



Entrepreneurship Development Foundation
Small and Medium Enterprise Development Support Center

REPORT

on the results of the face-to-face survey conducted among 500 (five hundred) women-owned small businesses in the territory of the Republic of Azerbaijan within the framework of the "Women Entrepreneurship" Component of the Micro Enterprise Support Project

**September 24 - October 15, 2018
Baku**

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Face-to-face survey conducted among 500 (five hundred) women-owned small businesses in the territory of the Republic of Azerbaijan within the framework of the "Women Entrepreneurship" Component of the Micro Enterprise Support Project

SUMMARY

Face-to-face survey among 500 (five hundred) women-owned small businesses in the territory of the Republic of Azerbaijan within the framework of the "Women Entrepreneurship" Component of the Micro Enterprise Support Project was conducted during 24 September - 15 October 2018.

The survey area covers previously agreed areas: Baku and 7 economic regions of Azerbaijan. The distribution of locations and number of respondents is indicated in the table below. It should be noted that the data of the State Statistical Committee of the Republic of Azerbaijan was used regarding the number of small enterprises for the distribution of respondents by settlements. At the same time, face-to-face interviews with all female respondents were conducted at workplaces and only after they were identified as entrepreneurs.

Table 1. Locations and number of respondents

No	Economic Region	Settlement	Number of respondents	Interviewed	Refused
1.		Baku	190	201	11
2.	Absheron		29	32	3
		Sumgayit	29	32	3
3.	Ganja-Gazakh		81	88	7
		Ganja	60	66	6
		Tovuz	21	22	1
4.	Sheki-Zagatala		37	37	-
		Sheki	37	37	-
5.	Lankaran		32	41	9
		Lankaran	32	41	9
6.	Guba-Khachmaz		31	32	1
		Guba	31	32	1
7.	Aran		88	100	12
		Mingachevir	30	34	4
		Kurdamir	14	16	2
		Salyan	14	17	3
		Shirvan	30	33	3

8.	Mountainous Shirvan		12	15	3
		Shamakhi	12	15	3
	Total		500	546	46

Highly Qualified Professionals Have Been Involved In The Survey Conduction, Collection Of Necessary Data, Processing The Data Acquired As A Result Of The Survey With The Statistical Package For The Social Sciences (Spss) And The Data Analysis Process.

RESULTS OF THE SURVEY

As mentioned above, the survey was conducted among 500 respondents.

1. What type of entrepreneurship are you engaged in?

The question was answered by 500 respondents who participated in the survey. Depending on the question, the respondents were given the option to select several answers. In total, 500 respondents answered 501 possible answer options: 1 answer - 499 respondents, 2 answer - 1 respondent.

		Number	Percentage
1	Pharmacy	46	9,2
2	Trade	44	8,8
3	Bakery and confectionery	38	7,6
4	Tailoring	36	7,2
5	Wedding Dress Rental	32	6,4
6	Medical Services	29	5,8
7	Women's club	28	5,6
8	Carpet weaving	28	5,6
9	Public catering services	27	5,4
10	House cleaning	26	5,2
11	Hair styling	25	5,0
12	Computer and Xerox services	17	3,4
13	Sock Knitting	17	3,4
14	Childcare	16	3,2
15	Handicrafts	13	2,6
16	Design, polygraphy and advertising	11	2,2
17	Singer, musician and presenter	11	2,2
18	Dance school	11	2,2
19	Dairy products (butter, sour milk, buttermilk, sour cream, cheese and other)	9	1,8
20	Agriculture	7	1,4
21	Entertainment center for children	7	1,4
22	Public catering	6	1,2
23	Press and Publishing	5	1,0
24	Photo / Video Services	5	1,0
25	Financial services	4	0,8
26	Textile	3	0,6
27	Consulting service	0	0,0
	Total number of respondents	500	

	Total number of responses	501	
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2. What are the reasons for engaging in entrepreneurship?

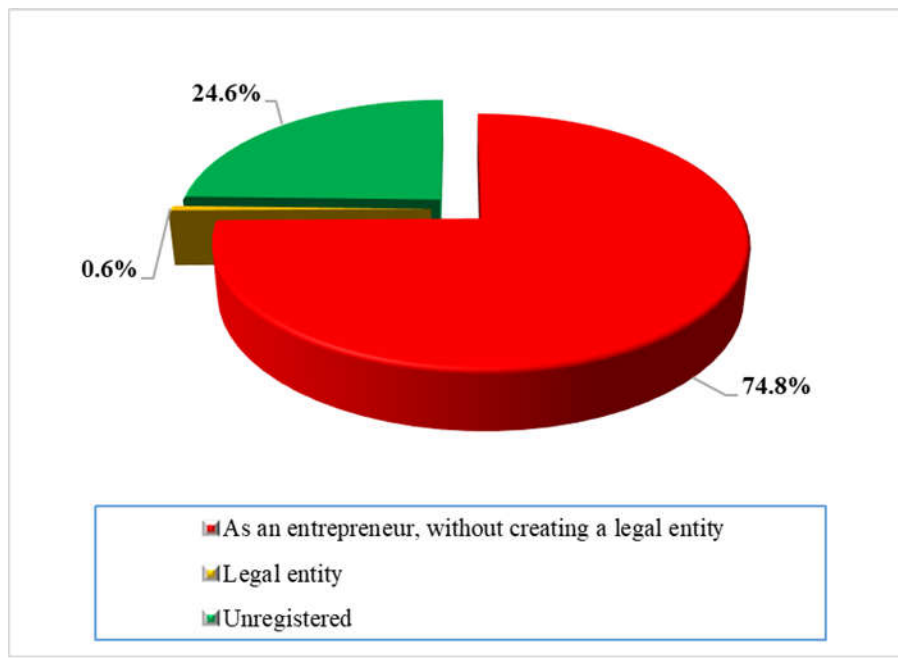
The respondents answered all the questions (500 respondents). Depending on the question, respondents were given the option to select several answers. In total, 500 respondents answered 688 possible answer options: 1 answer - 332 respondents, 2 answers - 168 respondents.

		Number	Percentage
1	Additional support for family / budget	298	44,6
2	I love this activity	271	40,6
3	I have no other skills	97	14,5
4	Lack of finance	2	0,3
	Total number of respondents	500	
	Total number of responses	668	

3. In what form do you carry out your personal entrepreneurial activity?

500 respondents answered the question

		Number of responses	Percentage
1.	As an entrepreneur, without creating a legal entity	374	74,8
2.	Legal entity	3	0,6
3.	Unregistered	123	24,6
	Total	500	100,0



74.8% of respondents or 374 respondents stated that they were entrepreneurs without establishing legal entities. 24.6% or 123 respondents noted that their entrepreneurial activity was unregistered. 0.6% or 3 respondents said they were functioning as legal entities.

4. What challenges do women face when they start their own business?

500 respondents answered the question. Depending on the question, the respondents were given the option to select several answers. In total, 500 respondents answered 551 possible answer options: 1 answer - 449 respondents, 2 answers - 51 respondents.

		Number	Percentage
1	Family opposes	309	56,1
2	Lack of finance	199	36,1
3	Lack of entrepreneurial knowledge	42	7,6
4	Public censure	1	0,2
	Total number of respondents	500	
	Total number of responses	551	

5. What challenges did you face more in the last year?

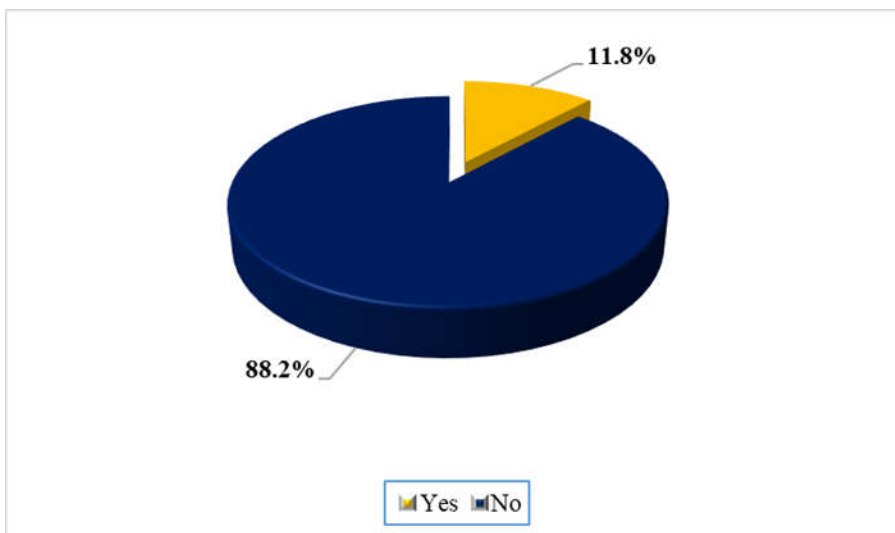
500 respondents answered the question. Depending on the question, respondents were given the option to select several answers. Totally, 500 respondents answered 771 possible answer options: 1 answer - 251 respondents, 2 answers - 227 respondents, 3 answers - 22 respondents.

		Number	Percentage
1	Lack of finance	259	33,6
2	Personnel shortage	178	23,1
3	Unfair competition	111	14,4
4	Tax burden	109	14,1
5	Complexity of legislation regulating entrepreneurship	70	9,1
6	Interference of public authorities	44	5,7
	Total number of respondents	500	
	Total number of responses	771	

6. Are your family members involved in your business?

500 respondents answered the question

		Number of responses	Percentage
1.	Yes	59	11,8
2.	No	441	88,2
	Total	500	100,0

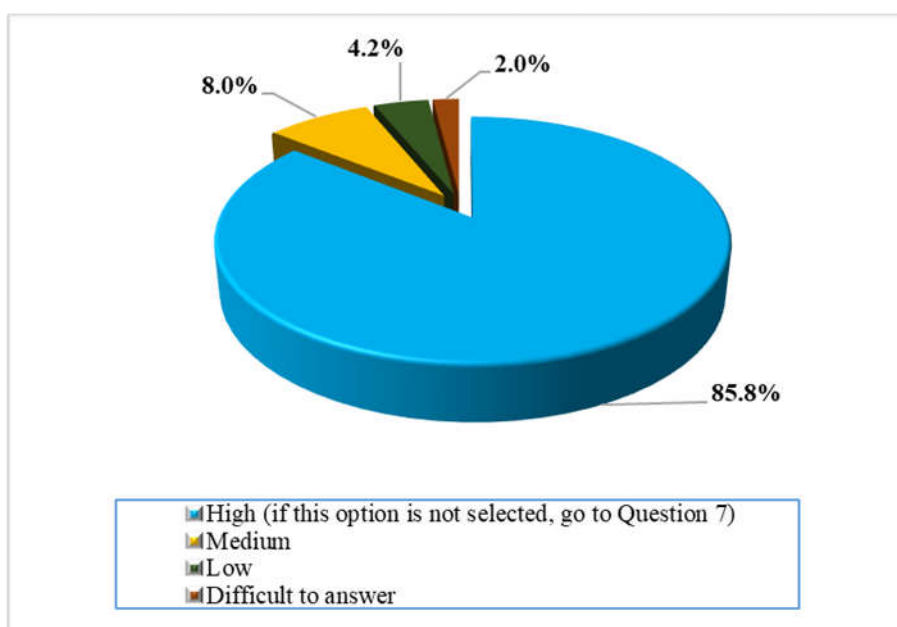


88.2% or 441 respondents gave negative answer, 11.8% or 59 respondents gave positive answer to the question.

7. How do you assess the aspiration of Azerbaijani women to engage in entrepreneurship?

500 respondents answered the question.

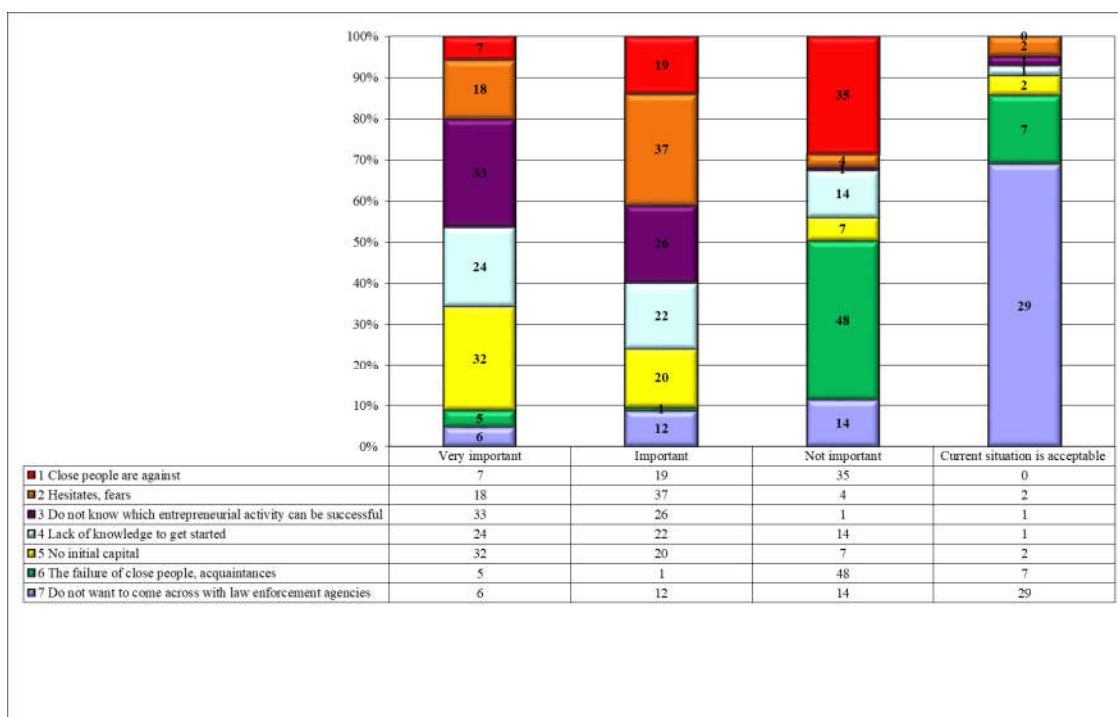
		Number of answers	Percentage
1.	High	429	85,8
2.	Medium	40	8,0
3.	Low	21	4,2
4.	Difficult to answer	10	2,0
Total		500	100,0



85.8% of respondents or 429 respondents assessed the aspiration of Azerbaijani women to engage in entrepreneurship as high, 8.0% or 40 respondents as average, 4.2% or 21 respondents as low. 2.0% or 10 respondents said they found it difficult to answer the question.

