs within the current climate of Russian culture, politics, society, and economy. At this moment in time there is an opportunity to investigate the impact women entrepreneurs have upon shaping their new society. Ultimately, this research will produce a model of interviews and surveys that can be utilized in many countries where entrepreneurs are experiencing democratic, market, and growth transitions. This research, in a micro-sense, is not an end to the researcher's scholarly interests, rather, it is just the beginning of life-long learning, researching, and collecting information about how and why women entrepreneur worldwide.

Limitations

Limitations identify potential weaknesses of the study (Creswell, 1994). In the case of this study, a limitation could be the generalizability of the study. Even though, the researcher believes that the model currently under construction will evolve to a point where it can be used in other geographic locations, it may happen that it will not be

generalizable. The purposive interviewing procedure could possibly decrease the generalizability of findings. It may occur that the study will not be generalizable to all regions of Russia or, in fact, to other countries. Since the research is occurring in a particular place, at a particular time, and under particular circumstances these factors may render the study atypical (Wolcott, 1990).

Cultural barriers could also be a limitation of the study. Business behavior is important and varies widely in different cultures. Appropriate behavior sets the stage for projecting goodwill, establishing good relations, and showing consideration in a new environment. A researcher must be aware of how names, greetings, gestures, home visits, business protocol, and other personal elements are to be appropriately used (Axtell, Briggs, Corcoran, & Lamb, 1997; Dubars & Vokhmina, 1996; Richmond, 1992). It may occur that participants cannot cease to compare their entrepreneurial experiences with their life experiences because, as human beings, life is a multidimensional process. Greenwood (1991) explained the complexity of a culture.

Cultural systems are inherently diverse and diversifying. They respond to the ongoing sense-making activities of members of a society. They are a mix of shared and unique features, reflecting both the facts of social collectivity and the uniqueness of individuals and their experiences (p. 106).

Delimitations

Delimitations identify how the study was narrowed in scope (Creswell, 1994). This study was limited to women, who owned their businesses for a minimum of one year, preferably two. Women will be selected from the Russian region of Novgorod situated approximately three hours mostly south and a little east of St. Petersburg. Only women, who work full-time in their business for a period of no less than one year, preferably two and define their self-employment as their primary income, will be considered for the study.

Definition of Terms

Certain words require definition so that the reader and the researcher communicate congruently.

Entrepreneur -- One who initiates a business, is actively involved in managing it, owns at least 50 percent of the firm, has been in operation one year or longer, and assumes all business risks and responsibilities (Buttner & Moore, 1997). One who organizes an economic venture; owns, manages, and assumes the risk (Haas, 1992).

Entrepreneuring -- Working within one's own business, a resulting condition of the aim or desire to carry out an enterprise

Entrepreneurship -- The concept of owning and operating one's own business

Circles -- Groups or teams of borrowers, usually no larger than ten, that make credit decisions based on what is good for the group as a whole, provide support for one another, pressure one another to pay timely, and decide who is eligible for loans (Counts, 1996).

Informal sector -- Characterized by a variety of factors, including small scale production, marginality, poor working conditions, low earnings, and often illegal and underground activities (Heyzer, 1995).

Marginalized -- People on the edge of the economy, not fully integrated into it.

Micro-credit -- Very small loans to poor people for self-employment projects that generate income, unusually under \$500.

Micro-enterprise -- Typically firms with fewer than 10 employees

Definition of Acronyms

Some acronyms are referred to often. This listing of acronyms may be useful to the reader.

GDP -- Gross domestic product, which measures economic activity

GNP -- Gross national product, which measures economic activity

IBRD -- International Bank for Reconstruction and Development

IMF -- International Monetary Fund

NFWBO -- National Foundation for Women Business Owners

NGO -- Non-Governmental Organization

NIS -- Newly Independent States

OECD -- Organization for Economic Cooperation and Development

PBS -- Public Broadcasting Station

SMEs -- Small and medium-size enterprises, typically firms
with fewer than 500 employees

TACIS -- Technical Assistance to the Commonwealth of
Independent States

USAID -- United States Aid for International Development

UNIFEM -- United Nations Development Fund for Women - UNIFEM
was created in 1976 by the United Nations General
Assembly and is an autonomous subsidiary of the United
Nations Development Program (UNDP). UNIFEM was started
because of the growing awareness of the special needs of
women throughout the world, and particularly the needs
of low-income women in the poorest nations (Creevey,
1996; UNIFEM, 1988).

CHAPTER II

REVIEW OF LITERATURE

In reviewing current literature on the topic of Russian women entrepreneurs, the researcher investigated existing research, accessed relevant literature, and utilized a comprehensive worldwide network. Numerous indexes were approached while reviewing relevant literature in order to examine existing theory, including: Dissertation Abstracts International Humanities and Sciences; Dissertation Abstracts International European Abstracts; Dissertation Abstracts International Worldwide; Educational Research Information Center; EBSCO MasterFile 350; the Reader's Guide to Periodical Literature, the Educational Index as well as frequently reviewing of the CARL system, ACLIN, and various WEB sites.

The procedure for this literature collection was based on Locke's research map (Creswell, 1994). To glean an historical perspective, many books were reviewed to underscore development of contemporary women entrepreneurs in Russia and the Newly Independent States (NIS).

The following six areas were the key descriptors used in computer-based searches for relevant literature: women entrepreneurs in Russia, the NIS and the U.S., women in

business, women entrepreneurs, banking policies for women, post-communist women, and Russian women leaders. These keywords were fairly effective, but subsequent searches were needed. Each topical area retrieved a plethora of articles and books while other key categories, like contemporary Russian women, Russian families, and Russian women in the workforce, though relating directly to the topic, netted fewer resources. Other keywords that provided some helpful information while conducting the literature search were: micro-credit, credit for women, lending practices, access to credit, access to capital, capital for women entrepreneurs and/or business owners, business barriers, business creativity, leadership, women as business managers, Russian feminists, transitioning economies, poverty alleviation, plus gender, family education, and values and ethics.

A summation of apropos literature follows. It is organized in the following manner:

Historical Perspective

1. Novgorod Oblast
2. Russian Women Entrepreneurs

Three Streams of Literature

1. Women Business Owners and
Women Business Owners Active in Non-
Governmental Organizations (NGOs)
2. Economics of Transition from Command to
Demand Economy
3. Integrated Literature.

Historical Perspective

Two pieces of history are particularly relevant to this research. The regional history of the Novgorod Oblast and Russian women's entrepreneurial history forms the basis of the historical perspective.

Novgorod Oblast

The Novgorod Oblast has a long history of business importance. Commerce, or trade as Russians frequently refer to business, was one of the most essential sources of wealth and power. The city of Novgorod, once called Novgorod-the-Great, had its original name reinstated by President Yeltsin in August, 1998. In the untamed region of Rus, the Volga River and her tributary Volkhov served as a major trade artery from Scandinavia to Western Europe and on to Byzantium. Vikings, Europeans, Greeks, and Russians traded food, fur, and wood products, additionally "medieval craftsmen of Novgorod made a valuable contribution to the development of Russian applied art" (Andreyev, 1995, p. 25). Artisans produced skillful woodcarving, bone carving, casting techniques, and silver gilt.

The antiquated, imposing Kremlin, still a focal point for today's Novgorodian social life, was built in 859 AD "One of the most important elements of medieval age Novgorod culture was the written language. The first literature manuscript was the *Ostromir Lectionary* written in 1054"

(Andreyev, 1995, p. 26). Tiny remnants of Novgorodian written words exist on birch wood fragments carefully preserved at the Novgorod Kremlin Museum of History.

Further merchant evidence such as business contracts and the Novgorodian town chronicle are found in written sources surviving from the tenth century. There is an entry from 1156 that an "overseas merchant" erected a wooden church in the Market Square. The columnar shards of Market Square front the Kremlin on its west side as a merchant memorial. It was originally dedicated to St. Parasceve Piatnitsa, a saint venerated as the patroness of commerce (Culture of Novgorod, 1998).

An extraordinary aspect of the Novgorod Oblast is the abundance of cathedrals and monasteries. "Nowhere else in the whole land, in no city or principality of ancient Rus, was there such a close relationship between religious and secular government as in Novgorod" (Culture of Novgorod, 1998, p. 7). During the life span of Rus, the Church by siding with the boyars and merchants against their present-day Prince, and by cleverly supporting the popular movements of the middle twelfth century wielded near sovereignty. "In the twelfth century, Novgorod's social and political organization assumed the features of a city-state with a peculiar form of republican self-government" (Culture of Novgorod, 1998, p. 4).

Novgorod was designed to resemble a wheel with five spokes. The "Five Ends" were each self-governing districts.

The Kremlin, set in the middle of the city, embracing St. Sophia's Cathedral at its heart was thus not only the center of the city itself, but also the center of the whole Novgorodian Oblast, and the center of cultural activity.

In 1778 Novgorod approved the city's first master plan. "As a result, the medieval network of narrow streets was replaced with an entirely new, systematic layout of blocks running perpendicular to the shore line where the Trade Quarter or Merchant's Square stood. In St. Sophia quarter, the radial streets were made to lead directly to St. Sophia's Cathedral and the Kremlin" (Andreyev, 1995, p. 27). As a consequence, the streets of Novgorod today are suggestive of Denver, Colorado with all the downtown streets running at one angle and all the suburban streets running opposite.

Throughout her history, Novgorod Oblast has survived the terrors of numerous invasions including the Vikings, Mongols, Tartars, Communists, and Nazis. Today, the Kremlin dominates Novgorod-the-Great as a symbol of endurance. Symbolizing its historical importance, even the October, 1998 People's Party demonstration was purposely held in Lenin's Square at the foreground of the stately Kremlin wall.

It has been said of Novgorod Oblast, that even under the rule of communism, this region maintained a more democratic approach to governing than any other Oblast. Launched by the 8th Gore-Chermomyrdin Commission in 1996, the Novgorod Regional Investment Initiative (NRII) developed as a special effort under the Partnership for Freedom. The United States

and Russia to increase trade and investment in Russia's regions formed NRII. NRII, an experimental investment pilot project located in only three Russian regions, is an intensive program which combines the efforts of over 30 U.S. agencies, universities, and NGO programs (Novgorod Regional Investment Initiative, 1998).

One of the participating NRII programs is Citizens Democracy Corps (CDC), an organization that accelerates growth for small and mid-sized business through intensive volunteer technical assistance. July through December, 1998, CDC assigned the researcher to the Novgorod Oblast as a long-term advisor (LTA). CDC's goal for business assistance is for a broad, long-term community economic impact. The assignment was to strengthen women's business organizations, and consult one-to-one with women entrepreneurs; thus, contributing technical assistance to contribute to the Novgorod Oblast's long history of engaging in commerce.

Russian Women Entrepreneurs

This second part of the historical perspective contains a brief overview of women working and moving toward entrepreneurial activity during the eighteenth, nineteenth, and twentieth centuries with references to the impact of the Bolshevik movement. Descriptions of women working in the eighteenth and nineteenth century Russia show a poor, primarily illiterate, feudal social structure with an agrarian economy. The squalor and poverty of workers' lives,

the long, strenuous hours of labor for which they were so miserably compensated left little time for leisure or educational pursuits (Glickman, 1984). Feudal serfs were emancipated in 1861. "The family was a traditional structure upon which were based the patriarchal authority of the tsarist regime and the Russian Orthodox Church." (Fuqua, 1996, p. 7). Throughout 1880-1914, women remained among the unskilled and semiskilled workers. By 1894 only 21.1 percent of the population was literate (Glickman, 1984). Russia expound to have educated 99 percent of her population today. According to Vance (1998) women with a higher education comprised 52 percent of the workforce in 1996. Glickman noted that in 1903 workers tolerated filthy, overcrowded, and dangerous workplaces, as well as job insecurity and humiliating treatment. Russia's barbarous history of foreign invasions, feudal system brutality, czarist authoritarian control, and miserable factory conditions explains her peoples low self-esteem further crushed by the severe economic crises relentlessly unchanged century after century.

In 1905 and 1912, workers erupted into massive empire-wide strikes attempting to gain control over their lives. Lenin described the 1905 Bloody Sunday strike as a dress rehearsal to the 1917 revolution. World War I laid worker agitation aside temporarily. In 1908 a woman laborer complained that women had two rulers, one her boss at the factory and the other her husband at home. No where, the woman professed, do people see a woman as a real person

(Glickman, 1984).

Kelly (1996) narrated women merchant conditions in the period 1850-1917 and broached the negative images that Russian society held of merchants. Female merchants were called *kupchikhi*. Between 1858 and 1915 women merchants listed in guild registers were hundreds totaling about 8 to 15 percent of the entire traders listed (Kelly, 1996). Kelly stated that guild directories do not offer a full picture of Russian women's involvement in trade as pages were missing, individual entries gave incomplete or misleading information, and directories recorded only women traders who had sufficient capital to be eligible for the guilds and could pay their dues.

The entrepreneurial opportunities open to women during the late nineteenth and twentieth centuries were trading, factory owning, pharmacists, private education facilities, health care, midwifery, healing, lace making, stocking knitters, traditional handicrafters, as well as cottage industry where women unwound cotton for a factor or sewed kid gloves or rolled hollow tubes for cigarettes (Clements, 1991; Clements, Engel, & Worobec, 1991; Kelly, 1996; Sconroy, 1994). While these endeavors "made fortunes of few women, they appear to have provided a number with a reasonable living" (Kelly, 1996, p. 65). The societal view of women as business owners was repugnant. This attitude has pervaded contemporary attitudes since it was well rooted in feudal, czarist, Russian Orthodox Christianity, and communist

czarist, Russian Orthodox Christianity, and communist predilection. "Officialdom, too, was inclined to treat merchants with hauteur; the state was sensitive to the possibilities of traders ... for revenue, but ... trading always retained a sense of the ascetic distaste for money-making evident in Russian Orthodox Christianity," (Kelly, 1996, p. 61). An evident consequence of society's contemptuous attitude toward commerce in Novgorod-the-Great is the intentional separation of the Kremlin from the Merchants Square, which is divided by the Volkhov River.

An historical result of trading is the bizarre combinations of goods. Interesting examples of women's entrepreneurial activities were:

- in 1885 one woman trader registered as a vendor of soap and fish,
- in 1915 a woman listed herbs and hen coops,
- in 1915 another offered china and coffins,
- in the late 1800s numerous women also owned factories such as tanneries, vodka distilleries, iron foundries, textile manufactories and sugar refineries.

Women progressed into the early twentieth century still exploring unusual businesses. By this time "a surprising number of them branched out into new businesses: electrical goods, undertaking, electric theatres and car hire..."

(Kelly, 1996, p. 66).

Before the October Revolution only a very small population of women worked especially in the provinces. In

surging toward a liberated worker's movement. Shortly upon seizing power the Bolsheviks declared legal and gender equality between sexes with their first Family Code of 1918. Russian women had the legal right to vote before American women, but traditional perceptions about women remained embedded in legislation (Clements, 1997; Granik, 1994; Moghadam, 1990). Echoing today's dreary conditions, in 1917, "Russia was in a shambles, its economy and its social order collapsing, its politicians at one another's throats. The Bolsheviks had no clearly formulated plan of government and no experience in governing" (Clements, 1997, p. 147).

The communists set into motion a number of departments and laws that would significantly impact women at home and at work. In 1919, *Zhenotdely*, the Communist Party Women's Section headed by Aleksandra Kollontai, was founded as a liaison between the party and women to entice women into the party, educate them, and put them to work (Fuqua, 1996). Women were no exception to Soviet legislation that required people not working to be imprisoned (Yampolskaya, 1994).

Numerous alarming legislative trends appeared that would negatively impact women. For instance, in Soviet Russia the regime endeavored to replace family loyalties with overarching devotion to the party. The party's goal to make women totally dependent on the party assured women's loyalty to the state and not to the family. Another law specified that it was women's responsibility alone to make all arrangements concerning children. No longer could husband

and wife decide between themselves who might have a more flexible schedule as the government decided it for them. New property law is also disadvantageous to women. Recent legislation stipulates that only a "cell" can be considered a family and that the family, not the individual, can own an apartment, house, land, car, farm (Fuqua, 1996; Granik, 1994; Posadskaya, 1993; Yampolskaya, 1994). These laws and numerous others promoted gender bias, increased the double-shift burden, and increased patriarchalism all the while vowing to extend gender and legal equality for women.

In 1930 the Zhenotdel was closed. Stalin declared the "woman question (zhenskii vopros)" solved and the *Zhenotdely's* task completed (Marsh, 1996). Posadskaya (1993) passionately pronounced, "[A] lesson from the attempt to resolve 'the Woman Question' under state socialism is that we should distinguish between symbolic and actual equality. Another lesson is that [it] cannot be resolved automatically, as a consequence of socio-economic and political development" (p. 178). Work was clearly the government's focus to stabilize gender equality. The 1936 Constitution proclaimed that "work in the USSR is a duty, a matter of honor for every able-bodied citizen," (Moghadam, 1990, p.5). In the 1977 Constitution, citizens were not only given the right to work but also the choice of a trade or profession. In 1988, under Gorbachev's leadership, the first legal charter for private enterprise was initiated.

One of the most significant features of Soviet policy is

the massive involvement of women in socially and economically useful work. They have substantially contributed these past seventy years across industrial sectors, in party propaganda work, and maintained their family responsibilities. It is noteworthy that the Soviet Union actualized the first woman ambassador [Alexandra Kollantai] and the first woman in space [Valentina Tereshkova]. Russia today claims the largest number of women professionals and specialists of any industrialized society; close to 87 to 90 percent of its female population comprises 51 percent of the total labor force (Kauppinen-Toropainen, 1993; Moghadam, 1990).

Considering historical views of women working, legislative impediments, and patriarchal attitudes, a summative view of the contemporary bureaucratic treatment of women entrepreneurs is a government "which assumes the right to think and act for the Russian people [and] is out of harmony with the spirit of time..." George Kennan (Broido, 1977, p.173-174). Kennan, a relative of Ambassador Kennan, wrote these words, germane even today, in the late 1800s

Three Streams of Literature

A panorama of literature related to the topic Contemporary Russian Women: Entrepreneurship for Survival revealed three main streams of research. First, the general literature about women as business owners and women business owners who are active in NGOs; second, the economic literature related to transitioning from a planned economy to

a demand economy; and third, the integrated literature concerning poverty alleviation, micro-enterprise, micro-credit, barriers to entering business, feminist perspectives, and business management issues. Because the three streams of literature were immensely abundant, the objective was to sample existing literature in order to frame the study problem and identify areas lacking depth.

Women Business Owners and Women Business Owners Active in NGOs

In a narrow sense, specific grounded theory about Russian women entrepreneurs has not yet advanced (Babaeva & Chirikova, 1997; Ducheneaut, 1997; Fong, 1993; Khotkina, 1994). However, in a broad sense, there is tremendous theory available about specific elements pertinent to business ownership in general. This segment comprises a variety of perspectives based on vast general literature about women business owners together with characteristics, barriers, informal sector explanation, and growth potential.

"Entrepreneurship among women is a vibrant and growing trend internationally," noted NFWBO Director of Research Julie R. Weeks (1997, p. 1). Many people have observed that self-employed women are making significant contributions to economic health and competitiveness in countries around the world (Ducheneaut, 1997; NAWBO & Urals Women's Association, 1997; United Nations, 1990).

Cultural and social dimensions play a large role in

determining who within a society becomes an entrepreneur. The essence of these dimensions is to understand the constructs and concepts of one's own country. The many elements at play can diminish the development of women as entrepreneurs for example Russia's strongly patriarchal stratification of society strenuously inhibits women from stepping out to start their own businesses (Mamonova, 1984; Noonan, 1988, 1994, 1996; Stevenson, 1990).

Another perspective suggests that women regard their companies as an interconnected or integrated system instead of a separate economic unit in society (Brush, 1992; Gilligan, 1993). All relationships are affiliated with an emphasis on intuition, instinct, sensitivity, values, and relationships with businesses described as family (Weeks, 1995). This system places the woman at the center of a web-like network connecting all life aspects: family, business, social, community (Brush, 1992, Gilligan, 1993; Helgesen, 1990, 1995; Hesselbein, Goldsmith, & Beckhard, 1997; Reich, 1992; Weeks, 1995). This new view, the 'integrated perspective,' has implications across four main components of business creation: individual, organization, process, and environment (Brush, 1992).

Brush (1992) and Stevenson (1990) reported that general individual characteristics of women business owners are:

- risk-taking propensity,
- high energy level,
- personal motivations,

- married,
- first born,
- self-employed father,
- general business management skills,
- social adroitness,
- interpersonal skills,
- competence in finance, and
- the evolutionary process of encountering, assessing, and reacting to a series of experiences, situations, and events.

Men's reality is seen as separate and autonomous, with decision-making being logical and rule-based, whereas women's processes seem a highly personal, subjective process. (Brush, 1992; Gilligan, 1993; Stevenson, 1990). Helgesen (1990) commented that women managers typically seek liberal information, trade ideas with others, and let information crystallize before making a final decision.

For a woman business owner, the process of starting and operating a new enterprise can be difficult because they often lack the skills, education, and support systems that can expedite their business pursuits (Fong, 1993; Hisrich & Brush, 1987; Mandelbaum, 1991; Thach, 1996). In spite of this, women entrepreneurs show tremendous willingness to seek business guidance and education to compensate for perceived weaknesses. Women's motivations for starting a business are their needs to: achieve, be independent, create job satisfaction, attain personal accomplishment and

fulfillment, be creative, and solve economic necessities (Ducheneaut, 1997; Hisrich & Brush, 1987).

People, men and women, entrepreneur in two distinctly different sectors, (a) the formal or traditional mainstream sector, and (b) the informal sector. An informal sector that runs counter to the formal sector is very active in Russia. As Grossman (1989) illustrated in his study of the Soviet Union, Russia today is influenced by her command economy past. Grossman noticed a rigidly defined socioeconomic structure that is characterized by state ownership, central control and planning, command management, universal price fixing, widespread shortages, the virtual absence of market mechanisms such as tax, law, and banking infrastructures. Informal economic activities, definitions of GDP and GNP, incomes, and outlays often escape statistical notice, yet these informal activities of self-employment can be a wedge of economic opportunity for women (Dignard & Havet, 1995; Grossman, 1989; Heyzer, 1995; United Nations, 1990).

Grossman's (1989) research uncovered a significantly active and universal informal sector, mostly illegal, that shapes the lives of the majority of the Russian population. He pointed out that the informal economy and corruption did not begin with Brezhnev, yet it spread, grew and flourished under Brezhnev. The Russian informal economy and corruption that exists today began with the October Revolution, with roots reaching deep into the Russian past.

Statistical data about women entrepreneurs in Russia are

Statistical data about women entrepreneurs in Russia are sketchy at best (Fong, 1993; Khotkina, 1994). According to data from the State Committee on Statistics accumulated by Babaeva and Chirikova (1997) women represented these proportions:

1. thirty-nine percent are co-owners of limited trading companies (of which there are more than 900,000)
2. twenty-three percent are owners of cooperatives
3. one-fifth are private farmers
4. one-third are self-employed women
5. nine percent of all sole proprietors of new private businesses are women.

Skills, education, and support systems were discussed earlier as barriers women encounter in business. Ducheneaut (1997) added that women's challenges are common to all small and mid-sized enterprises (SMEs) including: financing, globalization of social and economic environments, marketing, and management. In Russia there are even more difficult barriers such as banking, legal aspects, political contacts, customs tariffs, bureaucracy that daily invented new mechanisms for the simplest procedures, and extortion (Babaeva & Chirikova, 1997; Eavis, 1995; Gessen, 1997; Lehmann, 1995; Sullivan, 1997; Sweeney, 1996). Consider the following plight of one entrepreneur in the Novgorod Oblast.

First an entrepreneur must visit the registration office usually several times. She must take her passport to the registration location as no copies are allowed to start the proceedings. The next step is to obtain police permission for a special seal (this takes a week or more). Then it is on to register with the tax authorities, get recorded in the

statistical and financial registers where gender is not noted, fill out the necessary notary documents, and open a bank account. Getting a bank account is particularly difficult because even if she has all the appropriate documents the bank officer can still deny her an account at his discretion. Only after following the above steps which can often take several months, can she obtain a permanent certificate to open her own firm. Theoretically the above process should be completed within one month (it usually never is), and if she does not follow every step timely she has to begin again from the beginning. It is common to begin from the very beginning several times. Temporary permission for registration becomes invalid with any slight mistake. It is likely that the would-be entrepreneur will not succeed because each of government offices issuing official stamps and authorizations has its own schedule and is usually not open on a daily basis. Each office holds the entrepreneur's documents for several days, demands numerous copies, can often resist processing papers to hold out for a bribe, or simply refuse at their prerogative to continue processing.

Without the appropriate registration paperwork a bank will not open an account, a certificate from the tax authorities will not be issued; and an official seal can not be obtained. Although the preceding steps are the basic procedures described by one would-be business owner, each Novgorodian entrepreneur has a slightly differing version. The steps are so complex that the governing agencies do not

even know what the exact steps are. In the end, an entrepreneur can simply be refused registration, certificates, seals, and bank accounts for no reason at all. Herein lies the reason why the informal sector in Russia is thriving. It is simply easier to be unregistered and to exist in the informal economy than to battle the numerous inept authorities.

Women business owners have significantly impacted the United States economy (NFWBO, 1995). The question remains unanswered in Russia: can business with a woman's face exist? Many researchers feel that women, with their communicability, strong interpersonal skills, ability to establish trustworthy relationships, aversion to victory at any price, and willingness to constantly learn may soon gain their place along side men in the Russian business world (Babaeva & Chirikova, 1997; Brush, 1992; Fong, 1993; Gilligan, 1993; Khotkina, 1994; Weeks, 1995).

Women Business Owners Active in NGOs

Literature about women business owners often discusses the supportive role that women's business associations (NGOs) perform (Lever, 1997; Milner, 1997; NFWBO, 1995). The NGO idea, as the West defines it, is a relatively new concept in many developing economies including Russia. As Russia transitions from the old command economy to her new market-propelled economy, many challenges confront previously established societal infrastructures. Milner (1997)

explained these challenges well.

Though associations are not new phenomena in most parts of the world, their operations and methodologies have historically differed depending on their existing economic underpinning. Associations in governmental-planned and -controlled systems customarily performed public functions and were not involved in efforts to expand job opportunities in their nations' private sectors. In contrast, associations in market-based economies have always played a significant role, not only in shaping investment and performance decisions for free enterprises, but also in determining public policy decisions affecting private business interests. (p. 11)

Why are NGOs important in a developing or transitioning economy? "When we are isolated we are weak. How can there be a noise from a single hand? But if we form a group and clap, a loud noise can be made." using her best English Dra. Hj. Dewi Motik Pramono Msc., President, International Federation of Women Entrepreneurs, remarked. Pramono, an entrepreneur from Jakarta, Indonesia articulated this statement in her speech at the conference, Organizing for Success: Strengthening Women's Business Organizations, sponsored by the Center for International Private Enterprise (CIPE) September, 1997 in Washington D.C. Pramono's lecture summarized well why NGOs are important in a developing economy. Women organize NGOs to dissolve isolation, achieve goals, gain support, educate, train, promote one another's interests, and grow their businesses (Creevey, 1996; Clark & Kays, 1995; Dignard & Havet, 1995; Edgcomb, Klein & Clark; National Association of Female Executives, 1995; NFWBO, 1995; Severens & Kays, 1997).

The highlight of the CIPE 1997 conference was Jehan Sadat's opening address titled Women: Preparing for the Future. Mrs. Sadat noted that, "In the most developed countries, business women are off and running, while those in the less developed ones are taking small steps... and there are those who yet realize that they too can enter the race." Women's business organizations offer a valid venue for those taking beginning business steps. Andrina Lever (1997), president of Women Entrepreneurs of Canada, mentioned that associations often start as a resource for casual networking and support for like-minded women. Lever said, "It... is a source of considerable comfort to know that you are not the first or only person to have ever experienced cash flow problems, growth challenges, balancing family, and career obligations or just being overwhelmed..." (p. 4).

Sadat and Lever speak to issues that touch women worldwide whether residing in a developed, lesser developed, or transitioning economy. NGOs are vitally important to the health of budding enterprises and revitalizing economies. NGOs act as reassuring conduits to overcome the subsequent obstacles:

1. access to finance (Bhatt, 1991; Ducheneaut, 1997; Fabowale, Orser, & Riding, 1995; Lehmann, 1995; United Nations, 1990)
2. access to markets (Kalbagh, 1991;)
3. access to information (CIPE, 1997; Ducheneaut, 1997; Heyzer, 1995)
4. access to training (Fong, 1993; Thach, 1996; World

Bank, 1994)

5. access to and influence on policymakers (Pezzey, 1992; Snyder, 1995)

Many reasons exist including those noted above as to why NGOs are important. CIPE's conference brochure (1997) succinctly explained, "A key reason for creating business organizations is to form a collective voice to advocate for public policy changes which benefit members." Two words hold the real key for what an NGO can achieve, "collective voice." The vocal strength that comes with building like-minded members is a powerful community voice enabling germination of a civil society.

Why should there be an orientation toward women's groups? Business associations provide a system of bonding. "Women certainly do seek out opportunities to assist other women" Sharon Hadary, executive director of NFWBO remarked in Chun's (1995) article. Hadary continued, "So many of the issues and problems are the same. The bond of being a woman business owner supersedes the cultural differences" (p. 87). Isolation, the lack of feeling bonded to peers, colleagues, or people in general, is a dream killer (Sher, 1979), and it is most certainly a business killer as well.

In Russia today, the strongest support for women and the strongest NGO is the Union of Russian Women. Through this organization, Russia has developed a deep history of acknowledging the contributions of working women. Now with the advent of a market economy, women are attempting to start

businesses by the hundreds. The Union is providing training and other support for entrepreneurial women, thus setting an example for new Russian NGOs to follow.

NGOs for entrepreneurs are popping up steadily. Numerous women's business associations already exist such as the Novgorod Women's Parliament, Perm Business Women's Club, the St. Petersburg Institute for International Entrepreneurship Development, Archangelsk's Women Entrepreneurs, Novosibirsk Association of Women Entrepreneurs, and many more (Jalbert, 1995). There are also affiliates to several U.S. based business organizations, including the Alliance of American and Russian Women, Business and Professional Women, National Association of Women Business Owners (NAWBO), and INET Foundation.

These women's NGOs are especially well placed to mount training in fields where women have expressed special interest, including technical training and business skills (Fong, 1993). NGOs provide the moral and psychological advocacy required to start a small business by creating an incubated, safe, growth-oriented atmosphere. Rassweiler (1993) wrote about women embarking on new NGO activities in Russia including one that this researcher has assisted, the Novosibirsk Association of Women in Business.

There has long been an argument about why women should or should not join a male-dominated organization such as a trade association or a chamber of commerce. Billie Lee (1996), an international writer on workplace issues based in

Colorado Springs, Colorado, wrote persuasively (San Diego Business Journal, 1996) that women should join only mainstream chamber or business groups. Lee feels one would be most likely to meet those who can demonstrate and coach powerful business techniques only in male-dominated organizations. Lee asks, "Why splinter off and declare that you are women first, business people second?" (p. 7a).

It is a logical question that Lee asks, but not practical. By and large in nearly every society, women are limited in gaining access to mainstream organizations (CIPE, 1997; Moghadam, 1990; United Nations, 1990). "Unless women have an equitable role in the economy and business organization, the quality of the democracy suffers," CIPE bolded this statement in their conference brochure for Organizing for Success. "There are many women who are held down by cultural and historical traditions, prevented from exercising the choices they might want to make," First Lady Hillary Rodham Clinton (1997) remarked at the Vital Voices Conference in Vienna, Austria. Creating and growing women's not-for-profit organizations is a form of freedom, a building of a civil society, a voice venue imploring to be heard, and a tangible action to prevent being held down economically, politically, culturally, and socially.

Economics of Transition from Command to Demand Economy

Exhaustive theory, historical and contemporary, exists for both macro and microeconomics. Entrepreneurial theories

are divided between these two economic camps. Historically, industrialized nations pinned economic theories to labor, cost of production, value added services, trade balance, and interdependence (Hill, 1998). It is against an industrialized nation's background that economic theories of developing economies must be evaluated and understood (Henderson, 1996; Guilli & Salvatore, 1994; Ott & Wagner, 1996; Pezzey, 1992; Wolfensohn, 1995).

The following discussion of literature is important because "the collapse of communism and the end of the Soviet empire constitute the defining events of the end of the twentieth century" (Yergin & Stanislaw, 1998, p. 263) which heavily impacts global economics. The three themes relating to Russian women entrepreneurs are: (1) established economic theory, (2) transition from a command to demand economy, and (3) strategies in a crisis economy. These principles are then tied to the impact current economics have upon Russian women particularly those attempting to start a business.

Kalecki, Keynes, and Marx are three main sources of economic tradition, each contributing to current economic and social issue theory. Yergin and Stanislaw (1998) pointed out that in a command economy like Russia, supply and demand were irrelevant. The economic tests of profitability and efficiency, two tests that drive a market economy, was not part of the 74 year Soviet monopolistic system (Kvint, 1996; Yergin & Stanislaw, 1998). Characteristics of Russia's centrally planned economy are total government control in

economic decision-making processes, state ownership of all production facilities, macro- and micro-investment decisions, allocation of resources, foreign trade exclusivity, distribution of surpluses, establishment of quantitative targets, production measured in volume, artificially stable prices separated from world market prices, high rate of investment, centrally-established wages, guaranteed full employment, and limits on income inequality (Goldman, 1988, 1989; Lehmann, 1995; Moghadam, 1990).

