#### 1. ሆԱԿՐՈՏՆՏԵՍԱԿԱՆ ՀኮՄՆԱԽՆԴԻՐՆԵՐ ԵՎ ՖԻՆԱՆՄՆԵՐ

## THE BUSINESS ENVIRONMENT OF ARMENIA: WOMEN'S ROLE AND SIGNIFICANCE IN IT

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Հոդվածը ստացվել է՝ 15.09.24, ուղարկվել է գրախոսման՝ 27.11.24, երաշխավորվել է տպագրության՝ 13.12.24

**Introduction.** The developed business environment is one of the main guarantees of economic and social stability. It ensures the effective implementation of macroeconomic policy and the harmonization of economic diversification in the country. A favorable business environment is a key driving force for the economy. The presence of prerequisites and factors for the development of small and medium-sized enterprises (SMEs) requires the application of differentiated state policies to create a favorable local business environment. In a dynamically changing market situation and conditions of increasing competition, external factors also have an impact on the development of SMEs.

It is noteworthy that in recent years, the fight against gender inequality has grown significantly. By the way, it includes increasing women's involvement in various fields. This phenomenon is widespread throughout the world. In Armenia, the mentioned changes have become more obvious, especially in recent years, when the Government and various organizations have started promoting the role of women in public life.

Therefore, the issues of business environment and sector development have always been important and relevant. Taking all this into account, there is a need to study the main indicators characterizing the business environment, to identify the position of Armenia in various international rankings, and the level of women's involvement in the business environment of Armenia. The aim of the article is to study the business environment, the main indicators characterizing it, the rankings presented by various international organizations related to the sector, to analyze the position of Armenia in them, as well as the level of women's involvement in the business environment of Armenia, to highlight the existing problems and to propose appropriate solutions. In the scope of the article the following research tasks were set:

• to explore the essence of the business environment and its main indicators,

• to analyze various international ratings reports and identify the position of Armenia,

• to develop proposals aimed at improving the business environment of Armenia,

• to study the level of women's involvement in various spheres of public life of the RA,

• to study the measures promoting the level of women's involvement in the business environment of the Russian Federation,

• to make appropriate proposals aimed at promoting the role of women in the RA business environment based on the study of international experience.

Literature review. Several studies are devoted to the study and analysis of the business environment.

In a significant part of the studies on the business environment, the term "business environment", according to some authors, is a set of factors that are part of the external environment of the organization, including suppliers, consumers, competitors, financial organizations, state bodies, etc. In the Big Economic Dictionary, business activity is presented as an economic activity focused on the production of one or another type of product or the provision of a specific type of service. It is based on the international standard classification of economic sectors, as well as the economic classifiers of the System of National Accounts<sup>1</sup>.

When referring to the definition of the business environment, some authors also distinguish the term "entrepreneurial environment". Some authors understand it as a set of optimal conditions that ensure the economic freedom of citizens, which contribute to the development of entrepreneurship in the country<sup>2</sup>. Others consider the "entrepreneurial environment" as a set of factors that have a positive and negative impact on entrepreneurial activity<sup>3</sup>.

The work of A. Kryukov is devoted to the formation and development of the business environment, in which the author presents the business environment as a set of external factors that influence the activities of operating economic entities<sup>4</sup>. According to the author, entrepreneurial activity, the competitiveness of enterprises, and the conditions for their operation depend on the indicators of the development of the "business environment". Moreover, in the author's opinion, the decisive factors for the development of the business environment are investment attractiveness, the effectiveness of business and government interaction, as well as the competitiveness of the environment.

According to another author, one of the characteristics of the business environment is competitiveness, since competition forces sellers of goods and services to

<sup>&</sup>lt;sup>1</sup> Large Economic Dictionary / Edited by A. N. Azriliyan-2nd. ed. -Add. and revised. M.: Institute of New Economics, 1997

<sup>&</sup>lt;sup>2</sup> Busygin, A., Introduction to Entrepreneurship. A book for those who are thinking about starting their own business. — M.: FINPRESS, 2003, p. 25.

<sup>&</sup>lt;sup>3</sup> Abdullaeva, Z., Favorable business environment and conditions for its formation in the region // Regional problems of economic transformation. - 2011. No. 4 (29), p. 268.

<sup>&</sup>lt;sup>4</sup> Kryukov, I., Trends in the formation and development of the business environment in Russia, Issues of territorial development, Vol. 10, No. 2, 2022 <u>https://cyberleninka.ru/article/n/tendentsii-formirovaniya-i-razvitiya-delovoy-sredy-v-rossii/viewer</u>

strive to improve the quality of products, reduce the costs of their production, and attract new consumers<sup>5</sup>.

In summary, we can note that the authors mainly emphasize the influence of external and internal factors affecting the business environment. They conclude that the business environment is a process that regulates the business ability of an economic entity resulting in the manifestation of entrepreneurial behavior.

