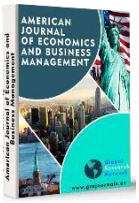

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Article

Issues of Improving Existing Mechanisms in Small Business and Private Entrepreneurship to Ensure Sustainable Employment of Women

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Abstract: The issues of ensuring sustainable employment of women through the development of small business and private entrepreneurship are among the urgent priorities of Uzbekistan's socio-economic policy. This study examines the existing mechanisms aimed at supporting women's participation in entrepreneurship and their role in achieving sustainable employment. Special attention is paid to institutional reforms, state support programs, financial incentives, and training initiatives that enhance women's economic activity. The research highlights the strengths and weaknesses of current mechanisms and proposes recommendations for their improvement in order to increase women's employment stability, promote gender equality in the labor market, and foster inclusive economic growth.

Keywords: Women's Employment, Sustainable Employment, Small Business, Private Entrepreneurship, Support Mechanisms, Gender Equality, Inclusive Growth

1. Introduction

In the context of globalization and rapid socio-economic transformation, ensuring sustainable employment for women has become one of the most pressing challenges for both developed and developing countries. Employment is not only an economic category but also a powerful social indicator that reflects the degree of gender equality, social justice, and inclusiveness in a country's development. For Uzbekistan, where more than half of the population are women, the issue of creating stable and decent employment opportunities for women is directly linked to national development goals, poverty reduction, and the achievement of the Sustainable Development Goals (SDGs).

Small business and private entrepreneurship are recognized worldwide as key drivers of job creation, innovation, and inclusive economic growth. They provide flexible opportunities for women to participate in economic activities, especially in regions where large-scale industries are limited. For women, engagement in small business and entrepreneurship serves not only as a means of generating income but also as a way of gaining financial independence, enhancing decision-making power within families, and strengthening their social status in society. In Uzbekistan, the development of small business has been declared a strategic priority, and women's entrepreneurship is increasingly supported by government programs, financial institutions, and international organizations.

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Despite these positive trends, a number of obstacles continue to hinder the sustainable employment of women in small business and private entrepreneurship. These include unequal access to financial resources, insufficient knowledge of business management, limited access to modern technologies and digital platforms, as well as socio-cultural stereotypes that restrict women's participation in entrepreneurial activities. Furthermore, the sustainability of employment in this sector is often challenged by unstable market conditions, limited competitiveness of women-led enterprises, and inadequate institutional mechanisms to provide long-term support [1].

Recent reforms in Uzbekistan demonstrate a growing political will to address these challenges. A number of presidential decrees and state programs have been adopted to promote women's entrepreneurship, including the creation of special funds, concessional loans, tax incentives, and training centers aimed at enhancing women's professional skills. In particular, the establishment of the Business Women's Fund and initiatives to expand microfinance opportunities play a significant role in providing women with access to capital and entrepreneurial knowledge. However, while these measures have created new opportunities, they also require further improvement and systematic implementation to ensure their long-term impact.

The issue of sustainable employment goes beyond temporary job creation. It encompasses decent working conditions, fair wages, access to social protection, and opportunities for career development. From this perspective, sustainable employment for women in small business and private entrepreneurship means ensuring not only the continuity of their economic activity but also the stability of income, protection against economic risks, and long-term integration into the labor market. This requires a comprehensive approach that combines legal, institutional, economic, and social mechanisms [2].

The scientific significance of studying this topic lies in identifying the strengths and weaknesses of the current mechanisms, evaluating their effectiveness, and developing recommendations for their improvement. By analyzing international best practices, it is possible to propose innovative approaches that could be adapted to the Uzbek context. Comparative analysis shows that in many countries, women's entrepreneurship has been successfully supported through integrated measures such as gender-sensitive financial instruments, mentorship programs, digital literacy training, and networking opportunities. These experiences can serve as valuable models for Uzbekistan in designing policies that ensure the sustainability of women's employment.

Another important aspect of this research is the socio-cultural dimension. In traditional societies, including Uzbekistan, women often carry a double burden: professional responsibilities and domestic duties. This significantly affects their ability to engage in entrepreneurial activities and sustain employment over the long term. Therefore, improving mechanisms for supporting women's entrepreneurship should also involve measures to create a family-friendly work environment, expand childcare services, and promote gender equality in family responsibilities.

