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Article

Financing Women's Entrepreneurship: A Comparative Analysis of the Experiences of Uzbekistan and Developed Countries

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Abstract: This article examines the effectiveness of the financing system for women's entrepreneurship and its role in economic growth. Current government programs, commercial bank credit lines, and financial mechanisms in Uzbekistan are comparatively analyzed against the experience of developed countries, particularly the United States and Germany. The study finds that although access to finance for women-owned businesses in Uzbekistan has improved, insufficient collateral and the underdevelopment of the private investment (venture capital) market remain major obstacles. International experience suggests that expanding credit guarantee funds and improving the microfinance system could contribute to strengthening the financial ecosystem for women entrepreneurs in Uzbekistan. Based on these findings, practical proposals and recommendations are developed to enhance the mechanisms for financing women's entrepreneurship in the country. International evidence confirms that access to finance remains one of the most significant constraints on women entrepreneurs, particularly in relation to business start-up and growth.

Keywords: Women's entrepreneurship, financial ecosystem, preferential loans, SBA model, collateral, venture capital, economic integration.

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1. Introduction

In the context of the global economy, women's entrepreneurship represents a strategic resource for ensuring economic resilience, employment generation, innovation, and inclusive growth. Nevertheless, according to the World Bank and OECD, systematic barriers to financing women-led and women-owned enterprises continue to exist in both developing and developed economies. Limited access to external finance, insufficient collateral, smaller entrepreneurial networks, and structural barriers in financial markets constrain the ability of women entrepreneurs to establish, expand, and scale their businesses. [1]

Developed countries, including the United States and several European economies, have increasingly addressed these challenges through a combination of government-backed credit guarantees, targeted procurement programmes, venture capital, fintech solutions, and broader entrepreneurial support ecosystems. In contrast, in countries such as Türkiye and Uzbekistan, public subsidies, preferential lending, and microfinance instruments continue to play a particularly important role in supporting women's businesses. The OECD also emphasizes that loan guarantees,

microfinance, fintech, and growth-oriented financing instruments can be important policy tools for reducing gender disparities in entrepreneurial finance. [2]

In Uzbekistan, more than UZS 25 trillion in financial resources have reportedly been mobilized to support women's entrepreneurship, while the number of microfirms headed by women has exceeded 43,860. However, increasing the institutional efficiency of allocated financial resources and introducing innovative financial instruments based on international experience remain important policy challenges. Against this background, the purpose of this study is to comparatively analyse the financing models for women's businesses in leading foreign countries and Uzbekistan and to identify the most appropriate solutions for the national context [3].

The financing of women's entrepreneurship has received increasing attention in the international literature, particularly in relation to gender differences in access to bank credit, venture capital, and other financial resources. Early research by Brush in "Research on Women Business Owners: Past Trends, a New Perspective and Future Directions" established an important theoretical foundation for understanding women's entrepreneurship and emphasized that women-owned businesses differ from male-owned firms in terms of resources, business characteristics, and institutional constraints [4]. Later, Carter and Rosa, in "The Financing of Male- and Female-Owned Businesses", demonstrated that women-owned enterprises tend to rely more heavily on internal and informal sources of finance and generally have lower levels of external debt financing [5].

An important empirical contribution was made by Coleman, who examined gender differences in access to capital among small firms and found that women entrepreneurs were more likely to experience financing constraints and to operate with lower levels of external capital [6]. This line of research suggests that the financing gap is associated not only with the characteristics of women-owned firms but also with collateral requirements, credit history, firm size, and institutional practices. Carter, Shaw, Lam and Wilson, in their study "Gender, Entrepreneurship, and Bank Lending: The Criteria and Processes Used by Bank Loan Officers in Assessing Applications", investigated how gender may influence bank lending decisions [7]. Their findings indicate that although male and female applicants are generally assessed according to similar criteria, differences exist in the negotiation and lending processes. The authors therefore highlight the importance of examining both demand-side factors, such as women's risk preferences, and supply-side factors related to financial institutions [8].

