

# Business Women in Kyrgyz: An Oral History



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# 1. Geography

Kyrgyz Republic (hereinafter as **Kyrgyz**) is located in the northeast of Central Asia and surrounded by Uzbekistan on the west, Kazakhstan on the north and Tajikistan and China on the south. Its land area is 198,500km<sup>2</sup>, which is about half of Japan. It is a mountainous country surrounded by Pamir-Altai Mountains in the southwest and Tian Shan Mountains in the northeast. Its capital is Bishkek which is located at latitude 43 degrees north. Due to the continental climate, temperature varies greatly and annual precipitation is little.

# 2. History, Politics, Economy

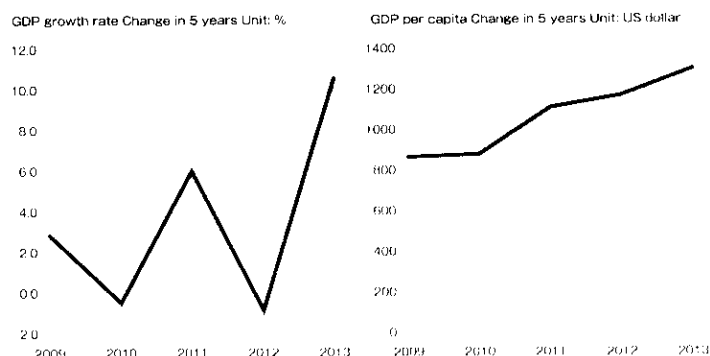
After the independence from Soviet Union in 1991, Kyrgyz quickly laid out a reformist policy for democratization and transition to market economy. In 1998, it became the first former Soviet country to join WTO (World Trade Organization). However, its economy stagnated due to its scarce resources. As the people could not benefit from the result of economic reform, anti-governmental movement by the opposition party spread widely. It started in the south of the country and reached the capital after the corruption during the parliamentary election in February 2005, which led to the breakdown of Akayev government. The former prime minister Bakiyev, the opposition leader, was sworn in as the President but political turbulence continued and led to his exile and resignation. The transitional government was then formed with Otunbayeva, the former Minister of Foreign Affairs, as the interim leader. The national referendum was held later on, and Otunbayeva was sworn in as the President on 3 June in the same year. Parliamentary and presidential elections were held respectively on 10 October 2010 and October 2011. Atambayev from the Social Democratic Party was elected as the President.

## Kyrgyz Basic Data

Reference	Data	Data year
Population	5.5 million	2013
	Kyrgyz (72.6%)	
	Uzbek (14.5%)	
Ethnic groups	Russian (6.4%)	
	Dungan (1.1%) etc.	
Languages	Kyrgyz (national language)	
	Russian (official language)	
Religions	Sunni Islam (75%)	
	Russian Orthodox (20%) Others (5%)	
GDP growth rate	10.53%	2013
GDP	73.3 billion dollars	2013
GDP per capita	1,182 dollars	2012
Life expectancy at birth	70.0 years	2012
Main industry	Agriculture, livestock industry (30% of GDP)	
	Mining (gold)	
Adult literacy rate	99.2%	2005-2012
Infant mortality rate	24 per 1000 newborns	2012
Human development indicator (HDI)	0.628	2013

## References

- MOFA Kyrgyz Republic Basic Data
- IMF World Economic Outlook Data Bases
- UNDP Human Development Report 2014
- The World Bank Data Indicators
- MOFA ODA Country Data Book



Currently, while maintaining a good relationship with Russia with which it has a close relationship in terms of security and economy such as trade, Kyrgyz keeps a balanced diplomatic policy with big powers like China and the USA. It is a WTO member country and also planning to join a customs union led by Russia.

# I. Overview



## I. Overview

### ③ Situation of Women in Kyrgyz

Kyrgyz, is Traditionally a nomad society and roles of women are regarded very important in families and communities.

Moreover, important political posts like the Presidency are occupied by women and there is no discrimination towards women. The country's educational standard is very high and literacy rate is more than 99%. There is very little educational inequality between men and women.



Main industries in Issyk-Kul Province are agriculture and livestock. We also have tourism industry which is developing, as well as gold mines and tungsten mines, and we are expecting increase in economic activities. Moreover, as Kyrgyz is joining Eurasian Economic Union, Issyk-Kul is expected to get a bigger market around Russia in the future. This also means that our work will be more and more challenging. I think that "power of women" is very important in a time. In Kyrgyz, there are many successful women who

Women can also get loans for entrepreneurship like men, as long as collateral is provided.

Otherwise, there are tribal cultures in which elderly women's opinions are sought and respected.

Although discrimination between men and women is rare in Kyrgyz as above, the practice of marriage proposal called "Ala Kachuu" in which women's will is hardly reflected still remains.

Governor of Issyk-Kul Province

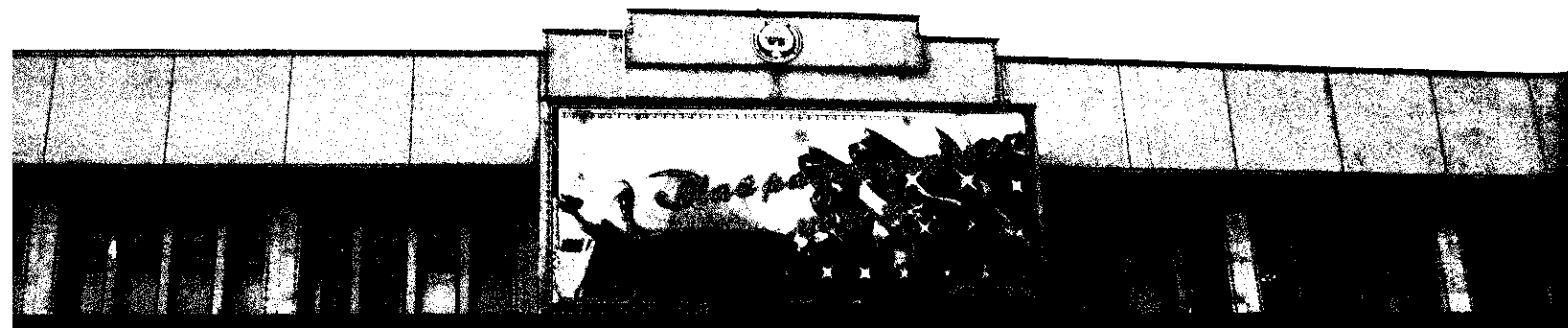
#### **Mr. Kaptagaev Emilbek Salamatovich**

manage sewing company, milk factory, etc., and there are few barriers to women's entrepreneurship. I sincerely appreciate JICA support for One Village One Product Movement. Even though the price of each product might be low, I think it is very influential for the economy.

