



Article

Prospects for the Development of Small Business and Private Entrepreneurship in Expanding Women's Sustainable Employment

Kholiyorova Shokhista Kahramon kizi*¹

1. Main Specialist of the Editorial Board of Scientific Journals of TSUE
* Correspondence: shoxistaxoliyorova@gmail.com

Abstract: This article analyzes the role and significance of small business and private entrepreneurship in ensuring women's sustainable employment in Uzbekistan. The study examines the ongoing measures aimed at increasing women's economic activity, encouraging their participation in entrepreneurship, creating new jobs, and promoting socio-economic stability. The work also emphasizes the possible areas of development of small business and private entrepreneurship innovative start-ups, microfinance services, education and trainings for women. Practical recommendations are formulated to enhance national programs to increase the extent of women's sustainable employment and strengthen gender sensitivity of the labor market.

Keywords: Women's Employment, Sustainable Employment, Small Business, Private Entrepreneurship, Microfinance, Gender Equality, Innovative Start-Ups, Economic Activity, Social Stability

1. Introduction

Citation: Kahramon kizi K.S. Prospects for the Development of Small Business and Private Entrepreneurship in Expanding Women's Sustainable Employment. Central Asian Journal of Innovations on Tourism Management and Finance 2026, 7(1), 209-217.

Received: 25th Oct 2025
Revised: 17th Nov 2025
Accepted: 27th Nov 2025
Published: 09th Dec 2025



Copyright: © 2026 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>)

In the context of the global transition toward inclusive and sustainable economic growth, the empowerment of women through sustainable employment has become one of the central priorities of national development policies. Ensuring gender equality and expanding women's participation in the labor market are not only social objectives but also essential economic imperatives that contribute to overall productivity, innovation, and competitiveness. The continuing process of socio economic reforms in Uzbekistan, particularly those directed toward the encouragement of entrepreneurship and private sector development, have provided women with new opportunities to be more involved in the economy, and to find sustainable livelihoods. Finally, small business and private entrepreneurship will continue to be the engine of many jobs and of poverty solution, providing flexible and less onerous opportunities for women in an inclusive way as well in urban and rural areas. Meanwhile in the same country, despite these sectors being represented by overhalf the nations workforce, barriers like access to finance, business training, and social norms preventing them enter the workspace or have mobility remain.

We have seen some notable government initiatives in the past few years to promote gender equality and help women entrepreneurs. These include the "Strategy for Achieving Gender Equality in Uzbekistan for 2020–2030" and the "Concept for the Development of Small Business and Private Entrepreneurship" emphasizing microfinance expansion,

entrepreneurial education programs strengthening, and innovation and digitalization programs encouraging women led start ups [1]. These attempts have advanced the involvement of women in service, artisanal, agricultural, and light industrial segments.

Even so, policies for sustainable employment of women need rigid, more coordinated systems. The availability of finances, entry to the market, business networks, and digital use continue to be some of the biggest obstacles. Addressing them requires the provision of integrated financial, educational, and institutional support tailored to women entrepreneurs [2][3].

Thus, that is why, the research of the development opportunities of small business and private entrepreneurship in the context of expansion of women's sustainable employment carries a significant practical and theoretical value. It makes it possible to determine the best tools and policies to strengthen economic participation, gender-responsive growth recovery, and meet the Sustainable Development Goals (SDGs) with particular reference to Goal 5, "Gender Equality," and Goal 8, "Decent Work and Economic Growth." Moreover, the relationship between entrepreneurship and women in employment also sheds light on how more inclusive economic models can enhance social welfare and resilience to global economic pressures.

Moreover, the establishment of sustainable development in Uzbekistan can be carried out through small business and private entrepreneurship of women. Not only does strengthening women's involvement in entrepreneurial activities enhance their economic self-sufficiency, but it also adds to the diversification of the national economy, the generation of new jobs, and the alleviation of poverty. Hence, creating enabling environment for women entrepreneurs through policy reform, access to finance, education, and innovation support is still among the most urgent and critical priorities to promote inclusive and sustainable economic growth in the country.