The cross-country perspective was further developed by Muravyev, Talavera and Schäfer, whose research on gender and access to finance showed that female-owned firms may face greater difficulties in obtaining bank finance. Their findings emphasize the role of institutional and financial-market conditions in shaping the gender financing gap [9]. Similarly, Brush, de Bruin and Welter argued that women's entrepreneurial development should be analyzed within a broader institutional context, including financial, social, family and regulatory environments. More recent international evidence confirms that the financing gap remains significant [10]. The World Bank and IFC identify insufficient collateral, limited credit histories, unfavorable lending conditions, financial literacy constraints and inadequate financial products as major barriers to women-owned businesses [11]. IFC estimates that women-owned SMEs face a substantial unmet financing gap globally. Recent systematic evidence by Tefera, Cassidy, Ogba and Weis, based on a review of 27 rigorous studies, further shows that access to capital alone does not necessarily generate strong business outcomes for women; financing is more effective when combined with training, market access and other forms of business support [12].

Overall, the literature indicates that women's entrepreneurship financing is determined by a combination of financial, institutional, socio-cultural and human-capital factors. Developed countries have increasingly moved toward diversified financing mechanisms, including targeted credit programs, venture capital, guarantees, digital finance and business-support programs, whereas developing economies continue to face stronger constraints related to collateral, financial inclusion and institutional capacity. This creates an important research gap concerning the extent to which international financing mechanisms can be adapted to the institutional and socio-economic

conditions of Uzbekistan [13].

The objective of this study is to conduct an in-depth analysis of the system of financing women's entrepreneurship in the economies of developed countries to identify its distinctive mechanisms and to formulate a system of scientific and practical recommendations for improving the financial support ecosystem for women-owned businesses in Uzbekistan.

2. Research Methodology

The study applies a systematic approach, comparative analysis, inductive analysis, statistical grouping, and institutional analysis. The empirical basis of the research consists of official reports and statistical data related to gender and entrepreneurship published by the World Bank, the Organisation for Economic Co-operation and Development (OECD), the Central Bank of the Republic of Uzbekistan, and the United Nations Development Programme (UNDP). The financing models were examined according to several key criteria, including the degree of government involvement, the role of the private sector, credit guarantee mechanisms, availability of venture capital, microfinance instruments, and the integration of digital technologies into financial services. Particular attention was paid to the mechanisms through which governments and financial institutions can reduce information asymmetries, collateral constraints, and other market failures affecting women entrepreneurs.

3. Analysis and Results

Different countries have developed distinctive models for financing women's entrepreneurship. Their comparative characteristics demonstrate that no single financial mechanism can fully address the financing needs of women-owned businesses. Instead, effective ecosystems tend to combine bank lending, government guarantees, microfinance, private investment, venture capital, public procurement, and non-financial business support [14].

A) Experience of the United States and the European Union: Venture Capital and Guarantee Models.

The U.S. Small Business Administration (SBA) plays an important role in facilitating access to finance for small businesses, including women-owned enterprises. Rather than functioning primarily as a direct lender, the SBA supports lending through programmes that provide government-backed guarantees and thereby reduce the risk borne by participating lenders. The U.S. system also incorporates the Women-Owned Small Business (WOSB) Federal Contract Program, under which the federal government has a goal of awarding at least 5% of federal contracting dollars annually to women-owned small businesses [15].

In the European Union, support for women entrepreneurs increasingly combines financial and non-financial instruments, including guarantees, grants, equity financing, networking, training, and digital platforms. European initiatives seek to improve access to finance for women entrepreneurs and strengthen their participation in innovation-oriented and growth-oriented business activities. The broader European approach is particularly relevant to innovative start-ups and enterprises operating in areas associated with digital transformation, green development, and sustainable economic growth [16].

B) Experience of South Korea and Türkiye: Technological and Corporate Models.

South Korea has developed a relatively advanced institutional environment for supporting women-owned enterprises, particularly through business associations, public institutions, export promotion mechanisms, and programmes aimed at strengthening technological and innovation-oriented entrepreneurship. In addition to preferential financial instruments, support can include business development services, market access, networking, and export-related assistance. Such an integrated model demonstrates that financing alone is insufficient to ensure sustainable growth; financial support should be combined with managerial, technological, and market-oriented assistance [17].

In Türkiye, public financial institutions and SME support mechanisms have played an important role in expanding access to finance for women entrepreneurs. The country's approach

combines preferential lending, entrepreneurship support, training, and SME development instruments. In particular, microfinance and targeted credit programmes can be important for women who are at the initial stages of business development or who lack sufficient collateral to obtain conventional bank loans. The OECD similarly identifies microfinance as a potentially important instrument for supporting women's business creation, particularly when it is accompanied by appropriate non-financial services [18].