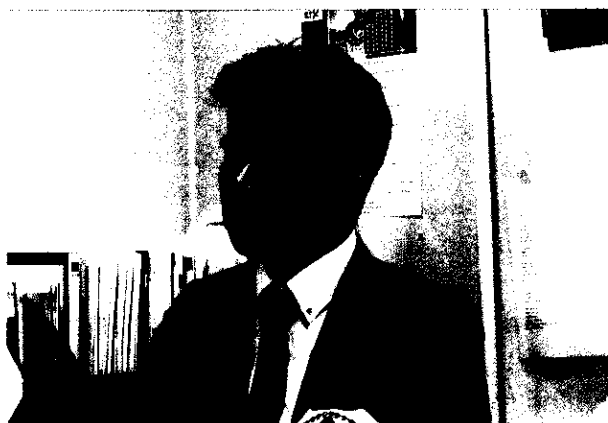
Through this movement, women are starting to form groups and engage in productive activities by learning and making new things. They help each other, and as a result, fruits such as strawberries became of quality that can be exhibited at international exhibitions even though their production is small-scaled. Thanks to the method of quality control taught by JICA, brands of Issyk-Kul established an image of "good quality" and "cleanliness". It is such a valuable achievement to be able to provide reliable products. I hope that this movement will spread to the whole country.

Exterior of Issyk-Kul Province Office

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Ruins from the era of  
Kara-Khanid Khanate



Co-Director of Kyrgyz Republic-Japan Center  
for Human Development

## Mr. Muneo Takasaka

completed it. Many of them succeeded in business in real life.

It is remarkable that half of the students are women. And 60% of them are interested in entrepreneurship.

In Kyrgyz, there is no particular difficulty for women to create their own business, and they are not less motivated for social participation than in Japan. I think that Kyrgyz has supportive aspects for women's entrepreneurship.

At Japan Center, we think that development of products and services from the viewpoint of women, who are subtle and good consumers, brings a great added-value. We expect a lot from women's entrepreneurship in Kyrgyz.

The graduates of this course can continuously attend our business seminar. We would like to also engage in continuous support through consultation and financial matching in the future.

Kyrgyz Republic-Japan Center for Human Development (hereinafter, Japan Center) was established by Assistance Committee created by Japanese government and CIS countries (\*) in 1995. JICA started the assistance as a part of its technical cooperation project from 2003.

Currently Japan Foundation support and we offer 3 courses in business, Japanese language and mutual understanding. Practical management course, which is part of the business course, is especially popular. In this course, students study marketing, business planning, quality control and so on, to be able to make a realistic business plan at the end. Since its start, over 1000 people have attended and more than 700 have

### \*CIS countries

Countries which form the Commonwealth of Independent States (CIS), created after the breakup of the Soviet Union (12 countries from 15 former Soviet countries excluding Baltic states. Kyrgyz has been a member since its start.)

### Kyrgyz Republic-Japan Center for Human Development

Year of establishment: 2003 The Center's site: Bishkek Counterpart: Kyrgyz National University



# Leading the regional vitalization in Kyrgyz

Foreword

- Issyk-Kul Province, Eastern Kyrgyz -

Issyk-Kul which means "hot lake" is the name of the lake located in the Province. Known as a beautiful health resort with the view of Tian Shan mountains, this region welcomes a lot of local and foreign tourists during summer. One of the popular souvenir shops is "Issyk-Kul Brand Shop". Its soaps, felt and food products such as honey and jam are all hand-made with local materials.

Issyk-Kul Province was chosen as the model place for One Village One Product Project by JICA in Kyrgyz. Since then, good-quality natural and hand-made products have become the catalyst for regional vitalization. Ms. Nargiza Erkinbaeva, the CEO of Public Interest Corporation One Village One Product+1 (OVOP+1), is the leader of more than 1,500 producers and in charge of the whole process of production, distribution and sales. Let's take a closer look at the promising young woman who is humble and motivated for the future.

## History 01

1982

Karakol

*Kyrgyz*

Ms. Nargiza Erkinbaeva  
CEO of Public Interest Corporation One Village One Product+1 (OVOP+1)

Born in 1982 in Karakol, Issyk-Kul Province  
Worked as English teacher and secretary at an orphanage.  
Participated as assistant in community vitalization project to promote small businesses by JICA's One Village One Product approach (2009, 2011).  
Became the director of OVOP+1 (2014-).

## Leading the regional vitalization in Kyrgyz

"It was the first and last time my parents strongly convinced me to do something. They must have had a strong opinion. But I wanted to be a doctor and couldn't say "yes" right away."

However, an encounter changed her mind.

"I think it was in May, my family and I were having a walk in Karakol and saw a British man who was taking pictures. My mother who could speak a little English spoke to him. They became quite friendly and she invited him to our house. As her English was not good enough, she tried to have a conversation with dictionary in her hand." The British man stayed at her house for a while and Ms. Erkinbaeva started to learn English from him. She felt her world expand by communicating with a foreigner who used to be a distant existence for her. "Then I decided to move to an English school."

Meeting with the Chairperson of Issyk-Kul Brand Committee



## —Ideal and Reality

Ms. Erkinbaeva enjoyed the school life at her new school. Many students studied hard for their future, and teachers were volunteers from abroad. The world map in her mind grew bigger and she dreamed of working in English and studying and living abroad.

After graduating from university, Ms. Erkinbaeva became an English teacher. "I worked as a teacher for 2 years, but I couldn't imagine myself working there until retirement. It was not easy to work creatively in the strict educational system."



Famous resort lake Issyk-Kul

## —The future and English language

Ms. Erkinbaeva was born in 1982 as the second daughter of 4 siblings. Her father being an engineer and her mother librarian, she grew up in a middle-class family. Born in Karakol, Issyk-Kul Province, she spent her childhood in Tamga, a village where her mother worked. She used to enjoy role playing of various professions like teacher and baker with her younger brother, and vaguely hoped to become a doctor to help people in the future. "There was no profession such as businessman or entrepreneur at that time," she remembers of her childhood at the end of Soviet Union period.

The family moved back to Karakol after the breakup of Soviet Union and Ms. Erkinbaeva started to go to public school (\*1). From Year 7, she focused on studying biology and chemistry to become a doctor. However, someone unexpectedly opposed her. Her mother, who used to support her in anything she did, told her to change school and study English.