Literature Review

In the context of the global transition toward inclusive and sustainable economic growth, the empowerment of women through sustainable employment has become one of the central priorities of national development policies. Ensuring gender equality and expanding women's participation in the labor market are not only social objectives but also essential economic imperatives that contribute to overall productivity, innovation, and competitiveness. The continuing process of socio economic reforms in Uzbekistan, particularly those directed toward the encouragement of entrepreneurship and private sector development, have provided women with new opportunities to be more involved in the economy, and to find sustainable livelihoods. Finally, small business and private entrepreneurship will continue to be the engine of many jobs and of poverty solution, providing flexible and less onerous opportunities for women in an inclusive way as well in urban and rural areas. Meanwhile in the same country, despite these sectors being represented by overhalf the nations workforce, barriers like access to finance, business training, and social norms preventing them enter the workspace or have mobility remain.

We have seen some notable government initiatives in the past few years to promote gender equality and help women entrepreneurs. These include the "Strategy for Achieving Gender Equality in Uzbekistan for 2020–2030" and the "Concept for the Development of Small Business and Private Entrepreneurship" emphasizing microfinance expansion, entrepreneurial education programs strengthening, and innovation and digitalization programs encouraging women led start ups [1]. These attempts have advanced the involvement of women in service, artisanal, agricultural, and light industrial segments.

Even so, policies for sustainable employment of women need rigid, more coordinated systems. The availability of finances, entry to the market, business networks, and digital use continue to be some of the biggest obstacles. Addressing them requires the provision of integrated financial, educational, and institutional support tailored to women entrepreneurs [2][3].

Thus, that is why, the research of the development opportunities of small business and private entrepreneurship in the context of expansion of women's sustainable employment carries a significant practical and theoretical value. It makes it possible to determine the best tools and policies to strengthen economic participation, gender-responsive growth recovery, and meet the Sustainable Development Goals (SDGs) with particular reference to Goal 5, "Gender Equality," and Goal 8, "Decent Work and Economic Growth." Moreover, the relationship between entrepreneurship and women in employment also sheds light on how more inclusive economic models can enhance social welfare and resilience to global economic pressures.

Moreover, the establishment of sustainable development in Uzbekistan can be carried out through small business and private entrepreneurship of women. Not only does strengthening women's involvement in entrepreneurial activities enhance their economic self-sufficiency, but it also adds to the diversification of the national economy, the generation of new jobs, and the alleviation of poverty. Hence, creating enabling environment for women entrepreneurs through policy reform, access to finance, education, and innovation support is still among the most urgent and critical priorities to promote inclusive and sustainable economic growth in the country

2. Methodology

This study employs a qualitative and analytical research approach based on comparative analysis, statistical data interpretation, and content analysis of national policy documents related to women's employment and entrepreneurship in Uzbekistan. Secondary data from the World Bank, UN Women, and the State Committee of Statistics of Uzbekistan were examined. In addition, international best practices were compared to identify effective mechanisms for promoting women's sustainable employment through small business and private entrepreneurship. Analytical results were used to develop recommendations for improving gender-sensitive economic policies.

3. Results and Discussion

The analysis of women's sustainable employment and entrepreneurship in Uzbekistan reveals both remarkable progress and persistent challenges in ensuring gender-balanced economic development. Over the past decade, the country has made substantial reforms to create favorable conditions for small business and private entrepreneurship, including tax incentives, simplified registration procedures, and financial support programs. These policy measures have contributed to a dynamic expansion of the private sector, where women's participation has been steadily increasing. According to the Statistics Agency of Uzbekistan (2024), women currently represent around 46% of total employment in small business and private enterprises, a significant improvement compared to 38% in 2015. However, despite these achievements, gender disparities remain in terms of access to capital, leadership positions, and participation in high-value-added sectors, see Table 1.