The analysis of capital sources used by women entrepreneurs to establish and expand their businesses demonstrates the existence of significant differences between traditional bank financing and alternative sources of capital. Bank loans, microfinance, government programmes, private investment, venture capital, and personal savings represent the principal financing channels available to entrepreneurs. However, women entrepreneurs tend to experience greater difficulties in accessing external financing than men. Recent OECD evidence indicates that women entrepreneurs are approximately half as likely as men to report borrowing from a bank to start, operate, or expand a business, while women-owned or women-led businesses receive only around 2% of total venture capital investment.

The problem is further intensified by collateral requirements. Women entrepreneurs are more likely to face difficulties in providing sufficient collateral because of gender differences in asset ownership. The World Bank notes that collateral requirements can disproportionately affect women entrepreneurs because women generally own fewer assets that can be pledged against loans.

Consequently, the comparative experience of developed and emerging economies demonstrates that the sustainable financing of women's entrepreneurship requires the development of a diversified financial ecosystem rather than reliance on a single financing instrument. Such an ecosystem should integrate government guarantees, preferential lending, microfinance, venture capital, fintech solutions, public procurement, business development services, and financial literacy programmes.

According to reports of the United Nations Development Programme (UNDP), women's entrepreneurship in Uzbekistan is financially more dependent on bank loans (45%) and personal savings (40%). In developed countries, by contrast, private equity, venture capital funds, and business angels (50%) are considered the main drivers of women's entrepreneurial financing. This situation demonstrates the need to introduce alternative investment instruments into Uzbekistan's financial market. According to the latest official data of the Statistics Agency under the President of the Republic of Uzbekistan, the sectoral distribution of small enterprises headed by women is as follows (total: 43,860 enterprises):

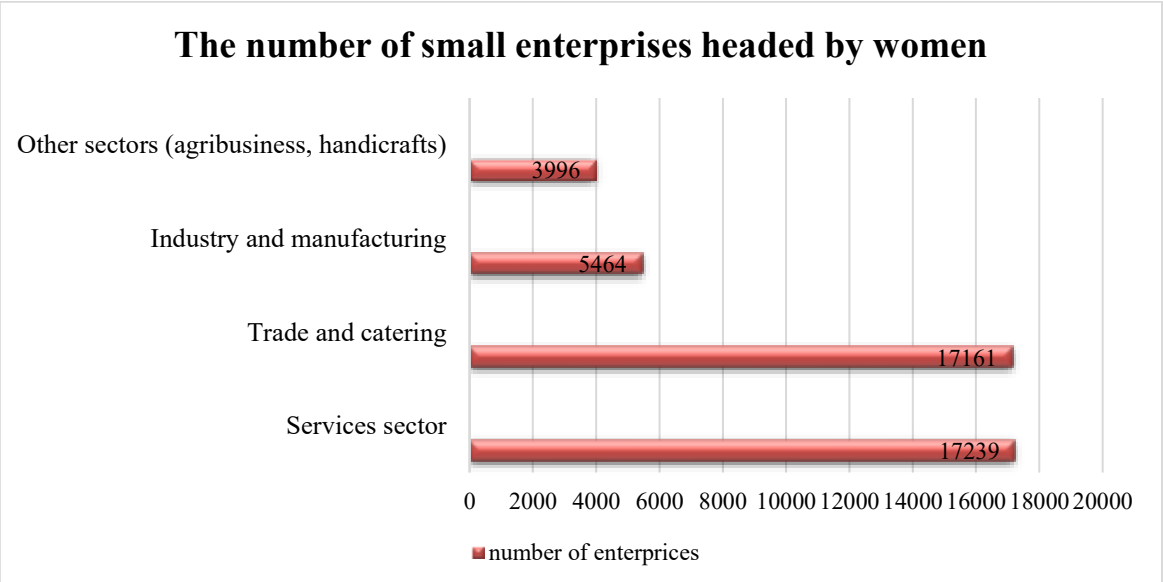


Figure 1. The number of small enterprises headed by women.

It should be noted that the net revenue from the sale of products generated by these enterprises reached UZS 47.7 trillion. In Uzbekistan, financing for women's entrepreneurship is primarily provided through state-targeted funds, including the Women's Entrepreneurship Support Fund, as well as through agent banks such as Xalq Bank and Mikrokreditbank. Within the framework of recent reforms, foreign credit lines equivalent to USD 200 million have been attracted to finance projects implemented by women entrepreneurs. This has contributed to increasing the external capitalization of the national system for supporting women's entrepreneurship and expanding access to financial resources. Overall, the comparative analysis demonstrates that while Uzbekistan's existing model relies predominantly on state-supported financing mechanisms and bank lending, developed economies increasingly employ a more diversified financial ecosystem involving loan guarantees, venture capital, private equity, business angels, specialized business support centers, mentoring, and networking platforms. Therefore, the further development of women's entrepreneurship in Uzbekistan requires not only an expansion of concessional lending but also the gradual introduction of alternative financing instruments and integrated non-financial support mechanisms.

