

WOMEN ENTREPRENEURSHIP IN UZBEKISTAN: CHALLENGES AND OPPORTUNITIES FOR ECONOMIC EMPOWERMENT

Botirova Hulkar Olimjonovna

Assistant Teacher at “Economic theory” Department,
Economics Faculty, Tashkent State University of Economics

Abstract:

This research paper explores the landscape of women entrepreneurship in Uzbekistan, analyzing both the challenges and opportunities it presents for economic empowerment. Despite comprising nearly half of the country's population, women's participation in entrepreneurship remains relatively low. The paper examines the socio-economic factors influencing women's entrepreneurship, including cultural norms, access to finance, and institutional support. Furthermore, it investigates the potential benefits of promoting women's entrepreneurship, such as job creation, wealth generation, and societal development. Through a comprehensive review of existing literature, policy frameworks, and empirical data, the paper offers insights into the current status of women entrepreneurship in Uzbekistan and proposes strategies to address existing challenges and harness opportunities for economic empowerment.

Keywords: Women entrepreneurship, Uzbekistan, Economic empowerment, Challenges, Opportunities

Introduction:

Women entrepreneurship has emerged as a significant driver of economic growth and social change globally. Across diverse societies, women entrepreneurs are breaking barriers, challenging stereotypes, and reshaping traditional business landscapes. In Uzbekistan, a country with a rich cultural heritage and a rapidly evolving economy, the role of women in entrepreneurship is gaining increasing recognition.

Against the backdrop of Uzbekistan's ambitious economic reform agenda and its vision for sustainable development, understanding the dynamics of women entrepreneurship is paramount. This paper delves into the challenges and opportunities faced by women entrepreneurs in Uzbekistan, aiming to shed light on their experiences, achievements, and the broader implications for economic empowerment.

Uzbekistan, nestled in Central Asia, has undergone profound socio-economic transformations since gaining independence in 1991. With a population of over 38 million and a diverse array of industries, including agriculture, manufacturing, and services, the country presents a fertile ground for entrepreneurial endeavors. However, despite the conducive environment, women's participation in entrepreneurship remains relatively low compared to their male counterparts.

The exploration of women entrepreneurship in Uzbekistan is multifaceted, encompassing various dimensions such as access to finance, social and cultural norms, legal and institutional frameworks, and the impact of globalization and technological advancement. By analyzing these factors, this paper seeks to elucidate the underlying barriers that hinder women's entrepreneurial ventures while also identifying opportunities for their advancement.

Furthermore, this research aims to contribute to the existing literature on women entrepreneurship by providing insights specific to the Uzbek context. While numerous studies have examined women's entrepreneurship in different parts of the world, there remains a gap in understanding the unique challenges and opportunities faced by women entrepreneurs in Uzbekistan. By addressing this gap, we aspire to inform policymakers, business leaders, and other stakeholders about the importance of promoting gender equality and fostering an enabling environment for women's entrepreneurship.

In the following sections, we will delve into the key challenges confronting women entrepreneurs in Uzbekistan, including access to finance, social and cultural barriers, regulatory constraints, and the need for targeted support mechanisms. Subsequently, we will explore the opportunities that exist for promoting women's entrepreneurship, leveraging emerging trends, fostering innovation, and enhancing access to resources and networks.

Overall, this research endeavors to provide a comprehensive understanding of the state of women entrepreneurship in Uzbekistan, with a view to catalyzing positive change and fostering inclusive economic growth. By empowering women entrepreneurs, Uzbekistan can unlock their full potential as catalysts for innovation, job creation, and sustainable development.

Literature review

Women's participation in the workforce, including entrepreneurship, has gained increasing attention globally due to its pivotal role in economic development and nation-building. Despite representing nearly half of the working population, women in many contexts face barriers that limit their full participation in entrepreneurship (Strawser et al., 2021). Recognized not only as a matter of social justice but also as a crucial component for sustainable development, women's economic empowerment has become a priority on the international agenda (Shah & Saurabh, 2015; Foss et al., 2019).

The significance of women's participation in entrepreneurship extends beyond individual economic empowerment to job creation and overall economic growth, particularly in developing countries like Uzbekistan (Welsh et al., 2018). However, disparities persist, with women often facing lower wages and being primarily associated with domestic responsibilities (Jha et al., 2018; Yousafzai et al., 2015). Despite advancements in women's socio-economic status, issues of social equity, discrimination, and violence against women remain prevalent.