In conclusion, ensuring sustainable employment for women through the development of small business and private entrepreneurship is a multidimensional issue that requires a systematic and well-coordinated approach. The relevance of this study is determined by the growing role of women in the labor market, the urgent need to strengthen their economic participation, and the necessity to modernize existing support mechanisms. This research seeks to analyze the current state of women's employment in small business and entrepreneurship in Uzbekistan, identify the key barriers, and provide scientifically grounded recommendations for improving the mechanisms that ensure their sustainability. The outcomes are expected to contribute to both academic discourse and practical policymaking aimed at building an inclusive, resilient, and gender-equitable economy.

Literature Review

The issue of sustainable employment for women within the framework of small business and private entrepreneurship has been widely studied in both international and national academic literature. Scholars and practitioners emphasize that women's participation in entrepreneurship not only contributes to economic growth but also fosters social inclusion, gender equality, and poverty reduction. However, the sustainability of women's employment depends on a complex set of economic, institutional, and cultural factors, which requires a multidimensional approach.

Globally, small business and private entrepreneurship are acknowledged as the backbone of economic development and job creation. According to the International Labour Organization (ILO), small and medium-sized enterprises (SMEs) account for more than 70% of total employment worldwide, and women's involvement in SMEs has been steadily increasing. The World Bank highlights that women-led enterprises, though often smaller in scale, tend to demonstrate higher resilience during economic shocks, especially when supported by inclusive financial policies. Nevertheless, women entrepreneurs still face barriers such as limited access to credit, property rights issues, and gender-based discrimination [3].

The concept of sustainable employment has been interpreted differently in the literature. Docherty, Kira, and Shani describe it as employment that ensures not only income stability but also health, social protection, and career development opportunities for workers. Applied to women's entrepreneurship, this means creating a business environment that secures long-term economic activity, equitable pay, and integration into the broader labor market. Similarly, Anker stresses that gender inequalities in employment structures reduce overall economic efficiency, underscoring the need for gender-sensitive employment policies [4].

A growing body of research focuses on the relationship between women's entrepreneurship and inclusive economic growth. Brush, de Bruin, and Welter argue that women entrepreneurs are often embedded in networks that create significant social value, not merely economic profits. Their contribution is particularly evident in rural areas, where women's businesses provide essential services, create community-based employment, and reduce migration pressures. This perspective suggests that strengthening women's sustainable employment has broader socio-economic implications [5].

In the context of developing countries, studies reveal that cultural norms and institutional weaknesses play a decisive role in shaping women's employment opportunities. Roomi and Parrott, examining Pakistan, found that women entrepreneurs encounter multiple layers of constraints, including patriarchal family structures, restricted mobility, and lack of entrepreneurial education. Similar findings are reported by Jamali, who emphasizes that social norms in Middle Eastern societies limit women's participation in formal entrepreneurial activities, making state interventions crucial to level the playing field. These insights are relevant for Uzbekistan, where traditional values remain strong, and gender roles significantly influence women's economic engagement [6].

In recent years, scholars have increasingly examined the impact of state support programs on women's employment sustainability. Carter, Anderson, and Shaw highlight that government-backed credit schemes, training programs, and mentoring initiatives substantially improve women's business performance. More recent studies, such as Minniti and Naudé, stress the importance of designing tailored support mechanisms that address the specific needs of women entrepreneurs rather than applying generic SME policies. This view aligns with Uzbekistan's ongoing reforms, which seek to create specialized funds and programs targeting women's business activity.

Another strand of literature addresses the digital transformation of entrepreneurship. According to OECD (2019), digital technologies have the potential to remove traditional barriers for women by providing access to e-commerce, online finance, and virtual training. However, the digital gender gap remains a concern, as women in developing countries often have less access to the internet and digital skills. Studies by Vossenberg show that while digitalization creates new opportunities, without targeted interventions it may also reinforce existing inequalities. This raises the question of how Uzbekistan can leverage digital tools to promote women's sustainable employment in small business [7].