Table 1. Comparative Table of Financing Models by Country.

Country / Region	Main Financial Instruments	Role of the Government	Approach to Overcoming Barriers
United States	SBA government guarantees, venture capital	Guarantor and public procurement sponsor	Addressing collateral constraints through government guarantees
European Union	Innovation grants, EIF funds	Creating infrastructure and an entrepreneurial ecosystem	Prioritizing "green" and IT projects
South Korea	Technology-based loans, angel investments	Direct investor and export-support provider	Giving high scores to innovative business ideas through scoring mechanisms
Türkiye	KOSGEB interest-free loans, Halkbank financing packages	Provider of preferential and subsidized loans	Supporting local manufacturing and handicrafts
Uzbekistan	Family entrepreneurship programs, preferential microloans	Main source of financial resources and regulator	"Notebook" system and collateral-free microloans

Source: Created by author

The comparative evidence reveals substantial differences in the institutional architecture of women's entrepreneurial finance across the countries examined. In the United States and South Korea, access to finance has progressively moved beyond a predominantly bank-centred model toward a more diversified financing ecosystem that incorporates venture capital, angel investment, government-backed guarantees, and public procurement opportunities. The importance of this approach lies not merely in increasing the volume of available financial resources, but also in distributing financing risks among public institutions, financial intermediaries, and private investors.

Such diversification can reduce the fiscal pressure associated with direct government support while creating stronger incentives for women-owned firms to scale, innovate, and compete in domestic and international markets.

A different pattern can be observed in Türkiye and Uzbekistan, where the state and banking sector continue to play a central role in mobilising financial resources for women entrepreneurs. Despite the similarities between the two systems, Uzbekistan still faces a relatively limited integration of women-led enterprises into formal supply chains and larger corporate markets. Existing preferential and collateral-free lending instruments, including loans of up to UZS 100 million provided through Halk Bank, are particularly relevant for addressing short-term liquidity constraints and supporting the establishment of micro and small businesses. However, access to initial finance alone does not necessarily ensure the subsequent transition of these enterprises toward medium- and large-scale operations. At this stage, the Uzbek financing ecosystem would benefit from complementary instruments such as venture capital, business angel networks, credit guarantee mechanisms, and preferential participation of women-owned enterprises in public procurement. The U.S. experience is particularly relevant in this regard, as it illustrates how financial support can be combined with market-access mechanisms to transform public assistance into a broader pathway for enterprise growth.

From this perspective, the comparative framework presented in the following table should not be interpreted simply as a description of country-specific financial instruments. Rather, it provides a basis for identifying the institutional conditions under which different financing mechanisms contribute to the sustainable development of women's entrepreneurship. The comparison suggests that the effectiveness of financial support depends increasingly on the degree of integration between credit instruments, investment capital, government guarantees, business development services, and access to markets. For Uzbekistan, this implies that the next stage of policy development should gradually shift from predominantly credit-oriented support toward an integrated financing ecosystem capable of supporting women-owned businesses throughout their entire development cycle—from start-up and early-stage financing to investment, scaling, innovation, and entry into national and international supply chains.

Table 2. Comparative Analysis of Women's Entrepreneurship Financing Models in the United States, the European Union, and Uzbekistan.

Analytical Criteria	United States (SBA and Private Sector)	European Union (EIF / EBRD)	Republic of Uzbekistan (2024–2026)
Share of Women in Business	42% (high-tech and service sectors)	33% (small and medium-sized enterprises)	40% (approximately 2.1 million women entrepreneurs)
Financing Mechanisms	Venture capital, SBA 7(a)-guaranteed loans	WEGate grants, European Investment Fund financing facilities	Family entrepreneurship programmes, targeted bank lending
Volume of Lending / Financing	More than USD 30 billion annually (under SBA guarantees)	More than EUR 15 billion annually (blended finance mechanisms)	UZS 16.8 trillion (equivalent to approximately USD 1.3 billion)