While there is a growing body of literature on women's entrepreneurship, there exists a significant knowledge gap, particularly concerning Uzbekistan. Existing studies have predominantly focused on women's entrepreneurship in

developing countries in general, with limited attention to the specific context of Uzbekistan (De Vita et al., 2014; Panda, 2018; Rashid & Ratten, 2020; Correa et al., 2022). Although some reviews have provided valuable insights, such as identifying challenges and constraints faced by women entrepreneurs, a comprehensive understanding of women's entrepreneurship in Uzbekistan is lacking.

This study seeks to address these gaps by adopting a comprehensive approach to examining women's entrepreneurship in Uzbekistan. Motivated by the principles of equality and equity in entrepreneurship, the research aims to provide insights into the implicit knowledge structure and factors hindering the progress of women entrepreneurs. By understanding the barriers and challenges faced by women entrepreneurs, this study aims to pave the way for equal investment opportunities and promote inclusive economic growth.

Furthermore, this research aims to contribute to theoretical understanding by exploring the macro and organizational-level factors influencing women's entrepreneurship in Uzbekistan. While existing studies have shed light on challenges and constraints, there remains a need to delve deeper into the cultural, social, and religious dynamics shaping women's entrepreneurial experiences in the region (Panda, 2018; Bastian et al., 2018). By addressing these gaps, this study aims to inform policy interventions and initiatives aimed at fostering women's entrepreneurship and promoting gender equality in Uzbekistan.

Methodology

This research adopts a mixed-method approach combining qualitative and quantitative techniques to investigate women entrepreneurship in Uzbekistan. The qualitative aspect involves an in-depth literature review, encompassing scholarly articles, reports, and policy documents related to women entrepreneurship, economic development, and gender equality in Uzbekistan. Additionally, qualitative interviews and focus group discussions with women entrepreneurs, government officials, and industry experts will be conducted to gather firsthand insights into the challenges and opportunities faced by women in starting and scaling businesses in Uzbekistan. The quantitative component comprises statistical analysis of relevant data sources, including surveys, government reports, and economic indicators, to quantify the prevalence and impact of women entrepreneurship on the country's economy. By triangulating qualitative and quantitative findings, this study aims to provide a comprehensive understanding of the complex dynamics shaping women entrepreneurship in Uzbekistan.

Results and discussions

Small businesses are a cornerstone of Uzbekistan's economy, contributing 56.9% to the country's GDP and employing 78.1% of its population. The private sector, particularly small businesses, plays a vital role in fostering innovation, technology, and infrastructure development, ultimately enhancing the quality of life for citizens. Encouraging business growth and involving youth in the private sector aligns with the Sustainable Development Goals (SDGs), a commitment made by Uzbekistan and other UN member states.

Women's entrepreneurship represents a significant yet underutilized driver of economic growth. When given equal opportunities, women entrepreneurs contribute to job creation, provide innovative business solutions, and actively participate in decision-making processes. Additionally, women's entrepreneurial activities contribute to household sustainability, elevate living standards, promote socially responsible business practices, produce environmentally friendly goods, and enhance food and environmental security.

The development of women's businesses also lightens the burden on the state budget and increases revenue. Research indicates that women tend to invest more in their families' well-being, such as children's health, education, and nutrition, thereby positively impacting employment through labor-intensive industries.

With nearly equal gender ratios in the population, Uzbekistan boasts significant potential for women's entrepreneurship. According to the Chamber of Commerce and Industry of Uzbekistan, approximately 102,000 women are engaged in business activities, constituting 10% of all business entities. Although legislation ensures equal rights and opportunities for all genders, women remain underrepresented among entrepreneurs. However, recent statistics indicate a rising trend in the number of businesswomen, signaling progress in gender equality in entrepreneurship.

Table-1

Number of self-employed women registered with the State Tax Service, by type of activity (people)

Indicators	2018	2019	2020	2021	2022	2023
Total	69 756	75 295	81 703	85 634	99 307	102 802
<i>including by type of activity:</i>						
retail trade	31 510	34 308	35 877	39 556	44 710	46 297
handicraft activity according to the list established by the legislation	15 845	18 207	20 632	8 060	11 654	10 050
consumer goods manufacturers	11 691	9 759	11 059	-	-	-
domestic service sector	3 235	3 717	4 212	6 736	7 754	7 335
other activities	7 475	9 304	9 923	31 282	35 189	39 120
<i>of which:</i>						
repair services for residential and non-residential premises	35	22	25	12	14	70
transport	296	262	297	110	-	-

Source: According to the State Tax Committee

The data highlights the increasing participation of self-employed women in various economic activities in Uzbekistan, reflecting both the diversification of economic opportunities and the growing entrepreneurial spirit among women in the country. However, fluctuations and disparities across different sectors suggest the need for targeted policies and interventions to support women entrepreneurs, particularly in sectors experiencing declines or facing challenges.