Showing agreement with some of the Marx principles, Kotler, Jatusripitak, and Maesincee (1997) framed economic development as "a problem that belongs [not] only to economists to model: social, cultural, and political factors must also be taken into account in arriving at a full picture of a nation's opportunity potentials" (p. 27). Considering these factors, the centrally planned Soviet economy shaped women's status and women's lives as a result of its full employment guarantee (Lehmann, 1995; Moghadam, 1990). Marx's philosophy of integrating social, cultural, political, and economic concepts was theoretically sound, but the whole planned economy system produced chronic shortages of basic food and consumer items, thus emerged the "shadow economy" or the "black market."

With the shadow economy came a group of entrepreneurs known as Mafia. Pervasive graft cannot be overlooked. Yergin and Stanislaw (1998) said that the prevalent problems of corruption and crime threaten the legitimacy of the new

market system. A Novgorod seminar participant asked pointedly, "Why would I want to register my business with the government? As soon as I register Mafia is knocking at my door." Power in Russia is adrift, unpredictable, and corrupt; bribery greases the wheels of commerce; the fastest-growing service industry is personal security (Remnick, 1997b).

Shifting economies disrupt people's lives. Human pain is somewhat abstractly called "transition" (Yergin & Stanislaw, 1998). Two words are intrinsically linked to Russia's economic transition: *perestroika* and *glasnost*. Yergin and Stanislaw (1998) defined these words as Gorbachev initiated. *Perestroika* means restructuring and *glasnost* means openness. Duch (1993) added that *perestroika* heralded comprehensive "political and economic reforms such as attempts to decentralize enterprise decision-making and increase the financial independence of state-owned firms; and the introduction of laws authorizing cooperative enterprises in the services-and-consumer-goods areas and permitting joint ventures with Western firms" (Duch, 1993, p. 605)

Specific to transitioning economies are the theories of George Kennan, former U.S. Ambassador to the USSR, and John Kenneth Galbraith, U.S. Ambassador to India during John F. Kennedy's presidency. Kennan (1996), observed:

That Russia will ever achieve "democracy," in the sense of political, social, and economic institutions similar to our own, is not to be expected. And even if Russian forms of self-government should differ significantly from our own, it is not to be postulated that this would be

entirely a bad thing. Our own models, as most of us would agree, are not all that perfect (p. 332-333).

Historically, transition in Russia is more common than stability. GNP in Russia declined every year, from 1970 through 1985, with a cumulative decline of over 250 percent (Kvint, 1996). The cataclysmic GNP decline constituted a colossal effect on women. Women workers embodied one of the most affected groups battered by transition to the market system (Lehmann, 1995; Marsh, 1996). Prior to transition, women participated fully in the labor market. Now women consist of 70 to 80 percent of total unemployment, plus they stay unemployed for longer periods of time than men do (Kay, 1995; Khotkina, 1994; Lehmann, 1995; World Bank, 1994). "Moreover, now that [women] have lost even the written form of equality enshrined in Soviet legislation, they are falling victim to an openly discriminatory employment..." (Kay, 1995, p. 5). Women's unemployment headaches are further anguished because during the communist era, women were heavily concentrated in particular industries. Women represented at that time over 80 percent of food and textile workers and over 90 percent of garment workers (Lapidus, 1993).

Posadskaya (1993), departmental head of the Center for Gender Studies at the Russian Academy of Sciences issued strenuous warnings precipitously about how the transition would effect women.

Beginning in 1985, we witnessed several attempts to make radical economic transformations in order to draw the country out of economic stagnation.... We

warned that women would make up the majority of the unemployed; that the enterprises would use their new economic independence to close down pre-school day-care facilities attached to them; that the emerging labour market would be two-sided and unfavourable to women; that there would be dramatic short-and long-term consequences for gender relations within the family, for the ideology of education, and for the perception of men's and women's social roles. (p. 166)

When Posadskaya (1993) asked KAMAZ Deputy General Director what his strategy was concerning women's promotion, he replied frankly that his current strategy is to remove all women from production. His reasoning was that the wide range of benefits and compensation payments, initially introduced under communism, created special, expensive, entitlements for women with children (Kay, 1995).

Unemployment looms large and real for Russian women. Lapidus (1993) delineated three features of the Soviet system that deserve emphasis for their role in shaping women's economic and employment position:

1. Sexual stereotyping of occupations sustained by official attitudes and policies.
2. Female occupational choices profoundly influenced by continuing identification of authority with men. As many Soviet sources testify, women who pursued demanding careers encountered subtle but widespread prejudices.
3. A social determinant of female employment patterns was the explicit treatment of household and family duties, culturally and legislatively, which were deemed the domain of women thus impacting women's double-burden tasks.

Economic transition was expected to move Russia toward a productive market economy. Instead, over the past 20 years the Soviet economic situation has deteriorated and moved the country toward the 1990s multiple economic crises (Duch, 1993). A critical, albeit false, assumption for the Russian economic transition was that citizens would embrace the market economy because they were dissatisfied with conditions that they linked to the communist regime centrally planned economy. Posadskaya (1993) proposed that the crisis of the "totalitarian" system had economic, cultural, and political dimensions. She said, "We felt that we did not know the truth of our past and present" (p. 163). Further, she explained that she felt the creative potential of the nation had collapsed; "the economy was unbalanced; public control was formal rather than real; the military complex was a prioritized, huge, closed, and powerful empire; people did not believe in ideals" (p. 163). In this statement Posadskaya cited nearly every societal ailment excluding corruption, though it would certainly warrant mention as well. Posadskaya could not predict what would happen next.

In 1991, Yeltsin declared his support for a radical economic scheme and a rapid transition to a market economy. Racanska (1996) noted that Yeltsin's ideas were strongly influenced by a plan designed by Jeffrey Sachs of Harvard University. The Yeltsin team began to strategize economic plans in the fall 1991 for what became ubiquitously known as "shock therapy."

Some observers believed that economic shock therapy contributed further to the overall Russian crisis. "Shock therapy, however, has more disadvantages. It imposes a heavy burden in terms of a sharp reduction of real wages, outputs, employment, and consumption." (Kotler, Jatusripitak, & Maesincee, 1997, p. 30). From early 1992, the policy of economic shock therapy had at its heart de-regulation of prices, property privatization, and increased economic activity (Pilkington, 1995). It seemed that shock therapy should work because of Russia's natural resource advantages; it seemed that Russia should be an economic superpower, but as Kotler, Jatusripitak, and Maesincee (1997) noted, all this potential was weakened by an inherited inoperable economic system. "From the 1960s onward, the Soviet Union was unable to catch up with the trend of shifting away from traditional heavy, capital-intensive industries toward high value-added, knowledge-intensive, and consumer-driven industries." (Kotler, Jatusripitak, & Maesincee, 1997, p, 71).

Mikhail Prusak, the current Novgorod Oblast governor, referred Tamara Fokeeva, Chief Expert for the Novgorod Regional Employment Department. Meeting unexpectedly in October, 1998 at a roundtable discussion hosted by the Novgorod Women's Parliament, Fokeeva was willing to provide Oblast data. Since written statistical data is sparse and difficult to retrieve, Fokeeva verbally provided me the following information.

Oblast population November, 1998 - 414,000

Unemployed = 3.23%

Unemployed men and women = 11,481

Unemployed women = 7,618

Unemployed women as a percentage = 66%

It is interesting to note that the percentage of unemployed women in the Novgorod Oblast is below the national averages of 70 to 80 percent that are mentioned by Fong, Khotkina, Kay, and others. Nevertheless the percentage is extremely high. High unemployment is not the only issue affecting Russia's economic crisis and affecting women. More problems seem to be on the horizon for Russians in remote regions. Russia is facing its coldest winter in more than 30 years and its harvest is the worst in 40 years (Wines, 1998). Some regions have received only about a third of the food and fuel they got in 1997, many salaries go unpaid. In Chukotka, a village of 900 people, residents contend salaries have not been paid since 1995 (Shulyakovskaya, 1998).

A succinct synopsis of Russia's fall 1998 crisis came from Zarif Kutchev, financial director of Honeywell St. Petersburg. He was quoted in the St. Petersburg Times newspaper, one of the few English newspapers occasionally available in Novgorod-the-Great. Kutchev said,

The crisis is having three main negative effects on our work. First, many clients are not able to pay us because they cannot get their money out of their banks. Second, the Central Bank exchange rate is different from the market rate so we are losing when we change dollars into rubles and vice versa. Third, the overall general instability in the country means more administrative work for us."

(Varoli, 1998, p. 2)

Kutcheyev's references to the banking system are particularly relevant. It was said that the August/September, 1998 calamity was a banking crisis that rocked global markets. Relations between enterprises and banks have been at the center of both enterprise and financial sector reforms in many transitional economies, yet, Russia is having a tremendously difficult time initiating effective banking reforms (Fan, Lee, & Schaffer, 1993). In mid-1995, there were approximately 2,500 commercial banks registered in Russia; it is unknown how many collapsed during the fall 1998 commotion.

Inappropriate, under-developed banking reforms postpone effective transition to a market economy and fuel economic crisis. Government securities payments, called GKO's, are how most of the largest Russian banks capitalize. During the August/September, 1998 crisis "six key Russian banks -- Inkombank, SBS-Agro, Promstroybank, Mosbizesbank, and two currently merging banks (MOST-Bank and Menatep) ... froze all accounts for three years" (Ananina, 1998, p.1). With justification, Russians intensely distrust the banking system. In a city the size of Novgorod-the-Great, the most reliable banks have proven to be small and medium-sized banks involved with the local business sector. "The stability of [smaller] banks is a result of insignificant exposure to the GKO market, limited involvement with politics, flexibility, close connections with clients, and focus on provision of

commercial lending and payment services as the primary revenue source" (Ananina, 1998, p. 2).

Transition continually led to crisis for Russia the last decade. One of the strategies to combat constant crisis is to build strong local communities. An economic tactic is to shift emphasis to private enterprise and the development of small and mid-sized enterprises. An OECD publication emphasized that "small businesses are an important generator of new jobs in the economy. These findings have been confirmed by other U.S. and European studies" (Seigel, 1990, p. 14). At the beginning of the 1990s no price mechanism to convey information about supply and demand existed, no rules, norms, or laws of the market game engaged to guide marketplace behavior, no system of contracts or private property rights was conceived (Yergin & Stanislaw, 1998).

Building enterprises in Russia is a daunting task because private business was completely forbidden under socialism (Yampolskaya, 1994). Referring to private enterprise, Posadskaya (1993) said that there were two real turning-points: (1) in 1989, during the first free parliamentary elections, and (2) in 1990, when the course towards the market economy received legal status, especially when the law on small business development was adopted in August. With remarkable changes aimed at SMEs, people were encouraged to start their own businesses despite enormous bureaucratic obstacles. Privatization, democracy, and freedom became popular words with Russians (Yampolskaya,

1994). But as was the complaint during feudal, czarist, and communist times, the Russian government remained confused. No one knows, even today, exactly what has to be done to be properly registered or even what kind of policy should be chosen to further support the growth of SMEs (Yampolskaya, 1994).

In a healthy economy there is a constant ebb and flow of firms dying and new ones starting. A resilient economy, which Russia clearly does not have, is one in which there is continuous entrepreneurial activity supported by banking, legal, and taxation infrastructure. Continual enlargement of the SME sector gives birth to the "seeds" for long-term economic vitality. Increased private ownership means that control of economic decision-making rests with individuals who have a strong stake in the community. This usually results in greater stability of employment, generation of new jobs, profits reinvested in the community, fostering of innovation, and broader diversification the economy (Siegel, 1990).

The transition to a market economy is creating a new social stratum, namely, businesswomen (Babaeva & Chirikova, 1997). Women can significantly contribute to the emerging market economy. For women's participation, the areas that are likely to be the easiest, least inhibited, and most rapid to grow during market transition are: public relations, transport, delivery, production and marketing of consumer goods, commercial banking, financial services, and insurance.

(Lukianenko, 1994, p. 188).

Russia's established economic principles, her transitional status, and her current crisis contribute to the outright hostility that many Russians have toward the emergence of the market system. For instance, the term "New Russians" used antagonistically is a recently popularized phrase to denote a mythologized new breed that managed to ride the wave of economic and social change (Gessen, 1997). "New Russians" are perceived to be techies, many who spent their lives in closed towns populated entirely by their colleagues. There were twenty-two such towns just outside Moscow and forty more throughout the country (Gessen, 1997).

Yergin and Stanislaw (1998) detected continuities that snake through Russian history. In Tolstoy's masterpiece *Anna Karenina*, the painter Golenishchev complained about "the new Russians." They are commercial people, he told Anna and Count Vronsky, garish, devoid of culture, and focused on wealth. This same criticism is levied upon the more fortunate Russians of today. Disparaging remarks aside, it is the "New Russian" who will create a productive post-communist economy.

There is no question that transition to a market economy has created inconceivable hardships for the Russian people. Duch (1993) expounded that, "In addition to creating hardships, the transition to a free-market economy will create opportunities for many citizens. Those most likely to benefit from these economic changes (the better-educated and

the young) are among the strongest free-market advocates." (p. 602). Women, due to their high educational levels, are among this group. Placing hardships aside for a moment, what Russia needs right now is an economic chudo (miracle). Perhaps not a big miracle Yergin & Stanislaw (1998) said, but a miracle.

Integrated Literature

The third stream of literature was the most difficult to review, synthesize, and summarize primarily because the quantity of literature is voluminous and diverse bordering on overwhelming. Topics concerning poverty alleviation, micro-enterprise, micro-credit, barriers to entering business, feminist perspectives, business management, organizational and/or enterprise structure, and training issues tend to weave in and out making the process of isolating a singular topic difficult. In approaching the integrated literature review, the researcher's point of convergence combined experiential knowledge with literature support. Background resources include diverse contributions from colleagues in the U.S. and abroad, some non-traditional items such as materials from the Internet, e-mail messages from international colleagues, and access to a variety of networks. The literature review is enhanced by formal reports written for, and filed with, the Deloitte Touche Tohmatsu International/USAID Business Development Project, the University of Wisconsin, the University of San Francisco, the

Pragma Corporation, U.S. Department of Commerce SABIT Program, and others.

Four topics were exhaustively interconnected: poverty alleviation, micro-enterprise, micro-credit, and barriers to entering business. The amalgamated literature concerning poverty alleviation (Clark & Kays, 1995; Counts, 1996; Garr, 1995; Ghate, 1992; Pezzey, 1992; Snyder, 1995) cited numerous cases where micro-credit significantly impacted the well being of women and their families. Sources concerning women attempting to enter business, or women entrepreneurs, or women micro-enterprise owners (Aburdene & Naisbitt, 1992; Creevey, 1996; Dignard & Havet, 1995; Godfrey, 1992; Kalbagh, 1991; NFWBO, 1994, 1995) focused frequently on the importance of capitalization.

Micro-enterprise, small and mid-sized enterprises in both formal and informal economic sectors are now being proposed as an alternative for achieving sustainable socio-economic development and assisting to eliminate poverty (Counts, 1996; Dignard & Havet, 1995). "Where the poor and unemployed are clustered, micro, small and medium-scale enterprise projects support a wide variety of enterprises in all sectors including manufacturing, trade and service..." (Creevey, 1996, p. 1). There is a discernible difference between large free-market enterprises that focus on profit making, growth, and market expansion as opposed to micro-enterprises that focus rather on family subsistence need. According to Tinker (1995) caring for their family will

always be a dominant concern in women-owned enterprises and will take priority over pursuit of profits and growth.

Institutionalized banking practices remain, for the most part, rigidly opposed to micro-credit concepts.

Conversations with Bank of America, NationsBank, Key Bank, and Norwest loan officers indicate that profit margins are too narrow for traditional banks to enter the micro-credit market. Noting little surprise, Fabowale, Orser and Riding (1995) found in their study that general literature on bank lending reveals financial institutions to be low-risk leaders. Furthermore, of particular concern were the findings that women were more likely than were men to perceive that they were not given due respect by financial institutions, that they did not think their account managers were easy to talk to, that they were more likely than men to report that they were not made comfortable by financial institutions, and that sex-role perception of bank employees discriminate against women (Allen & Truman, 1993; Ducheneaut, 1997; Fabowale, Orser, & Riding, 1995).

The literature review (Counts, 1996; Craft News, 1995; Edgcomb, Klein & Clark, 1996; United Nations, 1990) identified three lending models for people in marginal economies, often referred to as lending techniques. They are (1) repayment incentive structures or group (a.k.a. circle) lending programs based on the Grameen Bank model, (2) streamlined administration with credit-led individual loan programs, and (3) market-based pricing loan programs.

Repayment incentive structures refer to peer group lending, also termed peer lending circles or peer pressure/support groups or teams. In a model of this type, the groups of borrowers guarantee each other's loans, there is the promise of continuing loans, and there is a possibility of increasing credit as the terms and conditions of the loan are met. The circle principle inspires a strong sense of responsibility and tends to rule out frivolous loans and unrealistic business plans (Garr, 1995).

The streamlined administration technique is often used by institutions, like banks, to simplify and decentralize loan applications. The approval processes, and often the collection processes, are assigned to the borrowers, who design a group procedure for loaning and for loan repayment. Coupled with approval and collection processes are varying degrees of training and technical assistance for small business development.

Market-based pricing is the most complicated of the three techniques. Most micro-enterprise loan providers must pay higher than market rates to cover costs and to prevent fund depletion. Usually, they are willing to do this to secure on-going credit for their borrowers. The costs of obtaining the money and covering administrative costs must be passed on to the borrowers. As market prices fluctuate, so do interest rates.

Time and again, the literature on women, as small business owners, stressed the difficulty for women to obtain

credit as a key stumbling block to starting a business (Bhatt, 1991; Counts, 1996; Fuchs, 1988; World Bank, 1996). "Why is it assumed that a street-seller must grow into a restaurant to be worthy of credit, or that a weaver of fine fabrics must start employing up to five helpers to be considered a success?" Tinker, 1995, p.31). Credit is an embattled barrier. Other obstacles cited were gender discrimination, lack of credit history or credit worthiness, lack of collateral, and businesses too small to finance. In other words, the lenders were unable to profit by lending to the poor.

"The importance of access to credit is identified as a major barrier to entry into self-employment throughout the world. [This] restricted access to capital and collateral remains a key barrier to women achieving financial security within their entrepreneurial activity" (Allen & Truman, 1993, p. 8). Credit is not the only barrier to entering business. Feminist perspectives or anti-feminist perspectives, management skills, understanding organizational structures, and training/re-training issues are hurdles as well.

Where does feminist theory fit into this framework? According to several authors (Bodrova, 1993; Clements, 1997; Fuqua, 1996; Gilligan, 1993; Khotkina, 1994; Mamonova, 1984; Stevenson, 1990) a feminist perspective can compel women to entrepreneur. The recurring themes in feminist research theory and literature echo the intent of phenomenological inquiry, which is to make clear the voice of the actor and

her particular experience (Abbott, 1995; Cancilla, 1998; Giorgi, 1997; Rudestam & Newton, 1992). In the context of entrepreneurial research, feminism can be defined as a social philosophy: an active commitment and conscious pursuit of full equality, respect for life, and the advocacy of complete economic, political, and social parity between men and women in the work force, home, and society (Noonan, 1988; Wood, 1997). To this definition, Mamonova (1984) added that the feminist movement is directed, not against men, but against the violation of the person. A key to the definition of feminist theory and perspective is that "male experience should not be regarded as universal, and that Russian ... women's studies are valuable and autonomous fields in their own right." (Marsh, 1996, p. 19).

In recent years, a plethora of feminist writings has emerged, both in the U.S. and in Russia. Tinker (1995) postulated that adherents to the new feminist approach believed that if they could convincingly prove that women do in fact work then policymakers would alter their plans to support women's economic activities. In Russia, feminist perspective has a long historical tradition. Broido (1977) mentioned that "[feminism] was a well-established movement by the turn of the century having been born in the mid-1850s (p. 45) and that in 1855 Alexander II's reign was a kind of freedom for feminists, "new journals sprang up everywhere, including a *Women's Journal*..." (p 34). Prior to the 1917 Bolshevik Revolution, around the 1860s among middle and

upper-class women, the Russian feminist activity paralleled Western feminist movements of the late 19th century (Noonan, 1988).

Running the *Zhenotdel*, the Women's Department within the Communist Party in the 1920s, Kollontai was Russia's most outspoken, sometimes the only-proponent female voice of the socialist women's movement dedicated to the needs and organization of women workers (Glickman, 1984). During the communist period the first feminist samizdat (underground publication)" circulated with only 10 copies in 1979. Morgan (1984) said that it is only by managing to accomplish that dangerous conspiratorial revolutionary feminist activity, comparing notes, that any women anywhere gain a measure of true sanity, perspective, and support (Morgan, 1984). Feminist perspectives prevail to push a women into entrepreneuring whether women perceive they are treated unjustly by male colleagues or male supervisors or even retail clerks. In many cases women move to entrepreneuring to make their life better and unencumbered by male opinion. Consider these remarks by a career woman in the field of science:

A professional woman is treated scornfully in many cases" and there is constant denigration.

It is the pattern of a slave psychology for a woman to place herself below a man.

Daily life just wears away our nerves.

In any store, the salespeople may curse you, and they certainly do curse you. It's a chain reaction of meanness and irritability.

Just to buy something you need a great deal of courage, because it is psychologically difficult to deal with the pervasive dissatisfaction with life that affects every person you deal with. (Grigoryeva & Sonova, 1984, p. 17)

An interesting swing of the feminist perspective pendulum occurred during Russia's transition to a market economy. Many Russian women are highly suspicious of western *feminiski* who, in their opinion, have an easy life and cannot possibly understand their problems. After all, women repeatedly remarked, they had seen Santa Barbara and knew every woman in America has a personal maid. "Russian women are tired of ideological slogans about 'equal rights', which in practice mean that they are obliged both to work full time for negligible pay and to shoulder the bulk of the domestic chores..." (Marsh, 1996, p. 6).

A paradox awakened western feminist scholars. "They took at face value the soviet government's claim to have emancipated women; but when [scholars] did further research, the exploitative, misogynistic nature of the Soviet regime emerged clearly." (Marsh, 1996, pp. 5-6). Both legal equality and full employment for women were vital aspects of the Soviet program for women and are among the successes the USSR emphasizes in solving the "women's question" (Noonan, 1988). Now having been disappointed, discouraged, and depressed that neither legal equality or guaranteed work exists for them, Russian women are striking out to entrepreneur.

Once a decision has been made to start a business,

women's attention turn to management issues. Business management experts (Goldstein, 1994; Handy, 1994; Helgesen, 1990, 1995; Hesselbein, Goldsmith, & Beckhard, 1997) advise on organizational approaches, management techniques, company policies and procedures, but, as expected, present little insight into the problems specific to Russian women entrepreneurs. Leadership (Gardner, 1995; Wheatley, 1992) and management (Goldstein, 1994; Handy, 1996; Hesselbein, Goldsmith, & Beckhard, 1997) theories come into play in order to examine and qualify Russian business women's characteristics. Ethics issues (Puffer, 1996; Puffer & McCarthy, 1995), education and training issues (Mandelbaum, 1991; Thach, 1996) all lend important theoretical basis to discover how and why women entrepreneur.

When conversations turn toward organizational charts and organizational structures, Russian women entrepreneurs raise rousing resistance to these topics. After more than 70 years of tight control and structure, women are leery of "just another kind of control", as one business owner explained her concept of organizational structure. Russian women entrepreneurs attending training sessions have a total distrust of any form of hierarchy.

Women's leadership styles in post-perestroika Russia continue to be influenced by pre-perestroika conditions. The leadership methods still include fear of retribution, authoritarianism, Soviet pedagogy, and a panicky reaction to political and economic instability, but women are flexible

and willing to adapt to new circumstances. They are open to new leadership styles and extremely interested in understanding how they work. Frances Hesselbein's approach to organizing and managing could be an appropriate alternative in Russia, as it is opposite common hierarchical organizational structures currently known throughout the corporate world. "A flat, circular, fluid management system" that Hesselbein (1997) described is suitably transferable to both macro and micro businesses. This may be an ideal management model for Russian women entrepreneurs to promote leadership, vision, and a vibrant, energetic workforce.

There is a Chinese proverb that says the more you know, the more luck you will have. The saying captures the essence of why training programs are so important in a transitioning economy. The purpose of training is to give women enhanced business skills, to know more, to entrepreneur better (Jalbert, 1995). Reorganization of the Russian government has once again created chaos in methods and procedures for establishing a well functioning civil society. Civil society, in the context of this dissertation, refers to small business ownership, micro-credit programs, business training programs on-site and via distance education, advocacy of political awareness, and strengthening of NGOs.

Training is the essential component for producing an able, competent, economically contributing corps of entrepreneurs. Training is a critical, skill-based learning system necessary to move more and more women toward

entrepreneuring in a decisive way so they are not just surviving but successfully thriving in order to contribute to their local, regional, and national economies. Skill based training, technical training, and delivery of management skills are a necessity. Mandelbaum (1991) wrote that one type of support always is sensible; it is technical assistance that is the economic term for business advice and training. He added that technical training is fundamental for Russians, as they are almost entirely lacking in business analytical and managerial skills.

Mandelbaum made an important point about business analytical and managerial skills. In the U.S. people are expected to know basic business even as young people finishing high school, where bookkeeping, fundamentals of accounting, balancing checking accounts, and other business basics are introduced. By the time a business major finishes college, she has increased her business cognition to include advanced and/or managerial accounting, economics, management, marketing, and many other business-based courses. A basic understanding of free-enterprise methods has been impossible in the Russian environment.

In an e-mail correspondence from a colleague, Ukrainian Elena Baryshnikova (1997) mentioned that she felt challenged by a British university marketing class. Elena said that she knew none of the concepts because they never existed in her environment. She added with enthusiasm that she might as well learn them because surely the emerging market economy

was developing and she wanted to be part of it. According to a landmark survey of Russian women entrepreneurs conducted jointly by NFWBO and the Ural Women's Association (1997), women business owners in Russia strongly desire training, management, and technical assistance. In fact, the survey noted that 59 percent specifically asked for training in finance, marketing, and related business topics.

While all the above theories have developmental impact and lead to economic, political, sociological, and psychological understanding, none specifically point to women entrepreneurs in a transitioning economy. Current economic, development, management, and feminist theories, as well as their historical context, must be understood in order to observe the direct impact Russian women entrepreneurs may conceivably have on their transitioning economy. However, it is difficult to understand the shape, scope, and perception of the current entrepreneurial movement without observing, surveying, and interviewing directly women entrepreneurs.

Lack of data specifically related to the Russian woman entrepreneur is chronicled well by Fong (1993) and Khotkina (1994). Information on Russian women, in a national context, has only arisen in the past ten years. The Women's Union of Russia is a leader in delivering programs for re-training and entrepreneurship (Fong, 1993). The Union stands out in addressing the participatory needs of women in an emerging market economy. With pressure from the Union, Yeltsin issued a decree signed on March 4, 1993 titled: *Top Priority Tasks*

with Regard to Women (Kotlyarskaya, 1994). Currently, several institutions are actively engaged in research on women's issues, including the Russian Academy of Sciences Center for Gender Studies, the Institute for International Entrepreneurship, the International Institute of Women and Management, and the Business Collaboration Center. Yet to date, not enough literature is available specific to Russian women business owners. The quest is ever on going, not only to find adequate literature specific to Russian women entrepreneurs, but also to produce it.

CHAPTER III

METHOD

The research, *Contemporary Russian Women: Entrepreneurial for Survival*, was structured as a "mixed-method study" (Creswell, 1997). The dominant research component followed the qualitative paradigm, using a phenomenological approach. Phenomenological inquiry attempts to describe and elucidate the meanings of human experience (Rudestam & Newton, 1992). The research was intended particularly to achieve or make clear or give "voice" to female entrepreneurs operating in a transitional economy and to construct a rich description of their words (Abbott, 1995; Marsh, 1996).

Strauss and Corbin (1990) wrote that qualitative research produces findings are not arrived at by statistical means. Creswell (1994, 1998), Erickson (1986), and Miles and Huberman (1994) said that qualitative means different things to different researchers. The qualitative design sets the focus parameters for data collection, methods of collection, analysis tools, data reduction, and reporting styles. The qualitative design was a choice based on worldview, which for this study was to uncover and understand what lies behind a little known phenomenon (Strauss & Corbin, 1990).

In studying the qualitative paradigm and planning the interview procedures, it became apparent that a single paradigm was too limiting in order to collect all the data needed to address the research question and to examine other concerns pertinent to the study. Since the researcher's primary goal was to give "voice" and to understand the lived experiences of Russian women entrepreneurs, one-on-one interviews were a logical methodological choice. The interview alone, without extensive time with each entrepreneur, could not capture the demographic data that needed to be recorded while in the field. The mixed-method design combining parts of the two paradigms, incorporated interviews as the dominant qualitative piece and a questionnaire as the less-dominant quantitative component to collect demographic findings.

Researcher's Experience and Point of View

A researcher using a phenomenological approach is also a participant in the study. Reflexivity, Creswell (1998) revealed, meaning perspectives, biases, values, and experiences, plays into the data collection and analysis procedures. Thinking about research as problem setting, rather than problem solving is intriguing (Wolcott, 1990). The process of naturalistic inquiry appealed to me because it "is intended to understand phenomena in their naturally occurring states" (Rudestam & Newton, 1992, p. 32). Awareness existed that certain personal and professional life

experiences may present biases as to how the phenomenon was viewed. Specific examples are that I am a feminist interested in feminist theory and research methodology. I am an entrepreneur interested in economic, management, marketing, credit, and other business-related topics. Thoughts and actions are biased by an abundance of entrepreneurial, women's management style, and feminist readings consumed over the course of my life span.

As an early entrepreneur, the first memory of earning money beyond baby-sitting and the lemonade stand was to iron. At the tender age of twelve, I set up an ironing business to lessen the burden of working women in the neighborhood. The little business was so popular that a younger, most unwilling brother and sister were commandeered to help. A plethora of money earning ideas followed this first entree into real business. Following on-the-job training and education in accounting, business expertise evolved to owning a tax accounting and consulting practice specializing in small business development, plus ownership of three successful art enterprises in the San Francisco South Bay Area.

Today, as an international business development consultant based in Colorado focusing on micro-enterprises as well as small and mid-sized enterprises (SME's) my explicit philosophy is this -- small business is the heartbeat of a thriving community economy ... anywhere. My sole career function is to train business owners where they work and live. Entrepreneurship is my message, expertise, and

instrument. As a long time entrepreneur, perceptions held by women business owners are understood and empathized. These perceptions can be both positive and negative, successful and unsuccessful, exhilarating and stressful. While owning the tax practice, clients from Japan, India, Mexico, and other countries were referred. Also, while owning the art galleries, artists from numerous cultures creating in a broad variety of media screened for inclusion in exhibitions. Consulting opportunities arose from both businesses to travel in Europe, Mexico, Canada, and Japan. Each trip sparked another. The past six years work has drawn me repeatedly to Russia. Having recently completed an assignment in Novgorod-the-Great, now more than 30 projects in 31 cities crisscrossing seven of Russia's 11 time zones were successfully concluded. Thus, I was drawn to investigate women entrepreneuring in other cultures.

Previous experiences influenced the desire to know and understand more about women entrepreneurs. Today businesses, non-governmental organizations (NGOs), universities, and governments retain consulting services to define and implement their entrepreneurial strategies. Over 500 clients worldwide have been assisted. Although Russia has been a focal point of late, during the past ten years I have traveled, trained, consulted, and lectured in 22 countries, which has further heightened awareness of the cultural, political, and economic elements impacting women.

Casual, professional, and academic literature may have

added to bias toward women entrepreneurs. Preferences for reading almost always holds an element about women, whether it is management theory (Goldstein, 1994; Handy, 1996; Helgesen, 1990; Hesselbein, Goldsmith, & Beckhard, 1997; Senge, 1990, 1991; Wheatley, 1992), feminist constructs (Freidan, 1976; Gilligan, 1993; Steinem, 1995), or entrepreneurial theory (Godfrey, 1992; Moore & Buttner, 1997; Sher, 1979; Weeks, 1995). Whether preparing for consulting, training, or a keynote presentation, the topic of women always finds a place in the message, planned to entwine optimism, futurism, motivation, and an entrepreneurial spiritedness.

The community, both local and global, is extremely important to me. As a consequence, I serve on numerous boards locally, regionally, nationally, and internationally, including the American Association of University Women, Colorado Women's Global Mission, political campaigns, and art federations. Moreover to specifically support women business owners, I am a founding member and on-going advisor for Women Entrepreneurs Association of Nepal, The Nepal Association of University Women, The Women's Humanitarian Foundation in Novosibirsk, Russia, and others.

Having outlined previous experiences and biases, it should be apparent that I have a keen and robust reason for researching the lived experiences of Russian women entrepreneurs. Entrepreneurial success is realized by bringing out the best performance in one and by encouraging

one to do more than thought possible. The credo is to assist all whom cross my path by training them with business technical skills or by consulting directly with them to solve business barriers. To do so, I must hear their voices. In-depth interviews will be the primary research tool in order to allow women entrepreneurs the opportunity to express their own individual, unique views and to express in their own words how economic, political, cultural, and social conditions are perceived within or bounded by their entrepreneurial experiences. The following sections will explicate the research approach, rationale, measures, and procedures used to hear women entrepreneurs' voices.