Due to the growing role of women in various spheres of public life, numerous studies are being conducted, as well as studies aimed at identifying in which areas women's activity is observed, as well as presenting what impact women can have on the country's entrepreneurial activity. Thus, N. Yu. Utkina notes that women's entrepreneurship at the current stage of economic development of society is not only a global phenomenon, but has become the most dynamically developing segment of small and medium-sized enterprises<sup>6</sup>.

According to another author, the opportunities for women's entrepreneurship development expanded further in the post-industrial era, where the dominant product type are not goods, but services<sup>7</sup>.

The mechanisms for building women's career paths in business vary depending on the country's context, believes A.I. Voronkova. According to the author, the specific models of engagement formed in the regions are interconnected with social practices characteristic of certain countries and require mutual analysis<sup>8</sup>.

Among the many works of specialists engaged in the study of the issue, the work of Pinkovetska is noteworthy, where the author distinguishes two types of female entrepreneurs<sup>9</sup>. The first type is voluntary entrepreneurs, which include adult ablebodied citizens who take advantage of emerging opportunities and seek to benefit from entrepreneurial activity. Such advantages include increasing income from their own work, gaining independence in their activities, increasing social status, and the possibility of self-realization and creative activity. The second group is the so-called forced necessity women entrepreneurs, which include citizens who are trying to start their businesses due to the lack of other ways to earn income. The author presents that the motivation of entrepreneurs affects entrepreneurial aspirations. Forced entrepreneurs often, when allowed to find paid work (with comparable earnings), prefer to switch to it. Accordingly, businesses created by such entrepreneurs have low survival

<sup>&</sup>lt;sup>5</sup> Sanchez de Pablo J.D., Peña Garcia Pardo I., Hernandez Perlines F. Influence factors of trust building in cooperation agreements. Journal of Business Research, 2014, 5, p 712

<sup>&</sup>lt;sup>6</sup> Utkina, N., Objective and subjective factors of the development of women's entrepreneurship in Russia. Women in Russian society. 2017. No. 1 (82), p. 18

<sup>&</sup>lt;sup>7</sup> Polutova, M., The specifics of the genesis of female entrepreneurship in the post-industrial period // Fundamental and applied research in the modern world. 2015. No. 12-4. S. 53-55

<sup>&</sup>lt;sup>8</sup> Voronkova, A., Meta description of women's scenarios of involvement in business, Journal of the Institute of Sociology. 2019. Volume 10. № 4. стр 235

<sup>&</sup>lt;sup>9</sup> Pinkovetskaya, Yu., Entrepreneurial activity of women in modern economy, Women in Russian society. 2019. No. 1, p. 43

rates. The short-term nature of the activity leads to a reduced willingness of owners to invest in its development and growth. This is the most significant difference between voluntary and involuntary entrepreneurs. Voluntary entrepreneurs direct all their efforts to the development and improvement of their business and to obtain the maximum positive result from it<sup>10</sup>.

**Methodology.** The theoretical and informational basis for the research was the works of foreign and Armenian researchers, the reports, and official statistics of the RA Ministry of Economy, the World Bank, and other international organizations, including the EU. The study and analysis in the article were carried out using data collection, historical-analytical, and comparative methods.

**Analysis.** Recently, the issue of increasing women's participation in various spheres of social affairs has received considerable attention around the world, including in the RA. Sustainable Development Goal (SDG) 5 on gender equality and women's empowerment includes the links between technology and women's rights. SDG 5 includes a specific target on the use of information and communication technologies (ICTs) to achieve the empowerment of women and girls<sup>11</sup>.

"Women's economic empowerment includes women's ability to participate equally in existing markets, their access to and control over productive resources, access to decent work, control and voice over their own time, lives and bodies, increased agency and meaningful participation in economic decision-making at all levels, from the household to international institutions"<sup>12</sup>. The activation and involvement of women and youth in public life are also presented in the 2021-2026 program of the RA Government, placing the main emphasis on ensuring the broad involvement of citizens and the availability of highly qualified human resources, as important factors ensuring increased competitiveness and inclusiveness in all sectors of the economy. Without a significant increase in the proportion of economically active citizens, it is impossible to ensure economic growth, which also implies a significant increase in the role of women and youth in economic life<sup>13</sup>. As noted in the UN's "Women's Economic Empowerment in Armenia and Their Integration into Markets and the Digital Economy" guide, women's empowerment is also considered a key factor in reducing poverty, growing economies, and building healthy and safe communities<sup>14</sup>.

<sup>&</sup>lt;sup>10</sup> Pinkovetskaya, Yu.Entrepreneurial activity of women in modern economy, Women in Russian society. 2019. No. 1, p. 43

<sup>&</sup>lt;sup>11</sup> Target 5. b: Expand the use of highly effective, in particular information and communication technologies, to promote women's empowerment.

<sup>&</sup>lt;sup>12</sup> UN Women: Facts and Figures: Economic Empowerment. The Benefits of Economic Empowerment.