8. Indicate reasons for low or medium aspiration of Azerbaijani women to engage in entrepreneurship

Question was answered by all 61 respondents, except for respondents who chose "High" and "Difficult to Answer" options in Question 7.



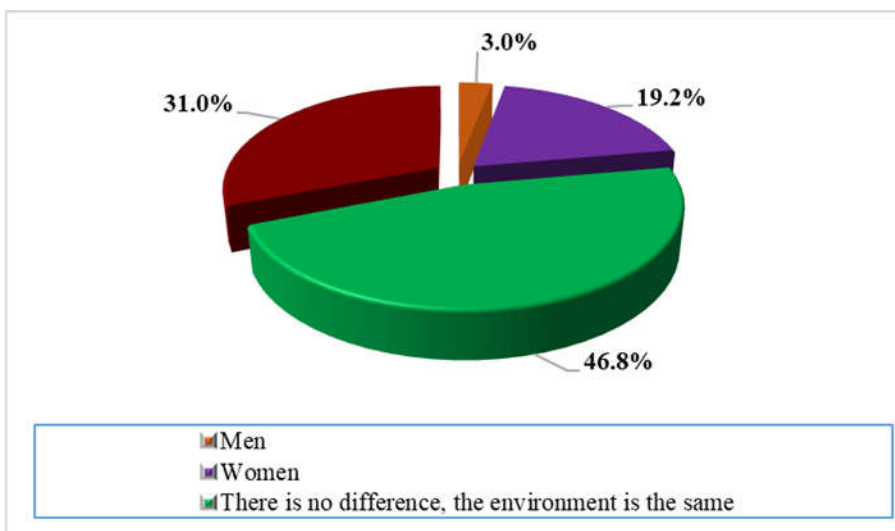
The reasons for low and medium level of aspiration of Azerbaijani women to engage in entrepreneurship as follows:

1. Do not know which entrepreneurial activity can be successful (33 out of 61 respondents)
2. No initial capital (32 out of 61 respondents)
3. Lack of knowledge to get started (24 out of 61 respondents)
4. Hesitates, fears (18 out of 61 respondents)
5. Close people are against (7 out of 61 respondents)
6. Do not want to come across with law enforcement agencies (6 of 61 respondents)
7. The failure of close people, acquaintances (5 of 61 respondents)

9. What do you think, for whom the entrepreneurial environment in Azerbaijan is more favorable?

500 respondents answered the question

		Number of answers	Percentage
1.	Men	15	3,0
2.	Women	96	19,2
3.	There is no difference, the environment is the same	234	46,8
4.	Difficult to answer	155	31,0
Total		500	100,0

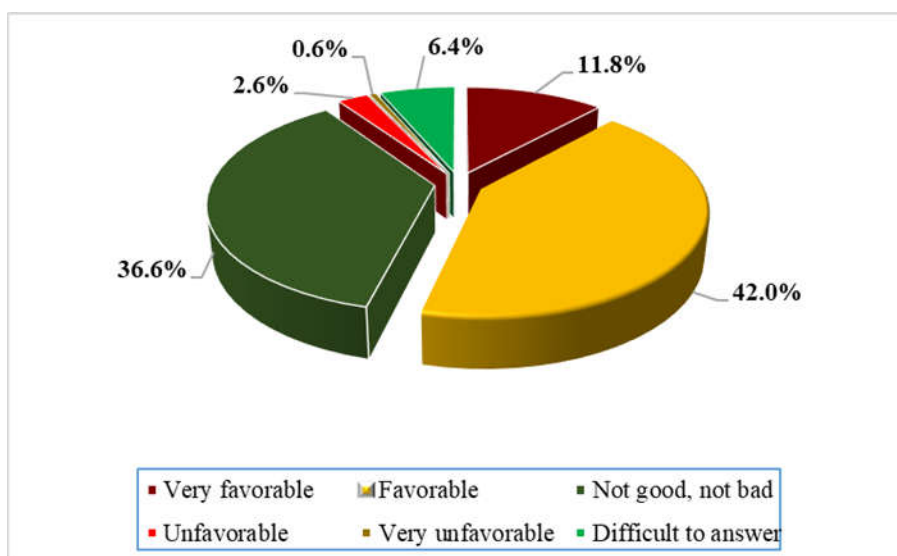


Majority of respondents (46.8% or 234 respondents) selected the answer option "There is no difference, the environment is the same". 31.0% or 155 respondents said they found it difficult to answer the question. 19.2% or 96 respondents noted entrepreneurial environment is favorable for women entrepreneurship, 3.0% or 15 respondents think environment is more favorable for men.

10. How do you assess the current situation for your business?

The question was answered by 500 respondents who participated in the survey.

		Number of answers	Percentage
1.	Very favorable	59	11,8
2.	Favorable	210	42,0
3.	Not good, not bad	183	36,6
4.	Unfavorable	13	2,6
5.	Very unfavorable	3	0,6
6.	Difficult to answer	32	6,4
	Total	500	100,0

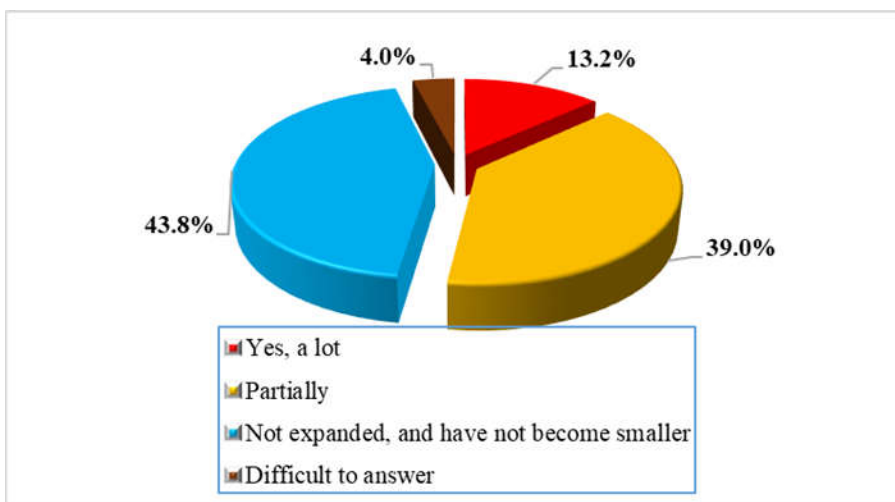


42.0% of the respondents or 210 respondents noted the current situation as favorable for business. In the next place, 36.6% (or 183 respondents) answered "Not good, not bad". In the third place, 11.8% (or 59 respondents) answered "Very favorable ", in the fourth place - 6.4% (or 32 respondents) answered "Difficult to answer", in the fifth place - 2.6% (or 13 respondents) answered " Unfavorable " and in the sixth place, 0.6% (or 3 respondents) answered " Very unfavorable ".

11. Was your business expanded over the past year?

This question was also answered by all respondents (500 respondents).

		Number of answers	Percentage
1.	Yes, a lot	66	13,2
2.	Partially	195	39,0
3.	Not expanded, and have not become smaller	219	43,8
4.	Difficult to answer	20	4,0
Total		500	100,0

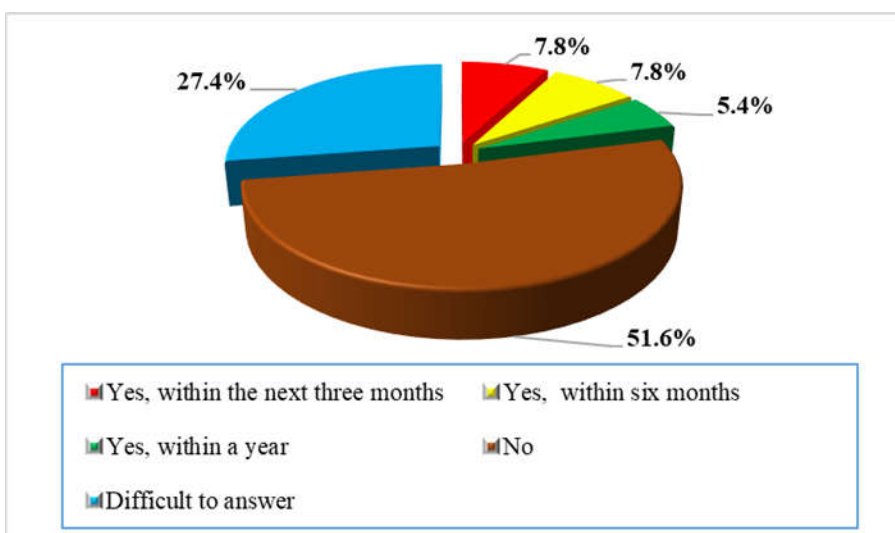


As we can see, people who think their business remains unchanged prevails (43.8% or 219 respondents). Respondents whose business partially expanded are 39.0% (or 195 respondents). 13.2% or 66 respondents said their business has significantly expanded. Only 4.0% of respondents or 20 respondents said they found it difficult to answer the question.

12. Are you planning to expand your business activities?

500 respondents answered the question

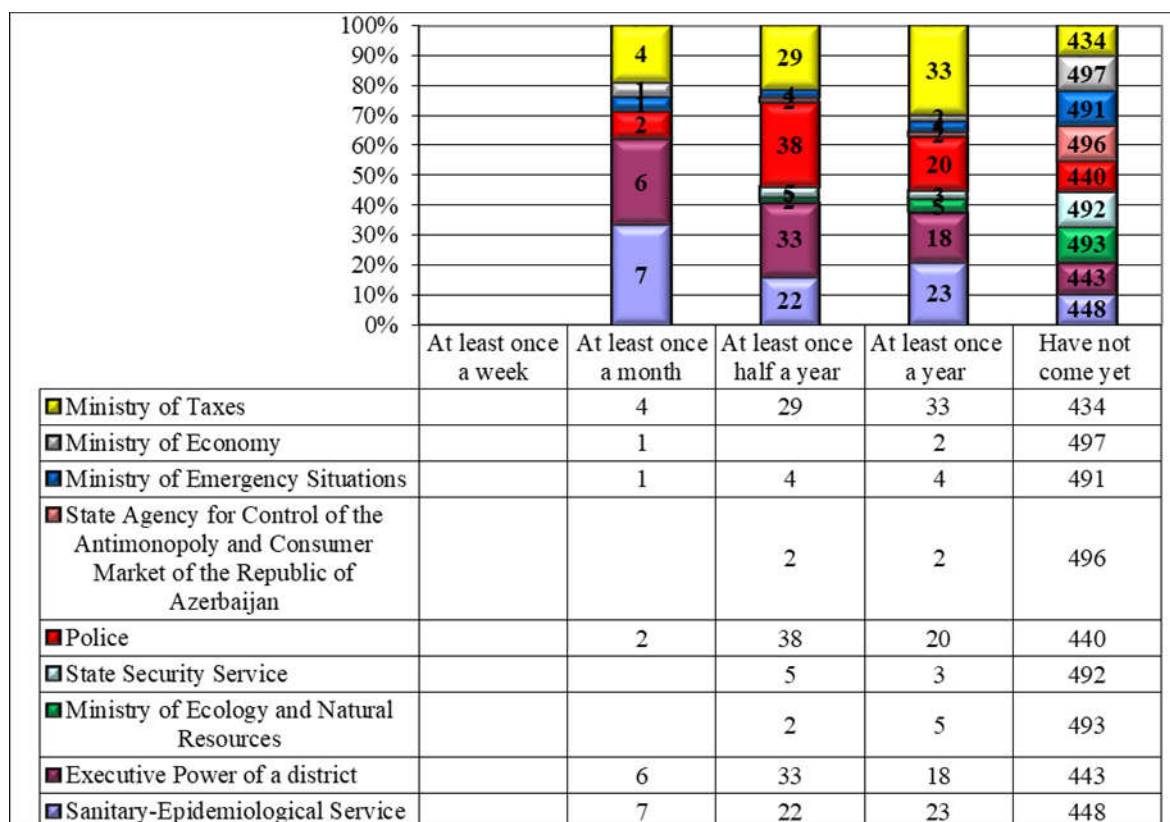
		Number of answers	Percentage
1.	Yes, within the next three months	39	7,8
2.	Yes, within six months	39	7,8
3.	Yes, within a year	27	5,4
4.	No	258	51,6
5.	Difficult to answer	137	27,4
Total		500	100,0



51.6% of respondents or 258 respondents said they did not plan to expand their business in the near future. 27.4% or 137 respondents said they found it difficult to answer the question. In the following places, 7,8% (or 39 respondents) with the answer " Yes, within the next three months ", 7,8% (or 39 respondents), " Yes, within the next six months " and 5.4% (or 27 respondents) answered " Yes, within a year".