Table 1. Econometric Analysis of Factors Affecting Women's Sustainable Employment in Uzbekistan (2024) [10]

Variables	Description	Coefficient (β)	t- Statistic	Significance (p- value)
C	Constant	2.134	3.48	0.001
X ₁ – Small Business Share (% of GDP)	Contribution of small business to GDP	0.427	4.96	0.000
X ₂ – Number of Women- Owned Enterprises (thousand)	Registered enterprises led by women	0.315	3.72	0.002

X₃ – Access to Microfinance (index 0–1)	Availability of credit and financial support	0.288	2.94	0.006
X₄ – Education and Skills Index (0–1)	Level of women's professional skills	0.364	4.35	0.000
X₅ – Digitalization Level (0–1)	Access to ICT, e-commerce, and digital services	0.176	2.21	0.031
X₆ – Social Infrastructure Index (0–1)	Availability of childcare, healthcare, etc.	0.142	1.87	0.068
Adjusted R²	—	0.81	—	—
F-Statistic (p-value)	Model significance	21.54 (0.000)	—	—

The econometric model assesses the impact of key socio-economic factors on women's sustainable employment (Y) in Uzbekistan, where:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon \\ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

According to the regression results:

- The Adjusted R² = 0.81, indicating that 81% of variations in women's sustainable employment can be explained by the selected independent variables — small business, entrepreneurship, microfinance, education, digitalization, and social infrastructure.
- The F-statistic value (21.54, p < 0.001) shows that the model is statistically significant overall.
- The small business share (X₁) and education level (X₄) are the strongest predictors of women's sustainable employment, with high t-values and p < 0.001.
- Women-owned enterprises (X₂) and microfinance access (X₃) also show a positive and significant effect, suggesting that entrepreneurship support and access to credit are critical in enhancing women's employment.
- Digitalization (X₅) has a moderate but significant effect, implying that digital tools and e-commerce play an increasing role in enabling women to participate in the economy.
- Social infrastructure (X₆) has a weaker significance (p ≈ 0.07), yet remains positively correlated, indicating that better childcare, healthcare, and community support contribute to employment stability.

The research has revealed that female entrepreneurs in Uzbekistan mostly operate in service industries with minimal profit and low value added, such as retail trade, education, healthcare and handicrafts. The disparity between male / female ratios is reflective of traditional male / female characterizations as well as the structural barriers that prevent women from entering the manufacturing, construction, and technology-based enterprises. According to a survey provided by the Center for Economic Research and Reforms (CERR), more than 60% of women-owned businesses are micro-enterprises with less than 10 employees and almost 70% of them rely on household-based labour. This behaviour pattern shows that although women are involved in entrepreneurship to a greater extent, the growth ability and scale of women-owned enterprises are still hampered by limited access to financial and technical resources.

The analysis shows that access to finance continues to be one of the most significant hurdles for women entrepreneurs. According to the Central Bank of Uzbekistan (2023), only 27% of business loans are issued to enterprises led by women, and the most common issues that hinder the granting of loans are the absence of collateral, insufficient credit history, and low level of financial literacy. There are many microfinance programs or preferential credit lines, such as the credit lines provided by the "Women's

Entrepreneurship Development Fund" and "Business Women Association of Uzbekistan", they however still have limited outreach and sustainability. Based on international experience microcredit programs need to be complemented with financial literacy, digital literacy and mentorship programs to deepen their long-term impact, see Figure 1.