<sup>&</sup>lt;sup>13</sup> RA Government Program 2021-2026, <u>https://www.gov.am/files/docs/4586.pdf</u>

<sup>&</sup>lt;sup>14</sup> Women's Economic Empowerment in Armenia and Their Integration into Markets and the Digital Economy, UN Women 2021 <u>https://eca.unwomen.org/sites/default/files/2022-</u>07/%28ARM%29%20HANDBOOK%20on%20WEE%20and%20the%20DIGITAL%20ECON OMY.pdf

Now let's explore the level of women's involvement in the RA through the years. Thus, the proportion of women holding leadership positions in the RA has recorded an increasing trend from year to year. Particularly, it increased from 29.1% in 2015 to 34.2% in 2021, reaching the highest rate recorded in recent years, and then in 2022 it decreased again, making up 29.1%<sup>15</sup>. According to the analysis, the proportion of seats held by women in national parliaments and local self-government bodies in the RA has also registered a year-on-year growth trend, in particular, in 2015 it was 10.7%, and in 2022 it reached 35.5%<sup>16</sup>. The provided data indicate that the role of women has been significantly valued in various spheres of public life in the RA. Let us present in which spheres and major groups of economic activity the involvement of women has been recorded, for example, as of 2022, 57% of those engaged in financial and insurance activities were women, and women also have a large share in public administration, education, healthcare, and social services to the population –  $62\%^{17}$ . The level of women's involvement has a tendency to increase in almost all sectors, except construction and industry.

In 2021, the World Bank presented a report dedicated to the development of women's entrepreneurship in RA.<sup>18</sup>. The study was conducted based on the results of surveys conducted among more than 400 women entrepreneurs in RA. It is noteworthy that the survey results showed that female entrepreneurs, compared to men, are mainly engaged in small and medium-sized enterprises<sup>19</sup>.

It should also be noted that female entrepreneurship is also significantly affected by marital status and the presence of children. For example, if 13.2% of the men surveyed are married, then 14% of the women are married. By the way, the presence of children also plays a big role among married women and men. For example, 44.2% of married men do not have children, and among married women, the survey revealed that 62% do not have children. It is also interesting to note that with an increase in the number of children, the percentage of women's entrepreneurship decreases significantly compared

<sup>&</sup>lt;sup>15</sup>UN Sustainable Development Agenda 2030, Armenia's data for the Sustainable Development Goals <u>https://sdg.armstat.am/am/5-5-2/</u>

<sup>&</sup>lt;sup>16</sup> UN Sustainable Development Agenda 2030, Armenia's data for the Sustainable Development Goals <u>https://sdg.armstat.am/am/5-5-1/</u>

<sup>&</sup>lt;sup>17</sup> Statistical Committee of the Republic of Armenia, Women and Men of Armenia 2023, <u>https://armstat.am/file/article/gender-2023.pdf</u>

<sup>&</sup>lt;sup>18</sup> WOMEN ENTREPRENEURSHIP, STUDY IN ARMENIA, Report, 2021, <u>https://documents1.worldbank.org/curated/en/911301621224449437/pdf/Women-Entrepreneurship-Study-in-Armenia-Qualitative-and-Quantitative-Study-Synthesis-Report.pdf</u>

<sup>&</sup>lt;sup>19</sup> WOMEN ENTREPRENEURSHIP, STUDY IN ARMENIA, Report, 2021, <u>https://documents1.worldbank.org/curated/en/911301621224449437/pdf/Women-Entrepreneurship-Study-in-Armenia-Qualitative-and-Quantitative-Study-Synthesis-Report.pdf</u>

to men, in particular: 32.1% of married male entrepreneurs have 2 children, and 15.6% of women<sup>20</sup>.

Several measures are being implemented at the state level to promote women's entrepreneurship in the Russian Federation. For this purpose, a Committee for the Development of Women's Entrepreneurship has even been established. Perhaps the most notable of the Committee's initiatives is the implementation of the annual APEC BEST AWARD contest<sup>21</sup>. The contest was initiated back in 2015 within the Asia-Pacific Economic Cooperation (APEC) platform by the Russian Ministry of Economic Development. The competition has been recognized as one of the best projects to promote women's entrepreneurship and attract attention to talented projects, with participants from 17 countries actively participating<sup>22</sup>. The project is implemented for SMEs. Its main goal is to select and disseminate the best success stories of women SME owners and managers in the ACP countries, key tools that help them in developing their businesses. In addition, the participants and their business models attract the attention of the media, investors, government, and non-governmental organizations, popularizing the idea of entrepreneurship among women and thereby involving them in the economy and giving the idea a chance to be realized for the potentially active population of the Asia-Pacific region<sup>23</sup>. To participate in the competition, Russian women entrepreneurs first go through a pre-selection phase, after which the best projects or already implemented programs are presented in the media, after which they compete in the APEC BEST AWARD competition and represent their country<sup>24</sup>. This gives women entrepreneurs a wide opportunity to present their ideas more confidently, further activates their involvement in the business environment, and why not, also serves as a basis for creating and strengthening new business ties. Therefore, studying the experience of the Russian Federation and comparing it with the initiatives of the RA Government, in particular, as we have already mentioned above, the Government's 2021-2026 program envisages implementing programs aimed at developing the role of women and youth in the Armenian economy in international markets, aimed at increasing their business ties and competitive capabilities. We should note that the events organized for this purpose are more local, which include rather small-scale programs and are not presented to the broad masses of society in an appropriate volume<sup>25</sup>. As a result, the level of awareness of people is deficient. Therefore, based on the study conducted by us in this direction, we propose to organize various competitions among