13. Did officials frequently come to your office for inspection in the last year?

500 respondents answered the question



Sanitary-epidemiology service lead the list of “at least once a month”. Ministry of Economy is in the list of “Have not come yet”.

The following list describes the names of the state bodies that visit the most for inspection purposes, according to answer options.

1. At least once a month, Sanitary-Epidemiological Service (33.3% or 7 respondents out of 21 answers)
2. At least once half a year - Police (28.1% or 38 respondents out of 135 answers)
3. At least once a year - the Ministry of Taxes (30.0% or 33 answers out of 110 answers)
4. Have not come yet - Ministry of Economy (11.2% or 497 respondents out of 4,234 answers)

Another rating has been provided according to the question. This rating reflects public authorities which didn't visit for inspection. Respondents' answers allowed to get the following results (in all cases, response options of 500 respondents were taken into consideration):

1. Ministry of Economy (99.4% or 497 respondents);
2. State Agency for Control of the Antimonopoly and Consumer Market of the Republic of Azerbaijan (99.2% or 496 respondents);
3. Ministry of Ecology and Natural Resources (98.6% or 493 answers);
4. State Security Service (98.4% or 492 answers);
5. Ministry of Emergency Situations (98.2% or 491 respondents);
6. Sanitary-Epidemiological Service (89.6% or 448 respondents);
7. Executive Power of a district (88.6% or 443 answers);
8. Police (88.0% or 440 respondents);
9. Ministry of Taxes (86.8% or 434 respondents)

14. According to your observations, what was the purpose of the visit of officials (not only you, but generally) in the last year?

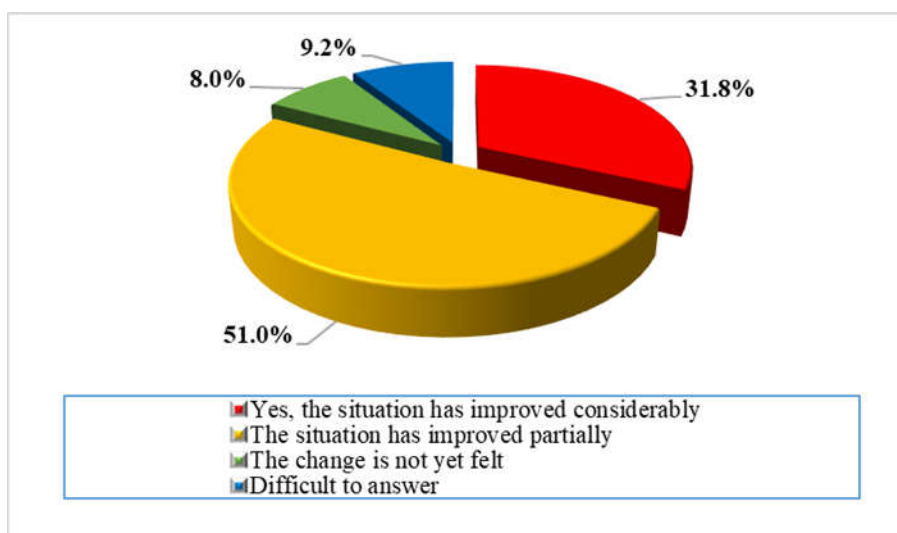
1,000 respondents answered the question. Depending on the question, the respondents were given the option to select several answers. Totally, 500 respondents answered 502 possible answer options: 1 answer - 498 respondents, 2 answers - 2 respondents.

		Number	Percentage
1	Difficult to answer	286	57,0
2	Legal inspection	210	41,8
3	Monthly or annual unofficial payment claim	6	1,2
	Total number of respondents	500	
	Total number of responses	502	

15. A number of serious steps have been taken by the government to reduce corruption in the area of entrepreneurship since the beginning of 2016. Did you feel the decrease in bribe demand in the last year?

500 respondents answered the question.

		Number of answers	Percentage
1.	Yes, the situation has improved considerably	159	31,8
2.	The situation has improved partially	255	51,0
3.	The change is not yet felt	40	8,0
4.	Difficult to answer	46	9,2
Total		500	100,0

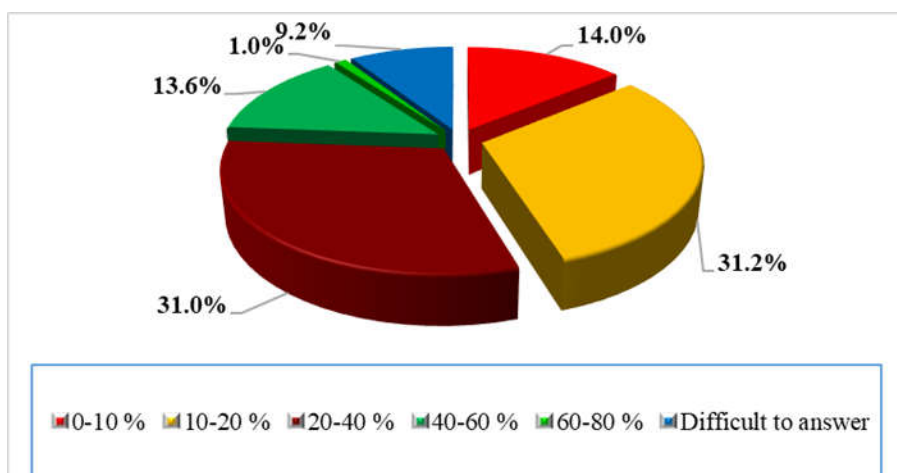


51.0% of respondents or 255 respondents noted that the situation was partially improved. 31.8% or 159 respondents noted that the situation improved considerably, 8.0% or 40 respondents had not yet felt the change. 9.2% of the respondents or 46 respondents said they found it difficult to answer the question.

16. What do you think, what percentage of total expenses of your competitors do the unofficial payments constitute?

500 respondents answered the question.

		Number of answers	Percentage
1.	0-10 %	70	14,0
2.	10-20 %	156	31,2
3.	20-40 %	155	31,0
4.	40-60 %	68	13,6
5.	60-80 %	5	1,0
6.	Difficult to answer	46	9,2
Total		500	100,0



The answer options are sorted as follows:

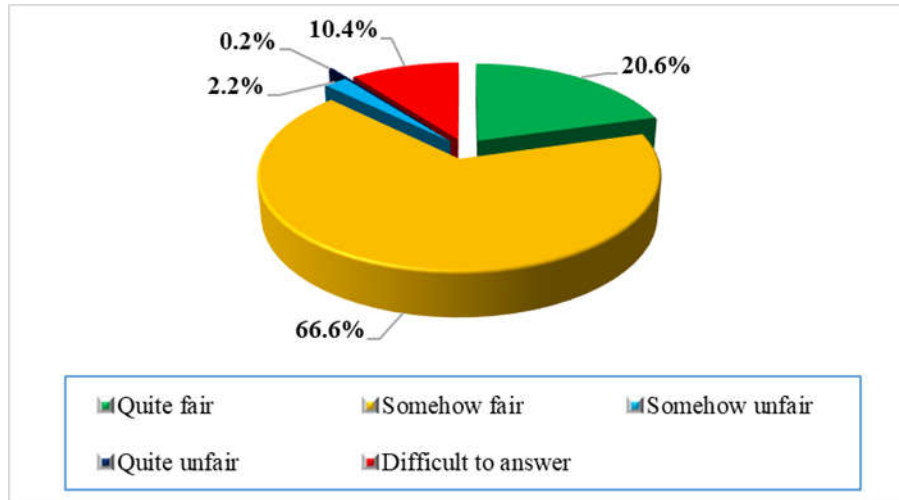
1. 10-20% - 31.2% or 156 respondents
2. 20-40% - 31.0% or 155 respondents
3. 0-10% - 14.0% or 70 respondents
4. 40-60% - 13.6% or 68 respondents
5. Difficult to answer - 9.2% or 46 respondents
6. 60-80% - 1.0% or 5 respondents

17. How do you assess competitive conditions in the sector you worked in the last year?

This question was also answered by all respondents (500 respondents).

		Number of answers	Percentage
1.	Quite fair	103	20,6
2.	Somehow fair	333	66,6

3.	Somehow unfair	11	2,2
4.	Quite unfair	1	0,2
5.	Difficult to answer	52	10,4
	Total	500	100,0

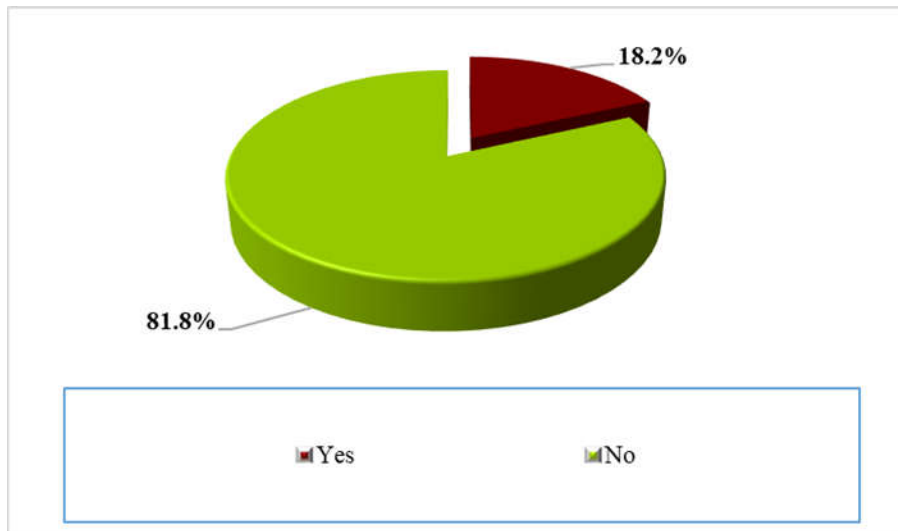


66.6% of respondents or 333 respondents consider the competition conditions are partially fair. 20.6% or 103 answers said that competition conditions quite fair. 2.2% or 11 respondents noted competition conditions were somehow unfair was partly unfair, 0.2%, or 1 respondent assess the competition conditions as quite unfair. 10.4% or 52 respondents said they found it difficult to answer the question.

18. Did you obtain a license for your business activity in the past year?

500 respondents answered the question.

		Number of answers	Percentage
1.	Yes	91	18,2
2.	No	409	81,8
	Total	500	100,0



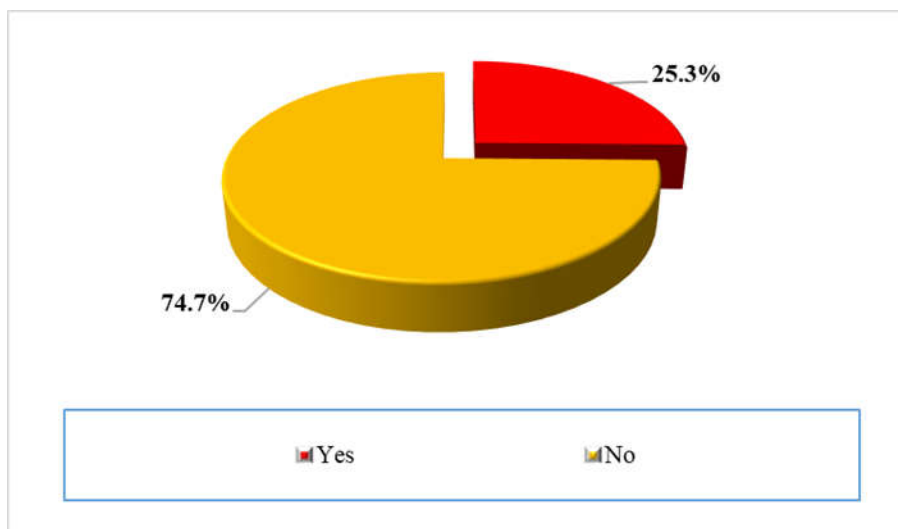
Only 18.2% of respondents or 91 respondents who answered the questionnaire said they had to obtain a license.

Question 19 was given to respondents who answered were they were required to obtain a license in Question 18. Starting with question 21, the survey was continued with respondents who chose another response option.

19. Was it hard for you to obtain a license?

91 respondents answered this question.

		Number of answers	Percentage
1.	Yes	23	4,6
2.	No	68	13,6
	Total	91	18,2



As we have seen, only 25.3% or 12 respondents noted that they faced certain difficulties in obtaining a license.

In accordance with 20th question, the question was given to the respondents who said they faced certain difficulties in obtaining a license in Question 19. Starting with question 22, the survey was continued with respondents who chose another response option.