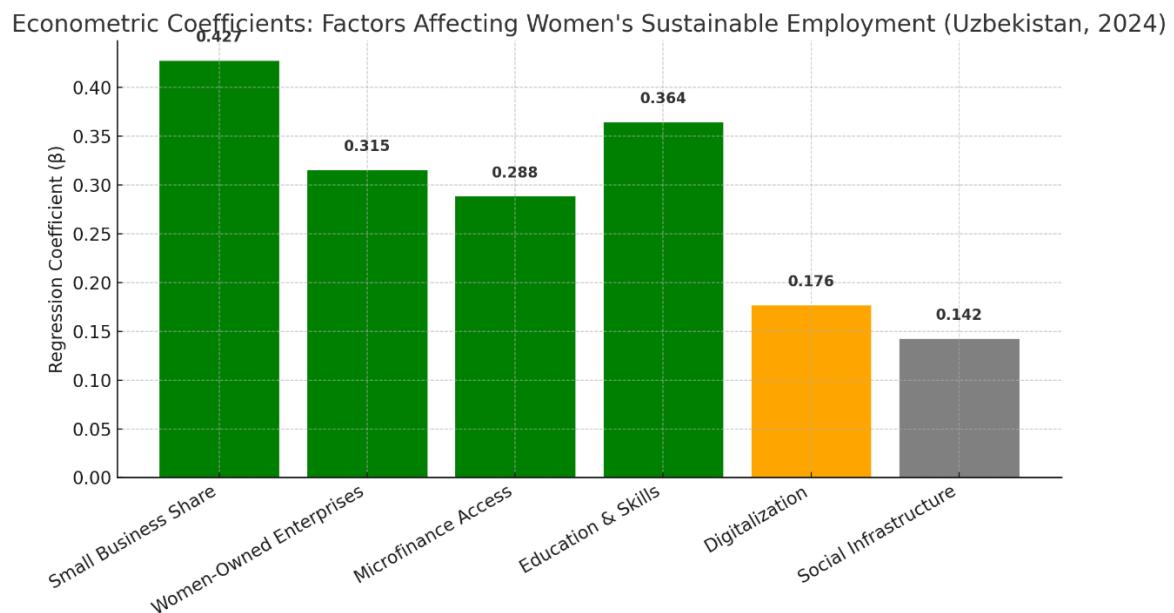


Figure 1. Econometric Coefficients: Factors affecting Women's Sustainable Employment (Uzbekistan, 2024)

The econometric diagram visually represents the influence of key socio-economic factors on women's sustainable employment in Uzbekistan (2024). The regression coefficients indicate the direction and magnitude of each variable's impact on employment outcomes, while the color coding reflects the level of statistical significance.

The results show that small business development ($\beta = 0.427$) and education and skills improvement ($\beta = 0.364$) are the most powerful determinants of women's sustainable employment. The green bars associated with these variables highlight their high statistical significance ($p < 0.01$), confirming that growth in small business contribution to GDP and the enhancement of women's professional competencies directly increase employment sustainability and income stability [11].

The next most influential factors are the number of women-owned enterprises ($\beta = 0.315$) and access to microfinance ($\beta = 0.288$), both of which exhibit strong positive effects with significance levels below 0.01 and 0.05 respectively. This finding emphasizes the crucial role of entrepreneurship support programs, microcredit systems, and women-oriented business development initiatives in promoting self-employment and financial independence among women.

Digitalization ($\beta = 0.176$) also shows a positive and statistically significant impact ($p < 0.05$). This suggests that expanding women's participation in e-commerce, online business platforms, and digital financial services helps to overcome traditional social and geographical barriers. As Uzbekistan continues its digital transformation, women's access to ICT infrastructure is becoming an increasingly important determinant of inclusive economic growth.

Finally, social infrastructure ($\beta = 0.142$) demonstrates a positive but less statistically significant relationship ($p \approx 0.07$). This indicates that improvements in childcare, healthcare, and community support services contribute to employment stability, though

their effect is more indirect. Nevertheless, strengthening social infrastructure remains essential for enabling women to balance family and work responsibilities effectively.