<sup>&</sup>lt;sup>20</sup> Same place

<sup>&</sup>lt;sup>21</sup> Ministry of Economic Development of the Russian Federation, APEC BEST AWARD, <u>https://apecbestaward.com/index#nomi</u>

<sup>&</sup>lt;sup>22</sup> Same place

<sup>&</sup>lt;sup>23</sup> Committee for the Development of Women's Entrepreneurship in the Russian Federation <u>https://womanopora.ru/nashi-programmy/apec-best-award/</u>

<sup>&</sup>lt;sup>24</sup> Same place

<sup>&</sup>lt;sup>25</sup> RA Government Program 2021-2026, <u>https://www.gov.am/files/docs/4586.pdf</u>

women entrepreneurs in the domestic market, which, of course, will be smaller in the initial period, but if they are of a continuous nature, a fairly effective solution to this raised problem can be achieved. The mentioned contests should be announced in advance, advertised in various media, and on news platforms, to attract the attention of broad strata of society. Similar events and competitions will be an additional incentive for women to start a new business more flexibly, and to implement bold ideas, which will contribute to both the activation of the country's business environment and the increase in the interests of other women.

The development of the business environment is influenced by several factors, ranging from the internal stability of the country, and the peculiarities of the tax system, to socio-political factors. To increase its recognition in international markets, many countries are constantly trying to improve their place and position in various rankings. Today, there are numerous international rankings or indexes for various sectors of the global economy, in which the position of each country is determined based on several indicators. The World Bank published the "Doing Business" report<sup>26</sup> on the economies of about 190 countries around the world from 2004 to 2020, which included the indicators of Starting a Business, Dealing with Construction Permits, Getting Electricity, Registering Property, Getting Credit, Protecting Minority Investors, Paying Taxes, Trading across Borders, Enforcing Contracts, and Resolving Insolvency, based on which the country's position was determined in the corresponding tables compiled<sup>27</sup>.

The Doing Business report was replaced by the World Bank's recently released Business Ready 2024 report, which aims to identify gaps in the business environment in 50 economies around the world. The report also provides a roadmap for change, the report says<sup>28</sup>. The report assesses the position of countries based on indicators such as "Business entry or business establishment" (Business entry), "Business location", "Utility services", "Labor financial services", "International trade", "Taxation", "Dispute resolution", "Market competition", "Business insolvency"<sup>29</sup>. It should be noted that this is the first report of the World Bank in this context. For this reason, it still covers only 50 economies. However, as noted in the report, it is planned that the Business Ready (B-READY) project will create a comprehensive toolkit by 2026, which will allow to define precise parameters necessary for the dynamic development of the private sector in about 180 countries - a combination of conditions that will reduce poverty, increase overall well-being and accelerate the transition to a low-carbon economy<sup>30</sup>. It should also be noted that Armenia is not yet included in this report. We believe that in the coming

<sup>&</sup>lt;sup>26</sup> Word bank, doing business archive 2004-2020, <u>https://archive.doingbusiness.org/en/doingbusiness</u>

<sup>&</sup>lt;sup>27</sup> Word bank group, doing business 2020, <u>https://www.doingbusiness.org/content/dam/doingBusiness/country/a/armenia/ARM.pdf</u>

<sup>&</sup>lt;sup>28</sup> Word bank group, <u>World Bank Group - International Development</u>, Poverty, & Sustainability

<sup>&</sup>lt;sup>29</sup> Word bank group, <u>Publications | Business Ready</u>

<sup>&</sup>lt;sup>30</sup> Word bank group, <u>Publications | Business Ready</u>

years, the Government of Armenia will contribute to the sustainable development of the country's economy, which will provide an opportunity to be included in such reports, which will further increase the visibility of our country on international platforms.