Role within the Financial Ecosystem	Reliance on an independent and diversified private capital market	Public–private and bank cooperation through blended finance	Government subsidies, guarantees, and targeted financial support
Women-Led Business Entities	More than 13 million women-owned businesses	Approximately one-third of SMEs	43,860 small enterprises and microfirms

Source: Created by author

The comparative analysis demonstrates that women's entrepreneurship financing systems differ considerably in terms of institutional structure, financing instruments, and the role of the state. The United States has a relatively diversified ecosystem in which SBA-backed lending is complemented by venture capital and private investment, thereby facilitating access to growth-oriented finance. The European Union relies more strongly on blended finance, grants, and cooperation between public institutions and financial intermediaries, with particular emphasis on innovation and SME development. Uzbekistan, by contrast, remains more dependent on state-supported programmes, targeted bank lending, subsidies, and guarantees. Although the scale of financial support for women entrepreneurs has expanded significantly in recent years, the Uzbek model still has considerable potential for diversification through venture capital, business angel networks, private equity, and stronger integration of women-led enterprises into supply chains. Thus, the key policy challenge for Uzbekistan is to move gradually from a predominantly state-supported credit model toward a more diversified and market-oriented financial ecosystem.

Recommendations

Based on the comparative findings, the following policy recommendations are proposed:

1. **Establish a Women's Entrepreneurship Investment Facility.** Uzbekistan should establish a dedicated investment facility that combines public resources with private investment and development-finance capital. The facility could provide equity, quasi-equity, and early-stage investment rather than relying exclusively on debt financing.
2. **Strengthen credit guarantee mechanisms.** The existing credit guarantee system should be expanded to provide partial guarantees for women entrepreneurs who lack sufficient collateral. This would reduce the risks faced by commercial banks and encourage greater lending to women-owned enterprises.
3. **Develop venture capital and business angel networks.** Greater attention should be given to developing venture capital funds and business angel networks specifically oriented toward women-led enterprises, particularly those with high growth and innovation potential.
4. **Improve access to public procurement and corporate supply chains.** Mechanisms should be developed to facilitate the participation of women-owned enterprises in public procurement and corporate supply chains. Preferential procurement opportunities, supplier-development programmes, and partnerships with large corporations could help women-led businesses transition from micro and small-scale activities toward sustainable medium-sized enterprises.
5. **Expand integrated business support services.** Uzbekistan should strengthen the institutional infrastructure for women's entrepreneurship by expanding specialised business support centres that integrate financing, consulting, mentoring, digitalisation, financial literacy, and market-access services.
6. **Develop a national database and monitoring framework.** A national database of women-owned enterprises should be established to improve the identification of financing gaps and support evidence-based policymaking. The system should distinguish between start-ups, established SMEs, high-growth firms, and export-oriented enterprises because their financing

requirements differ substantially.

7. **Strengthen cooperation among financial and institutional stakeholders.** Greater cooperation between commercial banks, investment funds, international financial institutions, business associations, and government agencies is necessary to establish an integrated and sustainable financing ecosystem.
8. **Combine financial and non-financial support.** Financial assistance should be complemented by mentoring, financial literacy programmes, digital business training, professional networking, and market-access support, as access to capital alone does not guarantee sustainable enterprise growth.

4. Conclusion

The comparative analysis demonstrates that the effectiveness of financing for women's entrepreneurship depends not only on the availability of financial resources but also on the diversity of financing instruments, institutional support, and access to markets. The experience of the United States, the European Union, South Korea, and Türkiye indicates that sustainable financing ecosystems increasingly rely on a combination of bank lending, government guarantees, grants, venture capital, angel investment, blended finance, and business development services. In contrast, Uzbekistan's current financing model remains predominantly dependent on state-supported programmes, preferential bank loans, subsidies, and guarantee mechanisms. Although these instruments have significantly expanded women entrepreneurs' access to initial and working capital, they are less effective in meeting the financing needs of businesses seeking to scale, innovate, and enter larger domestic and international markets.Overall, the long-term objective should not be limited to increasing the amount of credit available to women entrepreneurs. Greater attention should be given to improving the quality, diversity, accessibility, and continuity of financing throughout the business life cycle. For Uzbekistan, combining state guarantees and concessional finance with private investment, venture capital, business angel financing, public procurement opportunities, and non-financial business support could create a more resilient financing environment. Such reforms could contribute not only to improved access to capital for women entrepreneurs but also to enterprise formalisation, employment creation, innovation, productivity growth, and broader diversification of the national economy.

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