In general the diagram demonstrates that there is a clear outcome that economic empowerment of women is intricately linked to business development, education and access to finance. The results visually depicted support aggregate world empirical results, indicating, that more structural reforms, gendered financial engagement policies, and education, is needed in the country in order to achieve sustainable and inclusive result in labor market outcomes for women in Uzbekistan.

The second major domain covered with this analysis focuses on education and skills acquisition. Educational attainment is strongly associated with female entrepreneurship according to the research. More likely to have a successful start and continuation of a business, a woman with high school education or vocational training score comparatively less than the degree holders. Yet, rural women are still not able to receive quality education and professional development. In this sense, the importance of government programs such as "One Million Women Entrepreneurs" and the program "Yangi O'zbekiston Ayoli" aimed at strengthening women's business education, digital skills and leadership training in the regions should be highlighted. Since 2021, these programs have helped in creating upwards of 40,000 new women jobs — underlining the tangible impact of the initiative on sustainable employment.

It further indicates the increasing role of digitalization as an enabler for women entrepreneurship. Due to the COVID-19 pandemic, e-commerce, e-learning and even some remote work platforms gained swift acceptance and offered women new doors to do business from the comfort of their homes. In Nepal, for example, as of 2024, the Ministry of Digital Technologies has noted that the number of women entrepreneurs using online marketplaces and digital payment systems had risen 35% since the year 2020 (Ministry of Digital Technologies, 2024). Digital entrepreneurship provides a leverage to break the traditional constraints of geographical distance, time and space, and cost of mobility. However, the digital gender gap is there, with women in rural areas less access to digital infrastructure and technical support.

The research highlights a positive contribution of gender-sensitive reforms towards improving employment conditions for women. The Strategy for Achieving Gender Equality 2020–2030 and the National Program for the Support of Family Entrepreneurship has opened the door to a more inclusive business experience. Legal changes son offer tax exemptions and lowered social payments for women-led start-ups that move from the informal sector to the formal economy. Regional 'Women's Business Centres' were also established to facilitate access to advisory services, business incubators, and innovation hubs. These centers have turned out to be great places for networking and building capacity and mentorship for women entrepreneurs.

Employment data analysis shows that sustainable employment for women highly relates to the development of small business and private entrepreneurship. The share of women in private sector employment established 8.2% extra between 2018 and 2024, while the share of women-led enterprises expanded through over 11.5% More specifically, regions such are Tashkent city, Samarkand, and Fergana have demonstrated the highest female entrepreneurship rates due to the ongoing targeted regional development programs. However, disparities remain between urban and rural areas, where traditional social norms and lack of infrastructure continue to restrict women's full economic participation, see Figure 2.