According to the UN Industrial Development Fund's CIP (Competitive Industrial Performance) Index, Armenia is the country with the greatest progress in the 2023 index, improving its position by 23 places and occupying the 93rd position<sup>31</sup>. The index assesses the ability of countries to produce and export goods not only in a specific year but also in the long term. The improvement of this indicator is associated with changes in the business environment in Armenia. In particular, in recent years, a significant increase has been observed in the registration of small and medium-sized enterprises in Armenia. This, in turn, is due to the numerous privileges and support programs provided by the state to the SME sector, as a result of which, especially in the regions of Armenia, various types of activities have been activated. In the World Intellectual Property Organization's "Global Innovation Index", Armenia ranks 63rd out of 133 countries in 2024, improving its position by 9 positions compared to the 2023 report. Armenia is 15th out of 34 uppermiddle-income economies. The report includes Armenia among those countries whose innovation performance is consistent with the level of development<sup>32</sup>: The Global Innovation Index is a ranking of the innovation capabilities and outcomes of global economies. It measures innovation based on the criteria of institutions, human capital and research, infrastructure, credit, investment, knowledge diffusion, and creative output. The Global Innovation Index has two sub-indices: the Innovation Input subindex and the Innovation Output sub-index.

Table 1

Year	GII index	Innovations inputs	Innovation outputs
2020	61	83	47
2021	69	85	56
2022	80	82	73
2023	72	83	62
2024	63	79	55

Armenia's position in the Global Innovation Index 2020-2024<sup>33</sup>

In the Index of Economic Freedom published by The Heritage Foundation, Armenia ranks 50th out of 176 countries, improving its position by 8 positions compared to the 2022 report (58th out of 177 countries). According to the 2023 report, Armenia is

<sup>&</sup>lt;sup>31</sup> Report on the implementation process and results of the RA Government Program for 2021-2026, 2023, <u>https://www.gov.am/files/docs/5659.pdf</u>

<sup>&</sup>lt;sup>32</sup> Same place.

<sup>&</sup>lt;sup>33</sup> Armenia ranking in the Global Innovation Index 2024 <u>https://www.wipo.int/gii-ranking/en/armenia</u>

28th out of 44 countries in the European region<sup>34</sup>. Now, let us present in a table the number of economic entities by economic activity as of 2023, as well as the number of newly created ones in 2023.

Table 2

Number of economic entities by the types of	Total	Created in
economic activity		2023
Mining and quarrying	348	20
Manufacturing	12370	1406
Electircity, gas, steam and air conditioning	315	23
supply		
Water supply, sewerage, waste management and	117	16
remediation activities		
Construction	4087	840
Wholesale and retail trade, repair of motor	55032	7645
vehicles and motorcycles		
Transportation and storage	6594	1400
Accommodation and food service	6058	1207
Information and communication	9898	2939
Real estate activities	2597	161
Professional, scientific and technical activities	7559	1294
Administrative and support service activities	3936	686
S95- Repair of computers and personal and	681	63
household goods under the section S (Other		
services activities)		
Total	109592	17596

Number of economic entities by NACE Rev.2 sections, 2023<sup>35</sup>

As can be seen from the data presented in the table, the majority of economic entities operating in Armenia in 2023 are organizations in the wholesale and retail trade, automobile, and motorcycle repair sectors, and the second largest number is occupied by the manufacturing industry, followed by economic entities operating in the information and communication sector. It should be noted that a total of 17,596 economic entities were created in 2023, the majority of which were also registered in the wholesale and retail trade sector. In addition to the quantitative change, we also present the volume of

<sup>&</sup>lt;sup>34</sup> Armenia ranking in the Global Innovation Index 2024 <u>https://www.wipo.int/gii-ranking/en/armenia</u>

<sup>&</sup>lt;sup>35</sup> NSS RA, Small and Medium Enterprises in the Republic of Armenia, as of January 1, 2024, pp. 5-6, <u>https://armstat.am/am/</u>

goods produced and services provided by economic entities during the same period to clarify their "role" in the economy (table 3).

Table 3

	Total
Mining and quarrying	492 993.9
Manufacturing	1 840 922.1
Electircity, gas, steam and air conditioning supply	726 756.5
Water supply, sewerage, waste management and remediation	31 773.5
activities	
Construction	714 016.0
Wholesale and retail trade, repair of motor vehicles and	6 738 412.2
motorcycles	
Transportation and storage	559 179.2
Accommodation and food service	392 657.5
Information and communication	1 031 749.7
Real estate activities	148 906.4
Professional, scientific and technical activities	328 091.1
Administrative and support service activities	155 520.2
S95- Repair of computers and personal and household goods	11 546.7
under the section S (Other services activities)	
Total	13 172 525.0

Volume (turnover) of goods produced and services delivered by NACE Rev.2 sections and by size of economic entities, 2023, million AMD<sup>36</sup>

The table shows that the leader in terms of the volume of goods produced and services provided is wholesale and retail trade and repair of cars and motorcycles.

As a result of studying the specific weight of economic entities by region, we noticed that the largest number of economic entities is located in Yerevan, the second place in terms of number is occupied by Kotayk region, then Ararat, Armavir regions, etc. (Figure 1).