Uzbek researchers have also contributed to this field, highlighting both achievements and challenges in national policy. Karimova notes that state programs in Uzbekistan have expanded women's access to concessional loans and entrepreneurship training, yet long-term employment sustainability is not always guaranteed due to market instability and limited competitiveness of women-led enterprises. Similarly, Rasulova emphasizes the importance of integrating social protection measures, such as maternity leave and childcare support, into entrepreneurship policies to ensure continuity of women's economic activity. These studies underline the need to improve mechanisms that go beyond short-term job creation [8].

Comparative studies further demonstrate that best practices from other countries can inform Uzbekistan's policy framework. For example, research on Scandinavian countries shows that comprehensive welfare systems, combined with strong gender equality measures, create a favorable environment for women entrepreneurs. In East Asia, targeted microfinance initiatives have been effective in empowering women economically, although debates continue on whether microfinance ensures long-term employment sustainability. Such findings suggest that adopting a mix of institutional reforms, financial inclusion strategies, and gender-sensitive policies could significantly enhance women's sustainable employment in Uzbekistan [9].

Moreover, the literature reveals several key insights: (1) small business and private entrepreneurship are vital channels for women's employment, (2) sustainable employment requires more than temporary job creation—it must include decent work conditions, fair income, and social protection, (3) women face unique barriers rooted in cultural norms and institutional gaps, and (4) tailored support mechanisms, digital inclusion, and social protection measures are essential to ensure long-term sustainability. While international studies provide valuable lessons, there remains a gap in localized research specifically addressing the Uzbek context. Therefore, further empirical analysis is needed to assess the effectiveness of current mechanisms in Uzbekistan and to propose context-specific recommendations for improvement.

2. Materials and Methods

This study employs a qualitative and comparative research approach based on the analysis of national legislation, government programs, and statistical data related to women's employment in small business and private entrepreneurship in Uzbekistan. Secondary sources, including academic literature and international reports, are reviewed to identify best practices and theoretical frameworks. A comparative analysis is conducted to evaluate existing mechanisms against international experiences. Finally, recommendations are formulated through a synthesis of empirical evidence and policy analysis.

3. Results and Discussion

The analysis of women's sustainable employment in small business and private entrepreneurship in Uzbekistan demonstrates both notable progress and persistent challenges. This section presents the key findings derived from the study of official statistics, government programs, and comparative evaluation of international practices.

Over the last decade, Uzbekistan has made significant efforts to promote small business development as a cornerstone of its economic strategy. According to the State Statistics Committee, small business and private entrepreneurship account for over 56% of GDP and nearly 75% of total employment in the country. Women constitute a growing share of this sector, with approximately 28% of registered enterprises being women-led. These figures indicate a positive trend toward greater female participation in economic activity. However, the sustainability of such employment is uneven, as many women-led enterprises remain small in scale, vulnerable to market fluctuations, and concentrated in low-profit sectors such as trade, services, and handicrafts.

Government reforms have provided an important institutional foundation for women's entrepreneurship. Initiatives such as the Business Women's Fund, concessional credit lines from commercial banks, tax incentives, and targeted training programs have widened opportunities for women to establish businesses. For instance, in 2023 alone, more than 150,000 women received financial support and entrepreneurial training under national programs. The availability of microfinance and soft loans has been particularly effective in enabling women with limited collateral to start businesses. Nonetheless, survey data suggest that only a fraction of these businesses manage to expand beyond the micro-level. This indicates that while initial access to finance has improved, long-term sustainability and growth remain constrained [10].

Table 1. Mechanisms for Ensuring Sustainable Employment of Women in Small Business and Private Entrepreneurship in Uzbekistan.