20. What were the difficulties?

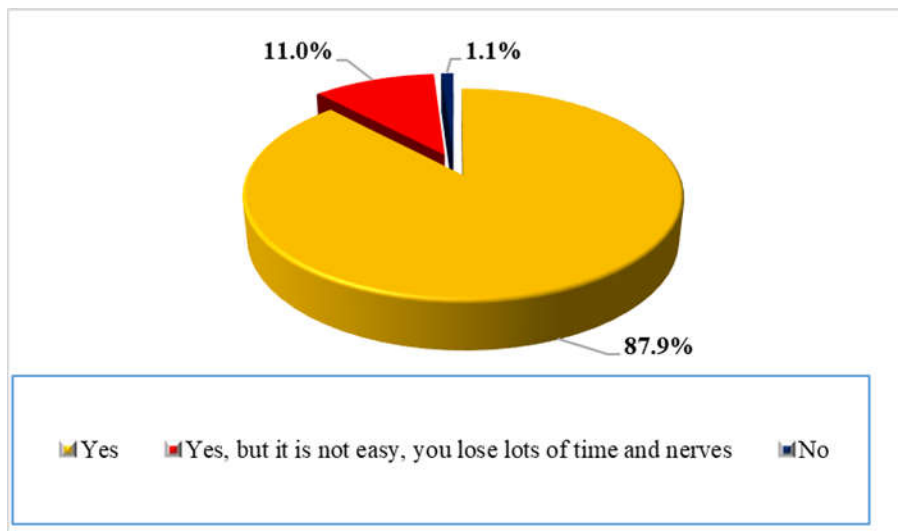
23 respondents answered the question. Depending on the question, the respondents were given the option to select several answers. Overall, 23 respondents chose 46 possible answer options: 2 answer variants - 23 respondents.

		Number	Percentage
1	Spending a lot of time for obtaining a license	16	34,8
2	The rules are ambiguous and unclear	14	30,4
3	Procrastination in the relevant government agency while issuing a license	11	23,9
4	Collection of reference documents from various government agencies for obtaining a license	5	10,9
	Total number of respondents	23	
	Total number of responses	46	

21. In your opinion, is it possible to obtain a license or any kind of permit for entrepreneurial activity without paying bribes?

91 respondents answered the question.

	Number of answers	Percentage
Yes	80	16,0
Yes, but it is not easy, you lose lots of time and nerves	10	2,0
No	1	0,2
Total	91	18,2

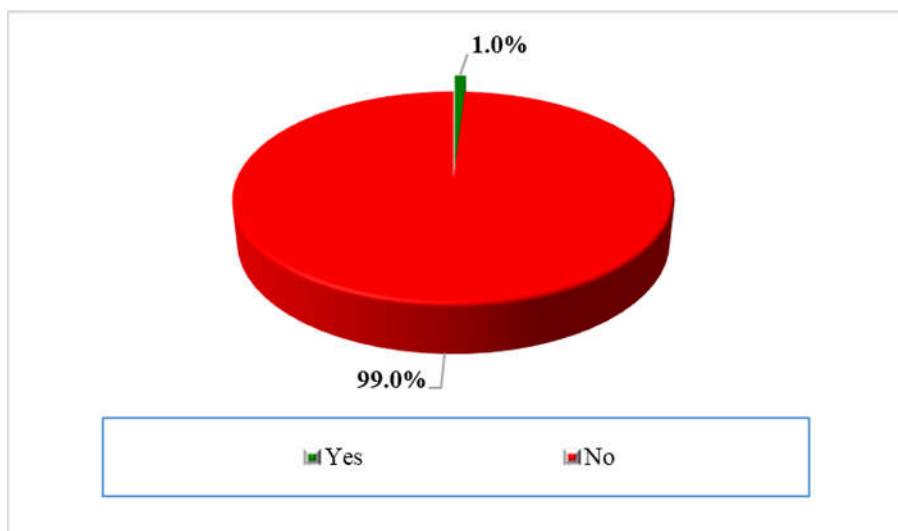


The absolute majority of respondents (87.9% or 80 respondents) noted that it is possible to obtain a license without paying bribes. 2.0% or 10 respondents stressed that this was not easy. Only 0.2% or 1 respondent reported that it was not possible to obtain a license without paying bribes.

22. Did you have to register a real estate regarding your entrepreneurial activity over the past year?

500 respondents answered the question

		Number of answers	Percentage
1.	Yes	5	1,0
2.	No	495	99,0
	Total	500	100,0



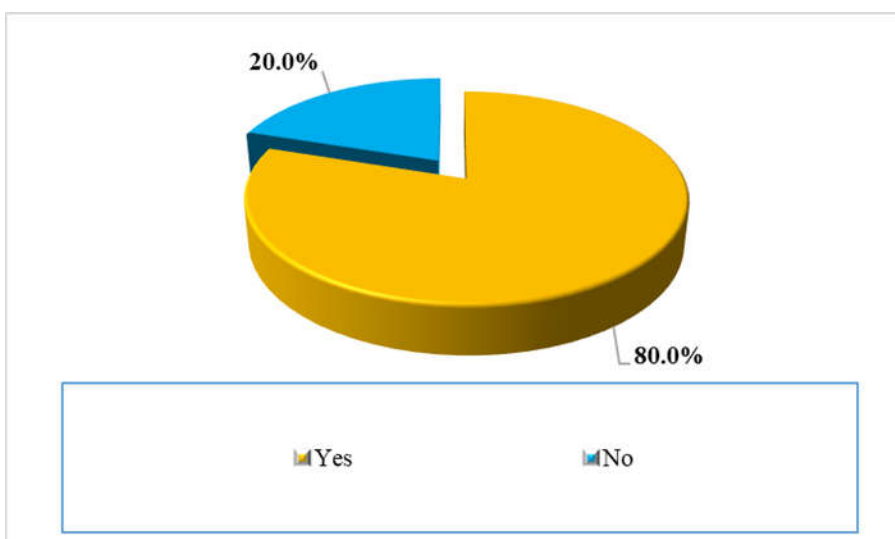
Only 1,0% of respondents or 5 respondents noted that they registered their real estate.

The 23rd question was given only to respondents who noted on the 22nd question that they registered their property. Survey was continued starting with Question 26, with respondents who selected another response option.

23. Was it difficult to register your real estate?

5 respondents answered the question.

	Number of answers	Percentage
Yes	4	0,8
No	1	0,2
Total	5	1,0



80.0% of the respondents or 4 respondents who registered their property noted that they faced some difficulties during registration.

24th Question was given to respondents who noted in Question 23 that they faced difficulties while registering their property. Survey was continued starting with Question 25, with respondents who selected another response option.

24. What were the difficulties?

The question was answered by 4 respondents. Depending on the question, the respondents were given the option to select several answers. In general, 4 respondents

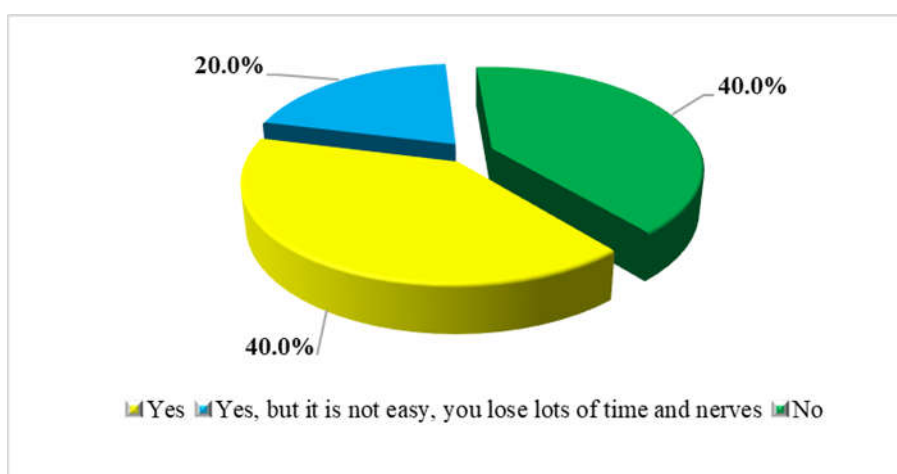
answered 7 possible answer options: 1 answer variant - 1 respondent, 2 answers - 3 respondents.

		Number	Percentage
1	Procrastination in the relevant government agency	3	3,0
2	Collection of reference documents from various government agencies for obtaining a license	3	3,0
3	The rules are ambiguous and unclear	1	1,0
	Total number of respondents	4	
	Total number of responses	7	

25. Is it possible to register a real estate for entrepreneurial activity without paying bribes?

5 respondents answered the question.

	Number of answers	Percentage
Yes	2	0,4
Yes, but it is not easy, you lose lots of time and nerves	1	0,2
No	2	0,4
Total	5	1,0

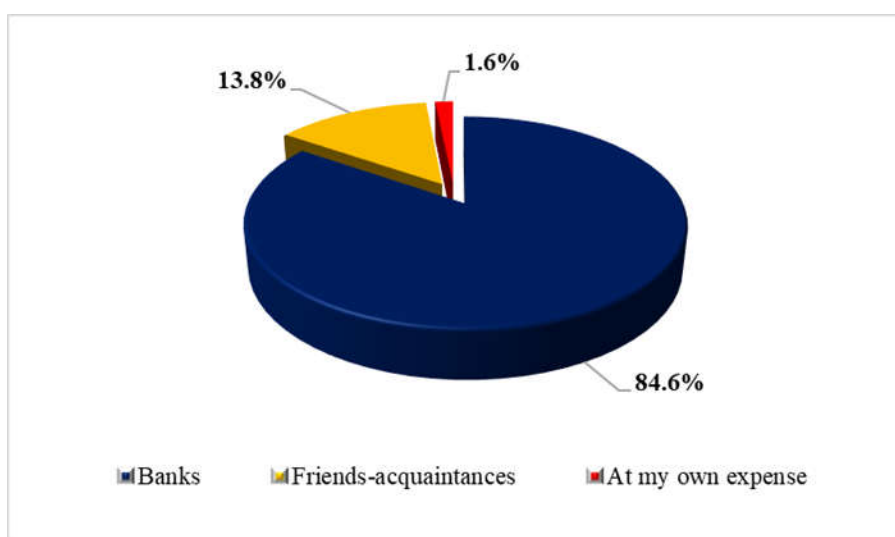


The number of respondents who said they were able and unable to register their property without paying bribes is equal - 40.0% or 2 respondent. 20.0% or 1 respondent said it was not easy, they lost lots of time and nerves.

26. Which source do you usually use to get financial resources for your business?

500 respondents answered the question.

		Number of answers	Percentage
1.	Banks	423	84,6
2.	Friends-acquaintances	69	13,8
3.	At my own expense	8	1,6
	Total	500	100,0



84.6% of the respondents or 423 respondents said they applied for banks. 13.8% or 69 respondents preferred their friends and acquaintances. 1.6% or 8 respondents considered it to be appropriate to solve their financial problems at their own expense.

27. What terms you are not satisfied with regarding loans offered by banks?

All respondents (500 respondents) answered the question. Depending on the question, the respondents were given the option to select several answers. In total, 500 respondents answered 680 possible answer options: 1 answer - 324 respondents, 2 answers - 172 respondents, 3 answers - 4 respondents.

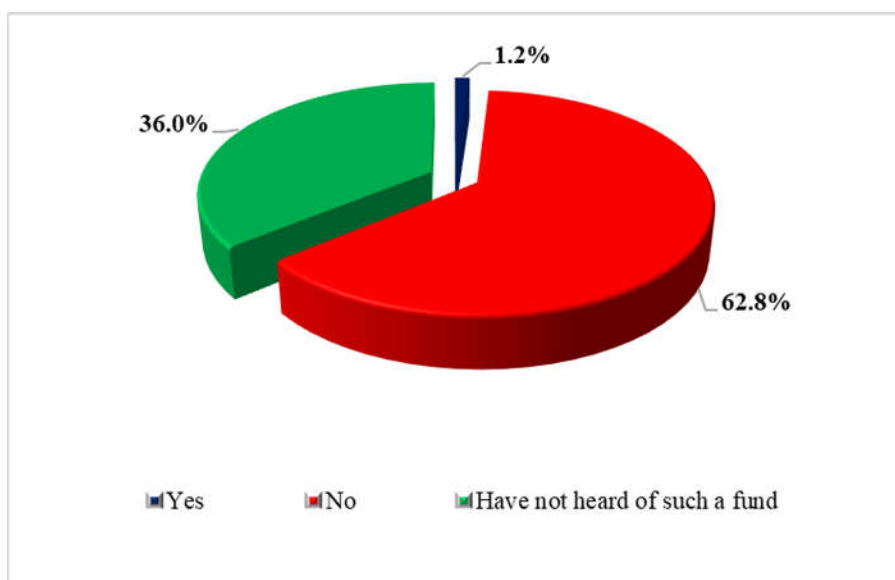
		Number	Percentage
1	Annual interest rates are high	484	71,2
2	Guarantor is required	105	15,4

3	Many documents are required	58	8,5
4	Loans are for a short period of time	15	2,2
5	Collateral is not properly assessed	16	2,4
6	Can not get a loan in time	1	0,1
7	Loans are not offered in national currency	1	0,1
Total number of respondents		500	
Total number of responses		680	

28. Did you apply for a loan from The National Fund for Entrepreneurship Support in the last year?

500 respondents answered the question

		Number of responses	Percentage
1.	Yes	6	1,2
2.	No	314	62,8
3.	Have not heard of such a fund	180	36,0
Total		500	100,0



500 women entrepreneurs were involved in the survey, and only 1.2% of the respondents or 6 respondents applied for the National Fund for Entrepreneurship Support. 62.8% or 314 respondents did not apply for this fund, 36.0% or 180 respondents have not heard of such a fund.

The 29th question was given only to respondents who chose the "Yes" option in Question 28. Questionnaire with respondents who selected the other response option was continued from Question 31.