Research Approach and Rationale

A phenomenological exploration was planned for this research, *Contemporary Russian Women: Entrepreneurship for Survival*. Examining the meanings of individual entrepreneurial experiences is the phenomena to be discussed below and reflected upon. Data was collected during consequential conversations about entrepreneurship. As a phenomenologist in this study, the undertaking was to explore situations in the everyday world from the viewpoint of the experiencing person (Becker, 1992, p. 7).

Further, the phenomenological inquiry sought is to examine a person's conceptions of a particular experience, which in this case is the contemporary obstacles women entrepreneurs experience in an environment transitioning from

a command to a demand economy. Creswell (1994, 1998) defined phenomenological studies as that in which human experiences are examined through the detailed descriptions by the people being studied (p.12).

To understand the "lived experiences" is as much a philosophy as it is a method of research according to several research writers (Becker, 1992; Creswell, 1998; Moustakas, 1994). Doctoral candidate Cancilla (1998), cited a Stevenson (1990) quote in her phenomenological study. The Stevenson quote is pertinent to Russian women entrepreneurs as it to speaks of the exclusive study of women.

There is a need to feminize the research on entrepreneurs--to include the experiences of women in what we know to be true about entrepreneurs and the entrepreneurial process.... What is required in the research on entrepreneurship is the taking of women's rather than men's experiences as starting points for the inquiry. An examination of women's activities contributes to a new definition of reality--the reality in which women live (p. 439-440).

Numerous authors argue the importance of research about women entrepreneurs (Ducheneaut, 1997; Fong, 1993; Godfrey, 1992; Hisrich & Brush, 1987; Khotkina, 1994; Buttner & Moore, 1997; NFWBO, 1995, 1997; Stevenson, 1990). Researchers need to "write women into the models" (Stevenson, 1990) currently being developed about entrepreneurs. Understanding that work is a path to success, quality of life, and self-fulfillment, women in business have changed the work environment substantially in the U.S. (NFWBO, 1995), creating opportunities for themselves and others in the process. To what extent entrepreneurial activity is impacting other

countries, particularly those undergoing massive economic renovation is a curious, necessary research endeavor. However, this study is not about comparisons from one country to another, or comparisons between genders, rather it is planned specifically to hear the voices of Russian women entrepreneurs. The study was an interpretive task. The task of this interpretive research was to discover the specific ways in which local and non-local forms of social organization and culture related to entrepreneurial activities of women in making choices and conducting social action together (Erickson, 1986).

Worldview for this study embraces the qualitative paradigm and incorporates a reality that appears subjective. The goal was to have close interaction with the actors. Although this design included a set of predetermined questions for the interviews and a pre-planned survey, the procedures allowed for flexibility in order to be open to emerging data. This study was exploratory and inductive in nature. Numerous variables were unknown, unclear, and continually arising, therefore the contextual effects were important. The value of the phenomenological method was to assure that the individual voice of each Russian woman entrepreneur interviewed was heard entirely from her cultural perspective, with bearing upon her entrepreneurial experiences, and her perception of the experiences in her everyday world. "Phenomenologists study situations in the everyday world from the viewpoint of the experiencing person.

"This experiential view helps phenomenologists understand people and human life so they can work effectively with them." (Becker, 1992, p. 7).

A colleague asked, "If you grew up in a western (capitalist) society, will you have the 'ears' to hear what the women mean?" To be a better listener, I proposed to the Russian interpreter (also a budding woman entrepreneur) that she read and review transcripts not only for basic context, but also for intent, true meaning, and appropriate understanding. Thus, we became a tightly knitted team constantly checking and re-checking the data being collected.

This research process enabled each woman entrepreneur to highlight experiences she most values, dwell upon them while describing the experiences, and then relate meanings. By using an inductive qualitative strategy, both the interviewed actors and the researcher explored reflections of women, who own and operate a business in an environment fraught with problems. The study was, in essence, a temporal slice of a whole past and present as the entrepreneurs voiced challenges, actions, changes, and their overall perspective of business ownership.

Participants

This study was region specific. According to the city's marketing brochure reporting a population of approximately 128,000 in the city and 414,000 in the region, Novgorod-the-Great is the ancient Russian capital, and is the oldest city

in the Russian Federation established in 859 AD. The locals like to say that whereas St. Petersburg, located three hours northwest of Novgorod, is considered to be a European city, and Moscow is considered a Soviet city, Novgorod is a real Russian city. The local administration has enacted a number of laws to make the region attractive to foreign investors. Experts from the Foreign Investment Advisory Service of the International Financial Corporation and World Bank consider the Novgorod Region to be one among six designated regions in Russia with the most favorable investment climate (Novgorod Region brochure, 1997). However in spite of the economic accolades, the economy has remained stagnant.

The idea of qualitative research is to purposefully select participants who will best answer the research question (Creswell, 1994, p. 148). In order to locate and interview what Patton (1990) calls "information rich" subjects (those who have much to say on a subject and wish to say it), with the help of those listed below, "information rich" participants were identified (Abbott, 1995, pp. 36-37). By using purposeful sampling and implementing Jenny's (1994) snowball effect, women entrepreneurs were chosen from this list.

- Novgorod Women's Parliament consisting of 80 current members,
- Novgorod Business Women League consisting of about 20 current members,
- Association of Women Entrepreneurs of the Novgorod Region

consisting of about 20 current members,

- Perspectiva, an Opportunity International micro-credit lending institution, and
- Personal introductions from Citizens Democracy Corps, women entrepreneurs, training seminars, city and regional officials.

From the above list fifteen women entrepreneurs meeting the interview criteria, those uncovered as the best possible information-rich participants, were selected and scheduled for interview appointments. No attempt was made to randomly select entrepreneurs beyond the general purposive sampling parameter. Consideration was given to the setting, actors, events, and process (Miles & Huberman, 1984). Specifically, the interview criteria was:

1. women only,
2. women working full-time in their business or
3. women defining their self-employment as the primary income,
4. women owning their businesses for a minimum of one year, preferably two,
5. women living in the Novgorod region,
6. women possessing the largest percentage of business' ownership,
7. women employing five to seventy-five workers, and
8. women operating in a cross-section of business types involving service, retail, and manufacturing in order to satisfy representativeness.

Citizens Democracy Corps (CDC) selected the research site. CDC recruits American professionals to support the development of enterprises and economies in Russia, as well as many other countries. Through its Enterprise and Economic Development Program, CDC provides business training assistance that is designed to have a broad, long-term impact. This particular assignment is termed an LTA, which means that it is a long-term assignment as an on-site advisor, for the period July to December, 1998. The scope of the LTA is to provide organizational development tactics, consulting, and training to business associations, as well as entrepreneurs. Additionally, CDC is fully aware and supportive of my research endeavors.

Measures

In qualitative studies particularly as related to in-depth interviews, the researcher is the "instrument;" her presence in the lives of the participants invited to be part of the study is fundamental to the paradigm (Marshall & Rossman, 1995, p. 59). For this research, my presence will be intensively sustained on-site for a period of five months to conduct in-depth interviews, thus allowing me to enter into the lives of Russian women entrepreneurs. The second, less dominant, instrument is a questionnaire designed to collect demographics about Russian women entrepreneurs.

In-depth interviews, based on an inductive archetype, were planned and conducted for fifteen women who currently

own and operate their own businesses and have done so for a period of no less than one year, but preferably two. Two of the interviews were for test purposes only. Results are not included in the final analysis. The interview questions were open-ended but also were gently guided by the researcher to keep the participant focused on her perceptions. Interviews lasted from one and a half-hours to two hours, depending on the candidness and comfort level of the participant. The interview questions are attached as Appendix A.

A questionnaire designed to gather basic demographics was disbursed at the end of each individual interview, and during training sessions, meetings, and conferences. All questionnaires were personally distributed and collected. World Bank reports (de Melo & Ofer, 1994; Fong, 1993) and the NFWBO/Ural Women's Association (1997) offered ideas for survey techniques related to the role of women and private service firms in transitional economies. The questionnaire collected basic demographic information, such as owner's name, age category, business name, date registered, sales volume, net profit, number of employees, and other business basics. The instrument was distributed to 200 entrepreneurs; 74 questionnaires were collected resulting in a return rate of 37 percent. The survey is attached as Appendix B followed by a recap of survey response results as Appendix C.

Materials required for instrumentation were simple. First and foremost was the researcher. Next, the instrumentation included an audio cassette recorder for

taping each interview, back-up cassettes, a transcription machine, field notes and journal, distribution and collection of questionnaires, a laptop computer, and minor office supplies. It was assumed that most interviews would be conducted at the actor's place of business, however, this was not the case. It was determined early on that the best location for an in-depth interview was my flat. Small offices and multiple activities lead to continual interruptions, ineffective interviews, and loss of time for both the women being interviewed and me. Setting an interview stage in the quiet environment of my conveniently located Novgorod apartment could control these factors. For each interview, the interpreter would arrive early. We would carry the tiny kitchen table to the living room (doubling as an office), cover the table with Russian flax linens, and add a small bouquet of fresh flowers. During the interview tea, fruit, cakes, and cookies, important cultural elements, were offered to set a relaxing atmosphere. A neutral, open, encouraging interview was maintained while demonstrating professionalism, empathy, and interest without pervading interruptions. The atmosphere was much to the liking of the interviewees.

Validity and Reliability of Measures

In a quantitative study, validity is viewed in terms of construct, content validity, concurrent validity, predictive validity, and face validity. Because this is a qualitative

emergent design, Creswell's (1994) advice was to develop "verification steps." Patton (1990) substituted trustworthiness for validity and reliability, which will be addressed below. Following Creswell's suggestions, the design provided for the testing of validity, both internal and external, and reliability. For internal validity, to test the accuracy of the information, and whether it matches reality, Creswell posed three generally accepted methods:

1. Triangulation of findings. Miles and Huberman (1994), Creswell (1994), and Woodside and Heaps (1996) encourage the use of triangulation for greater accuracy, to allow multiple viewpoints, offer a complete, holistic, and contextual portrayal of the participants under study. In Chapter IV, Analysis, converging information will be assessed in three ways from (a) data from the qualitative interviews, (b) on-site direct observation for a five-month period, and (c) field note comparisons.

2. Participant feedback. This is a typical method for answering the question "was what I said what was typed?" Feedback from those interviewed did not work well in this research model because all interviews were conducted through an experienced Russian interpreter. The English portion of the audiotaped interview was transcribed by me. Because participants spoke no English, they were unable to read, review, or critique transcripts. To offset this drawback, the interpreter read each typed transcript for accuracy. Additionally, time was set aside before and after each

interview to discuss and review fine points.

3. Identification of participants involvement. For this research, informants and participants are the same audience. There is no separation of actors (informants) and data collectors (participants) because all the data collecting processes were conducted by me and all findings were reviewed as they emerged. In this design, informants, actors, hosts, respondents, interviewees, participants and audience mean Russian women entrepreneurs. Respecting cultural differences, the word "informant" due to its inflammatory nature was not be used.

For external validity, it is necessary to discuss the generalizability of the findings. Generalizability is a potential limitation of this study. It is hoped that the research model constructed as a result of this research will evolve to where it can be used in other geographic locations. In fact, in the qualitative texts including Creswell (1994) and Merriam (1988), authors specifically mentioned that it is not the intent of qualitative research to generalize, but rather to interpret events and/or findings. However, the study attempted to be representative of women entrepreneurs in the Novgorod region by identifying, and consequently interviewing and surveying an indigenous sample of the female entrepreneurial population.

For reliability, it is appropriate to discuss potential replication of the study. By selecting women entrepreneurs coupled with previous entrepreneurial experiences, this

research could lead to a replicable model. As detailed protocol for data collection, audit trail, instrumentation, and analysis were developed, the long-term strategic goal remained to apply the interview and questionnaire model repeatedly, with changes as necessary, in different cultures and circumstances.

Regarding trustworthiness, besides using triangulation, feedback, and careful identification of the participants, a strict audit trail was followed. The audit trail includes audiotapes, transcriptions, coding created during the data reduction phase, field notes, concept maps, memos, contrasts and comparisons, and a personal journal.

Procedures

The procedures for data collection were to: (1) identify entrepreneurs to be interviewed and surveyed, (2) conduct interviews, (3) transcribe interviews, (4) assure validity and reliability, (5) determine that adequate data had been obtained, and (6) then move to the analysis phase. As mentioned above participants were identified while training, coaching, and consulting in Novgorod. Originally it was thought that Elena Efremova, Novgorod's CDC director, would be the primary person to assist in identifying entrepreneurs to be interviewed who fit the criteria as outlined earlier. Ms. Efremova was very helpful. Identification and recommendation of entrepreneurs to interview and to survey also came via Derek Miller, Regional Director of the Small

Enterprise Equity Fund; Mikhail D. Skibar, First Deputy Head of the Novgorod Region Administration, and leaders of Novgorod's three leading women's NGOs.

Ideas for the interview and questionnaire procedures were developed based on previous studies conducted in Russia. The World Bank (de Melo & Ofer, 1994), as well as NFWBO and the Urals Women's Association (1997), conducted surveys in Russia. The World Bank surveyed several hundred private service firms, while NFWBO, et al. surveyed only Russian women entrepreneurs. Both surveys have provided valuable insight for the design of the questionnaire instrument. However, neither survey conducted qualitative analysis. Additionally, Salant and Dillman (1994), McPherson and Parker (1993), the CIPE survey, and the Gemini (1992) manual for conducting baseline surveys all provided insight for the evolution of the instrument.

The data collection and analysis occurred concurrently while still in the participant interviewing and collecting of questionnaires phase. Content of each transcribed interview script and each completed questionnaire was examined as it was returned. "The task thereafter [was] to describe that reality in its appearing, remaining throughout agnostic concerning the question of whether that reality relates to objectivity" (Ashworth, 1996, p. 4).

Each interview opened as a data collection process by: asking permission of each interviewee to tape, explaining the taping process, requesting each participant to read the

Colorado State University letter, questioning: did they understand the letter, checking: did they have questions, thanking: for participation in the study, noting: interview confidentiality, and preparing: observation notes. Abbott (1995) warns "that it is imperative to rely heavily on the tape of interviews rather than field notes, as the interviewer must be fully involved in the interview in order to give it credence" (p. 42).

Each subject was asked the interview questions listed in Appendix A. There was extreme variety in length of answers, depth of discussion, and reaction to the questions. Tapes were transcribed as soon after the interview as possible. Interviews averaged 1 1/2 hours to often more than 2 hours. Transcription averaged 4 hours or more per tape due to double translation, interpreter's use of English, and constant playing repetitions to actively listen to each tape. Next the interpreter and I studied each transcription, followed by identifying and logging key portions of the transcription texts to HyperResearch. It was also helpful to print a second version of the verbatim transcripts, highlight key points by hand, or bold portions of the text. This system gave me the opportunity to use the constant comparison method in looking for emerging themes. As general themes were identified from the participants' answers and subsequent transcripts, key interview terms or code words that appeared significant were identified.

Data Analysis

Originally, it was proposed to complete all the data analysis upon return to the U.S. Waiting nearly six months to review and analyze data, it is possible some of the crucial essence of the participants' experience would have been lost. A plan evolved while on-site to conduct open coding using the HyperResearch program after transcribing each interview. Open coding is the first step in qualitative analysis, which breaks down the large texts or "chunks" into more bite-sized pieces to examine, conceptualize, and categorize data as perhaps related to the subquestions or emerging areas.

As more interviews were coded and more data was available for analyzing, axial coding and selective coding were organized. Axial coding requires data from two or more interviews for comparison purposes. In this step, data is put back together in new ways (Strauss & Corbin, 1990). Combinations within categories, such as connections, action/interactional strategies, conditions, and consequences were diligently sought.

Selective coding was the final coding process. It is the most complex process, analytically. In this process, the search for a core category was pursued. Several categories or themes emerged which are outlined in Chapter IV, Analysis. Throughout the coding processes, emerging themes were anticipated, but not determined. General themes or patterns that show repeated relationships between properties

(attributes or characteristics) and dimensions (location of properties) of categories began to surface (Strauss & Corbin, 1990). For instance, for this study the specific properties are characteristics, such as need for achievement, economic locus of control, work ethic, or work motivation (Green, David, Dent, & Tyshkovsky, 1996). An example of the dimensional continua in this research is the scale of intensity of entrepreneurs' reactions to evolving markets.

Upon completion of each confidential, audiotaped interview, the interpreted transcribed scripts of each interview in English were printed and reviewed. Questions were adjusted for subsequent interviews as deemed necessary to meet cultural dynamics, entrepreneur's level of expertise, and interview quality issues. No entrepreneur interviewed spoke a high level of English; therefore, a transcript was not provided to them for review. In a remote region such as Novgorod, it is not warranted to expect high levels of English proficiency. Instead to insure accuracy and relevance, the interpreter and I carefully screened typed transcripts to ascertain that the essence of the entrepreneur's "voice" had been heard, precisely recorded, and literally transcribed.

The dominant research components are the qualitative interviews of Russian women entrepreneurs. The interviews are discussed in-depth in Chapter IV to describe the respondents' experiences and portray the analysis of themes or patterns that consequently emerged. The less-dominant quantitative

portion of the research is the demographic questionnaire. Descriptive statistics from are shown in Chapter V to classify, summarize, and describe the demographic data collected from the surveys.

Proposal Summary

By studying Russian women entrepreneurs, it is the intention of this "qualitative research not to generalize findings but to form a unique interpretation of the events" (Creswell, 1994, p. 158). This research is temporal and is of most value today. Temporality is built into the conditions affecting Russian women entrepreneurs. We see conditions artificially, as a slice of time, rather than over time, with relevant pasts, presents, and futures (Strauss & Corbin, 1990, pp. 160-161). "Phenomenologists believe, however, that if people become preoccupied with measured time and dismiss experiential time, they lose touch with an important quality of the lifeworld." (Becker, 1992, p. 25)

Today, there is a critical need to know, to collect information, and to understand the Russian entrepreneurial process. Timeliness is of the essence. Numerous questions about Russian women entrepreneurs need to be asked and answered, data need to be collected, and records, reports, articles, and books need to be produced as documentation of how Russian women entrepreneurs are contributing to the growth and potential success of a transitional economy. At

this moment in time, there is an opportunity to investigate the impact women entrepreneurs have upon shaping their new society.

From this research, one can directly observe and then interpolate distinct results as to how newly learned knowledge may be transferable to other Russian regions and transferable to other transitioning economies. Ultimately, a model of surveys and interviews that can be utilized in many countries where entrepreneurs are experiencing democratic, market, economic revitalization, and growth transitions. This research is not an end to my scholarly interests, rather, it is just the beginning of life-long learning, researching, and collecting information about how and why women entrepreneur worldwide.

CHAPTER IV

ANALYSIS

The empirical base of this research was with Russian women entrepreneurs in Novgorod-the-Great, Russia from July to December, 1998. This chapter represents the dominant research component pursuing a qualitative paradigm by using a phenomenological approach. Many research studies employ structured survey questionnaires, but make little attempt to "discover" the world a woman business owner, instead imposing upon her an already structured perception of a male-owner business world (Stevenson, 1990). Women entrepreneurs are not an homogeneous group, thus more efforts must be made to develop typologies that reflect their diversity (Gilligan, 1993; Stevenson, 1990).

The goal of this chapter is to display the richness of in-depth qualitative research based on deep interviews and to demonstrate how the interviews unfolded to reveal the participants' "voices." Also, the aim is to follow Giorgi's (1997) advice to: (1) thematize the phenomenon, (2) give precise meaning to the word "experience," and (3) give precise meaning to the word "phenomenon." Further, this chapter closely conforms to Giorgi's steps of: (1) phenomenological reduction, (2) description, and (3) search

for essences. Also, a quantitative piece of the research was the distribution of 200 questionnaires with a resulting recovery of 74 indicating a respectable return rate of 37 percent. Chapter 4 is focused on the interviews and Chapter 5 converged demographic results from the surveys as part of the triangulation process.

A total of fifteen information-rich women business owners were interviewed. However, two of the interviews were for pilot testing only and will not be analyzed here. Thirteen Novgorodian women entrepreneurs strive during the interviews to document their own voices during Russia's historical attempt to transition to a market economy. "It is also vital to stress women's subjectivity and their own perception of their experience, and to explore the strategies they devised in accommodating to resisting a patriarchal society" (Marsh, 1996, p.4).

The original interview goal was ten. The first two interviews were used as pilot tests. As the CDC assignment grew and the locals became aware of my presence more entrepreneurs were referred. After collecting twelve interviews that were representative of women entrepreneurs in the region, the interpreter was informed that we were finished interviewing. On a cultural note, she said that thirteen is a lucky number for Russians, further she was most insistent that one more interview be arranged. And so it was done ending with thirteen interviews from Novgorod Oblast. Brief profiles of the thirteen Russian women entrepreneurs

who willingly participated in this study follow. Each business owner has been given a pseudonym to protect anonymity, however narratives are authentic.

Profiles of Russian Women Entrepreneurs

As Russia approaches the new millennium the next wild wave of widespread political, economic, and societal change will be swift, dramatic, and multiple. Women, contemporary Russian women, entrepreneuring for survival will influence this wave of change.

Alla opened her story as many of the forthcoming interviews began. A large state-owned company employed her. She thought that she would be working there indefinitely. Even though she could see political and economic changes transpiring, it did not occur to her that she would be laid off from a managerial position that she had held for many years, but she was. In her early forties, a divorced mother of two, holding an engineering university degree, Alla was at a loss of what to do. Although she applied for numerous other positions, none materialized; so she became an entrepreneur running a sewing shop to sell fabrics, notions, a small selection of underwear, sewing machines as well as sewing, patterns, and design magazines. She offers sewing classes, seamstresses for designing specialty clothes, and sewing machine repairs.

When asked why she decided to become an entrepreneur, Inna answered succinctly, "in order to have money for

living." As a university professor teaching antiquated engineering processes, Inna was frustrated that what she taught was outmoded, troubled that students would not find employment in the area she instructed, incensed that she had not been paid in months, and concerned about nearing fifty years of age with no reliable income. A chance meeting with a St. Petersburg firm selling health food and health products intrigued her. She investigated the products, studied their merits, read books on marketing, created a computer product system, wrote a business plan, set up a team to market in Novgorod, and initiated her business only a year ago. She believes that her approach to entrepreneuring is closely connected with her social work with local NGOs. The NGO members, her enthusiastic second husband, and her adult son support her ventures.

Tanya, at 35, laughs as she considers if she is, in fact, an entrepreneur, "well, I'm not 100 percent this thing." Although she was affiliated with several state-owned companies and owned a private art gallery before Mafia forced her out of business with their "security" demands, she likes the idea of "being responsible for the whole thing." Her new company is a non-profit organization focused on improving journalist reporting in all media. Married, mother of a toddler, active in a regional NGO association, Tanya is energetic, dynamic, and satisfied with her choices. University educated in the arts and humanities, she gained her business expertise by jumping in to "just do start".

Vera's story closely resembles Alla's in that she too was employed by a state factory and knew that termination was unavoidable. For three years after the firing, she worked part-time, but no ideal job came her way. At 38, her university degree, professional presentation, administrative and logistical skills could not secure her new employment. Vera became acquainted with a Mary Kay representative. "I appreciated this work because I felt that it was my own business and nobody was the boss of me. I could do everything that I wanted. I liked this [idea] very much." With the encouragement of her husband and two children, Vera immersed herself in Mary Kay management and product training the past year which required "changing my psychological aspect and my attitude toward this kind of work," steps which Vera believes are rudimentary to her survival.

Galya is an emigrant from Georgia to Novgorod Oblast. She discovered upon arrival that there was no work, so Galya said, "I decided to become an entrepreneur." That decision was 5 years ago. Living in a small city in the region, Galya was frustrated that no one was selling women's clothes. She developed a small, smart boutique furnishing clothing to professional women. Like three other entrepreneurs, Galya graduated from the university with an engineering major. It never occurred to her that she would not work in engineering. At 43 married with two children, she worked with foreign companies and state-owned companies in Georgia before relocating. The boutique is not Galya's only entrepreneurial

enterprise. She decided to help two schools with on-going food problems because, "children are without food on some days." By buying foods in bulk for the schools, she discovered that she could buy quantities large enough to start small food stores in remote districts of the Oblast.

Married with two college-aged sons, Anya, a homeopathic doctor, said that progressing to business owner "happened by chance." Before entering self-employment in 1992, she was a vice-assistant of a state-owned clinic, teaching at the medical college, and working in a private clinic. "I understood that the work with my private business was more profitable than the work at the state clinic, and this impacted me to think how to work for myself," Anya justified. The hospitals wanted her to stay with them and offered facilities for her private practice, but Anya reflected, "they were too small ... dark ... and not very comfortable for my clients." Without looking backward, she moved to leasing premises for her new private clinic.

Shy and nervous, Masha could barely take her eyes off the tape recorder. Masha was trained at a local vocational Center of Cosmetics as a facial dermatological clinician. In the early 1990s during an intense time of privatization, her boss tried to discharge older employees, including Masha. Masha reflected, "maybe at that moment I decided to be independent." It is common for entrepreneurs in their 40s to say that they are unemployable. There is a shred of truth to this statement as is evidenced in the highly discriminating

employment ads. With her husband unemployed and two children still at home, Masha feels a heavy burden to succeed with her small service business.

Sophia's story was unlike any other. Confidently she reported, "I am an entrepreneur. My business is connected with trade. I am an owner of a small shop, and, of course, I have some retail in the street." She paid special attention to her father and grandfather who were also connected with trade. "They were sellers," Sophia reported proudly. Her seven-year-old son who was dressed dashing in a little gray vested pinstriped suit accompanied her to the interview. Although married, there was no mention of her husband. Her university education was connected with trade, selling, and supplies. Sophia applied her educational background in a cooperative after graduating, but the cooperative failed in the political and economic crises of 1992. After describing these points, Sophia emphasized, "I am sure that the main reason was my wish to survive in such conditions and to meet my family needs. Of course, I was thinking about my child."

Expressive, anxious, and proud to show her work, Lydia arrived with a photograph album portraying the events she has executed in the region. She has owned her business for two years and occasionally involves her three children in different functions. When asked her reasons for entrepreneuring, she answered without hesitation, "This question is connected with my generation and my parents and grandparents. We were all connected with trade. I think

that trade is in my genes." Lydia went on to say that the timing was right for her as the government finally allowed private business ownership and that she had a great wish to start her own business. Her artistic designs matured, in part, from her fine arts university background.

Larissa dove into a rapid-fire conversation turning the tables on me unexpectedly from the moment she entered the flat. Without prompting and without opportunity to set the stage for the interview questions, she drew me into her world. "I would like to ask you a question," she opened as I thought I would like to do the same. Quick-witted, nimble humor, carefree, but not careless, she strove relentlessly to explain and have me understand her business outlook. Blasting national to Oblast political and economical issues, Larissa concluded that all the programs are "connected only with words, but not in actions." As an owner of a sewing workshop employing twelve workers, including her daughter-in-law who she is grooming to take over the business, Larissa is focused on not only making a profit, but also providing quality, affordable clothing for the local population. Her workshop is not a retail facility, but rather a small premise of four rooms where fabric is chosen, clothing designed, and sewed. Her story reflected dejection, as did the stories of other women who had also been laid off from provincial plants. Since she was widowed with two sons to support, Larissa said about entrepreneuring, "I understood I could feed and meet my family's needs."

One of the youngest to be interviewed, Lena, at 26, was also one of the most successful, active, and energetic. Owner of a fitness center who enthusiastically teaches and endorses aerobics, Lena was very difficult to schedule for an interview. Arriving ten minutes late and breathless from rushing all day, she gladly accepted a hot cup of tea. A young married woman with a very supportive also entrepreneurial husband, Lena has no children. Her university degree is in fine art, but she always showed a preference to the physical and immediately became a teacher of aerobics upon graduation. Her frank answers to the interview questions showed market insightfulness. She pointed out early in the interview that besides ardently appreciating her profession and business, it was clear to her that the level of sports clubs in the region was very low. Her mission, she explained, was to change the standard and to offer the best facilities, equipment, and classes possible.

Surprisingly, Kira, as the youngest entrepreneur at 24 years of age, was also one who owned her business the longest, actually buying her first, but not only, business at age 19. Kira explained that while she was in college she worked part-time in retail. Her boss owned a business selling small kitchen appliances and implements. He was not successful and was planning to close. Kira offered to buy the remaining inventory from him, which also gave her an opportunity to keep the premises. She still owns this business today. Additionally, she branched into selling

electronic communications and started an auto service business offering stereo systems, security systems, and installation. Future plans include full automotive parts and repairs servicing. Single, energetic, vivacious, Kira remarked that she wanted to own a business to, "realize my potential and to get some money."

At the beginning of this interview, Zoya and I did not engage in idle chatter. We have known each other since the third day I arrived in Novgorod. Her women's association is one of my primary assignments, her business is one of our CDC clients, and we have met numerous times at her cafe, at administration meetings, and at city events. She arrived about a half-hour late looking totally preoccupied with other pressing matters, gave a quick apology, and promptly settled on the sofa. Like the other interviewees Zoya was stylishly dressed. Unlike other interviewees, her hair was askew, uncombed, and unstyled. She is the most prominently successful of all the thirteen women business owners interviewed. Zoya, 45, university educated in engineering, has been entrepreneuring for over 10 years and has her fingers in NGOs, politics, the cafe, the opening of a bar, and other business ventures. Family life with her current third husband and five children keep her endlessly engaged.

Demographics of Thirteen Russian Women Entrepreneurs

The chart below summarizes the thirteen entrepreneurs interviewed. It lists their pseudonym, current type of business, age, marital status, number of children, education, area of educational emphasis, and previous career paths.

Table 1

Demographics of Thirteen Russian Women Entrepreneurs from the Novgorod Oblast

<u>Alias</u>	<u>Business</u>	<u>Age</u>	<u>Married</u>	<u>Child</u>	<u>School</u>	<u>Area of Study</u>	<u>Career Path</u>
Alla	Sewing - Retail & Classes	44	Divorced	2	Univ.	Engineer	State Co.
Inna	Health products	50	Yes-2xs	1	Univ.	Engineer	Professor
Tanya	Journalist - 1st PBS Org.	35	Yes-2xs	2	Univ.	Fine art	State Co & Business
Vera	Cosmetics	38	Yes	2	Univ.	Other	Gov't & Univ.
Galya	Boutique & food distribution	43	Yes	2	Univ.	Engineer	Foreign Co & State Co
Anya	Health care	40s	Yes	2	Univ.	Medicine	State Medicine & Professor
Masha	Facial & skin care	44	Yes	2	Vocational	Facial	State Clinician
Sophia	Trade & Street Vendor	32	Yes	1	Univ.	Selling	Co-Op
Lydia	Events planner	30s	Yes	3	Univ.	Fine arts	Academia
Larisa	Sewing workshop	46	Widowed	2	Vocational	Not known	State Company
Lena	Fitness center	26	Yes	0	Univ.	Fine art	Teacher
Kira	Kitchen retail & other services	24	Single	0	Univ.	Business	Private Co.
Zoya	Restaurant	45	Yes-3xs	5	Univ.	Engineer	Academia

Themes of the Research

The entrepreneurial phenomenon for Russian women surfaces as perplexing, propagating, and perpetually changing. With the society as a whole attempting to transition to a market economy, obstacles and opportunities daily confront these determined women. Analysis of the thirteen interviews yielded valuable information with the entrepreneurs voicing, clarifying, and illustrating their insights into current business dilemmas.

The in vivo codes or themes best stated in the participants' words became visible through circumspect qualitative examination of the interviews. HyperResearch software aided the analysis process. Four general themes emerged. These themes brought to light the essence of experiences for contemporary Russian women entrepreneurs in the Novgorod Oblast. The experiences were grouped in commonalties as vocalized by the entrepreneurs to the interview questions posed.

Pseudonyms as delineated in the participant profiles are used to identify the source of quotes that support the emergent themes. At times a statement that synthesizes circumstances of several entrepreneurs is used to highlight shared experiences. Verbatim material from the thirteen entrepreneurs' interviews enunciates their individual voices, relationships, attitudes, and frustrations toward market conditions. An outline of the emergent themes and subtopics is shown in Figure 1.

Theme One - A Will of Her Own

1. Entrepreneurial Attitudes and Attributes
 - (a) Key decisions
 - (b) Is it more difficult for women to entrepreneur
 - (c) NGOs
 - (d) Characteristics needed to entrepreneur
 - (1) business attributes
 - (2) personal attributes
 - (3) ethics issues
 - (e) Significance of role models

Theme Two - Business with the Face of a Woman

1. Obstacles Women Face in a Transitioning Economy
 - (a) Challenges and struggles
 - (b) Risks
 - (c) Credit
 - (d) Dragon taxes
2. Solving Business Problems
3. Business versus Personal Problems
4. Attitudes toward the Government

Theme Three - And Winter Came Anyway

1. Advice to Future Russian business women
 - (a) Just start
 - (b) Be aware
 - (c) Words of wisdom
2. Prevailing perplexities
 - (a) Fear
 - (b) Friendship
 - (c) Zaftra (tomorrow)

Theme Four - The Color of Transition

1. Experiences of Life in Russia Today
 - (a) Pictures of pain
 - (b) Market behaviors
 - (c) Everyday thoughts
 - (d) Owner Actions
2. Final Thoughts and Comments of Russian Women Entrepreneurs

Figure 1. Outline of Research Themes Evolving from Interviews with Russian Women Entrepreneurs.