Kyrgyz at the time was moving towards the reform. Market became free and foreign currencies started to come into the country. Her mother thought that Ms. Erkinbaeva would need English in the future and recommended her to change the academic course.

(\*1)

In Kyrgyz, students study at the same educational institution from first grade to eleventh grade. There is no distinction among primary, junior high and high school. Education is compulsory until Year 9

While working as a teacher, she got an accounting qualification from distance-learning university in order to find another work, and she jumped into the world of NGOs. After doing secretarial work for 2 years at an orphanage managed by Australian funds, she was employed as an office assistant in 2009 at One Village One Product (OVOP) Project supported by JICA.

Her main work in the project was administration.

"I didn't know much about the project. I sent many resumes and the first response I got was from OVOP. I had also sent my resumes to organizations in Bishkek but I wanted to work in my hometown Karakol, so I decided to choose OVOP right away."

She was thinking about studying abroad after her initial 1-year employment period.

## —Decision to stay in Kyrgyz

Kyrgyz people were historically nomad and did not have the habit of doing things in groups. In the transition from planned economy to market economy, it can be beneficial to make a cooperative association of producers from all over the country which independently manages production, distribution and sales, in order to create a base for continuous economic development. OVOP was the model for this base.

Ms. Erkinbaeva left the project after her initial 1-year employment period. She was thinking about studying in Europe or USA, but she was invited to work there again and returned. Her

position as an assistant did not change, but the project itself was entering the new phase. Producer groups which participated in the project had grown from 7 to 64, and the role of administration had become more important. Ideas were sought and exchanged to continue the project even after the end of JICA's cooperation, and Ms. Erkinbaeva had opportunities to share and try out her own ideas. Her job was becoming more and more interesting for her.

"After returning to work, I realized that my feeling had changed. As I learned about the project, I started to think that I would be able to get useful knowledge through this work. We learn more by thinking and being active in real life than studying at the university. I still thought about studying abroad one day but not as much as before. I don't need to go anywhere else, I'm going to live in Kyrgyz. That's what I decided."

## —Ready to become the leader

Producer groups, located around the lake's perimeter of 700km, pay the membership fees to manage the group. Each group is independent to decide the product and its quantity to produce, and the product can be sold individually or in "Issyk-Kul Brand Shop" in Karakol which is rented collectively. Ms. Erkinbaeva's team assists the organization of this group and offers the logistic support, such as management and dispatch of orders from abroad and purchase of materials and machines needed for producer groups, in order to increase the profit and expand the sales channel.



## Leading the regional vitalization in Kyrgyz

in international fairs at Paris and Berlin and other sales opportunities in Japan, and took care of negotiations and arrangements with business partners as well. She also continues to work on the collaboration with Ryohin Keikaku co.,ltd. (Japanese company), which started in 2011. "At the beginning, it was very difficult to make the producer groups produce the felt products which meet the quality standard demanded by Ryohin Keikaku, in ordered quantity and by the deadline. But as the income increased, producers' awareness for quality started to change."

Ms. Erkinbaeva says this is thanks to the steady efforts. "Most women I talk to are older than me and at first they didn't take me seriously because of my young age." She continues, "They have more knowledge and experiences than me. They teach me a lot about life but nothing will change if we just accept these customs and rules." She then tried to communicate with them carefully not to hurt their pride. She patiently and kindly taught them the production process and its meaning from zero according to their understanding.

"At the end, it's important to show them the result, which means the income. From the viewpoint of the producers, receiving income creates trust." Ms. Erkinbaeva says that this is how the producers started to work passionately and seriously.

Each group is responsible for its production, display and payment. Rental for office and staff salary are paid from the membership fees and JICA's aid. To continue this project after the end of JICA's assistance, their business had to be expanded in order to be able to pay all the fees by the sales profit. OVOP+1 was thus established as a public-profit corporation specialized in logistics strengthening its system. The choice for the director fell on Ms. Erkinbaeva who communicated well with everyone and was leading the project in the region with little experience of managing a group.

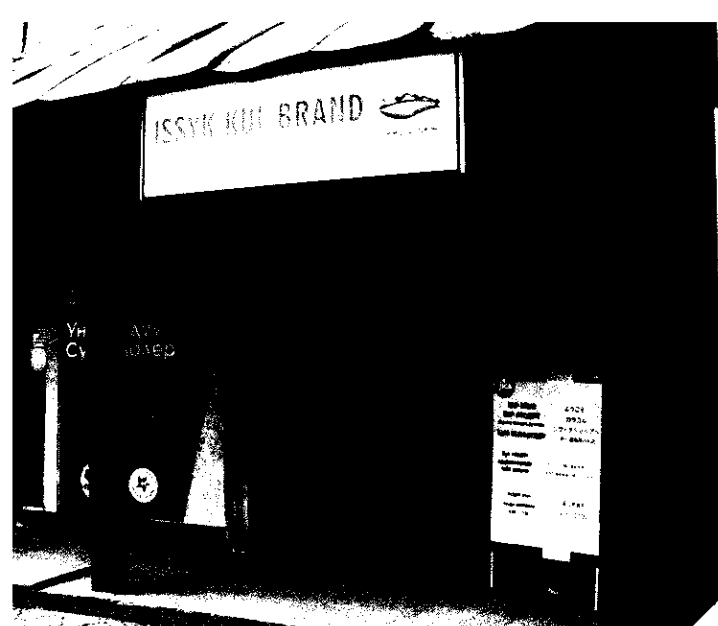
Ms. Erkinbaeva was not sure if she should take the position at first. "The decision was not easy. I was actually afraid. But I was also worried how the producers would live after the end of the project."

In the end, she was pushed by the strong sense of responsibility to support people involved in OVOP.

"I'm going to become the 'leader.'"

## —As the leader

It has been a year since the establishment of the organization and appointment of Ms. Erkinbaeva as the director. To market the products of OVOP locally and abroad, she effects to establish more than 30 sales networks in Kyrgyz and increases the number of contracts abroad. She participated



Exterior of OVOP Shop



Inside of OVOP Shop



The shop animated with local customers

"Many producers were making things based on their own taste. So I'm teaching them to make things from the customers' perspective. It's important to know the market needs, and many of them started to understand this. I would like them to acquire more skills, improve the quality of the products and increase the income. I think there will be more demands especially in food products if their quality improves."