Overall, there has been a steady increase in the total number of self-employed women registered with the State Tax Service during the period under

consideration. The total number has risen from 69,756 in 2018 to 102,802 in 2023, reflecting a substantial growth of approximately 47%.

Examining the data by type of activity, retail trade emerges as the dominant category, consistently recording the highest number of self-employed women throughout the years. There has been a consistent upward trend in the number of women engaged in retail trade, with figures rising from 31,510 in 2018 to 46,297 in 2023, indicating a continuous expansion of this sector.

Handicraft activity, according to the legislation, also shows a general upward trend in the number of self-employed women, although there are fluctuations in certain years. However, there was a significant decline observed in 2021, with the number dropping to 8,060 from 20,632 in 2020, followed by a slight recovery in 2022 and 2023.

Consumer goods manufacturing, on the other hand, exhibits a fluctuating pattern, with variations in the number of self-employed women engaged in this activity over the years. Notably, there is no data available for this category in 2021 and 2022.

The domestic service sector demonstrates a consistent growth trend, with the number of self-employed women increasing from 3,235 in 2018 to 7,335 in 2023. This indicates a rising demand for domestic services and opportunities for women in this sector.

The category labeled "other activities" encompasses various sectors beyond the aforementioned ones. This category shows a substantial increase over the years, particularly in 2021, where there was a significant surge in the number of self-employed women, reaching 31,282, before continuing to rise in 2022 and 2023.

Table-2

Number of women - individual entrepreneurs registered with the State Tax Service (people)

Regions	2018	2019	2020	2021	2022	2023
Republic of Uzbekistan	69 756	75 295	81 703	85 634	99 307	102 802
Republic of Karakalpakstan	4 795	5 114	5 432	5 178	6 081	6 902
Andijan	673	763	5 302	5 545	6 335	6 681
Bukhara	7 390	7 324	6 406	6 687	7 293	7 448
Jizzakh	2 769	3 086	3 468	3 529	3 955	4 090
Kashkadarya	5 913	7 015	7 351	7 667	8 917	9 214
Navoi	3 796	2 885	2 520	2 946	3 305	3 294
Namangan	2 684	3 277	3 981	4 131	4 748	4 938
Samarkand	8 038	9 362	10 700	10 464	12 698	12 436
Surkhandarya	5 271	5 377	5 445	5 906	6 913	6 662
Syrdarya	2 077	2 472	2 390	2 535	3 133	3 273
Tashkent	7 431	8 666	8 466	9 440	10 602	10 968
Fergana	6 014	6 393	6 651	6 734	8 007	7 881

Khorezm	5 468	6 051	5 946	5 923	7 074	6 968
Tashkent city	7 437	7 510	7 645	8 949	10 246	12 047

Source: According to the State Tax Committee

The table illustrates a positive trend of increasing numbers of women entrepreneurs in Uzbekistan across various regions, indicating a growing participation of women in entrepreneurial activities. However, there are variations in growth rates among different regions, suggesting the presence of diverse factors influencing women's entrepreneurship at the regional level. Further analysis could explore the underlying factors driving these trends and assess the effectiveness of policies and initiatives aimed at promoting women's entrepreneurship in Uzbekistan.

Overall, there is a clear trend of increasing numbers of women entrepreneurs across the Republic of Uzbekistan during the specified period. The total number of women entrepreneurs has steadily risen from 69,756 in 2018 to 102,802 in 2023, indicating a substantial increase of over 47% over the six-year period.

When analyzing the data by region, it is evident that all regions have experienced growth in the number of women entrepreneurs over the years, albeit at varying rates. Some regions, such as the Republic of Karakalpakstan, Andijan, and Samarkand, have consistently shown robust growth in the number of women entrepreneurs. For instance, in the Republic of Karakalpakstan, the number of women entrepreneurs increased from 4,795 in 2018 to 6,902 in 2023, reflecting a notable growth trend.