29. What challenges do you face when getting a loan from the Fund?

6 respondents answered the question.

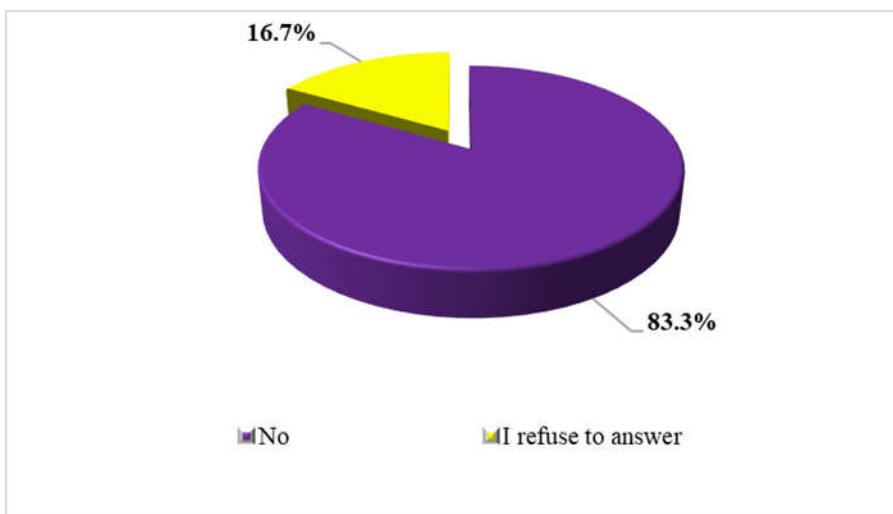
		Number of responses	Percentage
1.	Too much documentation	5	1,0
2.	I can not get a loan as much as I want	1	0,2
	Total	500	100,0

83.3% of the respondents who applied for the fund or 5 respondents noted that it requires too much documentation and, 16.7% or 1 respondent said she could not get receive enough funds.

30. Were additional payments (bribes) required by the agent bank of ANFES while receiving a loan?

6 respondents answered the question.

		Number of responses	Percentage
1.	No	5	1,0
2.	I refuse to answer	1	0,2
	Total	500	100,0

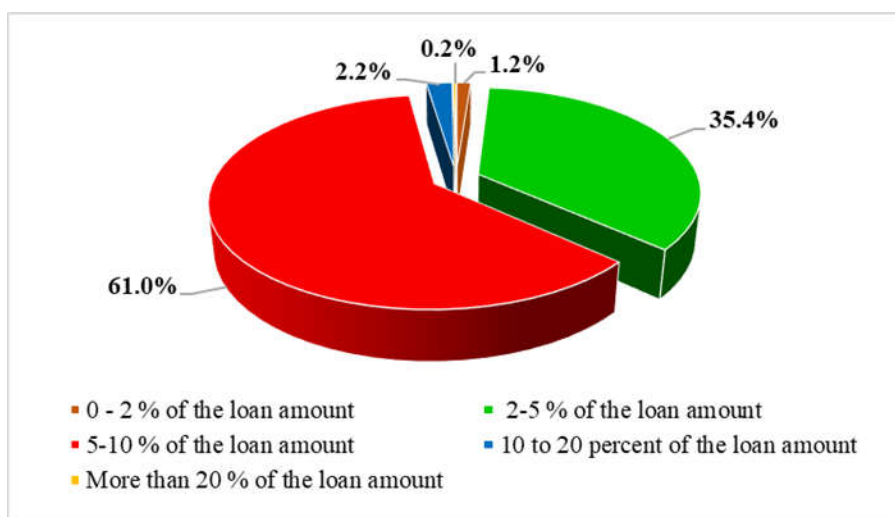


83.3% or 5 respondents noted that additional expenses (bribes) were not required. 16.7% or 1 respondent refused to answer the question.

31. How much additional payment (bribe) is required to get a loan from banks?

500 respondents answered the question

		Number of responses	Percentage
1.	1. 0 - 2 % of the loan amount	6	1,2
2.	2. 2-5 % of the loan amount	177	35,4
3.	3. 5-10 % of the loan amount	305	61,0
4.	4. 10 to 20 percent of the loan amount	11	2,2
5.	5. More than 20 % of the loan amount	1	0,2
	Total	500	100,0



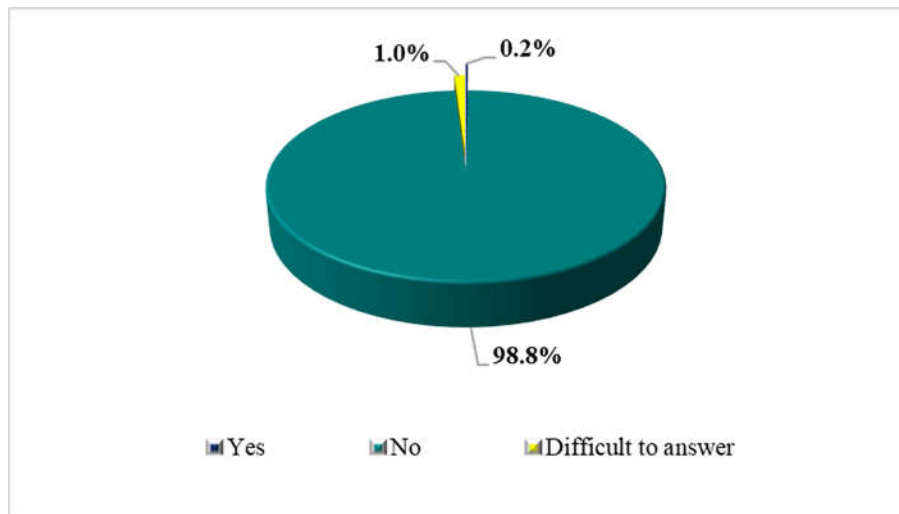
The answer options are sorted as follows:

1. 5-10 % of the loan amount – 61,0% or 305 respondents
2. 2-5 % of the loan amount – 35,4% or 177 respondents
3. 10 to 20 percent of the loan amount – 2,2% or 11 respondents
4. 0 - 2 % of the loan amount – 1,2% or 6 respondents
5. More than 20 % of the loan amount – 0,2% or 1 respondents

32. Did you use leasing services in the last year?

500 respondents answered the question

		Number of responses	Percentage
1.	Yes	1	0,2
2.	No	494	98,8
3.	Difficult to answer	5	1,0
	Total	500	100,0



Only 0.2% or 1 respondent positively responded. 98.8% or 494 respondents selected "No", 1.0% or 5 respondents selected "Difficult to answer" response options.

Question 33 is given to the respondents who answered the "Yes" in Question 32. Questionnaire with the respondents who selected "No" answer option was continued from the 35th questionnaire, and the questionnaire with the respondents who selected "Difficult to answer" answer option was continued starting with Question 36.

33. Regarding the service, what are not you satisfied with?

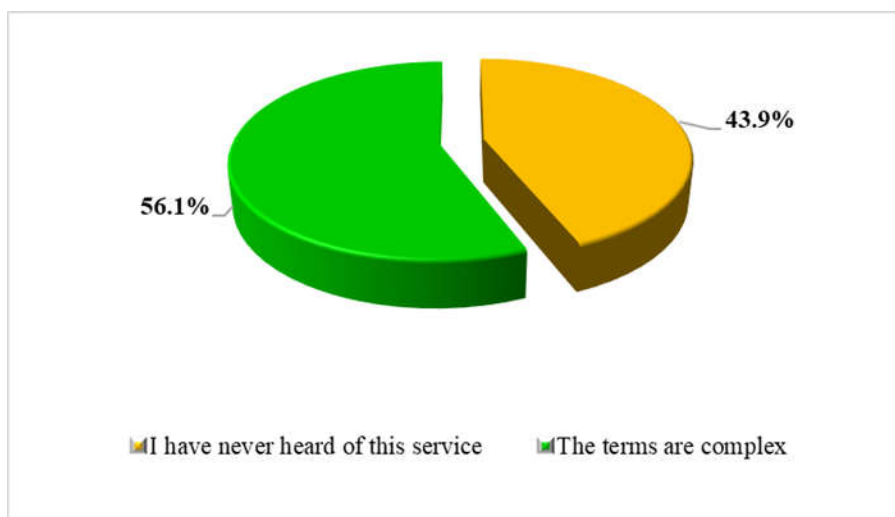
Only 1 respondent answered the question and stated that the conditions were severe.

Question 34 is given to the respondents who selected the "No" answer option in Question 32.

34. Would you mention the reason?

494 respondents answered the question.

		Number of responses	Percentage
1.	I have never heard of this service	219	43,8
2.	The terms are complex	275	55,0
	Total	500	100,0

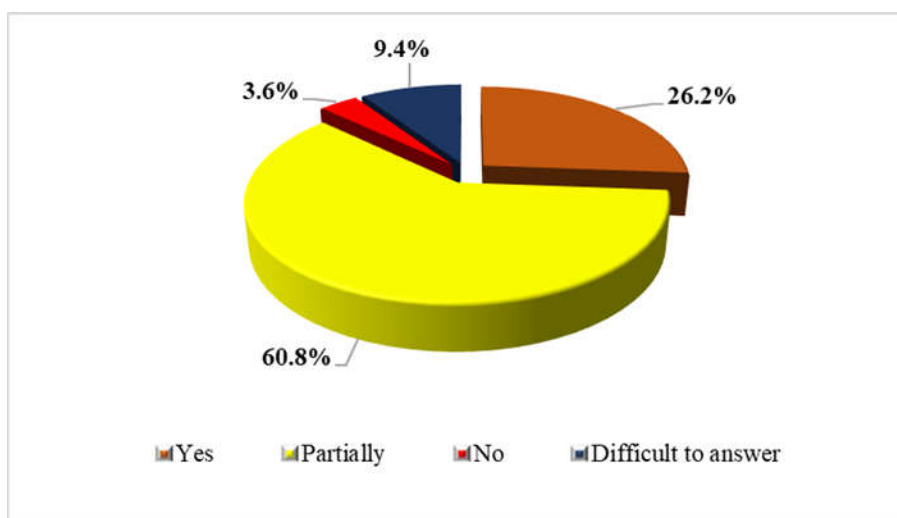


If 56.1% or 275 respondents answered that the conditions were severe, 43.9% or 219 respondents said they did not have information about this service.

35. Do you feel protected from the arbitrariness of officials over the past year?

500 respondents answered the question

		Number of responses	Percentage
1.	Yes	131	26,2
2.	Partially	304	60,8
3.	No	18	3,6
4.	Difficult to answer	47	9,4
	Total	500	100,0



60.8% of the respondents or 304 respondents stated that they were partially protected from official arbitrariness. 26.2% or 131 respondents stated that they were fully protected, while 3.6% or 18 respondents said they were not protected at all. 9.4% or 47 respondents said they found it difficult to answer the question.

36. In your opinion, what needs to be changed in the tax system?

500 respondents answered the question. Depending on the question, respondents were given the option to select several answers. Totally, 500 respondents answered 832 answer variants: 1 answer - 175 respondents, 2 answers - 318 respondents, 3 answers - 7 respondents.

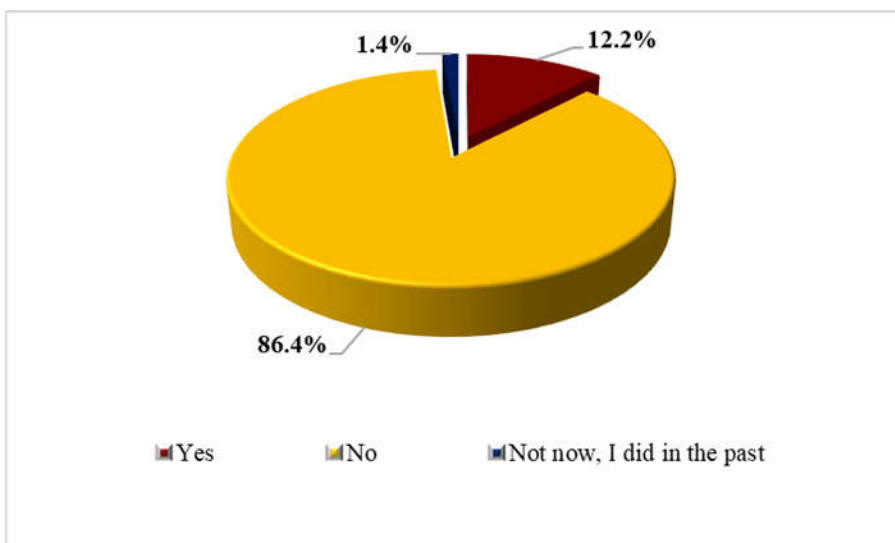
		Number	Percentage
1	1. Lower tax rates	257	30,9
2	2. Reduce the number of taxes	261	31,4
3	3. Change the staff	7	0,8
4	4. There is no need for change	127	15,3
5	5. Expanding rights of taxpayers	146	17,5
6	7. Difficult to answer	34	4,1
	Total number of respondents	500	
	Total number of responses	832	

37. Did you deal with foreign trade during the last year?

The question was answered by 500 respondents who participated in the survey.

		Number of responses	Percentage
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1.	Yes	61	12,2
2.	No	432	86,4
3.	Not now, I did in the past	7	1,4
	Total	500	100,0



As we can see, the absolute majority of respondents (86.4% or 432 answers) reported that they were not engaged in foreign trade operations. 1,4% or 7 respondents said that they were dealing with foreign trade operations in previous years. Only 12.2% or 61 respondents emphasize that they are dealing with foreign trade operations.