136 producer groups now participate in OVOP, and about 1,500 producers produce more than 1,000 products. Ms. Erkinbaeva and her team invited local specialists to establish Issyk-Kul Brand Committee, which certifies good design and quality products as "Issyk-Kul Brand" and markets them as products that promote regional attractiveness in Bishkek and abroad.

"We have success and failure," Ms. Erkinbaeva laughs. There was a company which wanted to sell their jam in Russian market. 2,000 bottles of jam were produced without receiving prepayment, but the company could not find any customers and stocks were left behind. However, Ms. Erkinbaeva and her team sold most of them to hotels in Bishkek and employees at gold mines. They also plan to sell the rest by the next production period. "We learn from failure and become wiser."

## ► For more growth

"I'm not good enough yet," Ms. Erkinbaeva says smiling.

"I'm not experienced enough as an entrepreneur, but I could acquire new knowledge about business and management thanks to my responsibilities at work."

Her personal challenges are to learn more about finance and be able to delegate to the team. "I think it's good to have a strong sense of responsibility, but I haven't been able to delegate works to others as I think it's faster to do things myself."

Her colleagues think that she is very observant of people around her. "She is very insightful and

A scene from the company meeting



I sometimes wonder if she knows everything in my mind," a staff says laughing.

English grammar is written on the office blackboard. Ms. Erkinbaeva is teaching English to other staff and members of producer groups little by little. "As tourists and overseas connections increase, I thought learning English would increase each one's skills. They like it. I think my teaching experience comes in handy," she smiles.

The annual sales of producer groups reached 160,000 dollars in 2014, and a part is saved for the future. OVOP will be totally independent from JICA in summer 2015, and Ms. Erkinbaeva will be responsible for the lives of 10 staff and the future of the project.

## —For young women entrepreneurs

"I think young people in any country have a patriotic heart. When I was a student, I was always thinking how I can contribute to Kyrgyz." Ms. Erkinbaeva continues shyly, "I wanted to become someone great and make a better country." But she didn't have any particular vision. It is since she started this work that she became able to envision what she wants to do in the future for the country and the people. She says that women who want to work should think not only about themselves but also about their regions and countries.

"And I think that what is needed the most is the

## Leading the regional vitalization in Kyrgyz

strong will. Before doing business, you have to face yourself with determination. And you need to get your own experiences. If you're experienced, you can do many things despite of your young age. Age is not an important factor. You shouldn't be restrained by tradition, and you have to be confident of your knowledge and experiences. Lastly, you need communication skills. You can't do all the work and earn money alone."

She believes that if you take business too seriously, it will reach a deadlock. She says, "Kyrgyz has a good environment for women to work. Discrimination of entrepreneurs based on sex, race or social class is very rare compared to other countries. I think everyone has an equal opportunity to do business." However, she doesn't approve of borrowing money to start a business, because if the business fails, it can trouble the family and other people.

"I think it's better not to borrow money and start a business with your own resources. I find it ideal to start from small things and then expand the business little by little to increase the income."

She focused her life around her work, and she says she has been working avidly. "My parents and people around me tell me to take care of my private life, and I agree. One of my goals is to have a family, and I would like to be able to balance work and family life."

Ms. Erkinbaeva recognizes that Issyk-Kul Brand is expanding in Kyrgyz. And she believes that soon will come a day when more products from Issyk-Kul will be exported abroad. "Through these products, people around the world will know Issyk-Kul and other brands from Kyrgyz." Her dream shines from Issyk-Kul to beyond the borders of Kyrgyz, and to the world.

"I think I will be doing this work even in 5 years. I will continue to do my best as the leader of this organization. I would like to grow together with the future of Issyk-Kul and Kyrgyz."



# History 02

1976

Tasma



*Kyrgyz*

Ms. Mairamkul Muraeva  
Leader of the soap-making group, "Bugu-Ene"

Born in 1976 in Toguzbai, "Issyk-Kul" Province  
Aside of household chores and child rearing, she has been participating in natural soap making group "Bugu Ene" founded under One Village One Product Project since 2010.  
She now leads their activities with six vigorous women.

## Good business for environment and health

Foreword

Tasma Village, Tup District, is located in the east of "Issyk-Kul" Lake. Tasma means "movie" in modern Kyrgyz language. This name originates from the fact that Tasma is surrounded by many mountains and hills and it looks like a movie scene. Ms. Muraeva is the leader of soap-making group that uses natural herbs and goat milk from the fertile land.

Their soap is getting popular rapidly among locals and tourists. Here is the life story of Ms. Muraeva who married into the village and is nurturing this environmentally-friendly and healthy business with support of her family.



## —Married at 18 years old

Ms. Muraeva was born in 1976 in Toguzbai, not far from Tasma. The breakup of the Soviet Union which occurred when she was 10 years old did not affect her family as much as those in cities, as they engaged in farming and agriculture and had abundant food. 10 children including Ms. Muraeva (4 boys and 6 girls) could go to public school in Tasma for 11 years. She liked to talk to people and her dream was to become a teacher who can talk with a lot of children.

After graduating from high school, Ms. Muraeva started to live in an apartment in Karakol with her brother who was 2 years older. They earned a living by selling meat at a livestock bazaar on weekend, which enabled her brother to go to university.

As she was preparing to go to university herself, a life-changing event happened. She was asked for marriage by a former school mate who was 3 years older than her and had been secretly admiring her. She was surprised and confused but after asking her parents for advice, she agreed to marry him.

Her husband was a quiet, kind man. Her parents-in-law also helped her adapt to the new environ-



Newly-wed Ms. Muraeva

ment. "They treated me not as a bride but like a real daughter, and kindly taught me how to do household chores. I was very happy to have such a family," Ms. Muraeva looks back.

Her parents-in-law were both teachers and allowed her to go to university to become a teacher if she wanted. However, she became pregnant soon after marriage and stopped thinking about it as she was busy at home. Apart from taking care of children and household chores, she had to help her husband with the field work and take care of livestock. She would do the field work in spring, clean up the house and sell potatoes, carrots, onions, strawberries and so on at the bazaar in summer. She also participated in livestock bazaar on Sundays. The couple had to carry heavy vegetables and livestock and price the items by observing the nearby shops. In winter, she had to collect firewood for heating. Her daily tasks became more and more important for her than becoming a teacher.