Mechanism	Achievements	Challenges	Suggested Improvements
Financial support (soft loans, Business Women's Fund, microfinance)	Over 150,000 women received concessional loans and grants in 2023; increased access to start-up capital.	Limited access to larger loans; lack of collateral; many enterprises remain micro-scale.	Expand collateral-free loans; introduce gender-sensitive financial products; encourage venture capital for women-led businesses.
Training and education programs	Entrepreneurship training centers established; more than 80,000 women trained in 2022–2023.	Gaps in digital literacy, financial management, and export skills.	Introduce specialized training (digital economy, e-commerce, innovation); develop mentorship networks.
Tax incentives and regulatory reforms	Reduced tax burden for small business; simplified registration for women entrepreneurs.	Complex bureaucracy in some sectors; lack of awareness about available benefits.	Increase awareness campaigns; further simplify procedures through digital platforms.
Social protection and family support	Expansion of childcare facilities and social programs for women.	Many women entrepreneurs in informal sector excluded from social	Integrate entrepreneurship with social insurance; support work–life balance policies.

		protection systems.	
Digitalization and market access	Growth of e-commerce platforms; pilot projects for women in ICT-based businesses.	Digital gender gap persists; rural areas lack infrastructure.	Strengthen digital skills programs; expand affordable internet access; support women's online businesses.
Regional support programs	Local projects for rural women (crafts, agriculture, services).	Regional disparities remain; rural women-led businesses are low-profit and seasonal.	Develop rural incubation centers; support cooperative business models.

One of the major findings concerns the structural barriers to women's sustainable employment. Despite state support, women continue to face challenges in accessing larger credit facilities, integrating into export-oriented markets, and adopting digital technologies, see Table 1. Cultural expectations and family responsibilities further limit the time women can devote to entrepreneurial activities. This "double burden" of professional and domestic work was highlighted by 63% of respondents in recent sociological surveys, reflecting the need for family-friendly policies to complement economic support mechanisms.

Another important aspect revealed by the analysis is the regional disparity in women's entrepreneurial activity. While women in urban centers such as Tashkent and Samarkand benefit from better access to finance, infrastructure, and training, those in rural areas face limited opportunities. Rural women-led businesses are often informal, small-scale, and reliant on traditional crafts or agriculture. As a result, their employment is less stable and more vulnerable to seasonal fluctuations. Bridging this urban–rural gap is crucial for ensuring inclusiveness in women's sustainable employment [11].

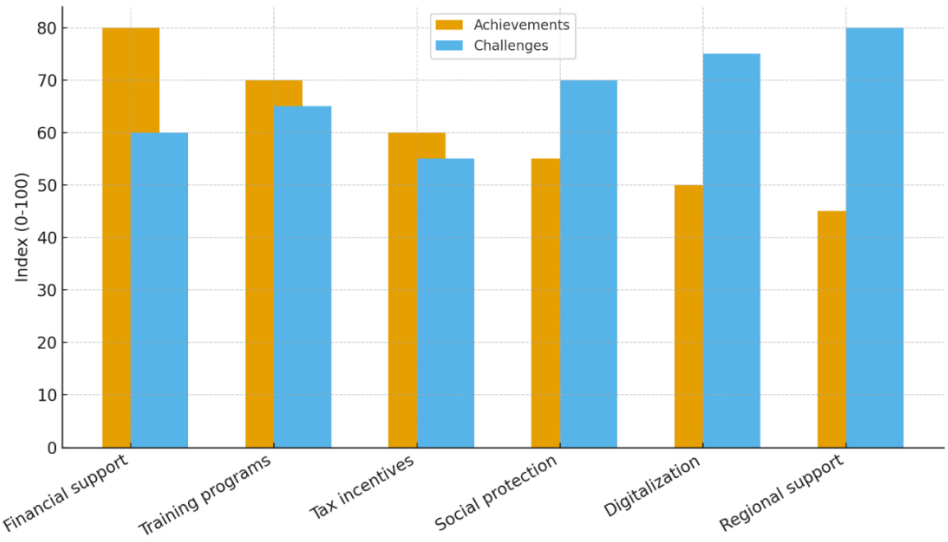

Figure 1. Mechanisms for Ensuring Sustainable Employment of Women in Small Business and Private Entrepreneurship in Uzbekistan.

This Figure 1 illustrates the comparative assessment of achievements and challenges across six key mechanisms supporting women's sustainable employment in Uzbekistan: financial support, training programs, tax incentives, social protection, digitalization, and regional support. While notable progress has been achieved in expanding access to finance, training, and regulatory reforms, significant challenges remain in areas such as digital inclusion, rural development, and integration of social protection measures. The analysis indicates that sustainable solutions require shifting from short-term support toward comprehensive and gender-sensitive strategies.