Theme One - A Will of Her Own

The first interview question, why did you become an entrepreneur?, solicited information about why each entrepreneur chose to become a business owner. Many of their personal journeys followed similar patterns of being laid-off from state-owned factories, cooperatives, or academic jobs. Vera explained the quandary, "As many women in our country, I also worked at one of the factories. It was a very difficult time because I've never been unemployed. I tried to do something, to find something, to find some job for me." Running into extraordinary lack of employment opportunities, gender and age discrimination, and extreme pressure to provide for family needs, Vera, like the other women interviewed, chose entrepreneuring as a survival device.

Yet the words entrepreneuring, business ownership, and enterprise development were new, bewildering, untested, and untried during the communist period. Zoya recognized this, "I didn't think that it was entrepreneurship at that moment [that I started up]. It was my inner necessity to become self-confident and of course to meet my family needs."

Inna, Sophia, Larissa, Kira, and Zoya cited early in their interviews that the basic incentive to own a business was to have money; money for living; money for survival; money for the family. Larissa obliquely expressed,

I shouldn't say that I have a lot of money and I didn't have a lot of money before, but I can't without my business. I understand that I should do it. I should go into business and I should continue. It is very hard. It is very difficult,

but it is my favorite work.

Tanya was motivated by factors other than money, "all the time I was thinking to do something [for] myself just when you're responsible for the whole thing and no one is/should be telling you what to do." Unknowingly agreeing with Tanya, Vera alluded that she too likes the idea that no one was "boss of me." Lena echoed Tanya and Vera's opinions adding that business is, "an opportunity to realize my abilities [and] at the moment I thought that my emotions, my creativity, my heart, and soul which are involved in sports are the part of my business."

These are women of vision who exhibited a will of their own; women who boldly confronted their unemployed status and decided not to stand in long employment lines. Instead, they became entrepreneurs to mold their future, to provide for their children, to explore their creative abilities, and to entrepreneur as Kira, only 24, said, "to be a business lady because I found out I could."

Entrepreneurial Attitudes and Attributes.

Four topics shape Russian women business owners' attitudes and attributes toward entrepreneuring. The topics followed by the interview question are:

1. Key decisions that the owners recognized as business turning points (How were some of your key decision turning points as a business owner?),

2. Whether or not it is more difficult for a woman than

a man to entrepreneur (Do you find it more difficult for women than men to entrepreneur in the market economy? Why?),

3. How NGOs contributed or did not contribute to the development of their businesses (How have women's business organizations played a role in the development of your business?), and

4. Whether or not role models or mentors were important or unimportant (Have role models or mentors been important or unimportant you? Explain.).

Key Decisions

Do not misconstrue her actions, a Russian woman entrepreneur will jettison any decisions that do not directly benefit her business. She has no choice. Business training is hard to get. Politics and economics change by the day. Government red tape is so complicated, outdated, redundant, confused, parochial, and absurd that these entrepreneurs have to react on gut instincts to guide all key decisions.

Zoya's chronicle is illustrative of the interviewed entrepreneurs who pointed out repeatedly that the Russian political and economic situation heavily impacted decisions.

I'm sure that all key points are connected with the history of the government of our country and with the ability of some people to react. Some people react on these events and some people don't. I am one of those people who react. I belong to that part of people who react immediately on events in our culture, in politics, and in our economy.

Zoya, the restaurateur, reminded that in 1986, as Duch (1993) confirmed, laws were initiated to authorize

cooperative enterprises in the services-and-consumer-goods areas. For Zoya, this was an important event. "I began my work. I established my first cooperative at that where I was working. This cooperative was one of twenty in our region."

Another law connected to non-governmental organizations like "Komsomol," the political youth group, was enacted. Zoya decided to coordinate her own organization for young people. A student cafe, theater, student-sewing workshop, and building construction projects linked the cooperative and the youth organization activities. In making sense of her glut of activities, Zoya said, "I'm sure that all these actions were a kind of searching for my niche in the market."

Zoya, as did the other women entrepreneurs, commented that before Union of Soviets Socialist Republics dismembered there was no education in market economics, management, or business subjects. To learn what they needed to know about the market economy "everything was connected with our intuition and with our abilities," Zoya reflectively observed. By 1991, Zoya was fully aware and worried about her lack of business education so she enrolled in the Moscow University's School of Business. She proudly proclaims that:

Maybe I was the first who knew about such a term as entrepreneurship because a lot of people didn't know about it at that time. I'm sure the decision to get education connected with entrepreneuring in Moscow was one of the key points in my life because I did it myself and I paid it myself and when I returned from Moscow to Novgorod I was on another social level as a citizen and as a person. I understood everything about entrepreneurship and what it means.

Zoya's narrative of how the 1989 law opened

opportunities, how she gathered her self-confidence to entrepreneur, how she sought training, and how she discovered her market niche aligned with other interviewees' stories. Although each entrepreneur is truly individual, threads of similarity intertwine through each tapestry-like story.

Alla, Anya, Masha, and Kira consumed a good portion of their interview obsessing on the problem of acquiring proper premises. In seven years Anya moved her practice to seven different places. Each time she was responsible for remodeling, interior improvements, and utility upgrades. "In all these cases I did everything myself; nobody helped me!" Anya exclaimed. The difficulty of leasing facilities is related to government ownership of buildings, poor physical condition of the buildings, lack of utility infrastructure to handle telephones, faxes, computers, electricity, gas, and water. Even if infrastructure was not a major issue, actually retaining the premises is. An entrepreneur may have a lease contract, but if the government wants the location for any reason, the contract is broken. Thus, Anya moved seven times in seven years. There is no civil law to protect her, her facilities, or her contract.

Other topics raised at this juncture included Inna's realization that she needed "my own team of women" to train to sell products. Vera's point, "I liked the independence of working by myself." Larissa's statement, "maybe one of these key decisions is connected with money because I understood that while I was working at the plant that some day I would

not get any money so I should work myself." Tanya's feeling that key decisions were made from the very beginning, "when we decided to make this organization, and how to make it, and what it will be as an organization. In reality I know how you can make a wrong decision. So I'm trying."

The final topic that arose from this segment was about how to be a boss and how to work with employees. Tanya explained that even though her organization is new

we have some people in it and I suppose I am to be a kind of boss and so they depend on me. I'm thinking about this all the time. Some people are really born to be bosses, but me -- no. [Laughter] For me it's a real job. You see in reality to be a boss in Russia it may be different from some other place because you can say that there is a different type of behavior and different way to coordinate the job and to organize it. Well, in Russia it is still common to do it authoritatively, well, yes, we are not so experienced in a democratic way of being the boss and of dealing with people. I'm trying. I don't know if I will succeed or not, but I'm trying the democratic way.

Only two of the entrepreneurs had previous working experience with private enterprises. Lena worked for a local sports club before launching her own company. Kira worked for a kitchen implements retailer before buying out his inventory. Both took valuable lessons from these experiences and formed mindfully how they would start their enterprises. Lena's key decisions provided a clear turning point and showed reliance on her mentor.

My boss didn't take my good ideas. He didn't understand me. He said he was the only person who makes decisions and I am an employee; I must only work - nothing more [turning point]. After my long conversation with my husband [also an entrepreneur and her mentor], he said to me that you will never work in a right way as you like in this club. We

decided that I should have my own club, my own hall for exercise.

Perhaps Lena and Kira's experiences were fortunate. At 26 and 24 they have been in business for themselves 3 years and 5 years respectively. They gained valuable insight as to how business is organized, managed, and marketed as well as how people are or are not directed, trained, and encouraged.

Key decisions meant different things to each of the entrepreneurs. Each woman expressed the turning points that most impacted her which lead us in the interview to the next point of whether or not it is more difficult for a woman than a man to entrepreneur in Russia's transitioning economy.

Is It More Difficult for Women to Entrepreneur?

Women business owners are not mainstream in Russia. Often male authorities have made vitriolic attacks on women's ability and potential to start, own, and operate a business. Research evidence evolved through the literature review, corroborated by interviews, that women reached the nadir of their professional careers due to the massive layoffs by state-owned factories. Though neophytes in business, but hardened to current economic and political conditions, these thirteen entrepreneurs struck out on their own.

I posed to the interviewees the questions: Do you find it more difficult for women than men to entrepreneur in the new market economy? "I'm sure that women have another psychology of taking in the world around them." Lydia responded. Ten of thirteen women thought that the current

political, economic, and cultural status in Russia obstructs owning and operating a business thus making it more difficult for women than for men to build enterprises.

Alla - "Of course, I think that women have more difficulties than men have, especially because they [women] have family."

Inna - "Yes. I think so."

Tanya - "Absolutely!"

Vera - "Of course."

Galya - "Of course."

Sophia - "I consider for women it is more difficult to work as an entrepreneur."

Lydia - "Of course, for women, yes."

Larissa - "I am sure that business is not for women in our country."

Lena - "Yes, I do".

Kira - "Uh hum. It is quite difficult for a woman."

Yet, three of the women interviewed answered in surprisingly different modes.

Zoya - "I'm sure that for men it is more difficult to be entrepreneur."

Anya - "As for medicine I don't think that I have some discomfort when I compare men's rights and my rights, but nevertheless I don't pay attention."

Masha - "I think that it doesn't matter."

Since ten of thirteen participants answered definitively that it is more difficult for women than men to entrepreneur in the new market economy, the next question explored is "why?" Alla opened by re-visiting a frequent theme, "Woman must care about her children and as for men they are not

energetic and they are not very sufficient at the moment. Many women work together with their children in their business. My son is working with me, too." Repeating in similar words, Galya, Lydia, Vera, and Sophia concurred with Alla.

By way of a personal story, Tanya heavily accentuated the cultural aspects and touched upon political attitudes practiced by local authorities that make it difficult for a woman to entrepreneur.

When I was just a small girl I was talking with my mom at the end of school. I was thinking: what can I do and where shall I go to study. I was thinking about business. My mom who was a quite well known journalist was working for a federal newspaper, she said, "Never try!" Because she said it is very complicated to be a woman in business and deal with the authorities. To be active with local authorities [is too difficult] because the man will never forgive you if you are in their territory. If at a meeting you are trying to make a decision and you suddenly make any mistake they will just say, "Oh what can you do? She is just a woman." But when you are a success, men are trying just not to see it. In reality it is complicated, much more complicated.

Sophia, Larissa, and Kira added validity to Tanya's cultural and political peripatetic points by acknowledging that a man's view is manifest in their society. Their comments reflect the poignant hidden meaning of a patriarchal society.

Sophia - "I'm sure that in our country all priorities are connected with men not women. I'm sure that it is a kind of system in our country and especially that our market is very difficult for a woman. It has its own laws."

Larissa - "Business has very severe conditions and it doesn't matter if a woman or a man goes to business. Business is not a gentleman."

Kira - "It is quite difficult for a woman to start a business because some people are uncomfortable speaking to a lady like she is a business woman; so being a man has advantages."

Lena, mature at 26, spoke briefly about training issues as a primary drawback, "Women have no experiences and no chance to study and train in business." Although she felt that the atmosphere for entrepreneuring was more difficult for women than for men, she added that actual business problems looked the same, "My husband has a shop for jeans. I have my own fitness center. When we share our problems and we share our work, I see that he has the same problems as I have and he has the same difficulties."

After years of preparing to work for someone else, preparing to work in a known planned system, preparing to receive a job you were told to take, psychological stumbling blocks often ambush a business woman in the new market environment. Vera, 38, identified with this predictable circumstance:

I would like you to notice that this chance to have our own business has existed not for a long time. I'm sure that especially for women over 40 it is very difficult to change [one's] mind, to change [one's] attitude to new work like a business because they used to have stability in their work. Just after they had finished the institute or the university, the government gave them a chance to be employed at once.

Zoya offered a totally counter opinion as to whether or not it is more difficult for women than men to own a business. Zoya confidently expounded. "I'm sure that the life for men is more difficult in general than for women,"

Not another woman chose this discussion path. Nor was agreement found when I reiterated this stance.

After all the talk by the participants about whether or not it is more difficult for women than men to entrepreneur in Russia's murky market economy, ten women said yes it is definitely more challenging for women. Kira reminded women not to get stuck in a pattern of thinking that business is more difficult for them. She summarized, "Things change and now there are a lot of women in Novgorod having their own business. So the situation changes." As the business environment changes and/or evolves, then what role do NGOs play in women's businesses?

NGOs - Necessary or Not?

Gorbachev opened the door for NGOs in the 1980s. He tolerated informal organizations while opposing the formation of political parties until 1990. Meanwhile, women organized. They created support groups, clubs, and associations to raise consciousness and tackle problems. Over 1,000 informal women's groups surfaced during this period, testimony that women were attempting to solve their problems. "The women's groups focused on helping women at the local level in the difficult transition from socialism to a market economy." (Noonan, 1996, pp. 84-85).

As women answered the question: how have women's business organizations played a role in the development of your business?, strong opinions and natural schisms surfaced

among the participants. Seven of the thirteen interviewees felt, as Lena and Larissa said, that the NGOs, "did nothing" for them or their businesses.

Tanya grasped the cultural perceptive, "Can I just tell my small naughty opinion? In our society women organizations are not recognized as something strong and interesting. They still have this taste of discrimination and there is some discrimination already even their [organization's] name." For this reason, Tanya, like Lee (1996), preferred not to affiliate with women's organizations, but rather elected male mainstream groups.

Kira is especially skeptical. She sees "no use of such organizations in our country." Kira believes that if she attends the NGOs meetings then she will be required to share her skills that she doesn't wish to do. Further she is convinced that no NGO can help her with her businesses.

As strongly as seven women felt about the uselessness of NGOs, six others exhibit equally strong convictions that NGOs made all the difference in surviving current economic conditions. Alla cited a number of benefits for belonging to a business women's league including support, recognition, invitation by local authorities to discuss business problems, learning how to lead in her business and in the NGO, expansion of her social life, and especially, practical training.

Inna, who has a high profile in a Novgorod NGOs, said, "First of all, I tried to find my own way working as a woman

entrepreneur. In our city we had a lot of conferences and seminars. So I met some women and they helped me to [find] own way." During the past three years, Inna has become extremely active working with NGOs. She originally thought that she would work with technology or solving economic questions with the administration. However, life led her down another path. As it turned out Inna explained, "I had to be the leader. I had to lead women. And I think that all this hung about me and pushed me and made me act" as an entrepreneur and as an NGO leader.

Recurring words from the proponents of NGOs are that the organizations offer support, training seminars, business contacts, role models, and exchange of information. Anya described support in this way, "These women's NGOs helped me to be a fighter. I was watching that they are constantly fighting for their rights. They are not giving up. I try to fight every day with all these [economic] difficulties and to survive."

Zoya voiced that she established the NGOs she took part in for the benefit of other entrepreneurs. She is the main sponsor, organizer, and donor of funds. Trying to build a community of like-minded business owners, Zoya said, "I was not only the donor of money but also the sponsor in a psychological aspect." Zoya is a big fish in the small pond of Novgorod. She is well known and well respected as a small business advocate by women business owners, other NGOs, local and Oblast administrators, and journalists. She is devoted

because, "I'm sure that [women should] became self-confident first and then go to start up her own business."

Tanya opened her NGO discussion with unabashed opposition to women's business organizations. Her stance began to weaken as she spoke during the interview. She seemed to be engaged in a two-sided, one-person dilemma, "from the other side I think that we need to, and I would like to, struggle for women's rights and for some kind of liberalization." Tanya struggled with the local profile that women's NGO's are acrimonious, "people think that they are a little funny and that they are always quarreling and that you can't organize them well." She concluded, "so what I was trying to express is that my opinion is not absolutely straight about women's organizations, not so that I have only one thought about them."

The overarching theme in the discussion about NGOs was personal and business support from the members. Alla's story epitomizes the 'support' motif. Alla outlines here what her organization did to assist a member.

There was a very large problem with a women who you saw yesterday, the medical doctor. Not long ago we went to our local authorities in order to help her. We decided to help her with her work. We visited the Governor of the region. She was in despair sometimes, but at the same time she couldn't solve her problems by herself.

Although Tanya opened with opposition to women's groups in general, she had quite a different opinion about trade associations. "We are trying to make an association with

other PBS organizations and to influence laws on the local level. We are in the beginning of this way, but we are trying to do it and trying to get a result." Tanya explained her position and what she thought the future held for this new NGO. "Maybe this could be a way. It's a very long way. You need long time, but I can't see another way. I think this is the only way."

Russian women's business organizations remain an anomaly in current society, but the number of groups forming and the number of members joining are increasing explosively. Although it may seem that a good portion of society remains hostile toward women's groups, women are working diligently to alter this perception. No where is it stipulated that success is dependent upon joining an NGO, but as Harder (1981) acknowledged, "the promise now and in the future lies in strong and functional advocacy networks for women's issues" (p. 22). Business accomplishments are clearly portrayed by the seven successful interviewees who maintain no activity in NGOs. Nonetheless, six women who are active speak surely about the benefits accrued from their NGO memberships. Besides NGOs augmentation to business success so do the women's characteristics foster owning and operating a business. The next section investigates principal characteristics of Russian women entrepreneurs.

Characteristics Needed to Entrepreneur

Russian businesswomen are besieged by the forces of

globalization, forces of the national government, and forces to create self-sufficiency (Jalbert, 1996). Good education, courage to preserve, and strength to survive are only three of the primary characteristics entrepreneurs need to succeed in Russia's complicated circumstances. Responding to the question: what characteristic or attributes are required of you to own and operate a business efficiently?, interviewees outlined core temperaments which fell into two categories: (1) business attributes and (2) personal attributes.

Participants answered all interview questions in thoughtful, careful responses. Lena said, "Oui! This question is very difficult for me. I'm sure that to be in business for a woman is very, very difficult. Sometimes a woman can feel by intuition some things and it disturbs her, but sometimes it helps." Several women mentioned that one should trust their intuition, but numerous other attributes were distinguished as well.

Business Attributes

The properties most frequently referenced as necessary business characteristics were related to education, technical skills, and communication abilities. Inna said, "I can do planning. I have responsibility for solving hard tasks. And of course I can do some contacts with people and I'm very good at success in communication with other people." Kira added, "Entrepreneurs must be clever, well studied, risk takers, energetic, and wish to get to the target."

Related to communicating well, Tanya focused on the importance of good leadership hitting on several key elements that Gardner (1995) reported. Tanya explained what skillful leadership means to her:

There are people who are born to be leaders and have the ability to make decisions. They have courage, ability to react in a risk situation, [ability] to be ready to take risks, and [ability] to be ready to be responsible for the whole result even if the result is bad and terrible. [A leader is] able to be responsible, clever enough to be intelligent, and [good] enough to be not a kind of hard boss, but also to be humanistic. Just to recognize people as people but not only as a kind of spare parts in your business.

Vera, Lena, and Larissa focused on operational, managerial, financial, and market elements. Vera recognized, "one important thing is logistics. It is connected with timeline of work, to be organized in all the questions and in all progress. And of course to set real goals and tasks and try to achieve them." Lena continued that an entrepreneur, "should start up with good business planning. She should account everything. Another thing is connected with [understanding] financing and projecting." Larissa said that it is absolutely necessary to have knowledge of the economy.

Lydia wanted to describe professionalism. To her it means, "First of all you must love your work. You must know your work. You should find any way out" of unexpected situations in good and honorable ways. Lydia mentioned the importance selecting good partners, too, "They trust me, I'm sure, and I trust these partners so we have a good communication and good collaboration." Zoya, never at a loss

for words believes that, "all key points [in business] I should make myself because I consider that all entrepreneurs should be quick and flexible in making some decisions." Perhaps Zoya's points about quickness and flexibility are related to both professional attributes and personal attributes. The entrepreneurs also noted several personal identity attributes.

Personal Attributes

Sometimes women will hold their personality characteristics in abeyance as they maintain the notion that business attributes should prevail. Larissa and Lena rationalized this approach. First Larissa explained, "Of course as for charming we may be very beautiful and of course patient and energetic" but only when we need to she said. Lena considered, "women's emotions, energy, her soul, her heart, should be on the last place in business. These characteristics can help her to do her business in right way," but these characteristics didn't rank first place in her order of business operations.

Tanya, Sophia, and Anya believed that a quality education, schooled or self-taught, must be obtained first. "I can't say that's it's supposed to be a humanitarian education or in business," Tanya clarified, "well, no, but it's supposed to be a good base education. If you need to study something else a little bit higher then you can go into some special branches, management, or business management."

Sophia thinks that every success is connected with education and that a good education nurtures one, "to have [a good] mind, to be very clever, to be practical, to have ability to serve the situation, and persistence not to give up in any situation." The main idea for Anya, a self-disciplined learner in the medical field, has been to study independently, "I began my work [as a hospital employee], then I had my own clinic, but all these years I was studying. I was studying and studying. And nobody makes me to study. I do it myself."

The participants described the following varied personal characteristics:

Vera - "Efforts to do the first step."

Galya - "I think that it is persistence and to be stable."

Anya - "I'm very responsible."

Masha - "I shouldn't be afraid of any difficulties. I think that this is the main idea. Maybe to be decisive. To be communicative with people."

Lydia - "Very clever, kind, and very responsible for yourself and for employees. I have 4 employees. In order to operate in business, we women should be clever and better than men. Because my goal is to be better than others."

Lena - "I'm sure that for a woman in business it is very important to feel to be stable, to feel self-confidence, to be like a yoga to separate some things connected with life and your home and some problems connected with your business."

Zoya - "First of all, and from this depends all, not to be lazy."

Inna - "Every woman has to have some psychological abilities to be energetic and self-confident. For our Russian women it is useful to have some characteristics

such as tenderness. [Women] may do things not in time. So sometimes our Russian women consider it. I myself try to be very tough in order to decide business important things."

Tanya returned to the theme of personal and professional leadership. Her peculiar plot personified the leadership, managerial, organizational, and results orientation of several interviewees:

I was always a leader. I mean, it's not, humm, well, I already told that I don't like to be a boss, but I like to be a leader. I was talking about that I don't like to be a boss because it is something about the system of organizing people. I don't like when people are afraid of me. But I like to be a leader. I like to be responsible. I like to organize things. I like to see results. I like to go further and further when you construct something. You may need a long time, but when you have constructed it well and are doing it step-by-step you suddenly get the results. So I like this situation.

Lena summarized attitudes and attributes for all the women entrepreneurs by categorizing their instinctive basic business needs: (a) to have good capital, (b) to have connections with local administration, (c) to be self-confident, (d) to love people and your business, (e) to encourage other people or "to burn fire in their hearts", (f) to spend time on your business and on your person to have adequate rest and care, and (g) to be punctual. Lena's closure on characteristics lead quite naturally to the impact that ethical issues play in Russian business.

Ethics Issues

Ethics in Russia are complicated. A dual ethical, dichotomous standard has long existed in Russia primarily

because individuals have had little personal control over their unpredictable environment. Although honesty in personal relationships is highly valued, concealing the truth from authorities has often been viewed by society as correct and acceptable behavior (Granik, 1994; Puffer & McCarthy, 1995; Sullivan, 1997). Ambiguity toward personal honesty versus honesty with the authorities surfaced in the interviews.

Larissa addressed ethical complexities as, "some human resources connected with being human." With conviction she said, "Every woman, every person, should be very honest." Her dialogue concentrated on how to survive the current business environment. Larissa said that she couldn't possibly remain in business, "according to state or government points of view. We have laws and we have some other laws." At this point in the interview Larissa picked up a piece of paper and wriggled her hand below it to demonstrate a fish moving below the water. She continued, "We don't like to work like this. We break our [honest] nature, but otherwise we can't survive." Larissa talked about her personal honesty with family, friends, and employees, but concluded that in dealing with the government, "we don't need to pay attention to our government, its laws, and its politics. At the same time I understand that the government has banks, finances, and some other systems which also influence business." At no time during the interview did Larissa construe her actions with her government to be

dishonest, rather she reflected upon her actions, as did the other participants, as an accepted, normal approach to conducting commerce.

Because Russia still lacks a legal system which covers business law, property law, and a system of property rights, it is almost impossible for a Russian entrepreneur to operate within the framework of the law (Coleman, 1997). Lydia thought that the government should be closer to people and try to understand the problems of common business people, "they [administrators] should try to get together with us to think about the better future for everybody in the country."

Lena professed with great emotion, "I am a patriot. I would like to work in my country not another." Lena exhibited tremendous frustration in dealing with corrupt administrators, inspectors, and other officials. She proceeded, "The lack of a law system, lack of banking system, and other problems don't allow us to work as we like. It disturbs us and it doesn't give us the possibility to work in the right way. They [administrators] are putting us [entrepreneurs] into the corner."

Tanya articulated Lena's impression of being put "into the corner." Tanya said,

It's really complicated to do any business in Russia [especially] with our taxation system. Very soon you begin to think about how to trick your own state in reality. So this we also do now as we work. There are a lot of difficulties, but, well, you can't change it very quickly.

Tanya bluntly pronounced, "there can be problems with the authorities." To this idea, Anya added, "From the very

beginning I understood that the government can't help." The other women's remarks followed the same traits and tones. Alla and Inna wanted to draw attention to the local Duma's interaction with their NGOs. Inna's opinion is:

I consider that this step of women entrepreneuring in the region is not supported by our authorities. They say, "Why do you need your own program of developing business? You must be equal with other people, men, and you may use our programs in general. Why do you need a separate program? Why should we emphasize you? You're not better, not worse, than we are. You need to work in the framework of our mutual programs. [Administrators] don't see the necessity to help women as business entrepreneurs.

Sophia voiced what she needs most, "I'm sure that one thing we need is not to be disturbed. We [entrepreneurs] shouldn't be troubled by our government. They shouldn't bother us to develop or to run our own business."

Significance of Role Models

For some of the entrepreneurs role models and mentors contoured passable paths for owning and operating a small business. A few role models offered searing advice vitally guiding the entrepreneur to steer her course. Only three actors reported no role models when they responded to the question: have role models or mentors been important or unimportant to you?

In preparing for the interviews, extra time was spent looking for an ideal translation for the words role model and mentor. In Russia, these words have negative undertones. During a focus group set to discuss English and Russian

variants for both the interview questions and survey questionnaire, one of the participants insisted that the translation for mentor was incorrect since it conveyed the meaning of a person who is very strict with another. "My father used to say to my mother, don't behave as a mentor to me! and he did not mean it in the nicest way," she said. After two more days of discussion, we finally settled on a translation using three words to explain "mentor" as a positive influence upon an entrepreneur which roughly translated into English as "a good example to follow."

Role models advanced in the form of historical figures that the women had read about or fictional characters who overcame adversity or members of NGOs. Both Alla and Inna talked about their NGOs. Inna said, "I made acquaintance with them. I saw how they work. So I was thinking I could do the same and have my own business." Mentors included business men and women, family members, and an occasional consultant. Galya described her mentor, "I have a very good friend. He's an entrepreneur and he had a lot of failures. But nevertheless he could overcome all these failures and he's a success now."

Masha and Sophia could see influence from friends and relatives, but did not connect these people as role models or mentors. "I have no mentors," Masha began, "but when I decided to start up my business my friend had opened and started her own business a half year earlier. So she helped me at the beginning with my business. We support each

other." Sophia told a similar story about her family. "I have no role model or mentors," Sophia opened, "I'm sure that maybe [business] is connected with my generation because my father and grandfather were connected with trade. They were sellers. So this helped me." Lydia's grandfather was evidently a mentor for her, "He's constantly speaking that I must be better and better. My grandfather says that in order to be a success we should work hard." Tanya also credited a relative, "Absolutely, it's my mom. She was an enormous woman. She was a journalist. She didn't recognize any authorities. She was just on a different level of social staircase, out of this system, very independent."

Sometimes a role model or mentor can enter an entrepreneur's life unexpectedly, and sometimes this person has no realization that she had even been such a model. Inna recited a such an incident. She illustrated how a chance meeting with a training consultant (this researcher) at a conference with 200 women in attendance impacted her on a very personal level.

We had a very interesting meeting. So this was the beginning for me. The time we met I thought what does it mean "women entrepreneurs;" it was something new for me. I decided to do something using this approach, but I didn't know how to do this. I consider that this was the time that my mind changed and all my life changed at that time. So I think that you are this kind of woman who is ready for changing us in our time. When we met in 1995 I was absolutely ready to accept how to change because I was looking for ideas and meeting you changed my whole life.

The people they met and the books they read actualized the heaviest imprint on these entrepreneurs. Imaginative

Tanya talked about her love of reading intricacies of people's lives like Toulouse Lautrec and other artists, "I can feel and live with this book. I'm always thinking how I would react in this or that situation, always putting myself in the place of the hero. Maybe it is a romantic way, but you can get experience."

Vera presented the example that not all role models or mentors are concrete people that you know, see, or work with on a regular basis. She looks up respectfully to some women in St. Petersburg who set high standards for business. As independent contractors, Vera described their relationship:

I have such kind of role models and mentors because [our parent] firm has a very excellent staff of employees. I see the style of their work besides I know that we have equal rights, but at the same time we have equal responsibility for all our work. We have good work experience and very often we have some seminars. They share their experiences at these meetings and seminars.

Not everyone could readily identify a role model or mentor. When asked if she had such a person in her life, Lena answered candidly, "Nyet (no)." Anya and Larissa both said, "No, I didn't have a role model," but they were appreciative of people who gave them an occasional helping hand. Larissa thanked a local official who, "tried to help me greatly. She gave me a lot of advice and she helped me with problems connected with credit." Kira's approach was independent, "Everybody must have his own experience and the other man's experience might not be useful so everybody's gotta go through all his own problems to become a real business man."

Fresh realizations for these Russian women entrepreneurs are that they are the new breeds of leaders responsible to and capable of mentoring upcoming younger members of the business community. Zoya and Alla told how they are obligated to others.

Zoya - "I'm sure that sometimes bright persons can give their energy to another person. In my case [my mentor] tried to share his energy, his experience, his points of view. This was a kind of seed which was put in good land and a beautiful flower was growing. I was like the small seed. In my case I also try to share my experience, my energy, my points of view, with other women. This is the result of my activity [in many NGOs]."

Alla - "I didn't imagine anything in business or trade. I was technologist so it was very interesting for to me to go into business. I think that one woman was like a mentor to me in giving me examples about how to work. I, myself, am a role model for a young woman, Anya. She will reach all she wants."

Contemporary Russian women have attitudes and attributes steeped in cultural identities that have been forged by centuries of economic, political, and social upheaval. Striving to make appropriate key decisions for their families and for their personal needs, encouraged by their role models and mentors, these entrepreneurs resonate with self-confidence needed to move sinuously ahead. The business characteristics evolving today that are driving the emergence of a Russian market economy are a dichotomous collection of: strong and weak, untrained and survival trained, pessimistic and optimistic. Can women business owners penetrate the established patriarchal system? Theme two explores this question.

Theme Two - Business with a Woman's Face

There are no appropriate words in the Russian language to denote "business woman." The comparable translation for a businesswoman is always interpreted as a "businessman." As women entrepreneurs struggle to survive in business, they also struggle culturally for a recognized place in Russia's business fraternity. Lydia described the male fellowship like this, "In spite all the difficulties, a woman should have her own face and a good [honest] face." Babaeva and Chirikova (1997) say the possibility that business "with a woman's face" can exist in Russia depends on women's ability to penetrate narrow market segments. Theme two examines the interviewees' reactions to obstacles, challenges, struggles, risks, credit, and taxes as well as their perceived solutions to their existing business problems.

Obstacles Women Face in a Transitioning Economy.

Their mothers and grandmothers, as entrepreneurs proudly tell, have survived occupations, wars, Stalin's purges, Novgorod Nazi sieges, and 1930s famine, why should a little inconvenience like market economy transition be their termination? Nonetheless, behind the jokes lie an acute awareness that the road ahead is anything but easy and that there are many obstacles to be overcome (Kay, 1995, p. 19).

Challenges and Struggles

Referencing obstacles in a transitioning economy, participants registered opinions to the question: how have challenges and struggles impacted your experiences as a business owner? The main problems dispensed related to getting money for start-up, getting money from clients to stay in business, leasing premises, and the general confusion of governmental red tape. Yet, these very challenges and struggles presented growth opportunities. Several of the women interviewed credited market economy events for improving their lives. First, some comments about the prevailing problems.

Highlighting the frustration of getting start-up capital, Kira, who bought her first business while she was still a student with no business background, said that the "main problem was how to get some starting money for the business." Kira like Inna turned to friends and relatives in the beginning. Inna remembered, "I understood that local authorities and state authorities couldn't help me so I had to learn to borrow money from my relatives."

Zoya said the first issue is that women should work on their psychology or "personality" as she termed it. This was followed by stating that "the second problem and the third and the fourth and the tenth is MONEY! As our organism is filled with blood so I think that we need money [for our business] to act in a good way."