On the road from Karakol to Tasma



## — Soap Business in the Village

Ms. Muraeva finally started to have some spare time as her children grew up. It was then that she heard about the start of women's soap-making group in Tasma. There was increasing demand among Kyrgyz people for high-quality soap, instead of cheap imported soap which was imported after the breakup of the Soviet Union. Ms. Muraeva wished to join the group, but the quota of 16 members was already full and she could not join at first. However, she was contacted to join if she was still interested after a month, after the number of participants dropped to 4. Those who were not patient enough to develop the new product and business from zero, as well as those who were opposed by their family, had left the group.

They rented a space from the local government and bought materials with small investment from the group member. They had only expenditure and no income for the first year. Before the work starts at 9 am, Ms. Muraeva does all the household chores and walks to the workplace. She finishes at 3 pm, returns home and prepares dinner. Although her lifestyle changed a lot, her family has been understanding and supportive. Her husband even set up the window frames at the office and helped lay electric wires and water pipes.

## — Revival of the traditional soap "Shakar"

Ms. Muraeva's soap-making group, "Bugu Ene", makes 2 kinds of soap. One is usual hand-made soap made of natural herbs. The other one is traditional soap called Shakar. Shakar is a scum of white alkaline powder generated by boiling wild medical herbs worth 2500 hectares which are collected and dried during summer. The powder is then mixed with melted cow fat in a large kettle. When it hardens, it is retrieved and shaped by hand in a cloth while it is hot and then dried. This recipe to make Shakar has been handed down orally, and the group had to visit elderly women for details such as how to collect and burn the natural herbs. It was a difficult process as many were not sure of their memory or had forgotten it due to their old age. Moreover, modern light kettle was not suited to make Shakar like the old thick steel kettle. "Bugu Ene" members visited 15 villages, made many samples and received advice from the elderly women to perfect their Shakar. It was often defective at first but after 2 years, they finally succeeded in making a satisfactory one.

"I remember well the day when we got our first income. We were so happy and held a party with cakes and juice. We were actually in the red because salary for each was only 100 Som (about US\$2.5) after subtracting material cost and installment savings," Ms. Muraeva laughs of the memory.

Soap made by "Bugu Ene" was certified as "Issyk-Kul Brand". The story of the revival of Shakar also reached the then-president Roza Otunbayeva

Packaging the soap



who came to the exhibition where “Bugu Ene” presented the soap. The President was deeply impressed and told them that her mother used to make Shakar, too.

Shakar is more expensive than other soap because of its complicated production process. However, 90% of “Shakar” is consumed by Kyrgyz people since started. The reason for this popularity is its strong alkaline washing ability which is even said to cure wounds quickly. It has become so popular that the production hasn't been able to keep up with the demand.

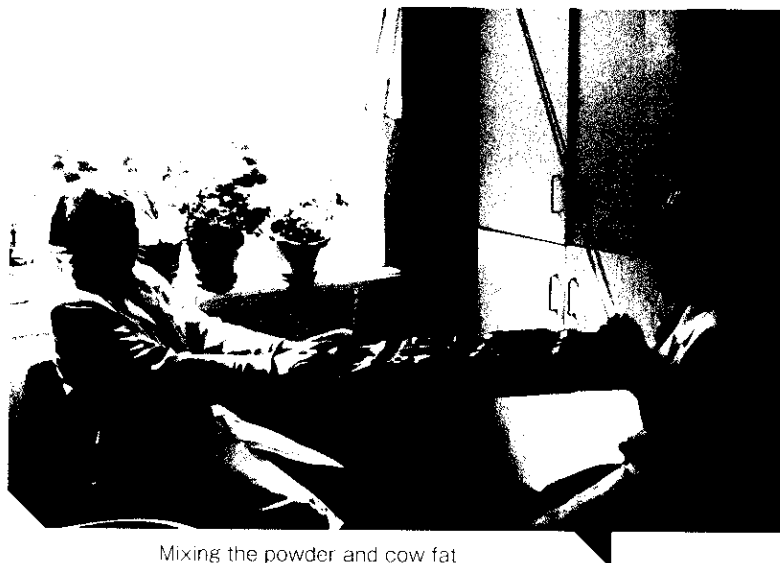
### ← As the leader

Ms. Muraeva soon became the group leader. As a Japan Overseas Cooperation Volunteer (JOCV) of JICA who was in the village for production management since the start of soap-making was going to return to Japan, the group had to be managed by the members themselves. Opinion of elderly women is always respected in Kyrgyz and the oldest one normally becomes the leader of a group. But Ms. Muraeva, who was not the oldest, was chosen by other members.

They say, “Ms. Muraeva has a patient, strong heart. She is kind but also severe when necessary and works hard everyday.” The oldest member appreciates her qualities and says, “Ms. Muraeva listens to each member's opinion and speaks straightforwardly. This is why we can exchange ideas without worry and the group works smoothly.”

“I'm at ease with anyone. I was chosen maybe because I speak directly with anyone and those from the government regardless of their age,” Ms. Muraeva says. “Even though I'm the leader, all decisions are made collectively. Even for financial management, we haven't yet made a big loss because we check the accounting together every month.”

When asked about the difficulties, she replies, “I don't want to talk about them openly.” It is




Mixing the powder and cow fat

through such reply that we can see her strength with kindness that the other members appreciate.

While observing their work at their workplace, we often find Ms. Muraeva in the supportive role. She observes the work of other members and corrects it when the productivity drops.

“For me, work means responsibility. I must come to the work. As the leader, I must create an environment where the staff can work smoothly. The work must be always done on time and it's important to follow the plans.”

Ms. Muraeva says that 3 important things are time management, planning and personnel management. “Bugu-Ene” produces fixed amount of soap daily even in periods with few orders. Locals buy only what is necessary but other Kyrgyz people and foreign tourists often buy in bulk. Not to miss any sales opportunity, a small shop was opened inside the workplace. Members who live nearby have mobile phones and if the customer calls, the shop is ready to open at any-time. Other soap-making groups often fail because of the long process from production to sales, as soap takes maximum 3 months to produce. Ms. Muraeva's group makes effort, such as for daily production of fixed amount, to keep the quality and develop the business while balancing work and family life.



Tasma Village surrounded by nature

## —Towards sustainable business

The group is trying to develop new kinds of soap, as well as new products such as detergent. Each soap has its particular effects written on the package, which gives tourists the joy to choose. The natural herbs have been used for medicine, and many local doctors appreciate the effects of the soap and the oil and recommend them to patients of skin disease like eczema.

"Customers request us to make new product as if we are doctors," Ms. Muraeva smiles. In the future, she wishes to produce shampoo and dish detergent which are gentle to the skin.