Question 38 is given to respondents who have chosen only the "Yes" response option in Question 37. Respondents, who had selected other responses, continued the questionnaire starting from Question 39.

38. How do you assess the number and complexity of the procedures for documenting foreign trade transactions?

61 respondents answered the question.

		Number of responses	Percentage
1.	Too much	8	1,6
2.	Normal	53	10,6
	Total	500	100,0

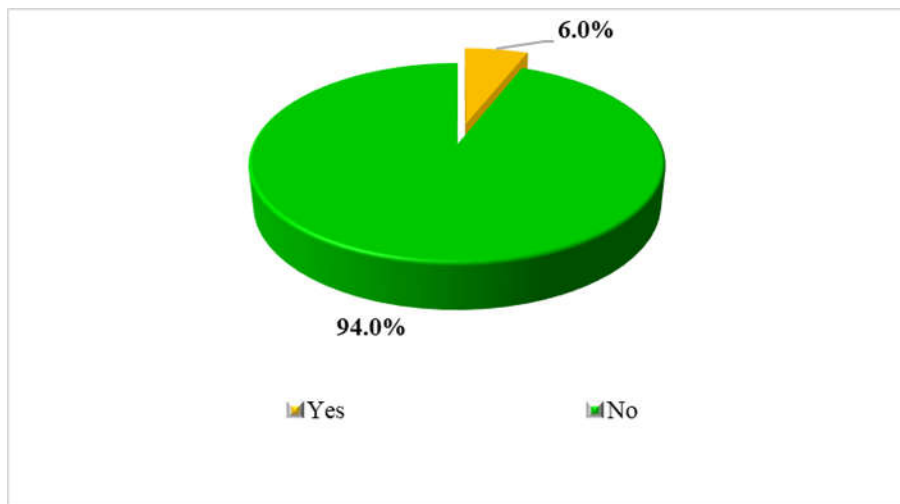


86.9% or 53 respondents evaluated the documentation procedures in foreign trade transactions as normal, while 13.1% or 8 respondents said there were too many procedures.

39. Did you have to obtain any construction permit in the last year?

The question was answered by all respondents (500 respondents) who participated in the survey.

		Number of responses	Percentage
1.	Yes	30	6,0
2.	No	470	94,0
	Total	500	100,0



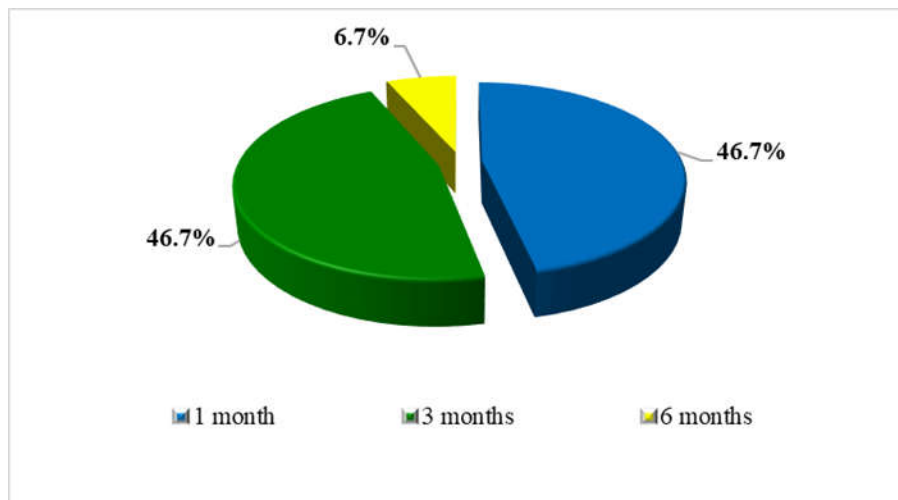
Only 6.0% or 30 respondents who responded to the questionnaire stated that they should obtain permission for construction.

Questions 40 and 41 were given to respondents who answered the question "Yes" in the 39th question. Respondents who answered "No" in Question 39 continued the questionnaire from Question 42.

40. How much time did you need to obtain a permit?

30 respondents answered the question.

		Number of responses	Percentage
1.	1 month	14	2,8
2.	3 months	14	2,8
3.	6 months	2	0,4
	Total	500	100,0

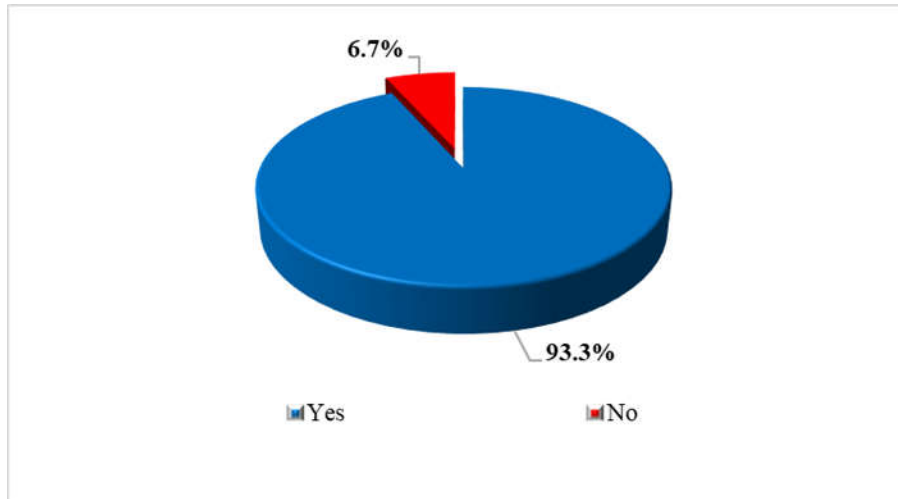


46.3% or 14 respondents obtained a license within 1 month and 46.3% or 14 respondents obtained a license within 3 months. In the next place, 6,7% (or 2 respondents) obtained a license within 6 months.

41. In your opinion, is it possible to obtain a construction permit for an entrepreneurial activity without paying bribes?

This question was also answered by 30 respondents.

		Number of responses	Percentage
1.	Yes	28	5,6
2.	No	2	0,4
	Total	500	100,0

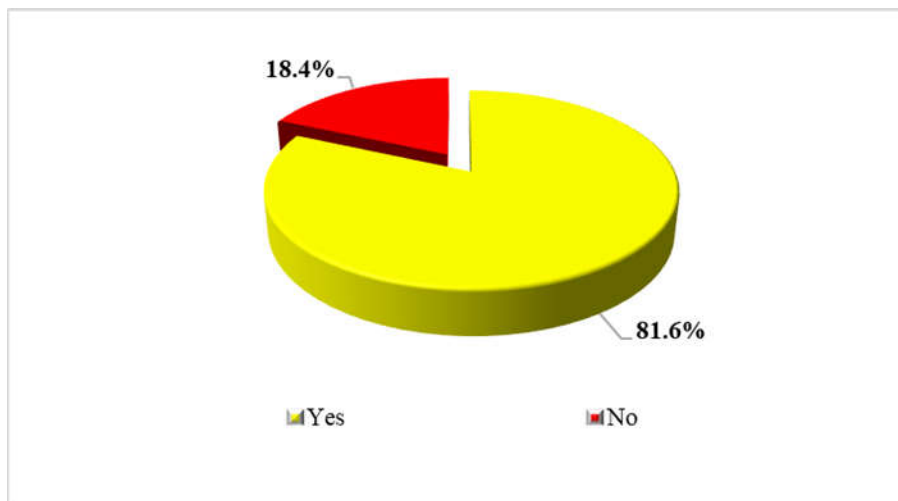


Only 6.7% of respondents or 2 respondents stated that it was impossible to obtain a permit for construction without paying bribes.

42. Could you get timely information about decisions made by government on entrepreneurship over the past year?

500 respondents answered the question.

		Number of responses	Percentage
1.	Yes	408	81,6
2.	No	92	18,4
	Total	500	100,0



81.6% or 408 respondents gave positive answer, 18.4% or 92 respondent gave negative answer.

43. How do you get the information about the decisions made by government on entrepreneurship?

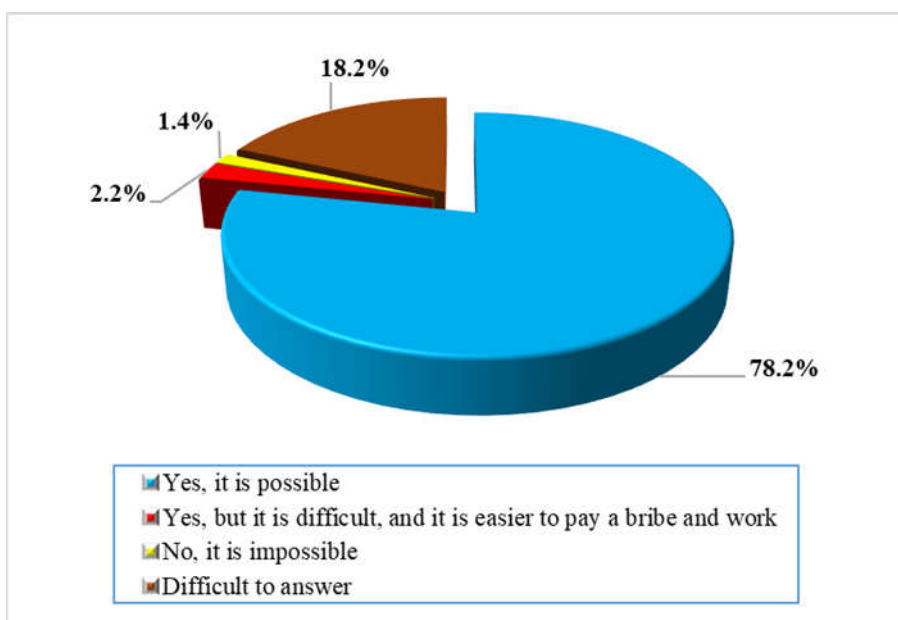
500 respondents answered the question. Depending on the question, respondents were given the option to select several answers. Totally, 500 respondents answered 953 possible answer options: 1 answer - 47 respondents, 2 answer - 453 answers.

		Number	Percentage
1	Television	432	45,3
2	Newspapers	304	31,9
3	Fellow entrepreneurs	194	20,4
4	Web pages of government agencies	16	1,7
5	Social network	6	0,6
6	During inspections	1	0,1
	Total number of respondents	500	
	Total number of responses	953	

44. Is it possible to be engaged in business in Azerbaijan without violating the law?

The question was answered by all respondents (500 respondents).

		Number of responses	Percentage
1.	Yes, it is possible	391	78,2
2.	Yes, but it is difficult, and it is easier to pay a bribe and work	11	2,2
3.	No, it is impossible	7	1,4
4.	Difficult to answer	91	18,2
	Total	500	100,0

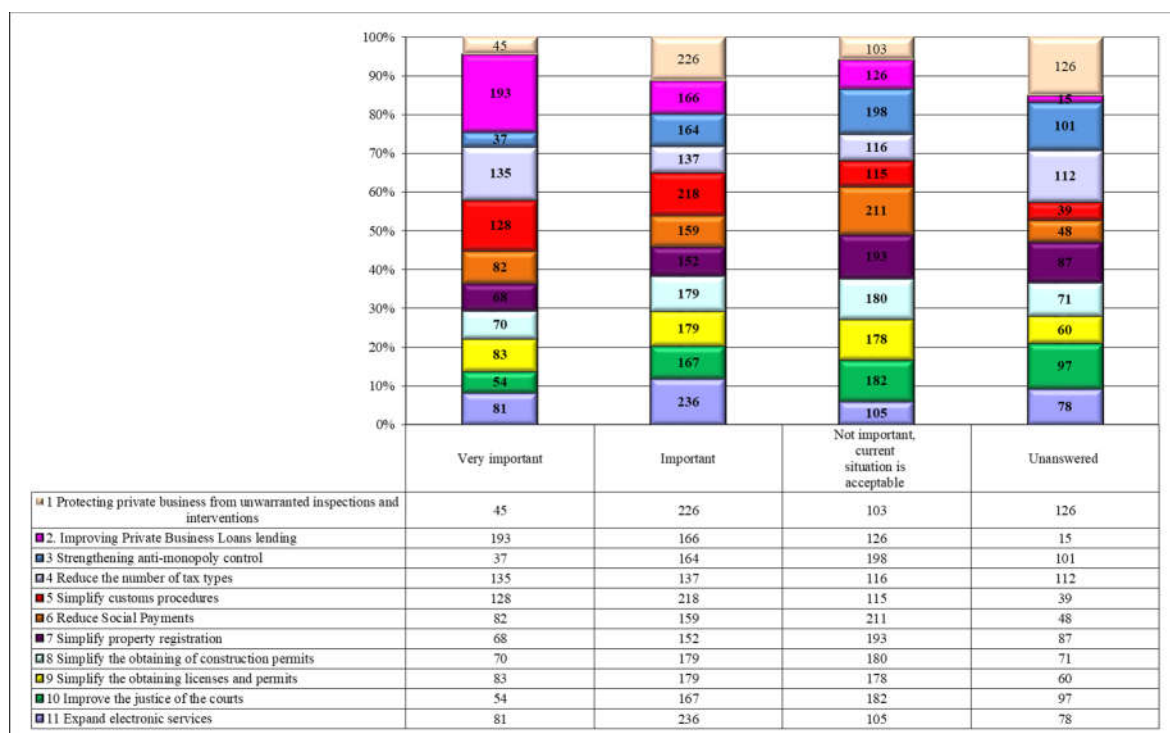


As we can see, only 1.4% or 7 respondents stated that they could not work without paying bribes. 78.2% of respondents or 391 respondents noted that it is possible to work without paying bribe. 2.2% or 11 respondents chose the answer option “Yes, but it is difficult, and it is easier to pay a bribe and work”. Finally, 18.2% or 91 respondents said it was difficult to answer the question.