In terms of the volume of goods produced and services provided by economic entities by region (Table 4), Yerevan is also in the leading position, followed by Kotayk region. Ararat region, which is in third place in terms of the number of economic entities, is inferior to Syunik and Armavir regions in terms of the volume of goods produced and services provided. The most passive region in this case is also the Vayots Dzor region. Therefore, the development and implementation of support programs provided to economic entities according to their regional location can contribute to the

<sup>&</sup>lt;sup>36</sup> NSS RA, Small and Medium Enterprises in the Republic of Armenia, as of January 1, 2024, pp. 9-10, <u>https://armstat.am/am/</u>

improvement of the business environment, which can have double effectiveness. First, businessmen will develop an investment program taking into account the specific characteristics of a specific region, which will receive appropriate support from the state, which in turn will contribute to the balanced development of regions. The implementation of such a measure should be properly publicized, attracting the attention of broad segments of society.

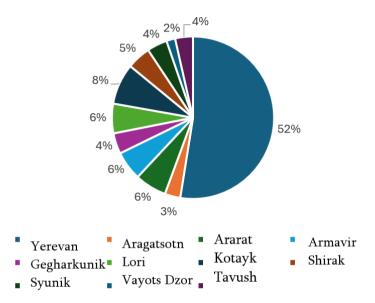


Figure 1. Structure of economic entities' composition by regions and Yerevan, 2023<sup>37</sup>

Analyzing the position of Armenia in international rankings, we can note that significant improvement has been observed in recent years. This is, of course, a great achievement. However, we should note that despite all this, there is still no unified information system on state support, through which the citizens of the Armenia can get acquainted with the list of measures and the procedure for providing support. As a result of the study, we found out that a new initiative was implemented by the RA Ministry of Economy in 2024, within the framework of which a guide to the investment environment and support programs was compiled and presented for the first time, which presents information ranging from business registration procedures to the presentation of state support programs, substantiated by the relevant decisions of the Government<sup>38</sup>. In our opinion, such an approach is a good start to publicize the support provided by the

<sup>&</sup>lt;sup>37</sup> The chart was compiled by the author based on the data from the report of the National Statistical Service of the Republic of Armenia, Small and Medium Enterprises in the Republic of Armenia as of January 1, 2024.

<sup>&</sup>lt;sup>38</sup> Ministry of Economy of the Republic of Armenia, Guide to Investment and Support Programs, 2024, <u>https://mineconomy.am/media/31114/Guid%20hy.pdf</u>

state to the business environment. However, in our opinion, such a presentation may be less widespread, taking into account the fact that in the current conditions, the use of applications is more widespread. Therefore, in this regard, we propose to create a mobile application containing comprehensive information about the business environment, which will also include all the information available in the above-mentioned guide, as well as the main elements of the state policy aimed at improving the business environment, and why not also some digital indicators and reports. All this will help to increase the accessibility of information to the proper level, making it easier to use, which will attract the attention of wide segments of society. The above can be implemented with the involvement of the private sector, which will deepen state-private sector cooperation. In addition, surveys periodically conducted by the authorized body can be considered a measure by the government to improve the business environment, which will allow the development and implementation of new and progressive ideas, which will facilitate doing business in Armenia. This event will also allow for timely identification of the problems facing the sector, which will be presented from the perspective of businesspeople, and the development of appropriate effective solutions to eliminate them. As a result, a flexible and effective mechanism for cooperation with the state will be created for the public.

Table 4

	Total
c. Yerevan	9 675 184.3
Aragatson	118 191.4
Ararat	465 542.5
Armavir	576 139.9
Gegharkunik	138 307.7
Lori	271 888.2
Kotayk	663 416.2
Shirak	442 593.6
Syunik	633 922.4
Vayots Dzor	70 778.4
Tavush	116 560.4
Total	13 172 525.0

Volume (turnover) of goods produced and services delivered by regions of the RA and Yerevan city, 2023, million AMD<sup>39</sup>

<sup>&</sup>lt;sup>39</sup> NSS RA, Small and Medium Enterprises in the Republic of Armenia, as of January 1, 2024, pp. 9-10, <u>https://armstat.am/am/</u>

**Scientific novelty.** Based on a study of the business environment of Armenia, certain measures and recommendations were provided promoting the development of the sector, as well as promoting the role of women.