50% of the expenditure goes to materials, 40% to salaries and 10% to savings. The group's monthly income is about US\$800. Women who gave up initially sometimes want to come back. In Tasma, apart from Ms. Muraeva's group, there is a group that produces felt products and women are more and more willing to earn their income. Ms. Muraeva's group is also planning to expand their workplace and make a new separate group, as 15 members is enough for a group.

Their sales increased thanks to the website and they started to receive TV interviews. They have also received offers of sponsorship, which they refused because it entailed mass production and mechanization. They wish to have their own factory in the future but continue the hand-made production to keep not only the quality but also the hand-made characteristic.

"I think the value of the product will decrease if it's not hand-made and made of natural ingredients," Ms. Muraeva says. Harvesting nature's blessings of Kyrgyz and

making soap by their own hands – this work requires both physical strength and patience. Oil collected from natural herbs needs to be shaken in plastic bottles for an hour everyday to blend. And the natural herbs need to be harvested within 2 months of summer. If a goat is born somewhere in the village, milking also has to be done. Families of the group members help with the physical work like collecting firewood and harvesting. As a result, they all got close to each other and even go out together to lake or mountains on weekend.

"In my home village, the door of the house was never locked. People used to come in freely and it was open and fun. In this village, it is usual to talk to each other outside of the house, not inside, probably because of Russian influence. But since the soap-making business started, I became friends with those whom I only used to greet. I'm very happy that unity of the community became strong."

In the atelier with lace curtains and flower plants at the window, we can hear bubbly laughter. This joyful time is definitely a part of the value of soap-making. Thoughtless mechanization and mass production will not only change the brand value and exploit local rich nature but also destroy good time for communication.

Continuing the hand-made mean that the business will surely expand. Ms. Muraeva's group actively participates in exhibitions in order to sell their products abroad. Effectively, they are receiving inquiries from Kazakhstan, France, Germany and so on. As Kyrgyz is joining the Eurasian Economic Union in May 2015, increase of economic exchange with its member countries is expected and they will also have oppor-



## Good business for environment and health

tunities to get new markets.

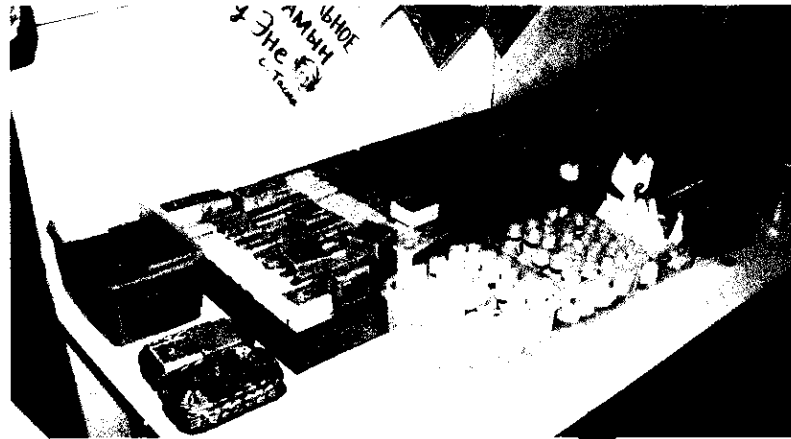
"New world is opening up for us and I enjoy talking to people from various countries and positions," Ms. Muraeva says.

They are willing to not only earn income themselves but also share their know-how to other communities that wish to develop their own soap-making group.

"We came this far thanks to JICA's cooperation and I'm especially grateful to the JOCV. She was younger than us and it must have been difficult for her to visit each house and convince the elderly to participate in One Village One Product (OVOP) Project. When we wanted to give up, she came to our house and encourage us while crying. So we made efforts to respond to her motivation. We took a lot of time, but we learned how to work, its rules and the punctuality," Ms. Muraeva said, and turned around to look at the workplace's wall on which hangs her picture of JOCV volunteer.

### —Family's support — among smiles

"My work is not possible without my family's support," Ms. Muraeva said so many times during the interview. We visited her house where her mother-in-law, husband and children waited. Ms. Muraeva is often absent from home because of work like exhibitions and interviews, but her husband, Mr. Armaz, says, "There is no problem as she tells me everything in advance. The work seems difficult but I want her to con-



Products displayed in the shop

tinue." Ms. Muraeva hears this and says while laughing, "He is not worried because I'm with other members. He will worry if I go on business trip alone."

Their oldest daughter, Aijan, says, "My school mates tell me that they saw my mother on TV. I'm proud of my working mother."

Ms. Muraeva looks at her tenderly. "I actually regret a little that I didn't go to university. But I will be happy if my children can do what I could not. I want all my children to go to university."

Her mother-in-law, Ms. Erkinguri, silently nods at her words. Many joyful pictures of the family and the group members are gathered in the family's album. Through early marriage, life as a housewife and participation in the soap-making group, Ms. Muraeva always makes her place in any situation. She is always surrounded by smiles. It must be her personality that makes business successful.

Ms. Muraeva with her family



# Entrepreneurship to protect the family

Foreword

Ms. Sabitakunova produces corn snack for children in the capital Bishkek. Since she could not find appropriate snack for children in the market at that time, she decided to make it on her own and started her business. Her company is now the biggest in Kyrgyz snack industry.

Ms. Sabitakunova, now known as the successful businesswoman, was inexperienced in business at first. This is a story of a woman who worked hard to protect her family during unstable post-Soviet period and succeeded.

## History 03

1958

Bishkek

Ms. Zhamila Sabitakunova  
Director of a snack manufacturing company

Born in 1958 in Naryn Region in southeast Kyrgyz. After graduating from university, she worked as a biology teacher in public school. After the breakup of the Soviet Union, she worked at bazaar and grocery store to help her family. She has been managing a corn snack manufacturing company since 2008.

*Kyrgyz*

## Entrepreneurship to protect the family

The family also valued culture and tradition. "When we won the first prize for the amount of poppy harvest, we could choose a gift from carpet, samovar or a book about Epic of Manas (\*1). My parents chose the book right away. From that evening, it was our habit to read it together after dinner. It made me love books and want to contribute to the country."

Traditionally, Kyrgyz girls must be able to make her own things like food and clothes before marriage. Ms. Sabitakunova learned from her mother how to make ayran (a sort of yoghurt drink), qurut (dried cheese) and bread. She also learned creative work such as sewing and making felt textile.

"This is why I enjoy cooking for my family and customers and being creative when making new tastes and packages."

After graduating from university, Ms. Sabitakunova became a biology teacher. She married to a man she met in the university and was blessed with children. She spent a happy life as a woman and a teacher in the Soviet period.

