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WOMEN'S ENTREPRENEURSHIP IN UZBEKISTAN: ECONOMIC SIGNIFICANCE AND PERSISTENT CHALLENGES

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Abstract: Women's entrepreneurship has become one of the fastest-growing segments of Uzbekistan's small business sector. The article examines its economic significance, the policy framework behind its recent growth, its position relative to Kazakhstan and Russia, and the barriers that still limit women's business potential. The analysis shows that the main constraints are structural rather than legal: unpaid care work, limited access to finance, uneven enforcement of laws, and social norms. Practical recommendations for policymakers and support institutions are proposed.

Keywords: women's entrepreneurship, Uzbekistan, small business, inclusive growth, access to finance

Introduction. Since 2017, Uzbekistan has pursued a broad program of economic liberalization in which private enterprise plays a central role in job creation and poverty reduction. Within this shift, women are increasingly seen as a strategic economic resource. According to UNDP, 2.1 million women entrepreneurs, most of them self-employed, were operating in the country in 2024, a sevenfold increase since 2020 [1]. This makes the topic highly relevant for both economic policy and academic research.

International literature on gender and entrepreneurship identifies three main channels through which women's business activity supports development: employment creation, improved household welfare, and economic diversification. Recent studies of Uzbekistan describe women's entrepreneurship as an important mechanism for employment creation, household income diversification, and inclusive rural development [4]. At the same time, the existing literature pays less attention to the gap between legal reforms and their practical results.

Until recently, women's entrepreneurship was viewed mainly as a social initiative. Banking-sector analytics and national statistics now suggest that it is becoming a noticeable driver of economic growth and one of the most dynamic segments of small business [5]. Understanding what lies behind this shift, and what still holds it back, is important for designing effective support measures.

The aim of the study is to assess the economic significance of women's entrepreneurship in Uzbekistan and to identify the main

problems that restrict its development. **The objectives are:** (1) to analyze the economic role of women's entrepreneurship; (2) to review the policy and legal framework; (3) to compare key indicators with Kazakhstan and Russia; (4) to identify persistent constraints; (5) to formulate recommendations.

Materials and methods. The study is based on desk research and the analysis of secondary data. The sources include the UNDP assessment of women's entrepreneurship in Uzbekistan [1], the World Bank report Women, Business and the Law 2026 [2], reports on the Tashkent International Investment Forum 2026 [3], national strategic documents, recent academic publications [4], and statistical data on Kazakhstan and Russia [6-8]. The methods used are document and content analysis, descriptive and comparative analysis, and systematization of the findings. The study does not include a primary survey, and its conclusions depend on the data published in the sources above. The selected sources were compared with each other to check consistency, and the key indicators were grouped into four blocks: the scale and economic role of women's entrepreneurship, the policy and legal environment, cross-country comparison, and the constraints identified by international and national assessments.

Results. Economic significance. First, women's entrepreneurship creates employment and income, especially in rural areas and smaller towns where formal jobs are scarce. Small enterprises such as sewing workshops, bakeries, beekeeping, and homestay services spread economic activity beyond the capital and support balanced regional development. Uzbekistan's medium-term development strategy links women's vocational training and entrepreneurship directly to job creation and poverty reduction [1].

Second, women are entering newer sectors. In June 2026, Deputy Prime Minister Zulaykho Makhkamova stated that women's participation in the digital economy was approaching 40% [3]. E-commerce, online education, and freelancing lower entry barriers because they need less capital and can be combined with family responsibilities. Third, greater female participation raises labor-force utilization, broadens the tax base, and strengthens domestic demand.

The economic role of women's businesses also has a household dimension. Women tend to reinvest a large share of their income in education, nutrition, and other family needs, which strengthens human capital and reduces dependence on remittances. For many families in the regions, a woman's business is the difference between vulnerability and a stable local income. In this sense, women's entrepreneurship supports the national goals of reducing poverty and creating new jobs by the end of 2026.

Policy and legal framework. The National Programme for Enhancing Women's Participation in All Spheres of Economic, Political, and Social Life for 2022–2026 provides financial support for vocational training, entrepreneurship, and employment, particularly in rural areas [1]. In the World Bank's Women, Business and the Law 2026 report, Uzbekistan rose 43 places to 48th out of 190 economies, with a legal-framework score of 82.1 out of 100 and the maximum score in five areas, including mobility, pay, childcare, and assets [2]. More than 6,000 projects have received financing [3].

Table 1 summarizes the key indicators used in this study. It shows a clear pattern: the legal-framework score is much higher than the scores for supportive frameworks and enforcement perceptions.