**Conclusion.** The study of the business environment of Armenia brought us to the conclusion that the sector is the focus of the Government's attention and is improving year by year, as evidenced by the recorded data and the improvement of the positions occupied in international rankings. It should also be noted that the share of state-private sector cooperation in improving the business environment is large, regarding which relevant proposals were provided in the article. Particularly, the introduction of a mobile application by the state containing comprehensive information about the business environment, which will contribute to the publicization of the support provided to the sector and the increase in the level of awareness of broad strata of society, surveys regularly conducted by the authorized body, which will contribute to the timely identification of existing problems in the sector, which will help to provide solutions, as well as new, flexible ideas will be presented by businessmen, the implementation of which the state will contribute to. Having studied the Russian experience, we propose the implementation of certain elements of it in Armenia. Particularly: We propose to organize various competitions among women entrepreneurs in the domestic market, which will be implemented by the state on the principle of cofinancing with the private sector. It is clear that those incentives initially will be smaller in scale, but if continuous, great results can be achieved. The announced competitions should be announced in advance, advertised in various media, and on news platforms, with the aim of attracting the attention of broad strata of society. Similar events and competitions will serve as an additional incentive for women to start new businesses more flexibly, and to implement bold ideas, which will contribute to both the activation of the country's business environment and the increase in the interests of other women. It must be noted that the level of women's involvement in various spheres of public life in Armenia is dynamically increasing. The activation of the role of women can contribute to poverty reduction, increase social benefits, as well as significantly contribute to the activation of the SME sector in the country.

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### ՀՀ ԳՈՐԾԱՐԱՐ ՄԻՋԱՎԱՅՐԸ. ԿԱՆԱՆՑ ԴԵՐԱԿԱՏԱՐՈՒՄՆ ՈՒ ՆՇԱՆԱԿՈՒԹՅՈՒՆԸ ԴՐԱՆՈՒՄ

## ԵՎԳԵՆՅԱ ՀԱԿՈԲՅԱՆ ԱՆԱՀԻՏ ՄԱՐԿՈՍՅԱՆ

## Համառոտագիր

Չարգազած գործարար միջավայրը տնտեսական և սոցիայական կայունության հիմնական երաշխիքներից մեկն է։ Այն երկրներում ապահովում է մակրոտնտեսական քաղաքականության արդյունավետ իրականացում և տնտեսության դիվերսիֆիկազման ներդաշնակեզում։ Բարենպաստ գործարար միջավայրը հանդիսանում է տնտեսության հիմնական 2mndhs nıdn: Հատկանշական է, որ վերջին տարիներին զգայի ծավայներով ամում է գենդերային անհավասարության դեմ պայքարը։ Ի դեպ, այն ներառում է տարբեր ոյորտներում կանանց ներգրավվածության աստիմանի բարձրացումը։ Հայաստանի Հանրապետությունում նշված փոփոխություններն ավելի ակնհայտ Կառավարությունն են դառնում, hɯวปh առնելով, np nι տարբեր կազմակերպություններ խթանում են կանանց դերը հասարակական կյանքում։ Ուստի, գործարար միջավայրի, ոլորտի զարգազման հարցերը միշտ էլ եղել **են կարևոր և արդիական**։ Հետազոտության **նպատակն** է ուսումնասիրել գործարար միջավայրը, այն բնութագրող հիմնական ցուցանիշները, ոլորտին վերաբերող միջազգային տարբեր կառույզների կողմիզ ներկայազրած վարկանիշային աղյուսակները, վերյուծել ՀՀ դիրքը դրանցում, ինչպես նաև ՀՀ բիզնես միջավայրում կանանց ներգրավվածության աստիձանը, վեր հանել առկա համապատասխան լուծումներ։ խնդիրներն ու առաջարկել Հոդվածում կատարված հետազոտությունն իրականացվել է տվյալների հավաքագրման, պատմա–վերյուծական, ինչպես նաև համեմատման մեթոդներով։

Հոդվածի **գիտական նորույթը** կայանում է հետևյալում, ՀՀ գործարար միջավայրի ուսումնասիրության հիման վրա ներկայացվել են ոլորտի բարելավմանը նպաստող, ինչպես նաև կանանց դերակատարման բարձրացմանն ուղղված որոշակի միջոցառումներ և առաջարկություններ։

Ուսումնասիրելով ՀՀ գործարար միջավայրը, կարող ենք վստահորեն ասել, որ ոլորտը գտնվում է Կառավարության ուշադրության կենտրոնում և տարեց տարի բարելավվում է, որի մասին են վկայում արձանագրած տվյալները և միջազգային վարկանիշային աղյուսակներում գրաված դիրքերի բարելավումը։ Նշենք նաև, որ գործարար միջավայրի բարելավման գործում մեծ է պետություն– մասնավոր հատվածի համագործակցության մասնաբաժինը, որի վերաբերյալ աշխատանքում մշակվել են համապատասխան առաջարկություններ, մասնավորապես՝ պետության կողմից գործարար միջավայրի մասին ընդգրկուն տեղեկատվություն պարունակող որնէ բջջային հավելվածի ստեղծում, ինչը կնպաստի ոլորտին տրամադրվող աջակցությունների հանրայնացմանն ու հասարակության լայն շերտերի իրազեկվածության աստիձանի բարձրացմանը, լիազոր մարմնի կողմից պարբերաբար հարցումների անցկացումը, որը կնպաստի ոլորտում առկա խնդիրների՝ ժամանակին բացահայտմանը, ինչի արդյունքում կմշակվեն դրանց լուծման արդյոււնավետ ուղիներ, ինչպես նաև հարցումների արդյունքում գործարարների կողմից կներկայացվեն նոր, Ճկուն գաղափարներ, որոնց ներդրման էլ կնպաստի պետությունը։