## —To survive

The breakup of the Soviet Union suddenly changed her life. When Louvre, the currency that was in circulation, changed to Kyrgyz Som in 1993, the intellectual class faced economic difficulties. The modest salary of her husband who worked at the Ministry of Agriculture and hers as a teacher became almost none in Som.

"I had to do anything to feed my 4 children and survive."

Ms. Sabitakunova made money by selling potteries at the bazaar. She even drove a truck selling potteries to China once.

"Many people made ends meet somehow by individual business but I was feeling empty and unhappy. It was a moment of crisis of my heart."



Ms. Sabitakunova used to go to this bazaar

## —Family with traditional value

"It is largely thanks to my experience of helping household chores as a child that I could build this snack business," Ms. Sabitakunova says.

Ms. Sabitakunova was born in a large family of 4 daughters and 6 sons. Her family valued education and all the children including her went to university. As her 2 older sisters went to Bishkek for university, she used to help household chores since she was 6 years old. Her parents worked as farmers in kolkhoz (a form of collective farm in the Soviet Union) from 4 in the morning to late at night. Ms. Sabitakunova and her siblings shared the chores and also helped the work at kolkhoz such as maintaining potatoes or poppy fields and taking care of sheep.



Ms. Sabitakunova when she was a teacher

\*1: Manas is a traditional epic poem of Kyrgyz and also the name of its main character. Its birth date, back to the 9-10th century or 15-16th century, according to various narrations. It mainly talks about battles with neighboring tribes and the spiritual unity of the Kyrgyz people. In 2009, the poem was revised and certified as the world's longest poem in the Guinness Record.



City of Bishkek

After the bazaar was closed in 2001 and Ms. Sabitakunova lost her income source, she opened a small grocery store next to her house. She worked hard for 2 years while thinking about the future. One day she realized that customers often asked for a corn snack. As she didn't sell it, she looked for it in other stores, bazaars and new supermarkets but in vain. Snack manufacturers did not operate anymore in post-Soviet Kyrgyz.

"At that time, snacks were sold on streets in unsanitary condition and with unclear production standard. Safe snacks for children had disappeared."

"Then why not make the snack by myself?" Ms. Sabitakunova's challenge started.

## —Challenging days

"I worked as a teacher for years and did not have any knowledge of business. It was very difficult at first," Ms. Sabitakunova says. The most difficult was to find a snack manufacturing machine. Technicians who were in Kyrgyz during Soviet period had returned to Russia and there was no industrial know-how including snack manufacturing in the country. It was also very hard to find reliable information. Ms. Sabitakunova visited all around Kyrgyz, but the first machine she bought with bank loans was defective and she was defrauded.

"I was defrauded twice due to my lack of experi-

ence in business. I have also paid fines to taxation office because I had no knowledge of accounting and was late for tax payment."

Her strong will and desire for self-empowerment supported her in the adverse circumstances. As a mother, she felt the need for safe snacks for children who have the future of Kyrgyz on their shoulders. Moreover, she believed that traditionally nomad Kyrgyz people who have been familiar with natural ingredients will like the natural taste even if expensive.

After repeated failure, Ms. Sabitakunova wrote a letter to a Chinese machinery company through Embassy of China in Kyrgyz and finally succeeded in buying small equipment. For the ingredient, there was no good-quality corn in Kyrgyz so she decided to import it from Ukraine. And for sweetener, she decided to use the natural one made from honey which is the specialty of

Products ready to be shipped



Kyrgyz. Her family gave her full support for installing the equipment and making the recipe. Her 4th son who is an electrician especially helped her with the equipment. The production of her first product "Cheburashka" finally started in 2008, 5 years after she started her journey to make a snack.

### — Attractive brand name, 'Naturo'

Ms. Sabitakunova was finally able to deliver her product to the market. However, the sales started to decrease around 2009-2010 when Russian and Kazakh snacks became available in Kyrgyz. Moreover, large political demonstrations occurred in 2010, followed by the tribal conflict between Kyrgyz and Uzbek in the south of the country. Ms. Sabitakunova was planning to invite specialists from Ukraine to improve the quality of Cheburashka but had to give it up due to the instability.

The need to change the business plan arose during this time of national chaos. Ms. Sabitakunova was feeling stuck and powerless when she saw the advert of Business Course organized by the Japan Center in the newspaper. After visiting the Center, she immediately applied for it. "The course seemed to cover all the important points of business. I was also attracted by the fact that it was not all about theories and the teachers were experienced in real business world."

She prepared herself by going to computer

classes and started the course at the age of 50. People told her not to take a new risk at her age but she always wanted to continue studying. "In the course, I learned that rivals can make you better and this way of thinking impressed me. I realized there were so many things I didn't know."

Ms. Sabitakunova avidly studied marketing, production management, packaging and so on. She would re-read her textbooks even at home and tried to apply what she learned to her business.

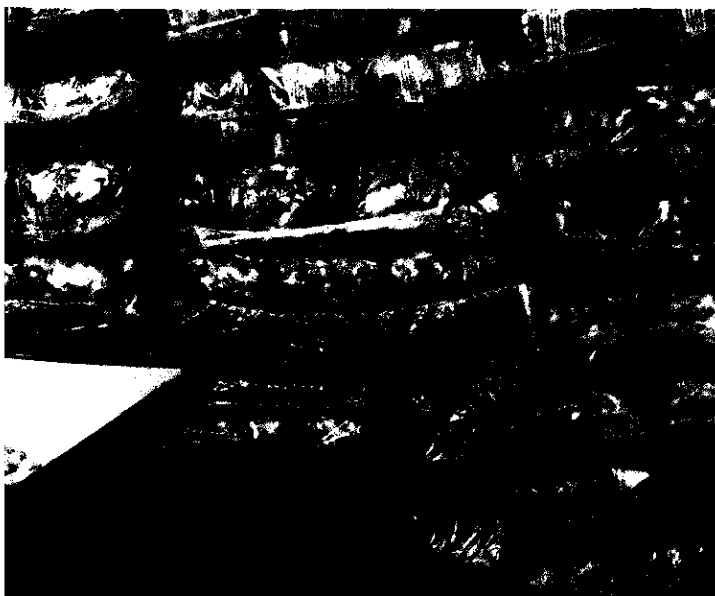
Through the course, she thoroughly considered the future of her product, its marketing, risk management and so on. She then decided to change the product's name.