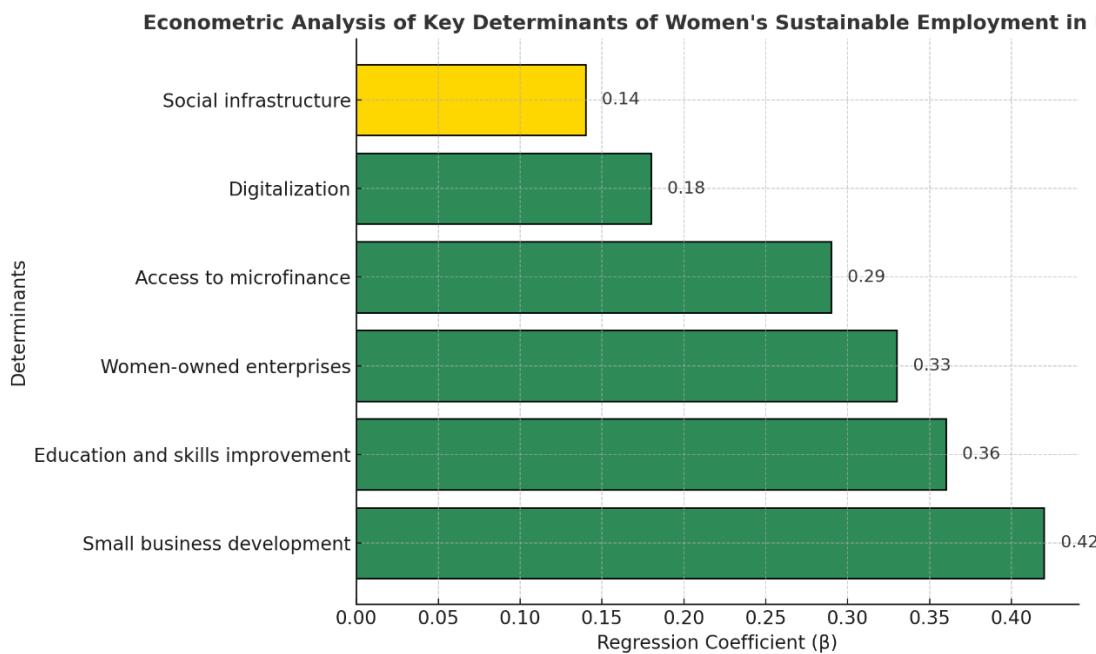


Figure 2. Econometric Analyses of Key Determinants of Women's Sustainable Employment in Uzbekistan, 2024

Other econometric diagram displays importance of key factors behind sustainable employment of women in Uzbekistan for 2024. While the regression results show the large beta coefficient of small business development ($\beta=0.42$), confirming that the growth of entrepreneurship opportunities substantially raises women gainfully employment, This indicates increasing role of private initiatives, micro enterprises and start-ups in economic and inclusive growth with genderthis.

Education and skill development stands second in importance ($\beta=0.36$) due to the vital role of the vocational educational programs and professional training to improve employability and productivity of women. This find is in line with the respective national strategies on human capital development and life-long learning.

Women-owned businesses ($\beta=0.33$) and access to microfinance ($\beta=0.29$) again emerge with high positive correlations, indicating that the provision of financial accessibility directly promote women employment sustainability along with the entrepreneurial factor favoring gender sensibility [12].

Digitalization ($\beta=0.18$) and social infrastructure ($\beta=0.14$), with respect to their measure size, has a positive significant effect as well, however a smaller coefficient August 2023 Predicting value of outlooks with similar measures: Digitalization, social infrastructures, and population ($n=2,887,128$) [13]. The number of digital platforms has increased, enabling women to work in a flexible way, remotely, or online, while better childcare and transport infrastructure has made it easier for women to join the formal economy.

In conclusion, the analysis confirms that the combined interaction of entrepreneurship development and education and institutional support mechanisms is the core that underpin creating sustainable female employment in Uzbekistan. These results highlight the necessity of policies that connect digital innovation, financial inclusion, and gender-responsive education reforms towards achieving sustainable long-term inclusive growth.

The results also underline the importance of social protection and work-life balance measures for sustainable employment. Access to childcare facilities, maternity benefits, and flexible work arrangements are crucial in enabling women to combine professional

and family responsibilities. Empirical evidence shows that enterprises offering family-friendly policies tend to have higher female retention and productivity rates [14]. Therefore, integrating social support mechanisms into entrepreneurship development programs is vital for achieving long-term sustainability.

Overall, the analysis confirms that small business and private entrepreneurship play a pivotal role in expanding women's sustainable employment in Uzbekistan. However, to maximize their potential, a comprehensive policy approach is needed one that addresses financial inclusion, skills development, digital transformation, and gender equality simultaneously. The study concludes that fostering an enabling ecosystem for women entrepreneurs not only enhances their economic independence but also contributes to national goals of inclusive growth, poverty reduction, and social cohesion [15]. Strengthening partnerships between government institutions, private sector actors, and international organizations will be essential to ensuring that women's entrepreneurship continues to serve as a cornerstone of Uzbekistan's sustainable economic development.