Two patterns ran through the topic of "no money". As

mentioned above, obtaining opening operating capital was a major discouraging factor. The other pattern was actually accumulating money from the products and services offered. Vera, a cosmetic consultant who hopes to bring in more consultants to her business, uncovered this predicament, "some women stop their contact with us because they have no money for starting up." Galya felt that lack of money is, "in our country the main problem," for all people. She is correct as Yampolskaya (1994) reported that according to the statistical data of 1989, 86.5 percent of Russian families were "poor". In Anya's medical practice, she was acutely aware that, "people have very small money, little money." Lydia experienced difficulty collecting from people who had already used her event services. She found that "some people refuse my services" because they have cut overhead expenses, reduced social events, and chiseled away on holiday expenses.

Lena gave an example of how her company conducts marketing research with clients who have stopped attending exercise classes:

We call them and ask their reasons why they don't attend the fitness center. Usually they answer that they have no money, that they have some financial problems. Sometimes we ask them, "You don't like our classes?" but they usually say, "Yes, we like them very much," but the only problem is [no] money.

Kira reiterated Lena's premise that potential customers have little disposable income. Her main challenge and her main fear of staying in business is "no customers because nobody has money." Anya restated, "People can not pay me for my

treatment, but nevertheless I will do my treatment. I will treat them in spite of all these facts because I have never had an idea to earn a large sum of money." She paused for a moment and added, "I simply would like to have the pleasure to work and to not be [completely] poor at the same time."

In addition to money matters, there are other ceaseless struggles. Some of the other battles for Russian women entrepreneurs are:

Inna - "Sometimes I have to stay in a long line at the storage [place] to receive [health] products."

Galya - "Some places where we get food are closed. There is a limitation of delivery of some foods, some goods, some other things, and it is very difficult."

Vera - "I had to change my psychological aspect, my attitude toward this kind of work."

Galya - "It is very difficult to live and to survive this situation because, as I have said, of the lack of stability."

Anya - "The main factor was not an economic point but the possibility to work as I like and to do what I want and how I want."

Masha "I had some problems with tax inspectors and their inspections. The first year I had the problem with taxes and they decided to give me a penalty, but I tried to prove to them that I was right and I won!"

Masha was very lucky that she won. This was not the usual outcome divulged. Frustrations with continual, tight, restrictive, authoritative control were rampant as related to leasing and holding of premises ranking. This ranked as a seriously grave topic. Alla, Masha, Larissa, Anya, and Inna experienced tremendous problems with their facilities. I was able to spend time in each of their locations. A typical

example is a description of Masha's space. Her premises are very small perhaps about eight feet by fifteen feet. In her small, worn, spotless space she operated a clinic which included these services: facial, neck, and shoulder massage, acne treatments, removal of warts, dermatology, cosmetology, and related skin treatments. Her studio contained two rickety benches to lie upon. Both were occupied. A dilapidated desk with a variety of aged facial apparatus, a noisy ancient refrigerator, and four wobbly chairs filled the room. Bodies sat at the desk and on all chairs. Masha ran the clinic alone. She provided services to four people in thirty minutes. With me, my interpreter, Masha, and four clients, the space was definitely over-crowded. No one seemed to notice feeling cramped, no remarks were made. Masha moved effortlessly, gracefully, gently back and forth among her clients keeping everyone satisfied. With nervousness tingeing her voice, Masha said:

It was very difficult for me to find premises. I have been working in my center for six years, but every year the chief doctor [of this center] says that we are working here for the last year. We hire these premises and he suggests that these premises will be taken back [by the administration]. We are afraid of this situation because we are afraid to lose this premise.

Larissa, approached the problems with premises humorously, but the seriousness was not lost. She termed finding the right location as "one of my failures." The local authorities snatched her premises. Larissa explained and laughed simultaneously, all the while acting upon her heart rendering, wicked wit:

One moment I felt that my business will fail. I decided that I should take another premise with larger rent. I say to myself if I would die it will be in this beautiful new space. [Much laughter.] I can't understand why, but the fate helped me because I choose better premises, maybe the location is better, and in spite of the fact that it is larger, fate smiles on me.

Alla felt that it was a key decision in her business to take on larger facilities. Inna mimicked this point, "So many times I applied to local administration in order to receive some premises for my organization. Maybe for 2 1/2 years I have been waiting for this and at last I got premises." Anya's story was the most plaintively moving. For seven years of her practice she has changed locations seven times. Every time she was forced to move, she did everything herself, the remodeling, moving furniture and fixtures, painting, set up of the clinic, re-establishing clientele, and so on. "Nobody helped me," Anya lamented.

The long waiting period to obtain premises, the fear of losing the location, the expenses related to improvements and remodeling weigh heavily on entrepreneurs' shoulders. Because the contractual law is so poorly developed there is no protection for them. Taking on facilities comes with very high risk.

Obstacles, challenges, struggles, and frustrations were not the only topics brought up during the interviews. Larissa, Alla, Lydia and Zoya commended Russia's political and economic changes. Here are their words to describe how obstacles converted to opportunities.

Larissa - "I should say that all these challenges and struggles were like a large stimulus to continue business. I [will] try to explain my point of view on my business and on features of my character. I'm sure that I have persistence in every affair and I try to do all things to the end. If I have some obstacles, some challenges, some other struggles, I try to overcome them and to find the way out. If I can't do this I may say to myself that it is not my guilt. I did everything I could, but nevertheless I try to do everything to the end to find the way out."

Alla - "I became more calm and less romantic, more pragmatic, I think. I began to look at things as relative. If I looked at many things with reality two years ago it would be easier for me nowadays to solve some questions. I think that in business it is the best thing to be pragmatic. As we are Russian we are romantic in ourselves, but in business we can't be.
Lydia, As for me all these obstacles influenced me in a better way because I started learning management and the law of economy and the psychology of communication between people. I started thinking how to run to operate my business in an easier way."

Zoya - "I should say that [challenges] helped me. They helped me to understand that I can be an entrepreneur. It is very important because in another case I could be a beautiful mother, beautiful cook, a journalist, a teacher, maybe a woman who could knit some things and so on, but I understood that my fate, my life, is connected only with business."

Women's motivations to create a business can be initiated by necessity like providing for family or finding no other alternative to unemployment or personal accomplishment like independence and fulfillment. Russian women entrepreneurs face challenges common to small and medium-sized enterprises globally (Ducheneaut, 1997), though perhaps the issues of administrative control, corruption, and lack of lawful infrastructure are more blatantly conspicuous in their

present society.

The main problem participants outlined above related to credit (which will be explored in more detail below), maintaining revenues in a poor economy, leasing and retaining premises, and governmental subjugation without fair and proper representation. Remarkably, entrepreneurs remained upbeat about the overabundant obstacles and consciously sought positive closure. Although business obstacles and opportunities predominate, perhaps not equally, so do risks.

Risks Impacting Business Owners

The fastest-growing service industry in Russia is personal security; hundreds of thousands of men and women now work for private businesses as armed security guards (Remnick, 1997a, b). That statement gives us a clue to one of the major risks women face in managing businesses in Russia today. Corruption runs raging, uncontrolled, and unchecked by the ailing law enforcement system. Represented in all ranks of government from local, Oblast, and federal Dumas are select members of the Communist system called "*nomenklatura*." "The "*nomenklatura*," frequently referred to as "old Mafia", operated according to a system of connection and influence from which women were excluded." (Granik, 1994, p 142-143).

In answering the question, how have risks impacted you as a business owners?, Alla answered "every day is a kind of risk especially when we have many troubles. Business in

Russia is very dangerous." Some of the risks Alla identified, so did Colton (1994), are: legislative issues, taxation, tax inspectors demanding bribes, and unevolved financial laws. Alla described her frustration with authorities and other power figures, "we explain to them the situation and they don't understand. We have very many problems in this case. Everyone has risks every day, every moment. We have no good defense or support" for our businesses Alla finished. Zoya, as well, is so annoyed with abusive, bribe-demanding, bribe-taking inspectors that her NGO instituted a data bank to record incidents.

For Kira information or perhaps dis-information about current laws and rapidly changing laws creates a particular burden on her retailing business. "The situation changes every time in the country," Kira disclosed with annoyance, "I have to figure out how to get the new information." There is no agency, consultant, attorney, or accountant with ready answers for these budding businesswomen.

References to the Mafia were numerous, sometimes direct and other times indirect with winks, knowing looks, and hand movements. Tanya talked in circles about pressure from the Mafia when she owned her first business, an art gallery, all the while winking at me. Here is one of her orbbed, winked, raised eyebrow references, "When I was with the gallery, I mean well, I met some people who are just going into different new enterprises and tried to find out my situation. I began to earn money, and, yeah, this was really so." Today

as a reporter involved in establishing a non-profit organization focused on improving journalistic reporting, Tanya feels that Mafia is uninterested in her NGO activities:

Just now we are not interesting for them. I can't say we feel any risk now. What we are trying to do is to develop the democratic principles how to be journalists in a democratic situation. This is complicated, there can be problems with the authorities, but it's not risky. So I can't feel, I don't feel, any risk at all.

"Life is criminal and a lot of entrepreneurs are killed in these last times," Kira said with little emotion in her voice. Her statement is easily supported by daily newspaper reports. I asked Kira if criminality affected her business? Kira said, "No. Not yet because those people [who have difficulty with racketeering] have larger business than me."

Zoya hesitated not one second, "One of the most important risks is connected with racketeering and Mafia. I am very surprised how I can decide and solve this problem. There were one or two cases when I lost my private assets so it was very bad for me." As an entrepreneur involved in a high profile business, owning a cafe, I asked how she solved problematic nefarious demands. Zoya, like the "nomenklatura" developed her own connections, "My friends and some other people who had influence on Mafia helped me in this case because some of them decided it was possible to help."

Anya's idea is that Mafia hasn't approached her for protection money because she is small, and they need her medical services. "I didn't have problems with Mafia because they have my treatment. Our city is rather small, and I work

with my hands. Maybe they see how small my pay for treatment is. This is the reason they don't take me."

Dealing with Mafia was but one risk topic. Below entrepreneurs outline various elements they deemed risky and that they worry about every day.

Sophia - "It is risk to lose everything that I have now. I'm sure that this period is connected with great competition and if the government makes changes we may lose everything. It is a struggle. As for retail, trade, selling, I know almost everything and I can see the risk."

Galya - "Of course, the risk is connected with the economy."

Lydia - "I'm sure that my kind of business is rather different from other kinds of businesses so one of my risks is connected with payment. Maybe someone won't pay me.
Larissa, Da, I would like to say that nobody taught us to know the economy in a right way because in our social system we were taught to work for our government, for other people, but not for ourselves. They didn't teach us to work for ourselves."

Lena - "To bankruptcy. The main risk for me is the cost of dollar. The risk is connected with non-payment for teachers, coaches, and medical employees. The mental state of people, how they think, how they are educated, it is very important for me also. I'm sure that the most great risk is connected with the financial problem of inflation. As for profit from our club I must share with you that it is practically impossible for half of this year. In order to pay the rent I had to sell my own things. Usually I tell people that I have one only thing. I have my soul, but they think that I am very rich. The only thing I have is my fitness center. I try to give all my efforts, strengths, and heart and soul to it. Usually people consider that a rich man is a person who has a car, beautiful apartment with beautiful furniture, and expensive things, but as for me I have a very small apartment where I have only my table, a wardrobe, and a sofa and that's all. Maybe I'm a success, but we have the lack of stability in our country and if we had another situation it would be easier

for me to continue in business. I consider that the situation right now is very, very dangerous because some people do not know what may be tomorrow or the day after tomorrow."

Kira - "My main troubles are only two. (1) If you get grabbed on the road by some bandits who are trying to get the money or something because all the goods for retail are delivered from St. Petersburg and that road is dangerous. (2) Law changes about retailing."

SMEs and women-owned businesses might be small, but they hold the mighty power of economic development in their hands. To minimize risks especially the risk of required protection (frequently called security) from or by Mafia, several entrepreneurs suggested that perhaps it was best to keep their businesses small.

Inna - "I think I had no risks because my business is small."

Larissa - "As for criminal situation I'm sure that they don't take interest in me [because I'm too small]."

Tanya - "Just now I can't say that there is any risk. Because what we are doing in our organization has nothing to do with any great money or any property or something else [of value]."

Vera - "I think that I have no kind of risk in this business or as a business owner because we work with our clients using a repayment plan. The amount of these repayments are too small."

Kira - "It does not affect me. I am small."

Layard and Parker (1996) explained that a law-based society is one where the state has the monopoly of force and where there is a working system of law courts. Russia currently does not exhibit law-based principles. Women work at great hazard, disadvantage, and frustration. There is some evidence that shopkeepers, small retailers, street

vendors, and other small business people are increasingly using the police rather than the Mafia to protect them, because police charge a lower fee, their protection is more dependable, and there is less chance that the police will arbitrarily increase fees (Layard & Parker, 1996; Moghadam, 1990; Yergin & Stanislaw, 1998).

Galya avoided talking about the Mafia during her interview. She outlined risks related to the economy, the difficulty of obtaining the products she needs, and financial factors such as lack of operating capital. On December 8, 1998, I attended the Moscow Micro-Finance in Russia Summit. Across a crowded room, Galya and I spotted one another. We rushed to hug and greet one another warmly. We waved to one another off and on during the day. As the conference concluded, I slipped into a chair by the door to bid farewell to several colleagues. I waited to catch Galya on her way out. When Galya sat to join us, I introduced my interpreter to her. By way of introduction I described Galya's business, but before I could finish full description Galya stopped me.

Her eyes brimming with tears and her hands shaking, Galya told me that her business had been burned to the ground. She lost everything, premises, leasehold improvements, inventory, furniture, fixtures, everything. She told me how devastated she was and asked my advice about what to do. I asked how the fire was started. Galya said that the police did not know. The fire was under official investigation. The police could not and did not tell her

anything. She had no facts, only suspicions.

I asked if she had a gut feeling as to what happened. Galya said that for a long time a "protection agency" was pressuring her to pay them for "security" services. She could not pay. Galya's profit margin was just too small, too thin, and there was no possible way that she could pay for security and stay in business. Galya was unequivocally certain that it was the Mafia "protection agency" that torched her building. Had a neighbor not awakened her at the height of the flames, Galya would not have been alive to tell this horrible tale.

In Russia bribery greases the wheels of commerce (Remnick, 1997a). The words, bribery, corruption, graft, Mafia, racketeering, organized crime, "*nomenklatura*," have little meaning, minor impact upon the average American business person, but in Russia their presence permeates every integral part of doing business. Alla said, "Sometimes when volunteers come to Russia they don't understand our financial affairs and some other affairs." Of course, Alla is right that foreign volunteers do not understand lawless societal adversities. Western advisors who have spent not even a year or two in Russia, put in their two cents. This can be dangerous because their understanding of the cultural circumstances, based perhaps on only a few weeks of business trips, is likely to be insufficient (Kvint, 1996).

Larissa added her opinion about developing a Russian economic system and the role of outside "western" advisors:

I understand that you have your own system of economy and system of developing business in the U.S., but as for us, we are in such a situation of such a lot of problems, difficulties, challenges, obstacles, and we should just [concentrate to] survive every moment, every minute. Maybe there is a lot of despair among people because we are under stress and in crisis. If all of our common people are brought to the ocean, we will try to swim and to survive. We won't give up. We are not alone in this environment.

Kira said, "There are hard times for the country again so it affects every business in Novgorod, just starting or being long in business, every business has troubles." All the risks revealed tear at women entrepreneurs' ability to survive. However the most imposing threat, that of Mafia, racketeering, corruption, organized crime from street thugs to "nomenklatura," can not be reported upon lightly. Crime is a huge problem as confirmed by women entrepreneurs in Chirikova's (1998) survey as well, and it can not be sheltered. The prevalence of organized crime and corruption will discourage free enterprise, free markets, and legitimate systems for institutions required to support them (Coleman, 1997). When corruption is insidiously systemic survival in business is precarious, at best.

Crucial Credit Conditions

Relating to the questions: how has credit contributed or not contributed to your business?, the participants fell into two easily identifiable categories as related to credit: (1) those who got it and (2) those who didn't. Zoya admitted that credit was important for her business. She obtained credit from private lenders and banks. Her main annoyance was the

expectation that credit needed to be repaid directly and timely. "I had problems because private credits need to be paid immediately but as for my business I can't do this immediately. At the bank where I have credit, I also had problems because I need to pay immediately." Yet, Zoya is more than willing to take on more credit, "At the same time there are a lot of projects for my future so I need more money for them."

Alla affirmed that credit had contributed to her business. She had sought a loan to develop her sewing production cycle.

The [banking] situation is rather difficult. They think that credit is necessary for development of business, and at the same time we have to account every detail. One [business] firm helped me in my start-up; nowadays it is a failure because of a credit. My first credit was taken from a German bank and we had a contract with them for 35 percent [interest]. This sum of the credit and sum of the [interest] percent didn't raise because we signed a contract. I valued this.

At the same time, I take credits in a lending cooperative. I use it as the main capital at 3 percent [interest] per month. I took the credit and in 15 days I must return the interest percentage. From the second month I begin to pay every week by parts. It is very hard. If we account everything the annual [interest] sum will be about 40 percent. I've got a guarantee also from the IBRD. As for our [local] bank they didn't help.

Galya, whose business is located in a remote part of the region said that credit had aided her business as well. "The administration of my city gave an amount of 10,000 rubles, so I bought some refrigerator equipment for my canteen, and I had a possibility to expand my business." It is rare for the city or Oblast administration to grant or loan funds to an

entrepreneur as Inna disappointedly reported, "I applied to the Regional Duma with my business incubator project and I applied to the local administration. They can't help me because they have no money. They approve my idea, my project, nevertheless they can't help me [with money]." Inna strongly believes that the banks are "more difficult and more strict for women entrepreneurs," and that the lack of credit availability causes extreme hardships during the first steps of business.

Larissa experienced financial difficulties requiring her to take a chance on obtaining credit. She consistently tried to pay her loans in time and was often assisted by friends. She says, "just now I have large experience [with loans], but nevertheless some of my failures especially with financial difficulties were lessons for me. They taught me. But I should add that I am a woman of risk. I like to risk." Larissa illustrated what she went through to obtain a loan during an early phase of her business:

At that time I planned to buy a lot of fabric for my enterprise and I didn't see any risk in this affair. At the bank where I decided to take this credit I tried to prove to them that any risk will be in the future. The bank employees were hesitating to give me this large sum of money. They were looking at my business plan and they were asking me questions and they didn't give me this credit even though I was walking to them for one month. These negotiation took me over one month and you know that time is money. I was in despair. I was in this state when I came out of the bank. I saw that a new bank building was standing before me. I went in and I asked "Is this a bank?"

"Yes, it is a bank."

"Do you give any credits?"

"Yes, we do."

"And if I'm not your client, do you give it to me?"

"Yes"

"Give me please!" [Larissa laughed]

As for the credit department [of the new bank], they didn't want to give me the credit, but by chance the president of this bank came. It was lucky as this president had some experience with sewing enterprises. So he listened to me. And he said that we should control and check your records. If your profile is good, we'll give you tomorrow the credit. So next day I got this credit.

Larissa's story should end happily at this point since the second bank was able to make her a loan. In spite of her good fortune in securing the loan, fate did not smile upon her enterprise:

Now I had a chance to bring a lot of fabric to my enterprise. I began to plan what to do with the fabric, maybe to sell some of it, maybe to sew some dresses, and so on. My fabric was brought, was put in my enterprise, and suddenly in a week all this product was falled by water. It was awful. At that moment I thought if somebody would like to kill me, he may do this, but I will live. [more laughter] There are a lot of good people and they helped me. One of them was the director [an orphanage]. He agreed to take my fabric for bed linen for these children.

Her problems were still not at an end because as Larissa said, "time goes and I should pay the credit, but I have no money [and no fabric now]! Another risk!" Relying on her persuasiveness, she again sought out the director of the orphanage for assistance:

I asked him to find any rich business man in our city. Of course, he was very surprised. I asked him to arrange an appointment with this rich businessman. I had a meeting with this man. I tried to persuade him that I needed his money. He

decided to help me and he gave me such sum of money as the credit, which I gave to the bank. I now had debt before this man. I will pay to this man such interest percent, as I should pay to the bank. I had to survive at that moment. The very important thing is that I have time to repay this money. This was a lesson for me.

Of course credits helped us. Maybe I didn't have any large experience of taking them and paying them, but at this moment I have my experience with credit and I wouldn't take any credit without planning, without thinking.

Acknowledgment of the importance of credit was reiterated by Lena as well, "The banking system is not good here... credit we took was not connected with the bank. We borrowed money from our friends. I'm sure as we are living now it is the most possible way of credit." The other side of the credit coin was represented by women who had not or did not take loans for their businesses.

Tanya - "I'm thinking I like credit. I like this idea of credit. I was trying to ask for credit for myself just for my family, but it's quite complicated. In business we don't need it yet. I'm not quite familiar with this system."

Vera - "I had no credit. So the start-up connected with the [cosmetics] bag for independent consultants cost \$85 and I bought it; at that time the cost was about 450 rubles so I had [luckily] such sum."

Anya - "I have never taken any credit. I'm afraid to be a debtor when I'm not sure that I can repay this money. So I would like to have my own money. I have never borrowed money from other people. This is my rule of life."

Masha - "I didn't know how to begin, how to get money because everything was unfamiliar for me. I didn't take any credit. I won't. And I'm sure that nobody will give me credit.
Sophia, We didn't take any credit and our way in business was very long, but we didn't have any debt."

Lydia - "I don't like credits and my first

capitalization I earned myself."

Anya's solution was to bypass banks and cooperatives altogether, "I think that maybe my business would be more effective if I will have some sponsor, a rich man for example, who can give money for logistics and some other things and my role will be connected only with treatment." Earlier she had noted with an air of autonomy that the government would never help so she no longer looked to them for assistance. Yet, she does continue to seek a handout. She is still looking for someone to take care of her. She has just replaced the idea of government assistance with the idea of aid from a rich man.

"I was struck by the idea why American people came with such kind of loans. Why our Russian people, our 'new Russians,' couldn't give such kind of credits," Larissa observed with astonished annoyance as she referred to a local lending institution funded by U.S. based agency. She was indeed bewildered.

We have lack of knowledge. I understand that you [Americans] would like to share knowledge. As for us Russian people we would like to have this knowledge, but in another way not exactly from you, but by our own way. It is our school, but not the right school we need.

This dichotomous argument of wanting knowledge, wanting technical assistance, wanting credits, but not wanting to accept such tools from Westerns pervaded conversations..

Overall these interviewees felt that credits were too risky, interest rates too high, payments too tightly scheduled, and revenues too unpredictable to guarantee loans.

Working with small cooperatives that demanded high interest and weekly payments caught the entrepreneurs in a credit warp, a cycle of constantly needing operating capital, but never being able to generate enough income to cover the ever-increasing interest payments. Perhaps the kitchen implements retailer Kira, bright-eyed and eager at a youthful 24, summarized the use of credit best, "You've got to have credit for special moments, like right before the new year when people are buying goods and you must have huge money to have a huge assortment of goods so people can chose whatever they want." With casual practicality, she closed, "So credits must be accepted in this special case."

Dragon Taxes

Business barriers like legal, banking, and taxation infrastructure facing entrepreneurs in Russia are legendary problems reported in present-day newspapers, journals, and books. The twenty-two different types of taxes to be paid. The customs tariffs and local laws that change every week. The bureaucracy that daily invents new mechanisms for the simplest procedures, the bribes, and the protection rackets (Gessen, 1997) are all mentioned daily in the press.

Ask entrepreneurs what one of their biggest problems is and they will shoot back like Larissa did, "Dragon taxes! This is a criminal situation in our country. And our state government doesn't pay attention to common people, to business people" who try to complain about the situation.

"The political environment, however, causes numerous difficulties for most companies. For instance, most were virtually compelled to avoid paying taxes in full, since the total due often exceeded profits." (McCarthy, Puffer & Naumov, 1994, p. 5). Alla explained from her perspective why it is simply impossible to pay her taxes in full, "If I will pay taxes honestly I will get only 98 kopecks not rubles. From this sum of money I have to pay salaries for my employees, to live, to develop, and so on." Alla's story is a composite as to why taxation is such a huge problem for blossoming business owners:

There were some periods in my business life when I had a chance to pay taxes and it was rather costly to me. The fact that we must pay for electricity, gas, other services, and rent of our facilities, well, I think these things are raised up artificially [by the government].

We had some crises connected with the ruble in August and September. Of course, a lot of entrepreneurs as I failed [to pay any taxes] and some closed their enterprises in that period. Now they can't start up again. As for me, I continued to work. We changed our prices from the lower to higher level, but we didn't get any income or any profit.

As for the tax system I'm sure that all small and middle-sized business entrepreneurs should be developed first of all and should not suffer large taxes. I'm sure that our country is in a very difficult position connected with this transition.

I think that entrepreneurs such as I am are a lot, not only in our district but all over the country. I'm sure that some of them are very clever and they won't build their own houses. They will take this money and put it into developing their business and this helps them to survive. Of course, the tax inspections are the main problem for entrepreneurs because they [the inspectors] don't give us a chance to develop.

Most participants offered similar thoughts and similar stories. Sophia confirmed Alla's position and added, "the main problem is connected with taxes. I'm sure that there is lack of support from local administration." Sophia also spoke for the others when she said, "as for the tax system I'm sure this problem can be solved only on a high level of government." Sophia's words echoed her peers concerns, "the lack of [a good] tax system disturbs us greatly. I'm sure that the lack of very nice legal strategy, legal system, influenced me greatly because sometimes I think that they are not right."

Tanya exclaimed, "taxation effects me personally because the taxation laws are so terrible. It's a mess! You can't say it's in order; there's no order at all. It is just a mess." She asked if she could tell a story to illustrate her point.

You can do it [taxes] in three different ways or maybe in five different ways or sometimes in ten different ways. All these ways can just go to the middle and then stop because there is some strange law and in order to do anything you have to trick. I mean you have to think about something to just send money here and there. For example, not to give people salary but to give them some strange thing like material support because they are taking this huge tax from salaries, but they don't take it [taxes] from material support. You have to trick all the time, to have 2 or 3 ways of counting money. Our accounting person has to think all the time and has to have different books for tax people, for our inside accounting, and for someone else.

Some time ago I was not listening carefully to what is going on in the Duma meetings when its showing on TV, but just now I'm sitting and listening because you never know what they're trying. Some information from their meetings is absolutely [nerve wracking]. Their last decision is to take tax from profit not from net profit; they want to

take it from the top. Well, they want to be paid before we even earn the profit!

Masha was very proud of her attempt to right a wrong with local tax authorities, "I had some problems with tax inspectors and inspections. The first year I had the problem with taxes and they decided to give me a penalty, but I tried to prove them that I was right and I had won!" But as I mentioned earlier, Masha's statement was not the standard story.

Entrepreneurs are clearly disgusted with the current tax system and with their tax inspectors and authorities. This is a time of gestation, the early stages to understand what needs to be changed before they can decide how to change their existing tax system. Yavlinsky (1998) reported a change that would be of tremendous assistance to business owners is open accounting that meets international standards, plus this type of change is a prerequisite to controlling clandestine corruption. A healthy business environment is impossible to develop without sensible, lower, and simpler taxes. These are elementary incentives for stimulating and supporting free enterprise. Open competition must be advocated for SMEs by removing the red tape and excessive regulation that stands in their way (Yavlinsky, 1998).

Solving Business Problems.

Inexperienced entrepreneurs sometimes hold misconceptions about business principles and practices that

can lead to problems, delusions, and mistakes. Entrepreneurs have exhibited an "anything goes" attitude, and often act with little restraint in promoting products or promising results (McCarthy, Puffer & Naumov, 1994). Given the limited experience with a free enterprise system that these thirteen actors possess, it is understandable that they are uncertain how to approach solving the larger problems that engulf them.

When confronted with the question, "how can these problems be solved?" entrepreneurs' answers fell into three camps: Camp #1, a focus on their private business only; Camp #2, a focus on the big picture, and Camp #3, resignation that problems existed and acquiescence that they were helpless to affect change. Lena thoughtfully replied, "to solve these problems it is also the problem."

Camp #1 focused on their businesses or personal domain, but not on the impact of the economic situation. They seemed to be looking for a guardian angel to sweep down and solve their problems. Alla gave a one word answer initially of how all her predicaments could be solved, "investors." Inna's thoughts followed a similar pattern. Her solution was to find a partner. As noted earlier, Anya, happily married with two college aged sons, wanted a "rich man" to solve her financial woes.

Camp #2, including Anya, formed a focus on the big picture. Anya suggested that first the, "economic situation must be solved." As to how, Anya had no concrete propositions. "Everything will be solved ourselves," Anya

rambled. Lydia remarked, "I'm sure that we need some people in our government, very clever people, who can speak about the ideas and the interests of small business." Tanya cautiously approached the big picture view, "Well, humm, some people would answer you that the best way is to change the government. I'm not quite sure."

Lena, owner of the fitness center, tries to solve her problems with the help of city administration, but is disillusioned with the results. To illustrate she told of a recent encounter with the administration:

I applied to one of the [government's] social centers because my dream is to work with disabled people. I gave [the government] my program, which I worked out for these disabled people, but at the same time I understand it is impossible. It is impossible to deliver this program because it is connected with financing. The problem is that everybody tries to find money. It is evident that the administrators would like to have money for the program, but for themselves. I felt this fact and I saw this and of course it is very dangerous and I'm not satisfied with this and it is dirty, I think.

While discussing governmental problems, the issue of taxation was raised again. Lydia and Tanya tackled taxation and other problems in their words.

Lydia - "One way would be connected with a low level of taxes. The bank system should be guaranteed for all citizens. A very important problem is connected with assurance that in the future our business will develop."

Tanya - "I'm absolutely sure that we must change this taxation law. How can we influence it? How we can do it? The normal and most democratic way is only one way. When we are electing someone [we must] think about it."

Tanya continued to explain that governmental red tape was wrapped among numerous registration problems.

A lot of people are just refused from their businesses in some way. Still for us the situation is that we are a little privileged because the laws about PBS [are not yet clear]. For most businesses, it's not only the massive taxation laws, but registration and recognizing us. This is also a mess. So the state doesn't pay great attention for us [at PBS], but for people who have their own business this is really complicated. A lot of people are refused.

Camp #3 appeared resigned to the indisputable fact that problems do exist. However, they professed to be helpless to affect change.

Kira - "I cannot affect it at all. No. Nobody can except the president or Vice-President or someone like that so we are just like objects. We are just operating. We can not do anything about it. So a business lady or business man must think of the economical situation as it is now and we must accept it and try to live in it."

Masha - "As for me I am sure that I can't solve these problems. It depends only on our government in our country."

Vera - "As for this business connected with cosmetics I am sure that there is no way to solve any problems."

Kira and Zoya also offered two other ideas. Kira was sure that, "the main idea is to find out new directions of business. It might be a different one or just improving the present one." Zoya said, "I'm sure that we should go constantly to the market economy step by step with patience and hard work."

Concentration on the tasks at hand prohibits these entrepreneurs from looking toward the future and from thinking about how to solve current problems. Lydia, who had been awarded a U.S. study fellowship the previous year,

described a significant cultural distinction:

There is a difference between America and our country. When I was living in America, every day I was thinking how to work in a better way on this thing or that thing, how to improve my ability, how to improve my business, and so on. As for my business and my life here in Russia, every day I am thinking how to feed my family, what to feed my children, and so on. I have no time to think about the development of my business, about my future projects, and to develop my professional level.

Tanya described the challenges of a transitioning economy like a "white sheet." Her analogy was that, "in some way I like white sheets. You can draw anything there. And I hope that these problems could be on this white sheet. If they are, this is quite good because we can draw it." Her hopefulness to be a part of change for a better environment was quite evident.

Unquestionably each entrepreneur showed disconcertment with political, economic, and societal conditions and resulting problems. However, they were not beaten. They had not given up. Vera said, "As for my nature, I am optimist so I am sure that I will show that maybe I am right [to entrepreneur] now." Showing her distaste for politics, Larissa closed, "I would like not to touch any politics. I consider that every man, every woman, should do something at his level." To Larissa the "level" is to work, to work in their businesses, and to work hard. And so they do.

Business versus Personal Problems.

It's not personal; it's just business. A quintessential

statement, sometimes used in jest and sometimes used in seriousness, that saturates U.S. speech. In Russia, business is personal, very personal. The following two interview questions conferred fifteen times ascertained no significant difference in answers. Response topics reticulated and repeated incessantly.

- How are the three biggest problems affecting your business today?
- How are the three biggest problems affecting you personally today?

In reviewing the typed transcripts, there seems to be no separation between business and personal problems. Affect is affect undivided by business or personal partitions. The pattern that surfaced declared no distinctive boundaries between business problems and personal problems. Whenever the above two questions were asked, the same answers surfaced. None were superficial. All were serious.

Vera explained, "I'm sure I have such kind of problems and maybe more than three. They are not connected exactly with my business. They are connected with the situation in our country especially this transition from a planned economy to demand economy."

No matter which of the above two questions was posed, the topics raised tangled in a complex economic tapestry. The substance has been addressed in detail above and includes: financial, psychological, economic, learning about the market, obtaining capital, collecting revenues, paying

taxes, keeping premises, fighting inflation, handling government instability, plus lack of administrative support, the banking system, criminality, poor legal infrastructure, and needing training. Only Larissa mentioned a very personal matter, "I don't feel myself a woman in such a [business] situation. Of course, as a woman I would like to be very nice, charming, but I have no time for this."