45. What areas needs more efforts to accelerate the development of private business in Azerbaijan (*very important - 1, important - 2, not important, current situation is acceptable - 3, unanswered - 4*)

All (500) respondents answered the question.

In accordance with the terms of the questionnaire, respondents assessed all response options.

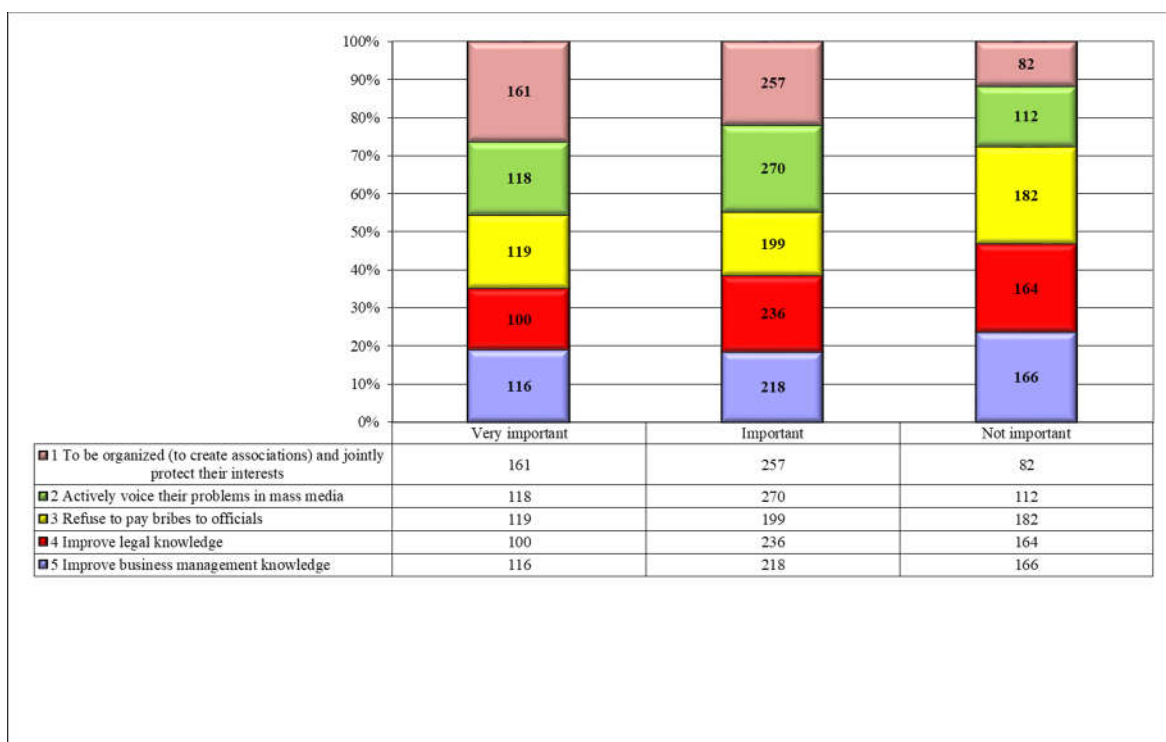


The areas where efforts are to be increased to maximize the development of private businesses are as follows:

1. Improving Private Business Loans lending (193 out of 500 respondents)
2. Reduce the number of tax types (135 out of 500 respondents)
3. Simplify customs procedures (128 out of 500 respondents)
4. Simplify the obtaining licenses and permits (83 out of 500 respondents)
5. Reduce Social Payments (82 out of 500 respondents)
6. Expand electronic services (81 out of 500 respondents)
7. Simplify the obtaining of construction permits (70 out of 500 respondents)
8. Simplify property registration (68 out of 500 respondents)
9. Strengthening judicial independence (54 out of 500 respondents)
10. Protecting private business from unwarranted inspections and interventions (45 out of 500 respondents)
11. Strengthening anti-monopoly control (37 out of 500 respondents)

46. What should entrepreneurs do to improve the business environment in the country? (very important - 1, important - 2, not important - 3)

This question was also answered by 500 respondents. As the previous question, respondents have evaluated all the answers options.



Answers to the question “What should entrepreneurs themselves do to improve the business environment in the country?” is listed as follows according to their importance:

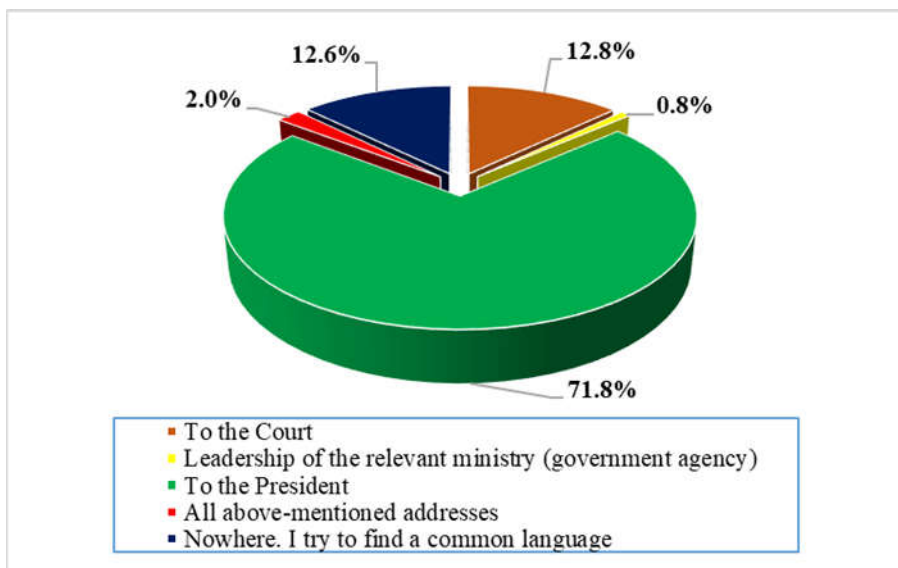
1. To be organized (to create associations) and jointly protect their interests (161 out of 500 respondents)
2. Refuse to pay bribes to officials (119 out of 500 respondents)
3. Actively voice their problems in mass media (118 out of 500 respondents)
4. Improve business management knowledge (116 out of 500 respondents)
5. Improve legal knowledge (100 out of 500 respondents)

47. Where do you prefer to file a complaint if local departments of the government agencies or some officials make trouble for you?

The question was answered by all 500 respondents.

		Number of responses	Percentage
1.	To the Court	64	12,8
2.	Leadership of the relevant ministry (government agency)	4	0,8
3.	To the President	359	71,8
4.	All above-mentioned addresses	10	2,0

5.	Nowhere. I try to find a common language with the relevant agency	63	12,6
	Total	500	100,0



Majority of respondents, 71.8% or 359 respondents chose the "To the President" option. 12.8% or 64 respondents appealed to the court, 12.6% or 63 respondents tried to find a common language with the relevant agency, 2.0% or 10 respondents complained to the leadership of the relevant ministry (government agency) and finally 0.2% or 4 respondents complained to all above-mentioned bodies.

48. What were the major 3 difficulties that you faced in the last year in your area of entrepreneurship?

500 respondents answered the question. Depending on the question, respondents were given the option to select several answers. In total, 500 respondents chose 501 possible answer options: 1 answer - 499 respondents, 2 answers - one respondent.

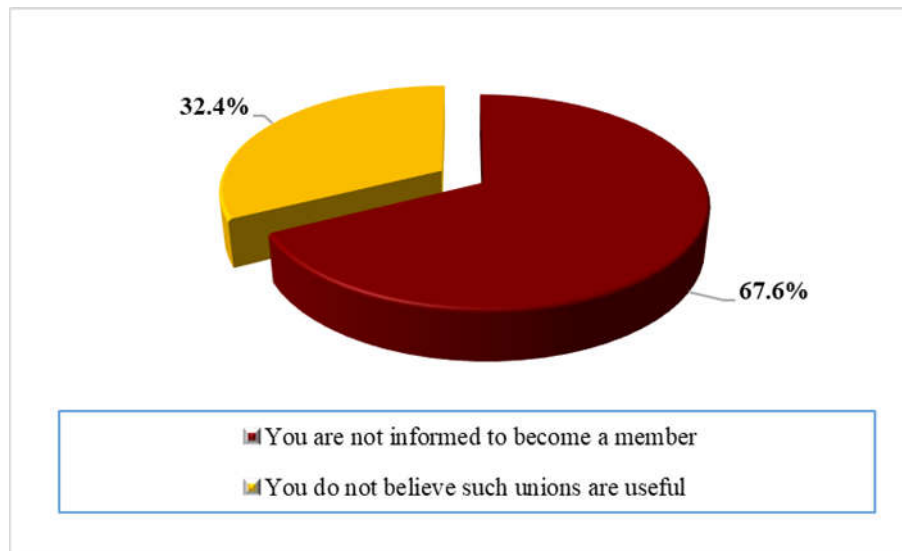
		Number	Percentage
1	Faced no challenge	489	97,6
2	Difficulties due to obtaining a license	6	1,2
3	Difficulties arising during registration of real estate	3	0,6
4	Lack of finance	2	0,4
5	Difficulties arising during export	1	0,2
	Total number of respondents	500	
	Total number of responses	501	

49. If you are a member of any entrepreneurial union, please, specify:

The question was answered by all respondents (500 respondents). All respondents stated that they were not members of any entrepreneurial union.

As a continuation of Question 49, respondents were asked about the reason. 500 respondents answered the question.

		Number of responses	Percentage
1.	You are not informed to become a member	338	67,6
2.	You do not believe such unions are useful	162	32,4
	Total	500	100,0



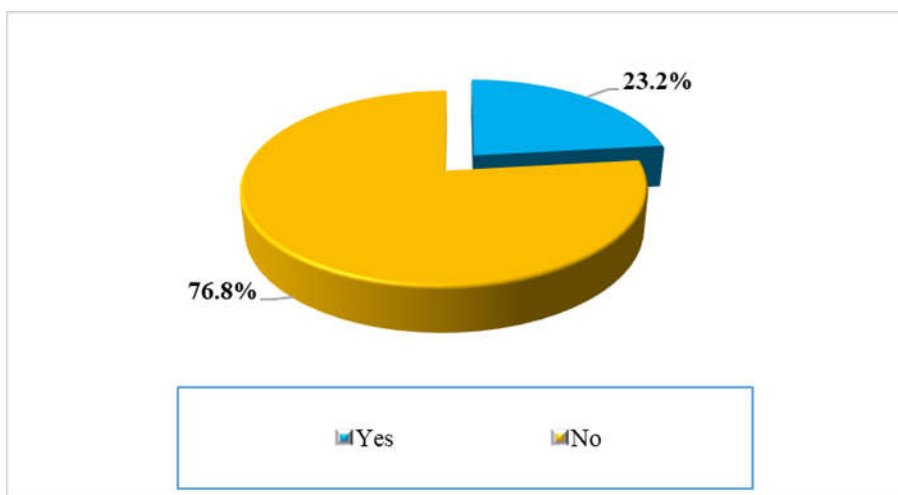
67.6% or 338 respondents explained that they were not informed to become a member, 32.4% or 162 respondents do not believe such unions are useful.

50. Would you like to improve your knowledge and skills?

The question was answered by 500 respondents.

		Number of responses	Percentage
1.	Yes	116	23,2
2.	No	384	76,8

	Total	500	100,0
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As we can see, only 23.2% or 116 respondents would like to improve their knowledge and skills.

51. What body's / office's / organization's support do you need more when you are engaged in an entrepreneurial activity?

500 respondents answered the question. Depending on the question, respondents were given the option to select several answers. In total, 500 respondents chose 715 possible answer options: 1 answer - 285 respondents, 2 answers - 215 respondents.

		Number	Percentage
1	Local executive power	357	49,9
2	Central government agencies	317	44,3
3	Communities	24	3,4
4	Municipalities	14	2,0
5	Civil society organizations	2	0,3
6	Mass media	1	0,1
	Total number of respondents	500	
	Total number of responses	715	

52. What knowledge and skills do you need to be improved for development of your entrepreneurial activities?

500 respondents answered the question. Depending on the question, respondents were given the option to select several answers. In total, 500 respondents chose 919 possible answer options: 1 answer - 81 respondents, 2 answers - 419 respondents.