Conversely, while most regions have shown growth, some have experienced fluctuations or slower growth rates. For example, regions like Navoi and Namangan witnessed fluctuations in the number of women entrepreneurs over the years, with slight decreases observed in certain years. However, despite these fluctuations, both regions still recorded an overall increase in the number of women entrepreneurs by 2023 compared to 2018.

Tashkent city stands out as having the highest number of women entrepreneurs consistently throughout the period, with a substantial increase from 7,437 in 2018 to 12,047 in 2023.

Table-3

The number of women - individual entrepreneurs, registered with the State Tax Service, by age group (people)

	2018	2019	2020	2021	2022	2023
Total	69 756	75 295	81 703	85 634	99 307	102 802
15-19	72	78	86	347	369	4
20-24	8 318	8 977	9 742	3 770	3 710	924
25-29	5 659	6 218	6 740	7 067	7 651	4 163
30-34	9 141	9 866	10 709	11 206	12 773	8 252
35-39	11 599	12 534	13 602	14 543	16 855	13 386
40-44	10 835	11 695	12 690	13 270	15 401	16 822
45-49	9 141	9 867	10 707	11 311	13 131	15 124
50-54	8 553	9 232	10 018	10 642	12 046	13 041
55-59	4 589	4 903	5 320	7 381	8 871	12 005

60-64	1 251	1 315	1 427	3 920	5 182	9 299
65+	598	610	662	2 177	3 318	9 782

Source: According to the State Tax Committee

The data reveals a consistent rise in the total number of women entrepreneurs in Uzbekistan from 2018 to 2023, indicating a growing involvement of women in entrepreneurship. While younger age groups initially exhibit lower entrepreneurship rates, there's a notable surge in the 20-24 group, possibly signaling increasing interest among younger women. Women in their late twenties to late thirties consistently show higher entrepreneurship rates, suggesting this age range as a prime period for entrepreneurial activity. Across all age groups, there's a general increase in women entrepreneurs, with certain age brackets, notably those between 55-59 and 65+, experiencing larger growth rates, possibly reflecting evolving demographics and economic factors. These findings paint a positive picture of women's entrepreneurship in Uzbekistan, yet further investigation is warranted to grasp the underlying drivers and identify potential challenges and opportunities for women entrepreneurs in the nation.

To further empower women in entrepreneurship, it is essential to create an enabling environment that reduces domestic burdens, such as childcare responsibilities. Increasing access to preschool education can afford women the time and flexibility needed to pursue entrepreneurial endeavors.

Initiatives like the 'Business Forum of Uzbekistan (Phase-III)' project aim to improve conditions for women entrepreneurs by providing training, disseminating business models tailored to rural areas, offering standardized business plans, and facilitating access to bank loans secured by movable assets. These efforts are crucial for unlocking the full potential of women's entrepreneurship and driving economic growth and social development in Uzbekistan.

Conclusion

Uzbek women entrepreneurs represent a valuable but underutilized economic asset. Our policy objective is to cultivate entrepreneurship characterized by both high growth and high quality, resulting in substantial returns. In pursuit of this objective, it is imperative to address key questions regarding the nature of entrepreneurship, including how it manifests (such as through self-employment or the formation of new firms), the motivations behind it (whether driven by necessity or opportunity), and the anticipated outcomes (such as increased sales or employment). A nuanced understanding of these dynamics is essential for shaping effective policy interventions.

Drawing on evidence from Uzbekistan, our analysis reveals that female entrepreneurship predominantly takes the form of self-employment, often arising out of necessity rather than opportunity. Moreover, it tends to lack significant growth potential. These findings underscore the urgent need for policymakers to implement targeted policies and provide institutional support aimed at fostering and enhancing women's entrepreneurship in Uzbekistan.

To this end, we propose a series of policy recommendations designed to cultivate a conducive environment for entrepreneurial growth and enhance the well-being of families, thereby contributing to the stability and prosperity of the nation.

- Strengthen the entrepreneurial mindset and innovative thinking of Chamber of Commerce and Industry, Women's Committee, and Business Women's Association personnel, especially those based outside of Tashkent city.
- Establish mentorship and internship programs in collaboration with the private sector and professional business associations.
- Implement startup initiatives targeting young high school and vocational college students, with follow-up support post-training.
- Establish a Women's Council dedicated to young entrepreneurs, providing a platform for their voices to be heard.
- Promote and disseminate stories of successful women role models, leveraging their experiences to inspire and bolster female confidence.