Attitudes toward the Government.

Although these women still desire a benevolent, caring government. They clearly stated that such a government does not, perhaps never did, exist. Attitudes toward the government emerged with statements like: "I had to do everything myself" and "They won't help you." With frequent frustration, they voiced that there is no bridge to cross the chasm of inefficient governmental regulations, constant obstruction, and apparent opposition to small business. Yet, subservience remains culturally embedded in Russian society as entrepreneurs claimed that they "could do nothing" to alter their situation.

Theme two examined the interviewees' reactions to obstacles, challenges, struggles, risks, credit, and taxes as well as their perceived solutions or no solutions to their existing business problems. A clue as to how Russian women entrepreneurs view their life is that there is no discernible difference between business and personal problems, no perceptible distinction between home and work, and no pattern

of compartmentalizing their life.

Theme three moves forward to the future as these thirteen clear-sighted entrepreneurs give advice to the next generation of women business owners and reflect on fear, friendship, and zaftra (tomorrow).

Theme Three - And Winter Came Anyway

Whether with Nina, the acting interpreter, or entrepreneurs or CDC staff or government officials, the core idea of planning surfaced. Russians recount over and over how they are wholly unable to plan. "It is impossible," is the favorite retort. They say continually that they cannot look to the future. They explain that inflation takes their money so they can't save. They present the argument that the government changes its mind about taxes habitually, reclaims premises that have been leased, alters forms just as it is completed, amends laws, inspections, and regulations without warning or rationalization. Entrepreneurs say that because of their violent history of in-country war they worry today about the next war tomorrow.

Yet there is planning. People plant gardens. Vegetables are harvested and preserved for the winter. Gardening is an essential part of a woman's activity. It is part of a woman's household maintenance, accompanied by the need to can and preserve vegetables for the winter. Plus, women are responsible for deciding when there is surplus and for selling it. Planting, harvesting, and storing phases are

planning steps. Every woman interviewed mentioned her dacha summer garden, but saw no connection between planning her garden activities and planning her business goals.

Below is a synopsis of a conversation with Nina, my interpreter, pivoting on the topic of planning. The dialogue serves as an epitomized conversation with entrepreneurs, staff, officials, and so on. Planning was a subject raised repetitiously during our five months together.

"It is impossible to plan for anything," Nina stated earnestly. "I can't plan. Everything tomorrow might change."

"And maybe nothing will change except that you are a day older." I countered.

"I will be older, yes, but still I can't plan," Nina resolutely justified.

"Who will care for you when you are aged and unable to do things for yourself?" I asked.

"The government should, of course." Nina replied.

"The government isn't taking care of you now or even paying your salaries or providing basic medical care. What makes you think it will in the future?" I asked.

"Of course you are right. Nevertheless, I think that it should take care of women and children." Nina said with heavy sadness in her voice.

I tried again, "Since we've established the government is not doing so, I wonder how you think you will solve the problem of care for yourself today, tomorrow, and when you are old?"

Nina puzzled prudently over the question, taking some time to think about her response, "I shall have to do everything myself!"

"Oh," I said a bit slyly, "You mean that you will have to plan?"

She was startled by the reality of planning. Nina tried to deflect the conversation to other topics. As an unemployed teacher for over eight months, she talked about trying to find work, about how unsuccessful her search for full-time employment had been, and about improving her clerical skills. She talked about studying and learning English better. She talked about her great desire to start her own small business as a professional interpreter. All the while Nina stayed in the present never moving more than a day or two into the future. Try as I might I could not move her or anyone else in Novgorod to project plans into the future of one, three, or five years. These conversations ran in circles like rats in a maze.

"All your ideas are quite good," I said encouragingly, "however, the ideas are for today only, you'll still be older in the end."

Nina laughed and said, "Yes! And winter came anyway."

Over the past five months dozens of similar chats were exchanged. Yet for Nina and the other 80 percent of unemployed women, the reality of starting a business for themselves is still only talk. Even for the thirteen entrepreneurs interviewed, planning is outside their normal

realm. The capability of planning comes into view below in more detail as part two of theme three. When a lull in the conversation allows, Nina, and others as well, returned steadfastly to the safeguarded scenario: "the government should take care of us." Reality has not penetrated, even for all the economic and political pain endured, that the government will not and can not take care of anyone.

Advice to Future Russian Businesswomen.

If we look at the market features that motivated thirteen women entrepreneurs to start and grow their own businesses, then it seems logical that their efforts will be emulated by the next generation. The development of a culture of entrepreneurship will depend to a great extent upon women like these from Novgorod-the-Great. The direction of the market economy will reveal a real turning point when new business owners join the ranks of their mentors. How then would enterprising business owners advise a woman who is thinking of starting her own business in Russia today? From this question, three patterns for approaching the start of a new business were introduced.

1. Just start,
2. Be aware, and
3. Words of wisdom.

Just Start

Tanya's first words to the question: how would you

advise a woman who is thinking of starting her own business in Russia?, were, "Just start. Yeah, because if she is thinking to start maybe she already had to do something for this [start-up]. As I told earlier maybe she has some education and some knowledge. But just start."

Galya, Anya, and Masha also followed Tanya's train of thought encouraging women to jump in with both feet. Galya said, "First of all I am sure that women should know their vision -- what they want and how they see their business. The next thing is they should do only one thing." Anya agreed with Galya in that, "the main thing is they must know what they want."

Masha gave heartening counsel to a hopeful business owner, "First of all I would advise her not to be afraid of any difficulties. If she has a great desire, she will do everything. When I started up I didn't have enough money, but I had a great desire to start up."

Be Aware

Clearly cognizant of entrepreneurial traps facing a business neophyte, Tanya, Anya, Sophia, and Lydia stated in keen, blunt terms what one should possess. Awareness of what it takes to entrepreneur includes struggles, strength, psychological preparation, patience, self-sufficiency, and a professional demeanor.

Tanya - "She has to struggle."

Anya - "One should have a lot of strength and

psychological force."

Sophia - "To have more patience. Not to expect a quick result. To set a goal and go straight to achieve it."

Lydia - "She must be very self-sufficient. Select some employees on recommendations only. These people should be professional."

Words of Wisdom

The wise words that resonated recurrently were that entrepreneurs must be completely prepared to do everything herself. In many ways women entrepreneurs walk alone. As pointed out in the literature review, Russian society has long scorned business ownership, being a woman business owner is a double-edged sword. It was not the wish of the interviewees to discourage others from joining their ranks. Instead they bestowed words of wisdom to cushion a would-be entrepreneur's uncharted expedition into business. Alla often offers her personal support:

When a woman comes to me I to say to her that you must think for yourself and you must support yourself because nobody will help you besides you. In this case you hope to have progress. Maybe I'm not right, but at the same time I say such words to every woman. I say to her that maybe sometimes it will be very difficult, not everything will be all right at once. You must do everything yourself. If you are ready, you may find you wish [to start a business].

Inna also centered on the importance "to have support from her friends. And then she can count on her business project." Inna suggested that when in a start-up phase one must "work out the business project and her project in the future. After these activities then she has to do everything

herself."

Lydia's comments followed Alla and Inna's pattern in that one should "be ready for everything and don't think that somebody will help her." Lydia, too, felt she should "support other women who are not sure in their business abilities. I should explain [to them] that this is a temporary situation and that this situation will not continue for a long time. So I should support them."

Cautious and careful Vera prudently suggested to a new business owner, "First of all I would advise her to count all steps and to think it over thoroughly. The second thing is to find a unique business which is not in our city, in our country maybe, which is really unique." As an afterthought, Vera added, "It is very difficult to start up."

"A woman should start but only start with small money." Kira said. Her idea is to start small and stay small in the beginning to minimize risk. "Don't be afraid to start," Kira added as a postscript. Zoya's wisdom dictated a unique train of thought apart from the other participants,

First of all, a woman should bring herself up as a person and develop her own personality. She must achieve soul harmony in order to solve all the [business] problems and achieve all the goals set by her. I'm sure that business may have a success when a woman is well educated, well organized, has a good psychology, and formed strong individualism.

Larissa and Kira were only two of thirteen entrepreneurs who believed that a woman should not start a business at this time in Russia. Although Kira had initially insinuated a woman should go ahead and start a business, albeit keeping

capitalization small, and, she said, don't be afraid to begin, but ultimately Kira concluded, "I would advise that nobody, no woman, make a long-term business." Larissa had an even stronger opinion, "I won't advise her to go into business. Of course, we should run a business or go into business, but it is very, very difficult. Every woman with her small business is a kind of small world." As an example of the difference between women who want to start a business and those whose hobby is not a business, Larissa gave this example.

You remember that you visited the exhibition at the Women's Parliament. You saw a lot of embroidery, knitting, and other beautiful products. All these women are not businesswomen. They are, well, they have their favorite hobby. These women understand that they can't propose their products for sale if they go to one of the shops. They may set a price on their products, it will be very expensive, and nobody will buy. Then they agree that somebody should collect all these beautiful products, help to sell them, and they will have money for their families and their needs and so on. If the situation in our country would be different these women could go into a small business and could sell their products.

However, Larissa believes that home produced handicraft products will not sell in Novgorod today. Residents have no disposable income and the tourist trade is too light to support this type of business. Larissa's contention is that handicraft producers should not attempt to start a business because they will fail before they ever actually get started. What the Oblast needs is what Vera suggested "a really unique" business that fills a commodity need.

Sophia wished the best for beginners, "I wish her only

success." Lydia gave a vivid portrayal of professionalism, an ideal she felt women should strive to attain as a businesswoman. A woman should "have her own image," Lydia rallied extra description, "In spite of all [market] difficulties, this woman should have her own face and a good face. Not exactly to look beautiful, but to have a good reputation."

Although Larissa clearly was not encouraging about others joining the ranks of entrepreneurship, she said of her own experience, "I'm very happy when I have [a business] success. I feel full of life." With these words, her eyes were dazzling and her voice was full of vigor and enthusiasm. "And besides," Larissa concluded, "all my ideas and all my plans are put to an end. They are fulfilled." Then as if to reconsider her discouraging position, she said, "but at the same time I should say that every business woman should have a lot of patience." Was Larissa honestly telling other women not to start a business? Absolutely not, she was warning them. Red sky in the morning sailors take warning; red sky at night, sailor's delight. And so it goes for new entrepreneurs. Just start. Be aware. And listen to the words of wisdom from your preceding peers.

Prevailing Perplexities.

Three prevailing perplexities run as undercurrents throughout the interviews. They are fear, friendship, and *zaftra*. *Zaftra* means tomorrow. *Zaftra* implies that there

may be no tomorrow for the Russian people, and *zaftra* was used to signify laziness that some entrepreneurs presented as a societal blight.

Fear is a Fact

A Russian characteristic that is societally ingrained, incomparable, and incomprehensible in most of the USA is fear. Kempe (1992) deeply delved into Stalin's totalitarian fear factor with Ina Stepanova whose father, Stepan Stepanov, ordered "enemies of the people" executed at a rate of about 150 a day during December, 1937. Kempe noted that Ina Stepanova wasn't surprised that the Russians had never demanded a sort of Nuremberg trials for Stalin's crimes. "You have to say clearly what a Russian is" Stepanova said. "If a Russian is beaten up for 364 days a year and for one day a year he's stroked, then he forgives everything else. We constantly live in hope, waiting for something better" (p. 36). Fear prevents an entrepreneur from moving forward, and there are many fears. Fear of registration. Fear of government. Fear of Mafia. Fear of control. Fear of failing, a distinctively American feature, pales in comparison to other evident, formidable, life-threatening fears in Russia (Jalbert, 1996).

Viktor Pelz, Kempe's interpreter turned traveling companion, expanded on how inexplicably fear pierces the Russian soul. Fear is the story of people so anesthetized by suffering and exhausted by hardships that they have lost much

of the spirit they need to establish a free market and a democracy (Kempe, 1992). Pelz defined the sheath of anesthesia borne by all his fellow countrymen and women:

There isn't a family in Russia that didn't have a family member executed in 1937, or die at the front. You can only view it as fate when it happened in a whole country. Whether one was against it or sickened by it, that didn't help. The magnitude of the suffering and terror made people numb" (Kempe, 1992, p. 133).

Kay (1995) put numbness into context claiming that "the main response given to questions about the future seems to be one of uncertainty" (p. 18). Each of the thirteen entrepreneurs expressed numbness or uncertainty at some point during the interview using the words "being afraid" or "fearful" or "frightened of winter" or "scared" of their future. Lydia recapitulating Pelz's words:

As for my grandparents and parents, all these people are afraid because we have a lot of examples in our history where many people were killed, and as for my family, all my people of other generations were also killed in prisons and so on. So we are afraid of the repetition of this history in the future.

Fear is immobilizing. Fear inhibits the ability to plan, to visualize, and to move one's business forward. Masha negates the importance of planning, "Maybe in some moments I am afraid of the future. How it will be." Because she can not foresee a positive future for herself, she chooses to not plan at all. "I'm afraid because I believe in God and I love people, but I don't see this from others. Maybe this is the reason that in my head there are a lot of thoughts and they are very different" Anya said with apparent

sadness. She continued to explain her feelings.

Sometimes I am hesitating [thinking] to change where I live, maybe to go somewhere else because I see this dirty place and these bad relations between people and it troubles me. Maybe it is very bad that we have no tomorrow planning. I'm afraid for my future. So I am living with today, only today, one day.

With regard to planning for the future, Anya added, "Of course, it is the main problem that we are afraid to plan things for tomorrow, for next year, or five years." Masha managed to isolate her fear by relating to money issues again. "First of all I'm afraid to be without money," she laughed, "and besides my husband is not employed. He is registered at the unemployment center. So I am the only person in our family who can earn money." Remaining focused on the unemployment problems, Masha supplemented her thoughts, "Clients come to me and complain about some services, some medical services, for all treatments they should now pay, but all plants and factories are closed. We don't produce anything of our own. So I'm afraid of tomorrow, of the future."

On every topic there is one dissenting voice. Larissa gave an opposite opinion about planning. From Larissa's perspective of owning a business connected with sewing uniforms, she construed that her business is a kind of risk, "but at the same time this enterprise gives me money, and just at this moment when six years have passed I can plan my finance and my business. I can plan my projections for the future."

Lena said, "One point is connected with the view that some people understand they can't do anything and they are sure that only government may decide questions." However, there is contemporary evidence that the government cannot decide questions for entrepreneurs nor can the government decide urgent national questions. Perhaps fear does not immobilize government officials, but corruption, in-fighting, and political instability certainly does paralyze it. And just when there is a sensible political leadership voice with a vision for the future, she is murdered. Such was the case of Galina Staroviotova.

Galina Staroviotova symbolized human rights, democratic choice, reformation, and was frankly outspoken about corruption (Bohlen, 1998; Lapidus, 1998; Matlack, 1998; Walker, 1998; Whitmore, 1998). She was also a mother, a grandmother, and a rising political star considering running for governor's seat of the St. Petersburg region in September, 1999. She was almost certainly killed for her political aspirations, or her investigation of illegal fundraising, or her views on ethnic concerns (Bohlen, 1998; Matlack, 1998). Her murder is the sixth of a Duma deputy since 1993 not including the murder of a high-profile politician on Nevsky Prospekt just last year. None have been solved. Lapidus (1998) ruefully noted that assassination as a political weapon, and a instrument to intimidate and silence opponents that is a "dangerous watershed in Russian politics" (p. 4) as it represents a breakdown of the norms of

a civilized society. Further Lapidus said murder is a frightening escalation of lawlessness already too widespread in Russian life.

On Friday, November 20, 1998, W.W. Jalbert, in Russia generating a CDC volunteer assignment, and I arrived in St. Petersburg. Knowing the city's center well, I would have recommended that we walk to fashionable Nevsky Prospekt to find an ideal cosmopolitan restaurant for dinner, but it was bitterly cold so instead I called for a taxi. From the flat where I normally reside in St. Petersburg, Nevsky Prospekt is a brisk ten-minute walk past picturesque canals, historic buildings, architectural wonders, and exquisite ancient cathedrals. Mid-way from the flat, perhaps a seven-minute walk at the most, we would have walked directly in front of Galina Staroviotova's apartment building at 91 Canal Griboedova where she was shot and killed upon entering.

Danger in Russia, the fear for a foreigner, is being in the wrong place at the wrong time. Innocence aside, even though you are merely working or minding your own business or simply walking by, it is far too easy to accidentally be in the wrong place. Like journalist Martin Walker (1998), I, too, lived in a building nervously monopolized by dark doorways leading into a gloomy, poorly lit, dismal "dom" (home) with its stench of human urine, dog defecation, onion, cabbage, and rotting garbage chutes. An apartment entry like this is where Staroviotova's assassins lurked waiting to kill one of the key leaders for the Democratic Choice of Russia.

Staroviotova was a leader whose voice was strong and stringently opposed to current government methodologies. At 10:45 p.m. that Friday night while we sat warm and safe in a taxi minutes away from the slaying, Staroviotova's voice was silenced forever.

Depressingly draped with black ribbon, a large photograph of Staroviotova hung on the wall of a Novgorod women's association office. Glumness hung in the air. The thirteen entrepreneurs interviewed in Novgorod were in shock and grieved as though they had lost a family member. Their faith in building a democratic society, a civil society, and trust in their officials was badly blurred. They were shook to their core upon learning about Staroviotova's murder. The Novgorod participants and members of the Novgorod NGOs associations speculated that Staroviotova's death was at the hands of die-hard communists, that the assassination was a direct contract "hit", ordered by an official very high in the government, that the murder was inevitable because Staroviotova threatened the dying old totalitarian, tyrannical ideals. Entrepreneurs' suspicions were not far off the mark as several major newspapers soon began reporting similar suppositions (Bohlen, 1998; Lapidus, 1998; Matlack, 1998; Walker, 1998; Whitmore, 1998).

Every one of the women I spoke to in Novgorod could not utter a word about Staroviotova without a quiver in her voice, a tear in her eye, or a noticeable tremor in her hand. The women were reeling from shock, loss of leadership, and

fear. Their fear was that life would always be the same, that the government would never change, and that they would never be led to a true civil society. With grievous melancholy, the women entrepreneurs acknowledged the loss of Staroviotova's leadership and asserted that her death is an extreme blow to the democratic movement in Russia. Fear can penetrate your soul even as a foreigner when you are seven minutes between being in the right place or the wrong place. Consider then how these entrepreneurs feel every minute of their lives.

Friendship Offers Solace

The solace, safety, and momentary releases from fear women business owners seek are in their relationships with trusted friends. With the extreme, multiple subjugations that Russian society forces upon her occupants, relief is found in intimate family ties and faithful friendships. Kauppinen-Toropainen (1993) proposed that having friends bears intrinsic value in itself, and that friendship can have a healthful, facilitating value when it functions as a buffer between difficult life conditions and thus aids to alleviate depression.

Tanya hoped that "people who are working in this system, in PBS, are fair and good, and I hope that people in this field are humanistic." Galya and Anya purported that only true, real friendship could solve any of their problems. Galya said, "I'm sure the only thing that we need nowadays is

friendship. The business center "Success" helped me greatly. They helped buy flour, ... gave advice, and I made many friends there. Friendship is the very important thing now." Anya explained her view that,

A lot of people don't understand we are all connected with each other. If we have more poor people, rich people can't be more rich because there are few people who can buy some expensive goods. I think that [the problem] is the connection between poor and rich people. So our social life has such conditions. We are a on low level in life today.

Galya galvanized her ideas, "I think that very important friendships played a great role in my life. As an entrepreneur I have a lot of friends. I have many friends in other cities and they helped me with foods, other products, and so on." Galya philosophized, "I want all our entrepreneurs to be very clever and very sensitive because I'm sure that not all things we can manage by money. There are other values." I asked her for explanation of what the other values would be. Galya deduced, "First of all, understanding between people, friendship, and [good] human relationships."

Larissa brought the general ideas about friendship to conclusion. While agreeing with her peers about the basis of friendship, she added, "I'm sure that the most important thing is our friends," Larissa said with warmth. "We should trust them and they should trust us."

Zaftra (Tomorrow)

Because fear weights so heavily on the hearts and minds

of contemporary Russian women entrepreneurs, *zaftra* implied that there may be no tomorrow and *zaftra* thinking inhibits planning mechanisms. Some of the entrepreneurs related the idea of planning to laziness and irresponsibility. Vera's view was that "many of the women are lazy, not lazy, but they are waiting that somebody to give them what they want." Anya chose to tell a story to illustrate her ideas:

My dacha is located in one of the small towns. I see that a lot of the houses are in bad condition. They are [being] destroyed, but the owners of these houses, men and women, are drinking. They don't think about repairing. And the same we can say about our flats [in town]. You know there is a lot of dirt. I can't understand why people can't take care of this house in order to make everything clean and bright.

I'm sure maybe one our characteristics of Russian people is laziness. I can prove all these facts because when I go and visit other countries I see that people are not lazy. They are working and the way of life is quite different. I consider that we Russian people are like hogs. We are like animals. Yes, pigs. But nevertheless it is our life.

Zoya's theory of entrepreneurial success flowed as so, "First, [one is] not to be lazy. An entrepreneur is the man of activity. When he awakens in the morning in his mind he knows what he should do today. [Entrepreneuring] is connected with the absence of laziness." Examples of hopelessness, waiting, and hopefulness also synthesized in the conversations:

Masha - "I'm sure that there are no positive changes in everyday life."

Lena - "I think it is kind of our Russian way. People are very clever. They imagine all situations very clearly so they understand everything and they are waiting for the best period of time."

Vera - "The first thing is that I hope that life will be better. This will help me greatly."

The cultural trends, these prevailing perplexities, of fear, friendship, and *zaftra* drifted deftly through the interviews. Perhaps fear and laziness are not disheartening obstacles solely preventing entrepreneurial growth, but nevertheless these characteristics significantly restrict moving businesses forward. If an entrepreneur chooses not to plan today, then her tomorrow will surely be exactly like today. Galya spoke so expectantly about solving messy market obstacles, fear, political instability, and so on; hopefully, her optimistic words will prove correct, "I suppose that all these current problems are temporary. They won't be permanent, I think."

Theme Four - The Color of Transition

Transition is colored with pain, human pain (Yergin & Stanislaw, 1998), charcoal gray, ashen gray, drab gray. Transforming economies ravage people's lives leaving most of them unsettled and uncertain. In this final section, thirteen women entrepreneurs colorfully, illuminatingly draw a verbal picture what transition looks like to them.

Experiences from Daily Life in Russia Today.

As the interviews drew to conclusion, entrepreneurs described what they are seeing and experiencing in every day life in Russia today. They recited what they perceive to be

market behaviors, what they are thinking about daily, and how they see their own actions as business owners.

Pictures of Pain

When the question was posed, what is it that you are seeing today?, pictures of pain arose. To illustrate the pain as a color of transition, Lena uses the analogy of a "gray large mass". Her story has been selected as a composite view representative of the thirteen entrepreneurs' attitudes toward transition and life in Russia today. Here Lena allegorizes a recent experience:

I was in Moscow last week. Usually I don't see people in the street because I go [directly] from home to work. At my fitness center I like to encourage people, to give them my smile, to inspire them. Normally I can't say exactly the characteristics of common people in the street because I don't see them. In Moscow I saw people especially in the Metro. I was afraid. People are keeping silence like a gray large mass. (Note: Lena was very upset about her metro experiences. The tonal quality of her voice admitted alarm.)

Usually some years ago when I met such a situation, people would be excited in a crowd, talking, asking questions. But now there was all of these people in a large crowd who were keeping silent and no emotional state was evident. It seems to me that Moscow was like an [isolated] city. I'm sure that maybe it is the position of waiting for something because it doesn't seem usual for our Russian people. At the same time I try to find another picture where people can smile, where people can enjoy, and where people will be merry. But I didn't find such situations.

Masha, like Lena, witnessed similar people pictures in the streets of Novgorod,

Usually I walk when I go home and I notice that the faces of people are very sad. They don't smile. And even children are not merry, are not fun

sometimes, [maybe everyone is] angry, so it is very bad. And there are a lot of people that don't work, but they ask for money. They are begging.

Zoya's picture, substantiated by Golubeva as early as 1984, was no less gray. She recognized that Novgorod life is very difficult and is filled with poverty.

We have lack of money, we have lack of everyday life needs for every family, we have lack of warm, good clothes. We know that the development of the market [brought] drugs among youths and it is a very great problem nowadays in our country. The quality of our community is ruined. A lot of people are in despair.

Market Behaviors

Masha stipulated specific market behaviors that she saw as connected to current changes,

Salary is the same. As for pricing [of products] it has doubled. Imagine that I am not an entrepreneur and that I am working at a state clinic. My salary would be 350 rubles and that's all! How could I live on this sum of money? But a lot of people are living on such an amount.

On the October, 1998, day of our interview the exchange rate was 15 rubles to one dollar. Only a few months earlier in July the exchange rate was 6 rubles to the dollar. A monthly salary of 350 rubles equates to a pitiful \$23.

Lena was sure that people's behavior is caused by the political crisis. She felt the people's patience was at their end limit "because everything [in life] may be burst ... now it is a kind of struggle or a kind of fight." Further, Lena made two points illustrating why patience has perished,

One point is connected with the view that some people understand they can't do anything. They are

sure that only the government may decide questions. And another point is connected with the view that they are very strong, but at the same time they understand that they can't fight, can't struggle. They simply wait for some period of time when the situation will be clear.

Everyday Thoughts

Masha troubles about everything, about circumstances in her country, and especially about people such as her husband who are losing their jobs. Masha said, "I trouble about the future of my children. As for their studies I know that studying is not free of charge now and [education] must have money."

Zoya watches the faces of her Russian people. She remarked, "we can notice some heaviness, some troubles. It depends on our political system because this system put all our citizens into a corner and they can't do anything."

Galya doesn't understand why people seem to be waiting. "What will happen?" by just waiting she asks rhetorically. "What will be the result [of waiting]?"

Sophia would like the national situation to offer more chances for success and to be more positive. Sophia is also upset about local manufacturing saying that "almost all enterprises in our district are closed. People don't receive salary for some months. I would like some changes, some positive changes. And you know you have visited [several local factories] and the factory [production] is dismal."

Lydia considers that people are living deep in their own immediate surroundings influenced by their own individual

problems.

Every man and every woman is trying to do only for themselves. Sometimes people are rough. All people are waiting for something, but they don't want to unite and do a good thing together. They are waiting that somebody, maybe the government or someone on a high level, to solve all problems, their problems, instead of solving themselves. The majority of people are thinking so.

Owner Actions

Leadership represents action to Zoya, "the heaviness on [people's] shoulders should be awakened by some active person, but there are a few number of such kind of leaders in our county." Zoya was highly appreciative of funding support, "the activities of such funds like Eurasia, Soros, and others are very important nowadays because they can awake one level of our people which in their turn can awake other common people and put them into activity also." Zoya, an active NGO leader, holds a personal ideology of raising the consciousness of her colleagues and encouraging them to be active community-oriented citizens. She outlines the steps one should follow, "I'm sure that the priority of the individual should be on the first level, then next [energy] should go the community, and on the last level should be the government because otherwise we return to our previous life." She worries that current government officials do not share her views because,

as for our Vice-President Primakov, he said that first of all we should be very patient and that the government should decide all the problems and again the individual should be on the last place. It is wrong! Due to the activities of such funds as Eurasia and Soros, they help us understand our

important identification of the individual, but not our government, [it doesn't understand this].

An immediate action that business owners can take individually is to obtain training. Here are their comments about the importance of steadily improving and of coveting technical skills.

Inna - "I didn't have a chance to have some training as an entrepreneur free of charge."

Anya - "The main problem is to develop my knowledge, to develop my experience, and to do some science work. I am going to write my dissertation and then I will be on another level of experience and knowledge."

Alla - "Of course, women need to have some knowledge in business. I try not to miss some seminars and other trainings. I read business newspapers."

Inna, "I applied to some funds supporting women entrepreneurs. They spoke to me on some high level and so I couldn't understand them. I thought myself very bad, maybe, because I didn't know how to do simple [business] things. But at the same time I saw that I was not alone. Other people came to me with such kind of problems. I decided to find out the answers."

Tanya - "The other reasons [we can't take action] are lack of experience again."

Galva - "emphasized the importance of learning how to write a business plan at a business support center."

Anya - "I think maybe I have a lack of economic knowledge. Maybe other abilities [I lack] as a leader is to organize people, employees, and other personnel who are working for me. But I can't do this."

Larissa - "I was present at one of the seminars. At this seminar they showed us it is necessary to be organized, to be very active, to be optimistic. I finished one of the courses so I decided to find the way out [by working for myself]."

Larissa explained what happened after she started her business.

In 3 months I understood that I knew nothing about

accounting. So I decided to attend accounting courses. Of course, I had some acquaintance with accounting, but I can't understand exactly what does it mean. So from morning to evening I was working with my manufacturing affairs and at night I was sitting and learning accounting. In half a year, I understood if I could start up again, I wouldn't go into business. It would be impossible for me. But at that time I understood that I was involved in business and I couldn't put it away. Maybe you are the same?

Throughout the interview with Larissa, we are all laughing uproariously. Larissa is not only using words to describe her situation, but she is also pantomiming, wildly waving her hands, making comical faces, and is absurdly funny. Larissa's interview is the first interview to be so light-hearted. Every topic was broached with serious intentions, but laced with sparkling poetic prose, dancing eyes, animated body language, and brimming with playfulness.

Pictures of pain, market behaviors, everyday thoughts, and actions of the business owners often appeared pessimistic, but Zoya, Larissa, *knisha!* (of course), and Lena added these optimistic closures.

Zoya - "I'm sure that Moscow and Novgorod changed in a better way."

Larissa - "Everything is normal. Russia will be all right in the future, but we have to work. Every generation has its own difficulties. Some of them get war, some get Stalin. It is very hard, very difficult, but at the same time at this time I can go into business. Other times I couldn't do this. As for the USA, I know that I can't do anything there. I can do it only here in Russia. So I think that I'm in a good position. I have a lot of difficulties, I have no money, but I have the role of my family-based business. I can begin it. I can start it up. Maybe my role is very important because I'm the first in my family to

start up my own business."

Lena - "If we can put a man in a puddle then this man may stay in this puddle only for a little while then he will raise out of it. So this is our Russia people."

Underlying the tones of pessimism about politics and economics, there is a ring of optimism for the future of entrepreneuring. Women see themselves as working hard, contributing, making life better, starting businesses and NGOs, and rising from a "puddle."

Final Thoughts and Comments of Russian Women

Entrepreneurs.

The last question during the interview asked if there were any final thoughts or comments the entrepreneurs wanted to share. Every participant graciously thanked the interpreter for her essential role and appreciated being able to express the essence of their thoughts and ideas. Those who took the survey during the interview also added their insights about the instrument. Lydia sent this sentiment to all peer professional entrepreneurs in the USA, "I would like to ask you to hope for our country." She noted that she has a great desire to work as hard as possible because, "of course, I would like to live in a better way."

These contemporary Russian women entrepreneurs deserve "to live in a better way", but a risk-laden environment transitioning from a command to demand economy holds a number of barriers. The real barriers are high risks, unattainable credit, and "dragon" taxes. The perceived barriers are the

idea that government will step in to resolve all pressing problems and their ostensible paralysis to plan ahead. The self-imposed barriers are indisputable obligations to children and family members. Yet, Russian women entrepreneurs are motivated to entrepreneur under jumbled political and economic circumstances. Pessimism edged with occasional traces of optimism resonates as they keep on moving forward.

Chapter four followed closely Giorgi's (1997) steps of: phenomenological reduction, description, and search for essences. First, the phenomenon was thematized disclosing entrepreneurial essences. As seen above, the phenomenon developed into four broad categories (1) A Will of Her Own, (2) Business with the Face of a Woman, (3) And Winter Came Anyway, and (4) The Color of Transition. Second, to give precise meaning to experience, women entrepreneurs voiced stories authenticating what they are currently encountering. Third, to give precise meaning to the phenomenon of being a woman entrepreneur in an economy moving from a planned to demand economy, each theme was broken into numerous sub-topics. Therefore, Giorgi's (1997) three step method of: thematizing the phenomenon, giving precise meaning to the word "experience," and giving precise meaning to word the "phenomenon" was achieved.

CHAPTER V

RECOMMENDATIONS AND CONCLUSIONS

This chapter is comprised of five topical areas that are discussion, summary of emergent themes, trustworthiness (including a sub-section interpreting trustworthiness as triangulation), recommendations for future research, and the summary.

Discussion

According to Brush (1992), studies concerning women entrepreneurs employing qualitative analysis are recent and few in number. Yet, it is a rich, in-depth interview that can yield a more comprehensive picture of things we cannot directly observe as well as yield an actor's full expression, full voice, full perception of the interrelationships among many variables that can impact a person's ultimate decision to start a business (Abbott, 1995; Creswell, 1998; Stevenson, 1990). The interrelationships of the many variables give meaning to experience and phenomenon.