"I learned that with organized strategy, we can expand the sales channel of a product from local, regional, national to international level. Cheburashka was a Russian name but after taking a marketing class, I came up with the original name 'Naturo', which comes from the word 'nature' and can be understood by anyone. Kyrgyz people have been always eating natural food, and I think people around the world are also becoming more nature-oriented. I would like to sell my product abroad one day."

The value that Ms. Sabitakunova wants to convey through her product became explicit with the new name. As a result, more consumers started to choose 'Naturo' instead of other widely available snacks.

### — Developing human resources for the future

There were several companies which tried to produce corn snacks after the breakup of the Soviet Union. However, they soon went out of business although among them were those with more financial resources and bigger equipment than Ms. Sabitakunova's. Why did Ms. Sabitakunova's company survive? She told us two key success factors.



First is to collect information for quality improvement and apply it. She learned this from Japanese managerial philosophy of "Kaizen".

"If I find any good idea on the internet, I always try it. I learned that good-quality ingredients are the key to maintain the product quality, so I started to visit the producers." When deciding a supplier, she chooses someone serious who constantly tries to improve the quality of his/her product.

The other key factor is to take care of each customer and employee. To deliver the fresh product, Ms. Sabitakunova's company keeps little stock and tries to strengthen its supply chain. It also has regional branches to respond quickly to problems if any.

"Not only money but also human relationship is very important," Ms. Sabitakunova says. Every morning she prepares breakfast to employees who work in the factory next to her house and communicate with them around the table. She sometimes conducts her own workshop, too.

"Educational level in Kyrgyz is high thanks to the Soviet period. But I feel that high educational level is not leading to business. Universi-



ties haven't understood the industrial needs well."

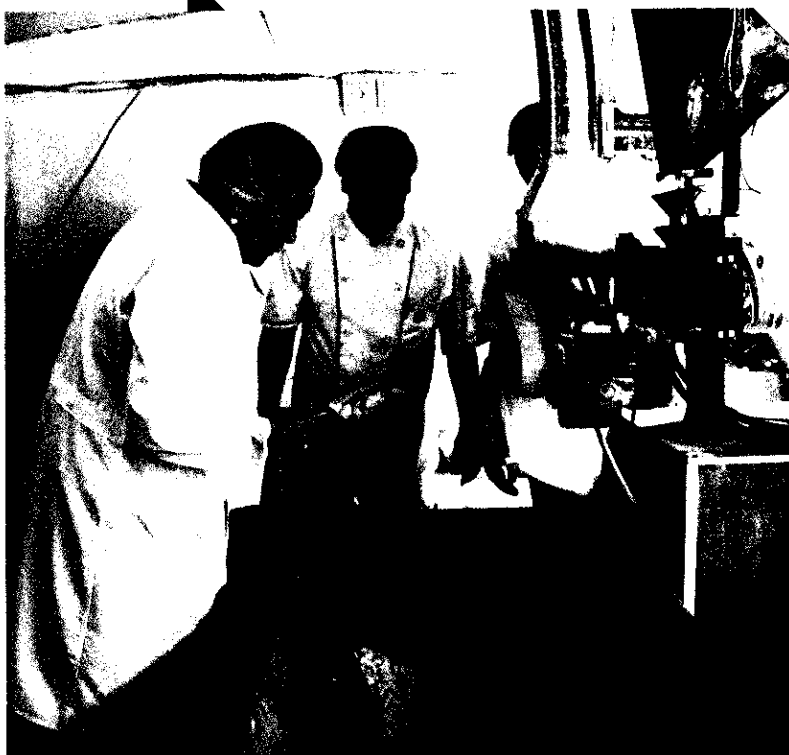
Ms. Sabitakunova gives lectures at universities to share her experiences and employs promising youth. She also recommends the business course to some of her employees. "I'm trying to put into practice what I learned from Japanese management system and help them grow within the company."

## —Export contributes to national development

Ms. Sabitakunova was invited to "Practical Japanese Management Training Course" in Japan in 2011. She visited over 20 companies in various industries, such as food processing, light and heavy industries, trade and agriculture, around Shikoku. She confirmed the possibility that "if there is a successful case of high-quality products that can be exported abroad, it becomes a model for other industries around the country and trade will be more vitalized."

After returning to Kyrgyz, Ms. Sabitakunova visited a corn snack manufacturer in Ukraine and decided to introduce their high-tech machines to her own factory to automatize the production. Automation enabled mass production, and the sales quadrupled from 4 million Som (about US\$96,000) in 2012 to 16 million Som (about US\$380,000) in 2014. Profitability is also improving after revising the cost with an accountant.

Checking the quality with her own eyes



## Entrepreneurship to protect the family

be a gift from me to Kyrgyz people."

Ms. Sabitakunova's success has great significance for the future of Kyrgyz economy. Many Kyrgyz men go to Russia or other neighboring countries to earn money and women who stay behind are burdened with household chores and children, which makes it difficult for them to work. In Kyrgyz, there are few successful entrepreneurs regardless of sex, and it is very rare to see a case like Ms. Sabitakunova who makes food product with Kyrgyz ingredients using proper equipment and has more than 10 employees. Her success in the manufacturing industry can inspire young men and women for entrepreneurship.

Ms. Sabitakunova is also motivated to keep learning. "I was 50 when I started the business course. My father passed away at the age of 86 and my mother 82, so I may be able to work for another 30 years. I can do more and I don't want to waste the rest of my life doing nothing. For me, work is fun and a chance to learn new things. I like difficult work," she says with a smile.

"When I started my business, I used to read a lot of books written by successful entrepreneurs in the USA, Canada, UK, Japan, China, Russia, etc. I wanted to know their mindset." Through self-education, business course and especially through her own experiences, she feels that "business is to overcome difficulties." Her challenging spirit never stops.

Products displayed at supermarket



Communicating with employees

Ms. Sabitakunova is planning to export her product, as Kyrgyz is joining the Eurasian Economic Union and new markets will be available. She already started negotiations with several shops in Kazakhstan. To make a product of international level, her short-term goal is to build another factory outside of her house. "I cannot get ISO22000 (food safety management system by the International Organization for Standardization) if the factory is in the residential area. I'm looking for a good place to build another factory within 2 to 3 years."

In long term, her goal is to develop a new product and get all the ingredients locally. "I went to Hokkaido last year, and I was surprised to see a lot of food made only with local ingredients such as potatoes, meat and milk. I tried locally-made bread and imported one, and the former was much more delicious. It must be healthy too. If I can make a product of international level only with ingredients from Kyrgyz, I think it would