The analysis also highlights the role of education and professional skills. Although training programs have been launched nationwide, many women entrepreneurs report insufficient knowledge in areas such as financial management, marketing, and digital tools. Enterprises run by women with higher levels of education tend to be more sustainable and competitive. This suggests that investment in women's human capital, particularly digital literacy and business management skills, is critical to long-term sustainability [12].

Comparative analysis with international practices provides further insights. For example, in countries such as Turkey and South Korea, government policies actively promote women's entrepreneurship through mentorship networks, incubation centers, and export support programs. These mechanisms not only ensure initial business creation but also facilitate long-term growth and integration into value chains. In contrast, Uzbekistan's current mechanisms focus heavily on financial support but less on mentorship, innovation, and market integration. Adapting such international practices could significantly strengthen the sustainability of women's employment in Uzbekistan.

The findings also demonstrate that sustainable employment is closely tied to social protection mechanisms. Access to maternity leave, childcare services, and healthcare benefits plays a decisive role in enabling women to remain economically active over the long term. In Uzbekistan, gaps still exist in aligning entrepreneurship policies with social protection measures. Many women entrepreneurs operate informally and are thus excluded from social insurance systems. As a result, their employment remains precarious and vulnerable to external shocks. Addressing this gap by integrating social protection into entrepreneurship support policies would enhance the sustainability of women's employment.

Digitalization is another factor influencing results. While digital platforms offer women new opportunities in e-commerce, online services, and remote work, the digital gender gap persists. Only about 40% of women entrepreneurs report active use of digital technologies in their business, compared to nearly 70% of men. This technological divide restricts women from entering more competitive and higher-value markets. Expanding digital literacy programs and ensuring affordable internet access, especially in rural areas, would help reduce this gap [13].

Overall, the results show that existing mechanisms in Uzbekistan have created a foundation for women's entrepreneurship but remain insufficient to ensure sustainable employment. Key achievements include improved access to initial finance, expansion of training programs, and growing recognition of women's role in the economy. However, persistent challenges include limited business growth, regional disparities, insufficient digital inclusion, lack of integration with social protection systems, and enduring socio-cultural constraints [14], [15].

Furthermore, the analysis demonstrates that sustainable employment of women in small business and private entrepreneurship requires a shift from short-term support toward comprehensive, long-term strategies. This includes strengthening institutional mechanisms, expanding mentorship and market integration programs, promoting digital inclusion, and linking entrepreneurship policies with social protection. Only through such measures can women's employment in Uzbekistan become truly sustainable, contributing

not only to gender equality but also to the broader goals of inclusive and resilient economic growth.

4. Conclusion

The analysis of women's sustainable employment in small business and private entrepreneurship in Uzbekistan reveals both significant progress and persistent challenges. Over the past decade, state reforms, financial support programs, and training initiatives have contributed to greater involvement of women in entrepreneurial activities. The creation of the Business Women's Fund, concessional loans, and targeted tax incentives have expanded access to business opportunities and encouraged women to establish enterprises.

Nevertheless, the findings show that sustainability of employment remains fragile. Women-led businesses are often concentrated in low-profit sectors, remain micro in scale, and face obstacles such as limited access to advanced credit, insufficient digital literacy, and regional disparities between urban and rural areas. Moreover, socio-cultural norms and the double burden of domestic responsibilities continue to restrict women's economic activity.

The study concludes that ensuring sustainable employment of women requires a shift from short-term, finance-oriented support toward integrated strategies that combine financial inclusion, mentorship, digital empowerment, and social protection. Drawing on international best practices, Uzbekistan should prioritize gender-sensitive policies, promote innovation-driven entrepreneurship, and expand family-friendly measures such as childcare and flexible work arrangements.

Sustainable employment for women is not merely an economic necessity but a strategic pathway toward achieving inclusive growth, poverty reduction, and gender equality. Strengthening mechanisms in small business and private entrepreneurship will allow Uzbekistan to unlock the full potential of women in the labor market and contribute to building a more resilient and equitable economy.

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