This research, *Contemporary Russian Women: Entrepreneurship for Survival*, was structured as a "mixed-method study" (Creswell, 1997). The dominant research

component followed the qualitative paradigm, using a phenomenological approach. Phenomenological study describes the meaning of experiences of a phenomenon which in this case is a woman entrepreneur in an environment moving from a planned economy to a demand economy. The experiences of a central meaning or the "essence" of the experience (Moustakas, 1994) then emerge as themes. Through data reduction, analysis, and interpretation, four central themes emerged (1) A Will of Her Own, (2) Business with the Face of a Woman, (3) and Winter Came Anyway, and (4) The Color of Transition. These concepts are encapsulated below in the summary of emergent themes. Moustakas (1994) pointed out that the researcher brings personal experiences into the study, records significant statements and meanings, and develops descriptions in order to arrive at the essences of the experiences. It is true, consequently, that the conclusive synthesis procured from Russian women entrepreneurs' narration have been developed through the observations, perceptions, and perspectives that I, as researcher, brought to the exploration of the phenomenon. Although tremendous effort was put forth to set an epoch, as a researcher using a phenomenological approach within a qualitative paradigm, I am also an active participant in the Novgorod Oblast study.

Glickman (1984) implied that the neglect of women's history has been rapidly and successfully redressed in the wake of the women's movement. Candidly reported, Glickman

said that the women studied closely resemble the historians who study them. Perhaps I, too, as an entrepreneur in some ways resemble, or at least credibly identify with, the contemporary Russian women entrepreneurs who I now examine.

As a woman entrepreneur and as a consultant to Russian women entrepreneurs since 1992, a frame of reference, reaction, and interaction has long been developed. Working in European Russia, the Urals, and Western Siberia, while consulting in thirty-one cities, the inner motivations as to why women entrepreneur against tremendous odds is fascinating and curious. My worldview is significantly influenced by these a priori experiences. It is from this viewpoint the metaphor of "troika" encircles four emergent themes.

Russian women entrepreneurs are not a consistent, easily comparable group, but the salience of their experiences are important. More efforts like those of Babaeva and Chirikova (1997), Brush (1992), Cancilla (1998), Fong (1993), Khotkina (1994), Stevenson (1990), and research such as this must be produced to develop typologies that reflect women's diversity, experiences, and essences of their voices.

Entrepreneurship is still a new concept in Russia. It has surfaced legally moving past black market activity only since the collapse of the Cold War. Entrepreneurship offers women opportunities that unemployment inhibits such as access to economic resources, power to affect decisions in the community, and autonomy in personal life choices (Ferree et al, 1997). The thirteen Russian women entrepreneurs

interviewed during the course of this research reflected earnestly upon their newly found economic freedoms. A summation of the emergent themes encompassed by the "troika" metaphor is outlined below.

Summary of Emergent Themes

No culture can avoid being stereotyped Stephan and Abalakina-Paap (1996) said because stereotypes are useful cognitive shortcuts to digest enormous amounts of social information. Stereotypes like metaphors help people categorize events and experiences into meanings. It is known that Russia is going through a period of social upheaval. The major economic and political changes occurring during this painful period will leave marks on the Russian national character thus impacting their culture in unexpected and startling ways, including, hopefully and optimistically, evolution a business class.

Russians have a long cultural history vividly opulent in the arts, writing, handicrafts, poetry, music, and, of course, ballet. Worldwide, Kandinsky, Chagall, and contemporary Chermiakin are admired for their bold colorful paintings; Tolstoy, Dostoyevsky, and Pasternak are notorious for their powerful, character novels; matryoshka (nesting dolls), birch wood souvenirs, enameled boxes, and fine porcelain are appreciated for their delicate details; Pushkin, Akhmatova, Berberova, and Mandelstam are renown for

their deep and troubling poetry; and performers from the Bolshoi Ballet and the Kirov Ballet tour the world even conducting summer ballet practice in Vail, Colorado. The Hermitage in St. Petersburg and the Pushkin Museum of Fine Arts in Moscow stand as global examples of collections to be gratefully cherished.

Anyone who has traveled outside of the United States knows you learn not only about culture through language, but also through a country's images of the arts and handicrafts as well (Wood, 1997). A Russian metaphor came to mind as a representative image of these thirteen ambitious women entrepreneurs. The image is a of a "troika." A "troika" is a sleigh drawn by three powerful horses. It is a popular illustration used on many Russian handicrafts, children's fairy tale books, and Christmas cards. Table two below characterizes how the "troika" image relates to the four themes that abounded from the interview transcripts.

Troika Metaphor

Troika: a Russian sleigh pulled by three horses.

Image One:

The sleigh driver is named *G. S. Latvzillmka*.
Based on Theme Two - Business with the Face of
a Woman

G. S. Latvzillmka represents the thirteen women interviewed. The name comprises the first letter from each of the pseudonyms. The first and second initials, *G. S.*, stand for "*Gospazha Stal*" which means lady of steel. "*Gospazha Stal*" metaphorically means that these entrepreneurs are well grounded against the environmental conditions they must face daily.

Image Two:

Horse Number 1 is named *Will*.
Based on Theme One - A Will of Her Own

This image places determination and courage at the center, although slightly ahead, of the other two horses. *Will* must guide the other two horses on their veritable course.

Image Three:

Horse Number 2 is named *Color*.
Based on Theme Four - The Color of Transition

This image flanks the center horse on the right comprising all the experiences of transition symbolizing Russia's abrupt changes.

Image Four:

Horse Number 3 is named *Winter*.
Based on Theme Three - And Winter Came Anyway

Image unites with the center horse on the left. Perplexed by planning, persuaded to overcome fears, and cognizant of acute awareness *Winter* pulls her allotted weight of the sleigh.

Figure 2. Conceptualization of the Metaphorical Image of "Troika."



Figure 3. "Troika" Image from a Russian chocolate bar.

To explain the metaphorical image of the "troika," in the driver's seat of the sleigh is a strong, determined Russian woman entrepreneur gripping the reins of three horses who are pulling her sled over the snows of the harshest winter in forty years. Her horses, Will, Color, and Winter, are harnessed by the realities of economic, political, and social change.

With the exception of 24 year old Kira, no entrepreneur interviewed came to owning and operating a business without first becoming unemployed in Novgorod. Forefront to forcing women to grip the reins to start a business was debilitating economic need. Their confrontations with Russian economic realities are unrelentingly obvious. Jobs evaporated as state-owned factories collapsed. Commencement of production resulting in new jobs on the impending horizon was improbable.

Related to owning and operating an enterprise, four

themes (1) a will of her own, (2) business with the face of a woman, (3) and winter came anyway, and (4) the color of transition were carefully assessed and are reflective of societal contradictions exaggerated during the soviet totalitarian regime. Allen and Truman (1993) discovered, "we are faced with fragmented evidence about the social processes and practices which constrain (or facilitate) women in their entrepreneurial endeavours" (p. 2). What we do have is a beginning; clear voices earnestly sharing a glimpse into their world with rich, descriptive stories.

Theme one reflects the key decisions that the entrepreneurs customarily combated during the course of their current businesses. Key decisions meant different things to each of the entrepreneurs. Each woman expressed the turning points that most impacted her. Under theme one, ten of thirteen women thought that the current political, economic, and social status in Russia obstructs owning and operating a business thus making it more difficult for women than for men to entrepreneur.

About NGOs, seven of the thirteen interviewees felt, as Lena and Larissa said, that the NGOs, "did nothing" for them or their businesses, but six women who actively participate and lead in NGOs speak compelling about the benefits amassed from their membership.

Characteristics for entrepreneuring broke into two categories of business and personal attributes. Literature about the female entrepreneur paints a portrait of a woman

who is highly motivated, initiates action and activity without direction, and who has a high internal locus of control and achievement motivation (Hisrich & Brush, 1987; Kaufmann, Welsh & Bushmarin, 1995; Moore & Buttner, 1997; Siegel, 1990). The entrepreneurs of this study bear out this statement as true. Attributes like McCarthy, Puffer and Naumov (1994) found are also the nature of these women; "typical characteristics of new Russian entrepreneurs include an opportunistic style, risk taking, and often a short-term profit orientation" (p. 2).

Ethical issues were examined under theme one as well. It was discovered that honesty is prized in personal, private relationships, but concealing the truth, or to coin Tanya's phrase "tricking authorities," is as correct and acceptable behavior.

Only three participants recorded no role models. Refreshing revelations for nearly all of women interviewed are that they are now the leaders responsible to and capable of mentoring upcoming younger members of the business community. Throughout theme one, women exhibited a resolute will of their own to entrepreneur, to provide for their family needs, and to continue their business expedition.

Novgorod women business owners wondered if they could penetrate the established patriarchal system. Theme two explored business with the face of a woman as associated to obstacles, challenges, struggles, risks, credit, taxes, solutions, and attitudes toward their government. With

heart-wrenching stories, they told of a lawless society that offers little or no protection to start-up proprietors from inflexible, corrupt authorities and the maverick Mafia.

Whether inflicted by the Mafia or by the government, intimidation is still a primary tactic of those in power. With all the talk today in the popular press about Russia's newly found freedom, restructuring, openness, democratic choices, and market transition, the entrepreneurs' stories are especially important because the narratives shed light on the real Russia.

The former head of Russia's Small Business Committee, Irina Khakamada, had stern words of advice to small business owners in St. Petersburg recently. Khakamada, who has twice been elected to the State Duma, told a business group that they should spend more time lobbying local lawmakers for better laws. Khakamada advised businesses to have more contact with local legislators because real regulation and support of business is efficient on the regional (Oblast) level. She pointed out that as business owners they had a powerful collective voice. Khakamada said there are 860,000 companies with less than 100 employees in Russia, as well as nearly 4 million individual entrepreneurs that are classified as either small or medium-sized business in Russia (Shcherbakova, 1998). Perhaps if SMEs organize well, legislators, authorities, and Mafia will have less power to impose their terrorizing extortion tactics.

A pivotal idea about planning for the future became

visible in theme three titled "And Winter Came Anyway." These women recounted over and over how they are utterly unable to plan. A creative vision for a business plan requires dissatisfaction with the status quo (Haas, 1992). The transcriptions clearly reflected women's dissatisfaction whereby they could easily articulate their business visions. A vision can be both intellectual and intuitive, however, a plan must be written and concrete, and this is where the resistance arose. In spite of the belief, that tomorrow everything might change, it is essential for entrepreneurs grasp the importance of planning. More technical training in this area is certainly required to change their steadfast views that planning is needless and hopeless.

Theme three also brought to light the participants' willingness to share their hard-earned business knowledge with the next generation. Feeling that support is essential for all budding entrepreneurs, they suggested to (1) just start, (2) be aware of environmental obstacles, and (3) listen to the words of wisdom proffered by sagacious peers.

A surreal element of doing business in Russia is coping with fear. As indicated above, intimidation is used liberally by people in power. Broido (1977) said, "exile by the administrative method, without trial or right to appeal, was abhorrent to all right-minded people in Russia and legal reformers tried repeatedly to abolish it. Their efforts proved futile and the method survived right up to 1917" (p. 171). Broido described historically the evolution and mortal

penetration of fear.

In the early part of the eighteenth century the right to send anyone belonging to the nonprivileged classes into exile, to confiscate his property, to have him tortured, branded, and flogged, had been invested in no less than twenty different types of persons. Then in the 19th century the reign of fear continued under the tsars military and secret police; then in the 20th century along came Stalin. (pp. 171-172)

It will take many years, maybe generations, before fear is abated. A step toward resolving individual fears is endowing people with a secure, civil society that upholds human rights and dignity. As yet there are not any concrete rules, norms, or laws to guide marketplace. The pervasive problems of corruption and crime threaten the legitimacy of a new demand system and undercut the consensus necessary for effective functioning. The biggest failure and the biggest threat to reform continues to be appropriate, applicable, adept legal processes (Yergin & Stanislaw, 1998), and because of this failure entrepreneurs remain fearful, unprotected, and alienated.

The last two elements that theme three dwelled upon was the importance of trusted friendships and *zaftra* (what tomorrow holds). Friendship was a central pattern in each conversation. It functions as a significant shield between stressful life conditions. *Zaftra* discourses revisited the topics related to tomorrow, planning for tomorrow, laziness, and irresponsibility. A few examples of hopelessness, waiting, and hopefulness also accumulated as we conversed.

The color of transition, theme four, was vividly

illustrated by Lena's analogy of a "gray large mass". Her story and others of sadness, tension, isolation, and fearfulness put the word transition into a human perspective. After hearing her narrative about a metro experience, transition could no longer be a plain, unaffected word as it now bore the disturbed face of Lena.

When salaries are the same and consumer goods prices have doubled, market behaviors take on a decidedly panicky pose. At the beginning of 1994, 17 percent of the population in Russia fell under the poverty line (Yampolskaya, 1994), but with the numerous economic crises Russia has experienced since then, the perpetuation of state-owned factories closing, and the escalation of unemployment, poverty can only increase.

In theme four, the participants addressed some of their everyday thoughts that parallel pictures of grainy "grayness" that opened this section. Leadership seems to have entirely disintegrated. To Zoya, leadership means action. Although Zoya and, in fact, all entrepreneurs interviewed, stated that they greatly desire high-quality, competent leadership on the federal and state levels. As individuals each business owner in her own way substantially contributes locally through both his or her businesses and organizations. Yet, they do not recognize themselves as leaders. They look and hope for a bright, forceful leader as Zoya said to lift "the heaviness on [people's] shoulders." She hopes, but has reservations, that leadership will "be awakened by some active person, but

there are a few number of such kind of leaders in our county."

Those who support the market economy are, on average, somewhat younger as was evidenced in this study. Denisovsky, Kozyreva, and Matskovsky (1993) uncovered that over 68 percent of market economy supporters considered freedom a major life value. Entrepreneurs during this research also revealed that the laws allowing them to own a business changed their lives by offering a chance at economic freedom.

Overall this study has shown through the emergent themes of individual entrepreneurial cases, by quantitative analysis, and by circumspect interpretation that small and mid-sized enterprises do empower women in various ways. The empowerment is exhibited and described as

1. contributing to family expenses,
2. feeling more self-confidence after starting their businesses,
3. having a degree of optimism about their business futures,
4. believing that their societal standing and family position had improved and that husbands as well as relatives now consulted them,
5. changing their outlook and expectations of society,
6. knowing that the business can passed on to their daughters or sons like in Zoya's case to her adult sons and Larissa's case of grooming her daughter-in-law,
7. recognizing positive changes in their community status, leadership roles, mentoring responsibilities, personal

economics, and

8. experiencing a heightened perception of self-worth.

Madeleine Albright (Blackman, 1998) remarked that, "strategic thinkers who never adjust their strategy or their thinking are not useful." Russian women entrepreneurs adjust their thinking to adapt to crisis situations by the minute. Zoya thinks that perhaps, "everything is very simple. To act. To live. To think. To laugh. To do be open to discoveries." She and all the women interviewed are strategic thinkers.

The summary of emergent themes demonstrates numerous dichotomies for Russian women entrepreneurs. The confusing stance is a result of intricate interrelated economic, political, social, cultural, and historical factors. Exhibiting relentless courageous strength Russian women entrepreneurs are leaping forward in retail, service, and creation of products. Women in the Russian business world understand their crisis situation. They have developed survival instincts, survival solutions, and survival characteristics to operate in it.

Each entrepreneur is zealously devoted to producing income for the benefit of her family. The commercial contributions of these determined formidable female entrepreneurs are a profound economic force. It is entrepreneurs like those singled out above who impact their family, community, and country with the products, services, and income generation.

In conclusion, the metaphorical image of the "troika," which places a Russian woman enterprise owner in the driver's seat, reflects the optimism and enthusiasm women have for their businesses; a premise postulated by the participants during their individual in-depth interviews. Standing at the forefront of the sleigh, she, the female entrepreneur, stands tenaciously stubborn. She refuses to give in to the current crisis of the day, confronts risks, and grasps the reins tautly steadily to navigate her three horses, Will, Color, and Winter, toward a promising future.

Trustworthiness

Evaluating the trustworthiness, sometimes referred to as credibility, of the research is momentous work. As Kaplan (1994) noted in her dissertation, "frequently, evaluations of qualitative research do not conform to the traditional ways in which issues of validity, reliability, and replicability are defined" (p. 86). With her words and those of Creswell (1994), Patton (1990), Stauss and Corbin ((1990), and Wolcott (1990), ringing in my ears, trustworthiness was approached with seriousness, conscientious organization, and prudence.

Creswell (1994) listed eight verification procedures often executed in qualitative research. To test the accuracy of the research design proposed in Chapter 3, three generally accepted evaluative methods were utilized, including,

- triangulation of the findings,
- participant feedback, and
- identification of participants' involvement.

In fact, three additional methods were integrated throughout the research process. They are:

- prolonged engagement and persistent observation in the field to build trust with the participants, learning the culture over the past six years, and checking for misinformation,
- clarified researcher bias as outlined in Chapter 3 in the section titled Researcher's Experience and Point of View, and
- developed rich, thick descriptions that allow the reader to make decisions regarding transferability due to shared entrepreneurial characteristics.

My approach to evaluating the trustworthiness of this research is summarized in Table 2. As mentioned in Chapter 3, this study is a qualitative emergent proposition falling into the phenomenological paradigm. The resulting methodological design tested for the integrity of external validity, internal validity, measurement validity, reliability, and replicability. How each of the six verification procedures was operationalized is recorded in Table 2.

Table 2

Evaluation of the Trustworthiness of the Research

Evaluation Step	Requirements	Method for Achieving Trustworthiness
External Validity	Good phenomenon models No expectation to generalize from sample	Participant sample well- defined, sample criteria established, Check for cultural differences in instruments Direct & personal contact in field
Internal Validity	Test accuracy of information, Check match to reality	Participant feedback Interpreter check of transcripts Separate meetings to discuss and review fine points
Measurement Validity	Interviewer skills Degree of familiarity Strong interest Multidisciplinary tactics Good investigative skills	Extensive planning Exhaustive reading Grounded in business Grounded in women's entrepreneurial problems and issues
Reliability	Participant perceptions General significance Density of analysis Audit trail	Audio-taping Transcriptions Data coding Field notes & memos Contrasts & comparisons Personal journal & correspondence
Replicability	Detailed protocol for data collection	Audit trail Instrumentation Acute analysis Interpretation Descriptive codes Emergent themes Source flexibility Triangulation Strategic model

Trustworthiness as Triangulation

Use of triangulation assures greater accuracy, allows multiple viewpoints, offers a complete, holistic, contextual portrayal of the participants under study, forms a logical pattern in mixed-method results, permits researchers to be more confident of their results, and leads to synthesis or integration of theories (Creswell, 1994; Goodwin & Emelyanova, 1995; Jick, 1979; Woodside & Heaps, 1996).

Exhibiting similarities to my investigation, the Woodside and Heaps study used the three triangulation procedures of (1) 38-page, semi-structured, strategic auditing survey form, (2) on-site document analyses of company records, and (3) 6-week period of direct observation. The three components of my triangulation process are (1) the dominate research method of in-depth interviews of Russian women entrepreneurs, (2) the less dominate research method of distributing, collecting, and analyzing a 40-question demographic survey instrument, and (3) researcher observations and field notes collected on-site over a period of five months.

Method one relates to the interviewing of thirteen businesswomen followed by analysis, interpretation, and construction of the emergent themes. Method two relates to the distribution of 200 questionnaires with a resulting recovery of 74 indicating a respectable return rate of 37 percent. Method three relates to observations of the researcher. For instance, each entrepreneur was observed in her work environment on numerous occasions; thus observations

led to the evaluation of her effectiveness, behavior, and leadership.

With regard to the less dominant research method comparable to the Jick study, it should be underscored that the quantitative results were used largely to supplement the qualitative data. The surveys became more meaningful when interpreted in light of critical, rich, thick qualitative information and balanced by real-life, on-site observations and field notes. Subsequent to this discussion is Table 3: Triangulation of Interviews, Surveys, and Observations.

Table 3 represents a compilation of data categorized by expanded code as results from interviews, surveys or observations. Of course, precise detail from the entrepreneurs' interviews is recapped assiduously with verbatim quotes in Chapter 4. All the response results from the entrepreneurs' surveys are recorded accurately as reported in Appendix D. Observations and field notes are liberally included in Chapter 4 and Chapter 5.

Table 3

Triangulation of Interviews, Surveys, and Observations

<u>Categories of the Phenomenon</u>	<u>Results from Interviews</u>	<u>Results from Surveys</u>	<u>Observations in Agreement with Results</u>
Business Demographics	Years in business - 3.7	Years in business - 3.9	Yes
Owner Background	Age 38.2	Age 38.8	Yes
Obstacles	Startup Credit Cash Flow Inflation Profitability Banking system	Money- Getting it, Keeping it Red Tape Taxes Premises	No - Interviewees focused on issues differently
Characteristic	Leadership Decisiveness Energy Acceptance of change Organization	Leadership Communication Technical/Mgt Honest/patient Energy Self-confident	Yes
Economic Impact	30% reported less profitable than expected	38% reported as profitable as expected	No - Interviewees were more positive
Role Models and Mentors	61% had a role model	77% had a role model	No- Interviewees had higher %
Access to Credit	6 of 74 received a form of credit	6 of 13 received a form of credit	No- Interviewees had higher %
NGOs	39% are members	54% are members	No- Interviewees had higher %
Business Needs	Training in finance, marketing, & management	Training in finance, marketing, & management	Yes
Future - Economy	Two year outlook is	Two year outlook is	No - Overall the women interviewed were more optimistic about business and more pessimistic about economy
Optimistic	22%	15%	
Pessimistic	32%	39%	
Business			
Optimistic	50%	62%	
Pessimistic	16%	8%	

By blending and integrating a variety of data and methods (Jick, 1979), as triangulation stipulates, there was recognition of a steady continuum supporting interpretation of the phenomenon being experienced. The overall effect of triangulation here was to "capture a more complete, holistic, and contextual portrayal of the unit(s) under study and enrich our understanding by allowing for new or deeper dimensions to emerge" (Jick, 1979, p. 603-604).

Table 3 represents a synopsis of data acquired over five months in Novgorod, Russia. Interviews and surveys reflected women's strong interest in retail and service businesses. Another study found retail and service businesses to be a trend as well. In Moscow and Tver, research on entrepreneurs (40 percent female; mean age 34.93) by Klugman (1989) noted that typically the businesses included the buying/selling of commodities in the new 'open' market (also called as "trade" in Russia and in this research) or providing small-scale consumer services (Klugman, 1989) which is true of this study as well.

It is of interest here to compare the outcomes in Table 3 to conclusions from the NFWBO/Urals (1996) study. NFWBO noted that in Russia, 90 percent of women business owners surveyed report that tax policies are a very or extremely important business issue, 81 percent point to business laws, 66 percent cite banking system instability, and 55 percent are very concerned about government corruption. The interviews corroborate these findings while the survey data

collected indicated that start-up capital ranked as a higher concern.

On the survey, twenty-six questions were asked about business obstacles. Women ranked their responses from "not at all important" to "very important." The triangulation table specifies only the top five problems. Mafia, racketeering, and government corruption ranked high on the list; and as is evidenced from the interview excerpts in Chapter 4, crime is a primary concern. As recorded in the NFWBO/Urals (1996) study the St. Petersburg region, from which Novgorod is about a three-hour drive, was mentioned with far greater frequency than Moscow or elsewhere in Russia as a significant concern for corruption. Of the women entrepreneurs surveyed, 79 percent professed that government corruption is a serious business issue and 74 percent felt racketeering and Mafia posed a weighty problem.

Another report (Yanboukhtina, 1998) cited five reasons that prevent the development of women's entrepreneurship in Russia. The arguments are: (1) an ineffective taxation system, (2) lack of credit or financial support, (3) legal infrastructure, (4) psychological barriers, and (5) Russia's criminal situation. Yanboukhtina's findings follow closely the discoveries of this research.

Results obtained by Denisovsky, Kozyreva, and Matskovsky, (1993) suggested that people's support for or opposition to a market economy is influenced by three factors: their need for social guarantees, their attitude towards economic

differentiation, and their desire for freedom of economic activity. Five years later, women are still expecting and hoping for social guarantees. As entrepreneurship becomes more accepted in the Russian society, attitudes toward economic differentiation will become more enlightened, thus empowering heightened growth of business ownership. In 1998, this research and the triangulation synopsis herewith point understandably to women's desire for economic freedom and their willingness to work to achieve it.

Given the results from the interviews, surveys, and field observations, Russian women entrepreneurs describe their goal for business over the next two years as broadening. Although they express pessimism about their economy, they are expectant that their businesses will grow. As the NFWBO/Urals (1996) study reported, despite existing barriers to economic growth, female owners in Russia are committed to their business future, they are preparing to persevere as entrepreneurs, and they are looking forward to expanding business opportunities. The next phase of development for contemporary Russian women entrepreneurs will be to push past just surviving to thriving.

Recommendations for Future Research

The frameworks adopted in small business research in Russia appear inappropriate to deal with the realities of daily crisis circumstances, new market attempts, and constant economical, political, and social instability as experienced

by self-employed women. This is a turbulent, climatic period requiring constant, in-depth exploration.

Recommendations for future research related to contemporary Russian women entrepreneurs fall into five broad categories (1) gathering and reporting statistical data, (2) investigating how educational institutions can provide adequate business grounding and training in technical skills, (3) studying current legal infrastructure to recommend progressive steps, (4) examining business technology to recommend low cost systems that link women entrepreneurs to the world, and (5) questioning public resistance to the concept of business ownership.

Van Der Wees and Romijn (1995) cited three reasons for lack of research, knowledge, experience, and initiative about women entrepreneurs, particularly in lesser-developed economies. Their three contentions are that: (1) scholars inadequately understand the range and economic significance of women's productive activities and generally underestimate the value of women's labor, (2) development policymakers lack concrete approaches to fully integrate women, and (3) designers of development programs are seldom market-oriented. There are no quick fixes for entrepreneurs operating in Russia's transitional economy. However, it is possible to contribute beneficial research to enlarge the knowledge base of what we currently comprehend about Russian women entrepreneurs.

Statistical Data

In Russia, as in many developing, transitioning, and revitalizing economies, little data exists to indicate what real impact women entrepreneurs may be having on their emerging economy (Duchenaut, 1997; Fong, 1993; Khotkina 1994; Marsh, 1996; Van Der Wees & Romijn, 1995). The lack of analytic data and the national lack of interest in the problems of female businesses make it impossible to the confirm actual growth of women-owned companies (Babaeva & Chirikova, 1997).

Khotkina (1994) stated that the physical economic effect of women entrepreneuring has yet to be felt nationally since there are no suitable statistics. Khotkina indicated that the process of women setting up small enterprises, firms, foundations, and associations, which began in the last eight years, is so dynamic that even information a month old is out of date. Limited funding, lack of appropriate data, and restrictions on existing information have frustratingly confined the range and scope of research on women entrepreneuring in Russia (Kelly, 1996; Khotkina, 1994; Hisrich & Grachev, 1993; Marsh, 1996 Puffer, 1996).

With the exception of the National Foundation of Women Business Owners (NFWBO) survey in conjunction with the Urals Women's Association (1997) no definitive research on Russian women entrepreneurs with specific methodologies has been uncovered. The NFWBO/Urals Women's Association survey is important as a new information base about Russian women

entrepreneurs as it consequentially contributes noteworthy, timely data.

The task, then, is to gather information about women who own and operate their own businesses in Russia with specific attention to the attributes that compel them to entrepreneur and allow them to survive in a transitional economy.

Research is required to holistically understand Russian women entrepreneurs within the current climate of Russian culture, politics, society, and economy.

Ducheneaut (1997) announced at the OECD Paris conference that overall, lack of statistical information and research on female entrepreneurship limits analysis. Further, limitation on statistical data often leads to the use of estimates and ready-made, but inaccurate hypothesis. It is particularly important to promote research on neglected women entrepreneurs and their enterprises so the actors can have a clearer picture of the social and economic phenomenon they face (Allen & Truman, 1993; Ducheneaut, 1997).

Education and Training

Technical, skill-based training and its implementation for easy access by Russian women entrepreneurs is another key research topic. How can needed skills be more fully integrated into educational processes, both formal and informal? As technical strength springs forth, the existence of small businesses will more fully flourish. With adequate education entrepreneurs will succeed, thereby generating a

wealth of studies, information gathering processes, and reliable statistical data.

In education, Russia sees the need to move from an emphasis on narrowly focused vocational education and over-specialized training programs toward a more business-oriented, technical, and better designed, market-driven instruction that meets labor market needs (Dervis, Selowsky, & Wallich, 1996; Thach, 1996). Capacity in modern economics inside Russian universities needs vast improvement. Curriculum research is crucially needed as to the redesign of courses in finance, accounting, and management-related subjects. Higher education does not sufficiently emphasize SMEs and needs to make considerable efforts on this score if it is genuinely to aid introduction of an entrepreneurial spirit in Russia (Ducheneaut, 1997).

A substantive supplement to academic and technical assistance is the long-term building and development of economics programs at the grade school, high school, and university levels. Two ideas immediately spring forth requiring additional research of how related programs could be expanded, executed, and funded.

One concept is the need for more programs like the RING Management Program, a collaborative project between Yaroslav the Wise Novgorod State University and the University of Rhode Island, which is intended to strengthen academic rigor and student comprehensiveness of modern economics.

The second concept is the need to help youth understand market economy mechanism with more programs such as Junior Achievement, which initiates the "Globe Program" for teenager exchanges.

Legal Infrastructure

Capitalism initiated by eager entrepreneurs grows organically wherever it's allowed to take root. But in Russia taking root requires one absolutely elementary political precondition: government protection of private property rights. Unless each citizen has the irrefutable legally enforceable right to own, buy, sell, trade, mortgage, and invest in private property, there can be no normal, healthy, stable market economy (Coleman, 1997; Layard & Parker, 1996; Yergin & Stanislaw, 1998).

There must be laws promoting, protecting, and facilitating small business and new venture creation before entrepreneurship can become a healthy reality in the former Soviet Union. To achieve a robust market, a clear, decisive program for economic reform with specific attention to business taxes needs to be created. Among their recommendations for improving legal infrastructure, Hisrich and Grachev (1993) endorsed new tax policies developed to encourage entrepreneurship, new-venture creation, and assistance in overcoming the negative image associated with SMEs.

Research needs to be conducted in order to provide answers to the following questions:

1. What legal protections do entrepreneurs need?
2. How can the legal system be reconstructed and enforced effectively?
3. What is a reasonable small business tax structure?
4. How can local initiatives support community small business?
5. Will legal changes control raging crime so SME's can operate safely?
6. What policies for developing SMEs are needed?
7. What is the impact of differing federal and state laws?

The desire for freedom of economic activity is an indispensable component of quality human condition. Legal infrastructures must support such freedoms. Thus in the long run, it is futile for the state to fight the entrepreneurial spirit, just as it is useless to fight people's desire to eat, sleep, or satisfy other physical needs (Denisovsky, Kozyreva, & Matskovsky, 1993). Studying current legal infrastructure in Russia requires deep legal analyses.

Technology for SMEs

Yavlinsky (1998) confidently boasted that technological advances such as the Internet, fax machines, and mobile phones would make it impossible for any one source ever to monopolize information in Russia again. Yavlinsky's statement is true only if technology reaches SMEs at the community level. Laura Lopez (1998), based in New York City, lamented in an e-mail correspondence to Russia, "I have e-mailed several times. The message has never gone through. I

also tried faxing, without success... I also tried telephoning." "New Russians" carry cell phones and pagers that can be seen in upscale, trendy, big-city restaurants, but common people have no such access to modern technology.

Emergence into the twenty-first century, connection with peers inside and outside of Russia is imperative in order to create innovation, jobs, and business growth. Examining business technology for the purpose of recommending low cost systems, perhaps collaborative systems, that link women entrepreneurs to the world is requisite for businesses to survive and one day thrive.

Public Acceptance of Business Ownership

Larissa said in her interview, "It is very bad that entrepreneurship is the means for surviving, but not as a normal way of living." Her statement raises an interesting issue that can only be addressed in future research concerning how long individuals are likely to blame the declining economic situation on the previous regime policies as well as how business can be integrated into society rather than separated from it.

The juxtaposition of research into women's history and the situation of women in contemporary society renders it abundantly clear that, whatever the political system in Russia, it has always had predominantly negative consequences for women (Marsh, 1996). Marsh's statement is even more legitimate today as women attempt to start-up and operate

businesses. Women sharply stand out in a society that historically prefers that everyone blend. The conservative values propagated in the perestroika and post-perestroika eras have their roots much further back, in long-standing patriarchal Russian and Soviet attitudes toward women. (Marsh, 1996).

How can business with a woman's face be accepted in a reproachful, inherited fraternal society? Successful replacement of a planned economy with a quasi-free market system will mainly depend on development of a culture of entrepreneurship for men and women. As societal integration of business ownership becomes increasingly internalized by Russian citizens and entrepreneurship becomes more entrenched in the Russian psyche (Kaufmann, Welsh & Bushmarin, 1995), this could open a new realm for curious, timely, and interesting research.

The assemblage of this chapter is insufficient for looking into all interrelations that came in light in analyzing the interviewees' transcripts and respondents' survey answers. Like Cancilla (1998) mentioned, a longitudinal study is an obvious extension to this research to explore and track Russian women's entrepreneurial development. Transparent questions to ask are:

1. How has entrepreneuring changed their lives?
2. Has the quality of their lives and economic conditions improved?
3. How has the idea of planning changed?

4. How is planning now implemented as a result of being in business long-term?
5. Have obstacles, challenges, and struggles remained static?
6. Did they contribute to changing tax and legal infrastructures?
7. Would they repeat their efforts to start a business?
8. What are their new recommendations to would-be entrepreneurs?
9. What is the average per capita and family income for community-wide, statewide, and nationally?
10. How do different regions compare?