		Number	Percentage
1	Finance	303	33,0
2	Management	290	31,6
3	Sales	160	17,4
4	Building relationships	90	9,8
5	Leadership	66	7,2
6	Digital technologies	10	1,1
	Total number of respondents	500	
	Total number of responses	919	

INFORMATION ON THE SURVEY RESPONDENT

Entrepreneurial experience

	Number of answers	Percentage	Real Percentage	Percentage increase
1 year	5	1,0	1,0	1,0
2 years	44	8,8	8,8	9,8
3 years	94	18,8	18,8	28,6
4 years	46	9,2	9,2	37,8
5 years	66	13,2	13,2	51,0
6 years	38	7,6	7,6	58,6
7 years	80	16,0	16,0	74,6
8 years	32	6,4	6,4	81,0
9 years	13	2,6	2,6	83,6
10 years	10	2,0	2,0	85,6
11 years	23	4,6	4,6	90,2
12 years	28	5,6	5,6	95,8
13 years	9	1,8	1,8	97,6
14 years	9	1,8	1,8	99,4
15 years	1	0,2	0,2	99,6
16 years	1	0,2	0,2	99,8
20 years	1	0,2	0,2	100,0
Total	500	100,0	100,0	

Number of employees

	Number of answers	Percentage	Real Percentage	Percentage increase
1 employee	10	2,0	2,7	2,7
2 employees	70	14,0	18,7	21,4
3 employees	115	23,0	30,7	52,1
4 employees	111	22,2	29,7	81,8
5 employees	48	9,6	12,8	94,7
6 employees	10	2,0	2,7	97,3
7 employees	7	1,4	1,9	99,2
8 employees	1	0,2	0,3	99,5
12 employees	1	0,2	0,3	99,7
15 employees	1	0,2	0,3	100,0
No employee	126	25,2	100,0	
Total	500	100,0		

Annex 1. Questionnaire

ENTREPRENEURSHIP DEVELOPMENT FOUNDATION

DEAR AZERBAIJANI WOMEN ENTREPRENEURS!

The Entrepreneurship Development Foundation, Small, and Medium Enterprise Development Support Center, with the financial support of the USAID, within the Women's Entrepreneurship Component of the Micro Enterprise Support Project, are conducting a survey for the purpose of studying challenges faced by women entrepreneurs in Azerbaijan and their expectations and proposals.

Recommendations based on this survey and the results of the analysis of legislation will be submitted to the government, parliament and the public.

We would kindly ask you to answer the questions of this survey. Your answers will not be disclosed anywhere and will only be used to summarize the answers of all survey respondents (500 entrepreneurs).

Please, do not hesitate to contact people who conduct the survey and project manager. Phone: (012-447-07-16). Email: info@sme.az

Thank you in advance for your participation and assistance in the research.

* * *

REGION _____

QUESTIONNAIRE № _____

1. What areas of entrepreneurship are you engaged in? (several answer options are possible)

1. Trade
2. Hair styling
3. Tailoring
4. Bakery and confectionery
5. Wedding Dress Rental
6. Agriculture
7. Design, polygraphy and advertising
8. Dairy products (butter, sour milk, buttermilk, sour cream, cheese and other)
9. Public catering services
10. Pharmacy

11. Women's club
12. Child care
13. Computer and Xerox services
14. Public catering
15. Carpet weaving
16. House cleaning
17. Press and Publishing
18. Handicrafts
19. Singer, musician and presenter
20. Dance school
21. Photo / Video Services
22. Consulting service
23. Financial services
24. Entertainment center for children
25. Sock Knitting
26. Textile
27. Medical Services
28. Other _____

2. What are the reasons for engaging in entrepreneurship? (several answer options are possible):

1. Additional support for family / budget
2. I love this activity
3. I have no other skills
4. Other

3. In what form do you carry out your personal entrepreneurial activity?

1. As an entrepreneur, without creating a legal entity
2. Legal entity
3. Unregistered

4. What challenges do women face when they start their own business? (several answer options are possible)

1. Lack of finance
2. Family opposes
3. Lack of entrepreneurial knowledge
4. Other _____

5. What challenges did you face more in the last year? (several answer options are possible)

1. Lack of finance
2. Personnel shortage
3. Interference of public authorities
4. Unfair competition
5. Tax burden
6. Complexity of legislation regulating entrepreneurship
7. Other _____

6. Are your family members involved in your business?

1. Yes
2. No

7. How do you assess the aspiration of Azerbaijani women to engage in entrepreneurship?

1. High (go to question 7 if this answer is not selected)
2. Medium
3. Low
4. Difficult to answer

8. Indicate reasons for low or medium aspiration of Azerbaijani women to engage in entrepreneurship

	Reason	Very important	Important	Not important	Unanswered
1	Close people are against				
2	Hesitates, fears				
3	Do not know which entrepreneurial activity can be successful				
4	Lack of knowledge to get started				
5	No initial capital				
6	The failure of close people, acquaintances				
7	Do not want to come across with law enforcement agencies				
8	other				

9. What do you think, for whom the entrepreneurial environment in Azerbaijan is more favorable?

1. Men
2. Women
3. There is no difference, the environment is the same
4. Difficult to answer

10. How do you assess the current situation for your business?

1. Very favorable
2. Favorable
3. Not good, not bad
4. Unfavorable
5. Very unfavorable
6. Difficult to answer

11. Was your business expanded over the past year?

1. Yes, a lot
2. Partially
3. Not expanded, and have not become smaller
4. Difficult to answer

12. Are you planning to expand your business activities?

1. Yes, within the next three months
2. Yes, within six months
3. Yes, within a year
4. No
5. Difficult to say

13. Did officials frequently come to your office for inspection in the last year?

Ministry or other government agency	At least once a week	At least once a month	At least once half a year	At least once a year	Have not come yet
1. Ministry of Taxes					
2. Ministry of Economy					
3. Ministry of Emergency Situations					
4. State Agency for Control of the Antimonopoly and Consumer Market					
5. Police					

6. State Security Service					
7. Ministry of Ecology and Natural Resources					
8. Executive Power of a district					
9. Sanitary-epidemiology service					
10.					

14. According to your observations, what was the purpose of the visit of officials (not only you, but generally) in the last year? (several answer options may be chosen)

1. Legal inspection
2. Monthly or annual unofficial payment claim
3. Claim an entrepreneur to change the sphere of his/her activity
4. Claim an entrepreneur to change the place of his/her shop, enterprise
5. Claim to hire someone
6. Claim to increase salaries of employees
7. Etc.
8. Difficult to answer

15. A number of serious steps have been taken by the government to reduce corruption in the area of entrepreneurship since the beginning of 2016. Did you feel the decrease in bribe demand in the last year?

1. Yes, the situation has improved considerably
2. The situation has improved in partially
3. The change is not yet felt
4. Difficult to answer

16. What do you think, what percentage of total expenses do the unofficial payments of entrepreneurs constitute?

1. 0-10 percent
2. 10-20 percent
3. 20-40 percent
4. 40-60 percent
5. 60-80 percent
6. 80-100 percent
7. Difficult to answer

17. How do you assess competitive conditions in the sector you worked in the last year?

1. Quite fair

2. Somehow fair
3. Somehow unfair
4. Quite unfair
5. Difficult to say

18. Did you obtain a license for your business activity in the past year?

1. Yes
2. No

If your answer is "No" then go to question 22.

19. Was it hard for you to obtain a license?

1. Yes
2. No

If the answer is "No," go to question 21

20. What were the difficulties? (You can choose several answers)

1. Procrastination in the relevant government agency while issuing a license
2. The rules are ambiguous and unclear
3. Collection of reference documents from various government agencies for obtaining a license
4. Spending a lot of time for obtaining a license
5. Licensing fee is high
6. Other difficulty _____

21. In your opinion, is it possible to obtain a license or any kind of permit for entrepreneurial activity without paying bribes?

1. Yes
2. Yes, but it is not easy, you lose lots of time and nerves
3. No

22. Did you have to register a real estate regarding your entrepreneurial activity over the past year?

1. Yes
2. No

If your answer is "No" then go to question 26.

23. Was it difficult to register your real estate?

1. Yes
2. No

If your answer is "No" then go to question 25.

24. What were the difficulties? (You can choose several answers)

1. Procrastination in the relevant government agency
2. The rules are ambiguous and unclear
3. Collection of reference documents from various government agencies for obtaining a license
4. Other difficulty _____

25. Is it possible to register a real estate for entrepreneurial activity without paying bribes?

1. Yes
2. Yes, but it is not easy, you lose lots of time and nerves
3. No

26. Which source do you usually use to get financial resources for your business?

1. Banks
2. Friends-acquaintances
3. At my own expense
4. Other _____

27. What terms you are not satisfied with regarding loans offered by banks? (several answer options are possible)

1. Annual interest rates are high
2. Loans are for a short period of time
3. Many documents are required
4. It is not possible to get a loan on time
5. Loans are not offered in national currency
6. Guarantor is required
7. Collateral is not properly assessed
8. Other _____

28. Did you apply for a loan from The National Fund for Entrepreneurship Support in the last year?

1. Yes
2. No
3. I have not heard of such a fund

If you did not apply, go to question 31.

29. What challenges do you face when getting a loan from the Fund?

1. Too much documentation
2. I can not get a loan as much as I want
3. I can not get a loan on time
4. The interest rates are high
5. Other _____

30. Were additional payments (bribes) required by the agent bank of ANFES while receiving a loan?

1. Yes
2. No
3. I refuse to answer

If your answer was "No" or "I refuse to answer" then go to question 32

31. How much additional payment (bribe) is required to get a loan from banks?

1. 0 - 2 percent of the loan amount
2. 2-5 percent of the loan amount
3. 5-10% of the loan amount
4. 10 to 20 percent of the loan amount
5. More than 20 percent of the loan amount

32. Did you use leasing services in the last year?

1. Yes
2. No
3. Difficult to answer

Go to question 34 if your answer was either "No" or "Refuse to answer"

33. If your answer was "yes", what are not you satisfied with?

1. Equipment is expensive
2. Equipment is low quality
3. The terms are complex
4. Other _____

Go to question 35

34. If your answer is "no", would you mention the reason?

1. I have never heard of this service
2. The terms are complex
3. Other _____

35. Do you feel protected from the arbitrariness of officials over the past year?

1. Yes
2. Partially
3. No
4. Difficult to answer

36. In your opinion, what needs to be changed in the tax system? (several answer options are possible)

1. Lower tax rates
2. Reduce the number of taxes
3. Change the staff
4. There is no need for change
5. Expanding rights of taxpayers
6. If you have another proposal, specify _____
7. Difficult to answer

37. Did you deal with foreign trade during the last year?

1. Yes
2. No
3. Not now, I did in the past

If your answer is "No", then go to question 39.

38. How do you assess the number and complexity of the procedures for documenting foreign trade transactions?

1. Too much

2. Normal

39. Did you have to obtain any construction permit in the last year?

1. Yes
2. No

If your answer is "No" then go to question 42.

40. How much time did you need to obtain a permit?

1. 1 month
2. 3 months
3. 6 months
4. 1 year
5. More than 1 year

41. In your opinion, is it possible to obtain a construction permit for an entrepreneurial activity without paying bribes?

1. Yes
2. No

42. Could you get timely information about decisions made by government on entrepreneurship over the past year?

1. Yes
2. No

43. How do you get the information about the decisions made by government on entrepreneurship? (several answer options are possible)

1. Newspapers
2. Television
3. Web pages of government agencies
4. Fellow entrepreneurs
5. During inspections
6. Other ways _____

44. Is it possible to be engaged in business in Azerbaijan without violating the law?

1. Yes, it is possible
2. Yes, but it is difficult, and it is easier to pay a bribe and work
3. No, it is impossible

4. Difficult to answer

45. What areas needs more efforts to accelerate the development of private business in Azerbaijan (very important - 1, important - 2, not important, current situation is acceptable - 3, unanswered - 4)

1. Protecting private business from unwarranted inspections and interventions -
2. Improving Private Business Loans -
3. Strengthening anti-monopoly control -
4. Reduce the number of tax types -
5. Simplify customs procedures -
6. Reduce Social Payments -
7. Simplify property registration -
8. Simplify the obtaining of construction permits -
9. Simplify the obtaining licenses and permits -
10. Strengthening judicial independence -
11. Expand electronic services -

46. What should entrepreneurs do to improve the business environment in the country? (very important - 1, important - 2, not important - 3)

1. To be organized (to create associations) and jointly protect their interests -
2. Actively voice their problems in mass media -
3. Refuse to pay bribes to officials -
4. Improve legal knowledge -
5. Improve business management knowledge -

47. Where do you prefer to file a complaint if local departments of the government agencies or some officials make trouble for you?

1. To the Court
2. Leadership of the relevant ministry (government agency)
3. To a member of the Milli Majlis (your deputy)
4. To the President
5. All above-mentioned addresses
6. Nowhere. I try to find a common language with the relevant agency

48. What were the major 3 difficulties that you faced in the last year in your area of entrepreneurship?

1. _____
2. _____
3. _____

49. If you are a member of any entrepreneurial union, please, specify:

If you are not a member, please indicate the reason:

1. You are not informed to become a member
2. You do not believe such unions are useful

50. Would you like to improve your knowledge and skills?

1. Yes
2. No

51. What body's / office's / organization's support do you need more when you are engaged in an entrepreneurial activity? (several answer options are possible)

1. Central government agencies
2. Local executive power
3. Municipalities
4. Communities
5. Mass media
6. Civil society organizations
7. Other _____

52. What knowledge and skills do you need to be improved for development of your entrepreneurial activities? (several answer options are possible)

1. Management
2. Finance
3. Leadership
4. Sales
5. Building relationships
6. Digital technologies
7. Other _____

* * * * *

INFORMATION ON THE SURVEY RESPONDENT

1. City, district: _____
2. First and second name of the respondent: _____
3. Entrepreneurial experience: _____
4. Number of employees: _____