**Բանալի բառեր։** Գործարար միջավայր, աջակցության ծրագրեր, միջազգային վարկանիշային աղյուսակներ, զեկույց, պետական քաղաքականություն, կին–ձեռներեցներ, միջազգային փորձ։

#### БИЗНЕС-СРЕДА РА: РОЛЬ И ЗНАЧЕНИЕ ЖЕНЩИН В НЕМ

#### ЕВГЕНИЯ АКОПЯН АНАИТ МАРКОСЯН

#### Аннотация

Развитая бизнес-среда – одна из главных гарантий экономической и социальной стабильности. Это обеспечивает эффективную реализацию макроэкономической политики и гармонизацию диверсификации экономики в странах. Благоприятная бизнес-среда – главная движущая сила экономики. Примечательно, что борьба с гендерным неравенством в последние годы значительно активизируется. Кстати, сюда входит и повышение степени вовлеченности женщин в различные сферы. Указанные изменения в Республике Армения становятся еще более очевидными, если учесть, что правительство и различные организации способствуют повышению роли женщин в общественной жизни. Поэтому вопросы бизнес-среды, развития отрасли всегда были важными и актуальными. Цель исследования \_ изучить бизнес-среду, основные характеризующие показатели, рейтинговые таблицы, представленные различными международными структурами, имеющими отношение к отрасли, проанализировать положение РА в них, а также степень вовлеченности женщин в бизнессреде РА, осветить существующие проблемы и предложить соответствующие решения. Исследование, проведенное в статье, проводилось методом сбора данных, историко-аналитическим, а также сравнительным методами.

Научная новизна статьи заключается в том, что на основе изучения бизнессреды РА были представлены определенные меры и рекомендации, направленные на улучшение отрасли, а также повышение роли женщин. Изучая бизнес-среду РА, можно с уверенностью сказать, что отрасль находится в центре внимания правительства и улучшается год с годом, о чем свидетельствуют зафиксированные данные и улучшение позиций в международных рейтинговых таблицах. Также следует отметить, что доля государственно-частного сотрудничества в улучшении бизнес-среды велика, в работе выработаны соответствующие рекомендации, в частности, создание государством мобильного приложения, содержащего

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исчерпывающую информацию о бизнес-среде, что будет способствовать пропаганде поддержки, оказываемой сектору, и повышению уровня осведомленности широких слоев общества, проведение уполномоченным органом регулярных обследований, что будет способствовать своевременному выявлению существующих проблем в сфере, в результате чего будут разрабатываться эффективные пути их решения, а также в результате опросов бизнесменами будут представлены новые, гибкие идеи, реализация которых будет поддержана государством.

Ключевые слова. Деловая среда, программы поддержки, международные рейтинги, отчет, государственная политика, женщины-предприниматели, международный опыт.

# THE BUSINESS ENVIRONMENT OF ARMENIA: WOMEN'S ROLE AND SIGNIFICANCE IN IT

#### YEVGENYA HAKOBYAN ANAHIT MARKOSYAN

#### Abstract

The developed business environment is one of the main guarantees of economic and social stability. It ensures the effective implementation of macroeconomic policy and the harmonization of economic diversification in the country. A favorable business environment is one of the key driving forces of the economy. It is noteworthy that in recent years, the fight against gender inequality has grown significantly. By the way, it includes increasing women's involvement in various fields. This phenomenon is widespread throughout the world. In the Republic of Armenia (RA), the mentioned changes have become apparent, especially in recent years, when the Government and various organizations have started promoting the role of women in public life.

Therefore, the issues of business environment and sector development have always been **important and relevant**. **The aim of the** article is to study the business environment, the main indicators characterizing it, the rankings presented by various international organizations related to the sector, to analyze the position of Armenia in them, as well as the level of women's involvement in the business environment of Armenia, to highlight the existing problems and to propose appropriate solutions.

**Scientific novelty.** Based on a study of the business environment of Armenia, certain measures and recommendations were provided promoting the development of the sector, as well as promoting the role of women.

Having studied the business environment of Armenia, it can be stated that the sector is the focus of the Government's attention and is improving year by year, as evidenced by the recorded data and the improvement of the positions occupied in international rankings. It should also be noted that the share of state-private sector cooperation in improving the business environment is large, regarding which relevant

proposals were provided in the article, in particular, the creation of a mobile application by the state containing comprehensive information about the business environment, which will contribute to the publicization of the support provided to the sector and the increase in the level of awareness of broad strata of society, surveys regularly conducted by the authorized body, which will contribute to the timely identification of existing problems in the sector, which will help to provide solutions, as well as new, flexible ideas will be presented by businessmen, the implementation of which the state will contribute to.

**Keywords.** Business environment, support programs, international rankings, report, state policy, women entrepreneurs, international experience.