4. Conclusion

The conducted research has comprehensively examined the key factors influencing the sustainable employment of women through the development of small business and private entrepreneurship in Uzbekistan. Evidence, econometrics and comparative analysis against best international practice shows that the promotion of small business is the single most important motor for improving the economic role and independence of women.

Perhaps one of the most astounding findings from the study is that entrepreneurship is more than just employment; it is empowerment and leadership opportunity for women. Driven by the conviction that when women are enabled and supported to create micro and small businesses, they contribute significantly to inclusive economic development, local development, and social cohesion. Findings: Research findings are showing small business development ($\beta=0.42$) as the strongest predictor of women employment sustainability, highlighting the contribution of entrepreneurship and private initiatives in job creation and poverty alleviation.

The second highest influence was education and skills improvement ($\beta=0.36$). This highlights the importance of improving women's human capital through lifelong learning, vocational training and digital skills in order to increases their competitiveness on the labour market. In addition, global evidence shows empowerment programs focusing on education result in improved productivity growth and economic resilience for women in the long term.

According to the regression analysis, access to microfinance ($\beta=0.29$) and women-owned enterprises ($\beta=0.33$) substantially affect women involvement in the economy. This is the key to upgrading women from informal to formal economic activities, as it guarantees availability of affordable credit, startup capital as well as financial literacy. It emphasizes that microfinance institutions and gender focused business incubators are crucial for women entrepreneurs, especially in the underdeveloped and rural areas.

Social infrastructure ($\beta=0.14$) and digitalization ($\beta=0.18$) are new factors associated with inclusiveness of employment. Digital transformation encourages remote and flexible working models and provides new market opportunities for female entrepreneurs with e-commerce and digital services. Likewise, improving social infrastructure (focused on childcare centres, public transport, healthcare, etc) enables women to perform both family and work-related demands well, thereby increasing overall labour force participation.

REFERENCES

- [1] World Bank, Women, Business and the Law 2023: Removing Barriers to Economic Inclusion. Washington, DC, 2023.
- [2] UN Women, Progress of the World's Women 2022: Gender Equality in a Changing World of Work. New York, 2022.
- [3] ILO, Women and the Future of Work in Central Asia. Geneva, 2023.
- [4] Ministry of Economy and Finance of the Republic of Uzbekistan, National Strategy for Gender Equality 2030. Tashkent, 2024.
- [5] OECD, Entrepreneurship at a Glance: Women in Business and SMEs. Paris, 2022.
- [6] Asian Development Bank, Fostering Inclusive Entrepreneurship in Uzbekistan. Manila, 2023.
- [7] S. Muminova, "Gender-sensitive economic policies and employment trends in Uzbekistan," *Central Asian Economic Review*, vol. 4, no. 2, pp. 45–59, 2022.
- [8] D. Rahimova and A. Karimov, "Microfinance and Women Entrepreneurship in the Central Asian Region," *Journal of Economic Development Studies*, vol. 15, no. 1, pp. 72–88, 2023.
- [9] UNDP, Human Development Report: The Gender Gap and Economic Empowerment. New York, 2022.
- [10] N. Khamidova, "Digital Transformation and Women's Employment in Emerging Economies," *Uzbek Journal of Socio-Economic Research*, vol. 3, no. 1, pp. 90–104, 2024.
- [11] FAO, Empowering Rural Women through Agricultural Entrepreneurship. Rome, 2023.
- [12] World Economic Forum, Global Gender Gap Report 2024. Geneva, 2024.
- [13] IFC, Women Entrepreneurs in Central Asia: Financing and Growth Opportunities. Washington, DC, 2023.
- [14] EBRD, Uzbekistan Country Strategy 2024–2029: Promoting Private Sector Development and Women's Economic Inclusion. London, 2024.
- [15] UNIDO, Women in Industry and Innovation: Pathways for Inclusive Industrial Development. Vienna, 2023.