Table 1. Key indicators of women's entrepreneurship in Uzbekistan

Indicator	Value
Women entrepreneurs (incl. self-employed), 2024	2.1 million (sevenfold growth since 2020) [1]
World Bank WBL 2026 rank	48th of 190 (up 43 places) [2]
Legal-framework score	82.1 / 100 [2]
Supportive-frameworks score	59.08 / 100 [2]
Enforcement-perceptions score	57.20 / 100 [2]
Women in the digital economy	approaching 40% [3]
Daily care work of women	over 5 hours (more than twice men) [3]
Projects that received financing	more than 6,000 [3]

Regional comparison with Kazakhstan and Russia. To place these figures in a regional context, Uzbekistan was compared with Kazakhstan and Russia. A direct comparison of headline totals would be misleading, because the three countries define “women entrepreneurs” differently: the Uzbek figure of 2.1 million covers the self-employed, individual entrepreneurs, and heads of legal entities together [1]; the Kazakh figure of about one million refers to small and medium-sized business entities headed by women [6]; and the Russian figure of 1.8 million refers only to women registered as individual entrepreneurs [7]. Table 2 therefore compares the three countries by comparable categories.

Table 2. Women's entrepreneurship in Uzbekistan, Kazakhstan, and Russia

Category	Uzbekistan	Kazakhstan	Russia
Women individual entrepreneurs	121,135 (43%), 2024 [1]	878,000, as of 1 January 2024 [6]	1.8 million (41.4%), 2024 [7]
Self-employed women	about 1.9 million (42%), 2024 [1]	no recent data	about 6.5 million (44%), December 2025 [8]
Women's share among business entities	17% of legal-entity entrepreneurs [1]	49% of active MSMEs (1,008,328 entities) [6]	n/a

The comparison shows that the large Uzbek total is driven mainly by self-employment. Without the self-employed, the number of women individual entrepreneurs in Uzbekistan (about 121,000) is considerably lower than in Kazakhstan (878,000), although Kazakhstan's population is roughly half the size. At the same time, women's shares among individual entrepreneurs and the self-employed are similar across the three countries, at 41–49%. Uzbekistan's distinctive weakness is the low share of women among legal-entity entrepreneurs (17%), which indicates that women's businesses rarely grow beyond micro scale. This pattern is consistent with the constraints discussed below.

Main problems. Despite this progress, several problems remain. They can be grouped into five areas.

Unpaid care burden. Women spend more than five hours a day caring for children, elderly relatives, and other family members, more than twice as much as men [3]. This limits the time and energy available for business and pushes many women toward part-time or home-based activities with low growth potential. It is arguably the most fundamental constraint.

Limited access to finance. Access to finance remains a persistent challenge [1]. Women often lack collateral because property is registered in the name of a husband or relative, and many have short credit histories and limited financial literacy. As a result, many businesses stay at micro scale and cannot invest in growth.

Gap between law and practice. Legal equality does not automatically produce equal outcomes. Uzbekistan scored about 59 out of 100 on supportive frameworks and about 57 on enforcement perceptions, well below its legal-framework score of 82.1 [2]. This suggests that implementation, institutional capacity, and social practice lag behind the legislation.

Skills and sectoral concentration. Many women-owned businesses are concentrated in low-margin sectors such as small trade, tailoring, and food services. Sector-specific training in areas such as digital marketing, export procedures, and management remains limited [1].

Social norms, regional disparities, and informality. Traditional expectations about women's roles can discourage business ambition and limit mobility and networking, especially in rural areas where transport, infrastructure, and market access are weaker. A large part of women's activity also remains informal or home-based, which limits access to credit, social protection, and government support and makes the real contribution of women's businesses difficult to measure.

Conclusion and recommendations. Women's entrepreneurship in Uzbekistan has grown rapidly and contributes visibly to employment, household income, regional development, and the digital economy. Legal reforms have significantly improved the country's international standing, but the remaining challenges are structural. Compared with Kazakhstan and Russia, the share of women in entrepreneurship is similar, but Uzbek women's businesses are concentrated in self-employment and rarely reach the legal-entity level. Based on the analysis, the following measures are recommended:

1. **Expand social care infrastructure** (kindergartens, after-school and elderly-care services) to free up women's time.

2. **Diversify financial instruments:** microloans with flexible collateral, leasing, credit guarantees, and financial literacy training.

3. **Strengthen enforcement and monitoring** through regular gender-disaggregated data on ownership, loans, and outcomes.

4. **Offer advanced, sector-specific training**, mentoring, and links to export markets and digital platforms.

5. **Support formalization** through simple registration, tax incentives, and access to social insurance.

6. Focus on rural regions with mobile services, local business hubs, and cooperatives, and promote positive role models.

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