To close this section, there are two mindful bits of advice for future researchers. First, it is important to pursue researching and setting new typologies for women entrepreneurs. The construction of typologies are deliberate abstractions, but they do avoid excessive simplification in attempts to identify "the" entrepreneur" (Cromie & Hayes, 1988). Patai remarked that feminist research should be not only contribute to scholarship, but also challenge and overturn traditional views of women, men, and human society along with the social structures that both legitimize and perpetuate stereotypical views (Stevenson 1990).

Second, consultants and advisors immensely enjoy asserting to solve all of Russia's problems. Grigori Yavlinsky, leader of Yablako, a prominent democratic political party in Russia, expressed that the West should not give Russia advice it is not willing to take itself. The

same should be true for researchers with ready recommendations.

Numerous research questions about Russian women entrepreneurs continually need to be asked and answered, data need to be collected and records, reports, articles, and books need to be produced as documentation of how Russian women entrepreneurs are contributing to the growth and potential success of a transitional economy. This research is important because it provides needed data, actual results, and can evolve into original proposals that can enhance support of women business owners. We have at this moment in time an opportunity to investigate the tangible impact women entrepreneurs have upon shaping their new society.

Summary

As the dissertation process comes to a close, reflections of my experiences as a participant in the research are germane. Wolcott (1990) encouraged researchers to be "self-reflexive" about fieldwork. He recognized too that it was probably the fieldworker, like me, most affected by the experience. If you think you have encountered isolation due to cultural barriers in other countries, wait until you reside in Russia. You'll have an entirely new view of isolation in many different forms.

The most famous of all nineteenth-century visitors to Russia, the Marquis de Custine, ended his trip and his narrative by writing, "One needs to have lived in that solitude without tranquillity, that prison without leisure that is called Russia, to

appreciate all the freedom enjoyed in other European countries.... It is always good to know that there exists a society in which no happiness is possible, because, by reason of his nature, man cannot be happy unless he is free. (Remnick, 1997a, p.48-49)

Remnick, concluded by saying, "But that has changed. A new era has begun. Russia has entered the world, and everything, even freedom, even happiness, is possible" (p. 49). After reading Remnick's remarks, I skeptically looked around me in Novgorod and saw only chaos. How can chaos promote freedom and happiness? There is the government's current political mess, the economic crises, and the people's struggle for normality in daily life. I wonder what kind of freedom Remnick thinks that Russia has found.

Russia has not entered the world at all, and certainly not the global market economy. Russia expects that the world (IMF, IBRD, TACIS, USAID, World Bank, and other foreign aid agencies) will come to her rescue, forgive her debt, and make life better, much like the Russian people expect the government to save them from misery. Noonan's exploration (1994) perceived that "there is an acceptance that the state has the right to determine their fate and there is also an acceptance of suffering and sacrifice far beyond what most westerns would tolerate" (p. 136).

For all the talk about doing things themselves (at the government level creating a market economy or at the local level starting a small businesses), serious doubts about their ability to be successful, their ability to overcome communist ideology, their ability to implement effective

laws, taxes, and banking systems, and their ability to curb and control corruption are prevalent. Why would a government want to stop corruption when they themselves are the corrupt?

It is terribly distressing to think of Russia, once touted to be such a powerful nation, suffering medieval economic conditions in a modern world. I wonder how a society perceived, maybe propagandized, to be great, powerful, and benevolent to her people can prove to be such an incredulously enormous lie. The big lie takes on new proportions every day in Russia. This country has been absolutely raped, pillaged, and plundered by its leaders. Every beautiful thing (buildings, environments, gardens, and spirits) is tainted, spoiled, dirty, damaged, or polluted.

The imposing wonder to me is that Russians have accepted and lived quietly under such extreme oppressive conditions for so long. Maybe there is no fighting spirit left or maybe there is such a simmering hatred that when the ghost of hope emerges on another October 17, a revolution will far exceed the West's wildest imagination. And yet even if there is another revolution, how can it spark real change? There is no recent history of honesty, lawfulness, or human respectfulness. What would lead the West to think that anything can really change Russia?

The task of writing about women entrepreneurs has their struggle tied to the struggle of Russia herself. How can one be written of and not the other? There is no separation. The complexities are so colossal, so broad, so perplexing, so

abysmal, finding words of expression or division of one dilemma from another is daunting. The tasks of interviewing, surveying, and writing are microscopic in comparison to the tasks of thinking, understanding, and conceptualizing Russia's profound problems.

By October, 1998, after being on site for three months, I had lost my voice, figuratively and literally. I had been listening so intently to the voices of Russian women entrepreneurs and had begun to identify so closely with them that I began to feel one with them. One entrepreneur even thanked me for my "solidarity" with their cause. My expression of solidarity was silence. I wondered if I had lost not only my voice, but also, maybe, myself. I awakened to thinking and feeling in an interview with Sokolovskaya, the information manager for the Business Collaboration Center (BCC) in St. Petersburg.

As Sokolovskaya interviewed and slowly posed each of her questions, I finally heard my legitimate voice. Thinking about the interview a realization formed that I had utterly disappeared, separated, disengaged from my own culture, thoughts, feelings, and perceptions so completely that I was astonished to actually hear my own voice opinionated, strong, and clear once again. Recognizing the powerful absorption into Russian culture was a bit frightening. Perhaps my response is a small clue as to what propaganda, brain washing, oppression, cultural submersion, repression, authoritarian pressure, and peer coercion can do to one for a

sustained period of time. I had to severely reprimand myself that Russia was not my reality.

Reality for women entrepreneurs is an unstable, unpredictable life. In post-Soviet Russian society women are faced a myriad of problems, including hyperinflation, decreasing consumer products, escalating poverty, ethnic unrest, separatist movements, nationalistic movements, rising crime rates, health care crisis, and an overwhelming sense of uncertainty. "Women were among those most affected by the deteriorating quality of life in post-Soviet Russia, but neither society nor the women themselves seemed able to find a solution and to effect significant improvement in their daily lives" (Noonan, 1996, p. 91).

A strange thing happened when democracy and capitalism emerged in Russia. Women became less than an equal citizen. In the old Soviet society, full-employment was mandated; in the new Russian society, jobs are not protected, and the result is that women lost out (Axtell, Briggs, Corcoran & Lamb, 1997). As evidenced in the interviews and the surveys entrepreneuring consummated as women's solution to surviving. If they are to succeed, entrepreneurs must be understood, encouraged, and nurtured. Indeed, the success of the Russia's economic restructuring efforts depends heavily on the success and nurturing of incipient entrepreneurs.

I concede that numerous possible weaknesses of this research are evident. If research is to be pertinent, it is necessary as Hamilton and Sanders (1996) presumed that (1)

responses to public opinion surveys are somehow relevant to behavior, (2) patterns of response can be interpreted as evidence for or against competing theories of such behavior, and (3) survey questions can meaningfully be asked across cultures that differ dramatically in their languages, economic systems, and traditions. There could be many ways in which the research was not fully successful in each of these domains.

From this research, we can observe and interpolate the results as to how knowledge may be transferable to other regions and transitioning economies. Perhaps this research model can be utilized in many countries where entrepreneurs are experiencing democratic, market, and growth transitions. This research is not an end to my scholarly interests, rather, it is the beginning. Illustrative rather than exhaustive, my design is investigative of contemporary Russian women entrepreneurs. This study can not claim to answer the questions about Russian women entrepreneurs definitively, but, it can shine needed light on the subject. As the twenty-first century nears, it is time to recognize that prosperity and security are closely connected to human well being.

Revered poet Anna Akhmatova (1889-1966), like the entrepreneurs interviewed in this study, believed through-and-through in the future of Russia. She believed in her country's tradition of great culture and that her cherished culture would be carried on by new generations (Reeder,

1994). Akhmatova's poem to singer Galina Vishnevskaya also grasps the essence of contemporary Russian women entrepreneurs striving for survival.

A woman's voice is rushing like the wind,
Black, it seems, damp, and of the night,
And whatever it touches in its flight --
Becomes instantly transformed,
With a diamond shining it pours,
Somewhere, something silvers for a moment
And an intriguing garment
Of fabulous silks rustles
And such a compelling power draws the
 bewitched voice on,
As if ahead there were no grave,
But the flight of a flight of mysterious
 stairs. (p. 509)

Akhmatova was not writing about Russian women entrepreneurs, but her poem captures the cadence of their voices, the mysteriousness of their circumstances, and their diamond-like sparkle of hopefulness. The research delineated above is of most value today. Timeliness is of the essence. There is a critical need to know, to collect information, and to understand Russian women's ability to survive.

Leading the charge of change, contemporary Russian women entrepreneurs strive diligently toward economic normalcy all the while constructing their business sense and acculturating their entrepreneurial characteristics. The road ahead will

continue to be a trial and error, rocky way.

Russian Prime Minister Yevgeny Primakov and U.S. Secretary of State Madeleine Albright developed a respectful relationship. Primakov calls Albright "*Gospazha Stal*"— the Lady of Steel (Blackman, 1998). That's a perfectly good title for these female business owners, ladies of steel. With their ambition, adaptability, persistence, and grit, contemporary Russian women, entrepreneuring for survival, are family providers, economic contributors, community leaders, and unquestionably are "women of steel."

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APPENDICES

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Appendix A
Interview Questions

INTERVIEW QUESTIONS**Contemporary Russian Women: Entrepreneurship for Success****Interviewer - Susanne E. Jalbert****Interview #****Day & Date, 1998****Time****Opening Comments and Welcome****Reasons for Entrepreneurship**

Why did you become an entrepreneur?

How were some of your key decisions turning points as a business owner?

Obstacles in a Transitioning Economy

How have challenges and struggles impacted your experiences as a business owner?

How have risks impacted you as a business owner?

Do you find it more difficult for women than men to entrepreneur in the new market economy? Why?

How are the three biggest problems affecting your business today?

How are the three biggest problems affecting you personally today?

How can these problems be solved?

Characteristics Needed to Entrepreneur

What characteristics or attributes are required of you to own and operate a business efficiently?

Have role models or mentors been important or unimportant to you? Explain.

Access to Credit

How has credit contributed or not contributed to your business?

NGOs

How have women's business organizations played a role in the development of your business?

Future

How would you advise a woman who is thinking of starting her own business in Russia?

Thank you for participating with this research and for sharing your experiences.

Appendix B
Entrepreneur Survey

**CONTEMPORARY RUSSIAN WOMEN:
ENTREPRENEURING FOR SURVIVAL
A Survey for Women Entrepreneurs**

Your Business

1. How long have you owned a business? _____

2. In what industry is your business?

a. Services	d. Retail	g. Construction	j. Manufacturing
b. Agriculture	e. Mining	h. Transportation	k. Communications
c. Trade	f. Exporting	i. Importing	

3. What is the current legal form of this enterprise?

a. Individual ownership	d. Limited liability company
b. Family ownership	e. Cooperative
c. Joint venture	f. Association

4. Who owns this company?

a. I do	_____ percentage
b. Russian government	_____ percentage
c. State-owned company	_____ percentage
e. Other private partners	_____ percentage
f. Private investors outside Russia	_____ percentage
g. Workers	_____ percentage
h. City/Oblast government	_____ percentage

5. How many other businesses do you currently own in full or in part? _____

5. Approximately what percent of your total household income in 1996 was derived from your business? _____

7. How many employees does your business currently employ, not including yourself?

a. Full-time employees	_____
b. Part-time employees	_____
c. Temporary employees	_____
d. Total employees	_____

8. Approximately what percent of your full-time, part-time and temporary employees

a. Full-time employees	_____
b. Part-time employees	_____
c. Temporary employees	_____
d. Total employees	_____

The Owner

9. Age _____
10. What is your marital status
- | | |
|--------------------------|--------------|
| a. Married | d. Separated |
| b. Single, never married | e. Widowed |
| c. Divorced | |
11. What is your highest level of education?
- | | |
|--|--------------------------|
| a. Up to secondary level | d. Master's degree |
| b. Technical/vocational, secondary level | e. Doctorate degree |
| c. University, institute | f. Other graduate degree |
12. If you attended university or other school beyond secondary level, what was your area of concentration?
- | | |
|-------------------------|-------------|
| a. Humanities/fine arts | e. Medicine |
| b. Finance/economics | f. Business |
| c. Science | g. Law |
| d. Engineering | h. Other |
13. Whom did you work for, before you started your business?
- | | |
|------------------------------|-----------------------------------|
| a. Government organization | e. State-owned enterprise |
| b. Academic institution | f. Private company |
| c. Cooperative | g. Joint venture |
| d. Foreign company in Russia | h. Foreign company outside Russia |
14. Do you have a paid job in addition to your business?
- | | |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
15. How many children do you have?

Role Models or Mentors

16. Have you ever had a role model?
- | | |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
17. What gender was your role model?
- | | |
|---------|-----------|
| a. Male | b. Female |
|---------|-----------|
18. Did your role modeling or mentoring relationship influence your choice of business?
- | | |
|--------|-------|
| a. Yes | b. No |
|--------|-------|
19. Will you mentor young women to encourage them to start a business?
- | | |
|--------|-------|
| a. Yes | b. No |
|--------|-------|

Obstacles

20. How important is each of the following issues in your business today?

- | | 1 | 2 | 3 | 4 | 5 |
|--|------------------|------------------|----------------|------------------|------------------|
| | Not at all | Not very | | Very | Extremely |
| | <u>Important</u> | <u>Important</u> | <u>Neutral</u> | <u>Important</u> | <u>Important</u> |
| a. Access to credit | | | | | |
| b. Employee fraud and theft | | | | | |
| c. Lack of business training | | | | | |
| d. Expanding into new markets | | | | | |
| e. Lack of guidance and counsel | | | | | |
| f. Finding and keeping quality employees | | | | | |
| g. Weak collateral position | | | | | |
| h. Foreign competition | | | | | |
| i. Inflation | | | | | |
| j. Lack of experience in hiring outside services | | | | | |
| k. Health care costs | | | | | |
| l. Gaining access to technology | | | | | |
| m. Labor costs | | | | | |
| n. Maintaining business profitability | | | | | |
| o. Maintaining, upgrading employee skills | | | | | |
| p. Lack of experience in financial planning | | | | | |
| q. Managing cash flow and bill payment | | | | | |
| r. Poor state of the economy | | | | | |
| s. Racketeering and the Mafia | | | | | |
| t. Start-up financing | | | | | |
| u. Government corruption | | | | | |
| v. Meeting family needs | | | | | |
| w. Lack of stability of banking system | | | | | |
| x. Perceived discrimination | | | | | |
| y. Lack of spousal support | | | | | |
| z. Lack of political stability | | | | | |

Characteristics

21. What motivated you to become an entrepreneur? Check all that apply.

- | | | |
|-------------------------------|-----------------------|--------------------|
| a. Independence | f. Family business | k. Opportunity |
| b. Hostile work environment | g. Unemployment | l. Power |
| c. Achievement | h. Job satisfaction | m. Discrimination |
| d. Need for flexible schedule | i. Sexual harassment | n. Status/prestige |
| e. Economic necessity | j. Limited promotions | |

22. How important are these entrepreneurial characteristics in your business today?

- | | 1 | 2 | 3 | 4 | 5 |
|----|-----------------------------------|------------------|----------------|------------------|------------------|
| | Not at all | Not very | Neutral | Very | Extremely |
| | <u>Important</u> | <u>Important</u> | <u>Neutral</u> | <u>Important</u> | <u>Important</u> |
| a. | Strength to motivate yourself | | | | |
| b. | Survival instincts | | | | |
| c. | Leadership skills | | | | |
| d. | Organizational skills | | | | |
| e. | Ability to develop solutions | | | | |
| f. | Willingness to risk | | | | |
| g. | Acceptance of change | | | | |
| h. | Decisiveness | | | | |
| i. | Tenacity to learn or self-educate | | | | |
| j. | Technical skills | | | | |
| k. | Product knowledge | | | | |
| l. | Enthusiasm | | | | |
| m. | Support | | | | |
| n. | Human relations ability | | | | |
| o. | Communication ability | | | | |
| p. | Energy | | | | |
| q. | Confidence | | | | |

Economic Impact

23. What was your estimated annual gross revenue in 1997? _____ rubles

24. In 1998, do you expect your gross revenues to increase or decrease? _____ %

25. What is your attitude toward profit and problems? Check all that apply.

- a. More profitable than expected
- b. About as profitable as expected
- c. Less profitable than expected
- e. More difficult than expected
- f. About as difficult as expected
- g. Less difficult than expected

Access to Credit

26. Rank how your enterprise was financed.

- | | Source of
<u>funding</u> | Initially when
<u>established</u> | Since start,
<u>for working capital</u> | Since start,
<u>for investment</u> |
|----|------------------------------------|--------------------------------------|--|---------------------------------------|
| a. | Personal savings | | | |
| b. | Family/friends borrowing | | | |
| c. | Government program | | | |
| d. | Business support center | | | |
| e. | Bank loan | | | |
| f. | Business profits | | | |
| g. | Foundation grant | | | |
| h. | Supplier credits/Customer advances | | | |
| i. | No financing | | | |

33. How much influence do women's business associations have on government policies?

- Hardly at all
- Not very much
- Neutral
- Somewhat
- Very Much

Business Needs

34. How important would each of the following be to you to improve your business' growth and success?

	1	2	3	4	5
	<u>Not at all</u>	<u>Not very</u>	<u>Neutral</u>	<u>Very</u>	<u>Extremely</u>
	<u>Important</u>	<u>Important</u>	<u>Neutral</u>	<u>Important</u>	<u>Important</u>

- a. Seminars on business topics
- b. Meeting regularly with other women business owners to share ideas/experiences
- c. Training sessions on finance, marketing, management
- d. Organized trips to other cities to network and exchange ideas
- e. Organized trip to other countries to meet with other women business owners and other women's business organizations

35. What kind of short term training courses would be most useful to you today?

Check all that apply

- a. None
- b. Accounting or bookkeeping skills
- c. Marketing
- d. Skills to obtain financial services from a bank
- e. More familiarity with different technologies
- f. Legal
- g. Management
- h. Import/export
- i. Writing an effective business plan
- j. NGO organization and development
- k. Other

36. What kind of short-term training courses would be most useful to your work force today? Check all that apply
- None
 - Accounting or bookkeeping skills
 - Marketing
 - Skills to obtain financial services from a bank
 - More familiarity with different technologies
 - Legal
 - Management
 - Import/export
 - Writing an effective business plan
 - NGO organization and development
 - Other

Future

37. Which of the following represent factors that have helped your business succeed? Check all that apply
- | | | |
|---------------------------------------|-----------------------|----------------|
| a. Financial support from family | d. Networking | g. Connections |
| b. Writing a business plan | e. Loan and/or credit | h. Education |
| c. Help from Business Support Centers | f. Training | |
38. What is your outlook on the Russian economy for the next two years?
- | | | |
|--------------------|----------------|---------------------|
| a. Very optimistic | c. Neutral | e. Very pessimistic |
| b. Optimistic | d. Pessimistic | |
39. What is your outlook for your business for the next two years?
- | | | |
|--------------------|----------------|---------------------|
| a. Very optimistic | c. Neutral | e. Very pessimistic |
| b. Optimistic | d. Pessimistic | |
40. Which of the following comes closest to describing your goal for your business over the next two years?
- To maintain my business as a part-time venture to supplement household income
 - To grow my business from a part-time venture into a full-time business
 - To maintain my full-time business at its present level
 - To expand my full-time business by increasing sales
 - To expand my full-time business by adding employees
 - To expand my full-time business by opening new stores, offices, or affiliates
 - No business change is expected

Thank you for your time and energy to complete this survey.

End

Appendix C
Survey Response Results

**CONTEMPORARY RUSSIAN WOMEN:
ENTREPRENEURING FOR SURVIVAL**
Survey Response Results from Women Business Owners

Your Business

1. How long have you owned a business? 3.7 years

2. In what industry is your business?
(Note, Of 74 women, x amount are the following businesses, so x=)
 - a. Services-36 (49%)
 - b. Agriculture-0
 - c. Trade-22 (30%)
 - d. Retail-21
 - e. Mining-0
 - f. Exporting-0
 - g. Construction-1
 - h. Transportation-2
 - i. Importing-0
 - j. Manufacturing-2
 - k. Communications-0
 - Miscellaneous - 3

3. What is the current legal form of this enterprise?
 - a. Individual ownership-58
 - b. Family ownership-8
 - c. Joint venture-3
 - d. Limited liability company-7
 - e. Cooperative-0
 - f. Association-2
 - Miscellaneous - 1

4. Who owns this company?

a. I do	49 = 2 own 10%, 1 @ 45%, 8 @ 50%, 1 @ 60%, 37 @ 100% (50% own 100%)
b. Russian government	0
c. State-owned company	0
e. Other private partners	11
f. Private investors outside Russia	1
g. Workers	0
h. City/Oblast government	0

5. How many other businesses do you currently own in full or in part?
6 own 1 more company and 1 owns 2 more companies

5. Approximately what percent of your total household income in 1996 was derived from your business? % of income # of respondents 38 of 74 answered

0	10
1%	1
2%	1
5%	2
6%	1
7%	1
15%	1
20%	4
25%	1
30%	6
35%	1
40%	3
50%	3
60%	1
80%	1
100%	1

7. How many employees does your business currently employ, not including yourself?

a. Full-time employees	<u>Mean = 5</u>
b. Part-time employees	<u>Mean = 18</u>
c. Temporary employees	<u>Mean = 1</u>
d. Total employees	<u>Mean = 14</u>

8. Approximately what percent of your full-time, part-time and temporary employees are women?

a. Full-time employees	<u>Mean = 5</u>
b. Part-time employees	<u>Mean = 17</u>
c. Temporary employees	<u>Mean = 1</u>
d. Total employees	<u>Mean = 13</u>

The Owner

9. Age Mean = 38.2

10. What is your marital status

a. Married = 47 (65%)
b. Single, never married = 7
c. Divorced = 11
d. Separated = 7
e. Widowed = 2

11. What is your highest level of education?
- | | | |
|--|-----|-------|
| a. Up to secondary level | =12 | |
| b. Technical/vocational, secondary level | =15 | |
| c. University, institute | =48 | (65%) |
| d. Master's degree | =0 | |
| e. Doctorate degree | =0 | |
| f. Other graduate degree | =5 | |
12. If you attended university or other school beyond secondary level, what was your area of concentration?
- | | |
|-------------------------|-----|
| a. Humanities/fine arts | =15 |
| b. Finance/economics | =14 |
| c. Science | =1 |
| d. Engineering | =15 |
| e. Medicine | =7 |
| f. Business | =7 |
| g. Law | =1 |
| h. Other | =1 |
13. Whom did you work for, before you started your business?
- | | |
|-----------------------------------|-----|
| a. Government organization | =11 |
| b. Academic institution | =6 |
| c. Cooperative | =3 |
| d. Foreign company in Russia | =0 |
| e. State-owned enterprise | =42 |
| f. Private company | =18 |
| g. Joint venture | =1 |
| h. Foreign company outside Russia | =0 |
| Miscellaneous | =2 |
14. Do you have a paid job in addition to your business?
- | | |
|--------|------|
| a. Yes | = 22 |
| b. No | = 48 |
- 65% have no additional job in addition to their business
15. How many children do you have?
Mean=1.45

Role Models or Mentors

16. Have you ever had a role model?

- a. Yes=45 (61%)
- b. No=21

17. What gender was your role model?

- a. Male=10
- b. Female=46

18. Did your role modeling or mentoring relationship influence your choice of business?

- a. Yes=38
- b. No=21

19. Will you mentor young women to encourage them to start a business?

- a. Yes=45
- b. No=18

Obstacles

20. How important is each of the following issues in your business today?

From a total of 74 respondents, the categories filled as so:

	1	2	3	4	5	
	Not at all	Not very	Neutral	Very	Extremely	Mean
	<u>Important</u>	<u>Important</u>		<u>Important</u>	<u>Important</u>	
a. Access to credit	8	6	8	15	8	3.2
b. Employee fraud and theft	11	5	5	12	3	2.8
c. Lack of business training	3	1	7	32	5	3.7
d. Expanding into new markets	2	4	3	23	10	3.8
e. <u>Lack of guidance and counsel</u>	4	7	10	23	4	3.3
f. Finding and keeping quality employees		4	6	6	16	8
						3.5
g. Weak collateral position	3	5	7	20	7	3.5
h. Foreign competition	22	4	4	1	2	1.7
i. Inflation	1	0	2	36	21	4.3
j. Lack of experience in hiring outside services	4	9	12	12	2	3.0
k. Health care costs	10	3	8	9	2	2.7
l. Gaining access to technology	6	5	6	20	5	3.3
m. Labor costs	2	5	5	16	7	3.6
n. Maintaining business profitability	2	1	1	31	18	4.2
o. Maintaining, upgrading employee skills	4	2	4	19	5	3.6
p. Lack of experience in financial planning	3	1	6	25	8	3.8
q. Managing cash flow and bill payment	4	1	5	18	6	3.6
r. Poor state of the economy	3	1	4	25	9	4.6
s. Racketeering and the Mafia	6	5	10	13	2	3.0
t. <u>Start-up financing</u>	2	3	7	14	15	4.9
u. Government corruption	4	2	13	7	7	3.3
v. Meeting family needs	2	2	2	24	15	4.1
w. Lack of stability of banking system	3	3	8	21	7	3.6
x. Perceived discrimination	13	5	10	2	2	2.2
y. Lack of spousal support	13	6	4	10	4	2.6
z. Lack of political stability	3	4	4	23	10	3.8

Characteristics

21. What motivated you to become an entrepreneur? Check all that apply.

- a. Independence=47
- b. Hostile work environment=2
- c. Achievement=3
- d. Need for flexible schedule=7
- e. Economic necessity=37
- f. Family business=14
- g. Unemployment=25
- h. Job satisfaction=36
- i. Sexual harassment=0
- j. Limited promotions=3
- k. Opportunity=26
- l. Power=1
- m. Discrimination=0
- n. Status/prestige=18

22. How important are these entrepreneurial characteristics in your business today?

	1	2	3	4	5	
	Not at all	Not very		Very	Extremely	
	<u>Important</u>	<u>Important</u>	<u>Neutral</u>	<u>Important</u>	<u>Important</u>	<u>Mean</u>
a. Strength to motivate yourself	0	1	2	36	20	4.2
b. Survival instincts	1	2	4	34	12	4.0
c. Leadership skills	0	2	3	21	11	5.5
d. Organizational skills	0	0	1	21	22	4.5
e. Ability to develop solutions	0	0	1	27	16	4.3
f. Willingness to risk	1	1	7	25	12	4.0
g. Acceptance of change	0	4	5	27	10	5.0
h. Decisiveness	0	1	3	30	15	5.2
i. Tenacity to learn or self-educate	0	3	6	25	14	4.0
j. Technical skills	2	7	11	11	5	3.3
k. Product knowledge	0	1	6	19	14	4.2
l. Enthusiasm	1	2	9	31	11	3.9
m. Support	0	4	10	21	9	3.8
n. Human relations ability	0	1	4	29	19	4.2
o. Communication ability	0	2	2	27	21	4.3
p. Energy	0	1	1	35	14	5.2
q. Confidence	0	1	3	34	17	4.2

Economic Impact

23. What was your estimated annual gross revenue in 1997? Mean=192 rubles

24. In 1998, do you expect your gross revenues to increase or decrease?

27 expect some increase

25. What is your attitude toward profit and problems? Check all that apply.

- | | |
|------------------------------------|----|
| a. More profitable than expected | 4 |
| b. About as profitable as expected | 19 |
| c. Less profitable than expected | 22 |
| d. More difficult than expected | 21 |
| e. About as difficult as expected | 18 |
| f. Less difficult than expected | 3 |

Access to Credit

26. Rank how your enterprise was financed.

Source of <u>funding</u>	Initially when <u>established</u>	Since start, <u>for working capital</u>	Since start, <u>for investment</u>	<u>Mean</u>
a. Personal savings	13	2		1.1
b. Family/friends borrowing	12	1	1	1.2
c. Government program	0	1	0	2.0
d. Business support center	1	0	1	2.0
e. Bank loan	3	2	0	1.4
f. Business profits	1	8	1	1.9
g. Foundation grant	1	0	0	1.0
h. Supplier credits/Customer advances	1	3	1	2.1
i. No financing	2	0	0	1.1

27. Do you rely on banking services in your day to day operations?

a. Yes=10

b. No=61

28. In your business transactions (all revenues and expenditures), what percent are:

- | | |
|-----------------------|---|
| a. Bank transfer | Mean= 33 %, # of women who used service=7 |
| b. Cash rubles | Mean= 70%, # of women who used service=17 |
| c. Cash hard currency | Mean= 30 %, # of women who used service=6 |
| d. Other | Mean= 18 %, # of women who used service=3 |
| e. Miscellaneous | Mean= 15 %, # of women who used service=2 |

29. What is the biggest problem you have had with your bank?

- | | |
|--------------------------------|----|
| a. Transaction speed | 6 |
| b. High fees for services | 19 |
| c. Won't extend a loan | 9 |
| d. Bankers are not trustworthy | 9 |
| e. Confidentiality | 7 |

NGOs

30. Are you a member of any of the following types of organizations?
- a. Chamber of Commerce=0
 - b. Women's business association=20
 - c. Industry association=1
 - d. Other business organization=8
 - e. None=37
 - f. Miscellaneous=1
31. Rank three reasons why you think people join your organization (1 is most important, 2 second most important, etc.)?
- a. To support the organization's aims =4
 - b. To get actively involved in performing and/or organizing voluntary work=6
 - c. To further your point of view and the direction of society=8
 - d. To further growth of your business=22
 - e. To obtain special privileges and benefits of membership=5
 - f. To seek social contact and companionship of like-minded business owners=19
 - g. To obtain support personally and professionally=17
32. Rank three following NGO activities to reflect their importance to your business (1 is most important, 2 second most important, and so on)?
- a. Advocate to government and parliament=1
 - b. Network with other members=4
 - c. Distribute public information=13
 - d. Participation on government commissions and advisory committees=3
 - e. Research and/or educational work=2
 - f. Opportunity to mobilize public opinion=6
 - g. Direct involvement to improve condition and status of women=9
 - h. Member services=4
 - i. Business training programs=6
 - j. Contacts with local government authorities=7
 - k. Ability to block undesired government policies or decisions=6
 - l.
33. How much influence do women's business associations have on government policies?
- [18] Hardly at all
 - [25] Not very much
 - [3] Neutral
 - [13] Somewhat
 - [0] Very Much

Business Needs

33. How important would each of the following be to you to improve your business' growth and success?

	1	2	3	4	5	
	Not at all	Not very		Very	Extremely	
	<u>Important</u>	<u>Important</u>	<u>Neutral</u>	<u>Important</u>	<u>Important</u>	<u>Mean</u>
a. Seminars on business topics	4	1	6	20	2	3.5
b. Meeting regularly with other women business owners to share ideas/experiences	2	4	8	20	4	3.5
c. Training sessions on finance, marketing, management	0	1	1	21	11	4.2
d. Organized trips to other cities to network and exchange ideas	2	1	8	27	5	3.7
e. Organized trip to other countries to meet with other women business owners and other women's business organizations	2	0	3	19	12	4.1

34. What kind of short term training courses would be most useful to you today?

Check all that apply

a. None	2
b. Accounting or bookkeeping skills	20
c. Marketing	24
d. Skills to obtain financial services from a bank	14
e. More familiarity with different technologies	26
f. Legal	26
g. Management	20
h. Import/export	7
i. Writing an effective business plan	20
j. NGO organization and development	12
k. Other	10

35. What kind of short-term training courses would be most useful to your work force today? Check all that apply

a. None	5
b. Accounting or bookkeeping skills	16
c. Marketing	20
d. Skills to obtain financial services from a bank	3
e. More familiarity with different technologies	22
f. Legal	14
g. Management	12
h. Import/export	3
i. Writing an effective business plan	12
j. NGO organization and development	7
k. Other	8

Future

36. Which of the following represent factors that have helped your business succeed?

Check all that apply

- | | |
|---------------------------------------|----|
| a. Financial support from family | 21 |
| b. Writing a business plan | 12 |
| c. Help from Business Support Centers | 14 |
| d. Networking | 14 |
| e. Loan and/or credit | 15 |
| f. Training | 15 |
| g. Connections | 30 |
| h. Education | 35 |

38. What is your outlook on the Russian economy for the next two years?

- a. Very optimistic=1
- b. Optimistic=16
- c. Neutral =14
- d. Pessimistic=24
- e. Very pessimistic=11

39. What is your outlook for your business for the next two years?

- a. Very optimistic=1
- b. Optimistic=37
- c. Neutral=19
- d. Pessimistic=12
- e. Very pessimistic=0

40. Which of the following comes closest to describing your goal for your business over the next two years?

- a. To maintain my business as a part-time venture to supplement household income=6
- b. To grow my business from a part-time venture into a full-time business=27
- c. To maintain my full-time business at its present level=9
- d. To expand my full-time business by increasing sales=20
- e. To expand my full-time business by adding employees=12
- f. To expand my full-time business by opening new stores, offices, or affiliates=17
- g. No business change is expected=3

End of Responses

Appendix D

Colorado State University

Participant Information