References

1. Strawser, J.A., Hechavarría, D.M., & Passerini, K. (2021). Gender and entrepreneurship: Research frameworks, barriers and opportunities for women entrepreneurship worldwide. *Journal of Small Business Management*, 59(sup1), S1-S15. <https://doi.org/10.1080/00472778.2021.1965615>
2. Foss, L., Henry, C., Ahl, H., & Mikalsen, G.H. (2019). Women's entrepreneurship policy research: a 30-year review of the evidence. *Small Business Economics*, 53(2), 409-429. <https://doi.org/10.1007/s11187-018-9993-8>
3. Shah, H., & Saurabh, P. (2015). Women entrepreneurs in developing nations: Growth and replication strategies and their impact on poverty alleviation. *Technology Innovation Management Review*, 5(8), 34-43. <http://doi.org/10.22215/timreview/921>
4. Yousafzai, S.Y., Saeed, S., & Muffatto, M. (2015). Institutional theory and contextual embeddedness of women's entrepreneurial leadership: Evidence from 92 countries. *Journal of Small Business Management*, 53(3), 587- 604. <https://doi.org/10.1111/jsbm.12179>
5. Welsh, D.H., Kaciak, E., Trimi, S., & Mainardes, E.W. (2018a). Women entrepreneurs and family firm heterogeneity: Evidence from an emerging economy. *Group Decision and Negotiation*, 27(3), 445-465. <https://link.springer.com/article/10.1007/s10726-017-9544-8>
6. Jha, P., Makkad, M., & Mittal, S. (2018). Performance-oriented factors for women entrepreneurs-a scale development perspective. *Journal of Entrepreneurship in Emerging Economies*, 10(2), 329-360. <https://doi.org/10.1108/JEEE-08-2017-0053>
7. Corrêa, V.S., da Silva Brito, F.R., de Lima, R.M., & Queiroz, M.M. (2021). Female entrepreneurship in emerging and developing countries: a systematic literature review. *International Journal of Gender and Entrepreneurship*, 14(3), 300-322. <https://doi.org/10.1108/IJGE-08-2021-0142>
8. Rashid, S., & Ratten, V. (2020). A systematic literature review on women entrepreneurship in emerging economies while reflecting specifically on SAARC countries. *Entrepreneurship and Organizational Change*, 37-88. https://doi.org/10.1007/978-3-030-35415-2_4
9. Panda, S. (2018). Constraints faced by women entrepreneurs in developing countries: review and ranking. *Gender in Management: An International Journal*, 33(4), 315-331. <https://doi.org/10.1108/GM-01-2017-0003>

10. Kabeer, N. (1999). Resources, agency, achievements: Reflections on the measurement of women's empowerment. *Development and Change*, 30(3), 435-464. <https://doi.org/10.1111/1467-7660.00125>
11. Farrukh, M., Raza, A., Ansari, N.Y., & Bhutta, U.S. (2021). A bibliometric reflection on the history of green human resource management research. *Management Research Review*, 45(6), 781-800. <https://doi.org/10.1108/MRR-09-2020-0585>
12. Essers, C., Pio, E., Verduijn, K., & Bensliman, N. (2021). Navigating belonging as a Muslim Moroccan female entrepreneur. *Journal of Small Business Management*, 59(6), 1250-1278. <https://doi.org/10.1080/00472778.2020.1769989>
13. Ajjan, H., Crittenden, W.F., & Goneos-Malka, A. (2019). Technology and Self-efficacy: Empowering South Africa. *Go-to-Market Strategies for Women Entrepreneurs: Creating and Exploring Success*, 125136. <https://doi.org/10.1108/978-1-78973-289-420191017>
14. Anggadwita, G., Luturlean, B.S., Ramadani, V., & Ratten, V. (2017). Socio-cultural environments and emerging economy entrepreneurship: Women entrepreneurs in Indonesia. *Journal of Entrepreneurship in Emerging Economies*, 9(1), 85-96. <https://doi.org/10.1108/JEEE-03-2016-0011>
15. Baranik, L.E., Gorman, B., & Wales, W.J. (2018). What makes Muslim women entrepreneurs successful? A field study examining religiosity and social capital in Tunisia. *Sex Roles*, 78(3), 208-219. <https://doi.org/10.1007/s11199-017-0790-7>