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REDUCING THE LEVEL OF POVERTY BY INCREASING WOMEN'S EMPLOYMENT IN SMALL BUSINESS

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ABSTRACT

This study aims to analyze the possibilities of reducing poverty by increasing women's employment in small businesses. Poverty is considered not only as income deprivation, but also as a complex socio-economic phenomenon closely linked to employment, human capital, and institutional opportunities. Within the framework of the study, an empirical analysis was conducted based on a small business entity in which women's labor is actively involved and formal employment arrangements are in place.

The research applies methods of analysis and synthesis, abstract-logical reasoning, and scientific generalization. The results indicate the existence of a stable and positive inverse relationship between women's employment and poverty levels. Formal employment of women in small businesses contributes to the formation of a regular source of income, reduces informal employment, and lowers the risk of economic vulnerability.

KEY WORDS: *Women's Employment, Small Business, Poverty Reduction, Gender Equality, Human Capital, Economic Inclusion*

1.INTRODUCTION

In recent years, poverty has been interpreted not only as a lack of income but also as a complex socio-economic phenomenon closely linked to employment, human capital, and institutional opportunities. Within this context, women's participation in the labor market particularly their employment in the small business sector has emerged as an important yet relatively underexplored pathway for poverty reduction. In many developing countries, low levels of women's economic activity contribute to household income instability, the deepening of social inequality, and the persistence of poverty over the long term.

The small business sector represents a flexible and inclusive component of the economy, providing women with opportunities for self-employment, entrepreneurial engagement, and the creation of stable income sources. As women's employment in small businesses expands, not only do individual incomes increase, but human capital is strengthened, household welfare improves, and processes of social integration intensify. At the same time, gender equality is reinforced, and sustainable foundations for poverty reduction are established through enhanced economic inclusion.

However, limited access to education, barriers to financial resources, and insufficient legal and institutional support continue to constrain the expansion of women's employment in small businesses. This situation underscores the need for in-depth scientific analysis of poverty reduction through the expansion of women's employment in small business, including an evaluation of existing mechanisms and the development of well-founded recommendations for their improvement.

2. LITERATURE REVIEW

Therefore, ensuring financial equality should be regarded as a key mechanism for the development of women's entrepreneurship and the expansion of their employment in small business. In this context, public policy measures

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such as the establishment of "financial platforms for women," microcredit schemes, preferential grant programs, and "women-only" investment funds represent one of the most important factors supporting women's economic participation. In addition, strengthening approaches within financial institutions aimed at expanding the economic opportunities of women entrepreneurs is of significant importance.

In particular, by conducting in-depth analyses of women's specific needs and business practices, developing tailored financial service packages, and promoting the activities of specialized units responsible for delivering these services, it is possible to enhance the inclusiveness of financial infrastructure.

Various scholars have proposed different approaches in this regard. Notably, representatives of the Russian management school have also expressed their views on ensuring women's employment in small business and entrepreneurship.

According to Pohvoschev V. A. and Kolesnikova O. A. (2015), women's entrepreneurship is viewed as a tool for enhancing socio-economic stability and increasing employment levels. They argue that women's active participation in small business strengthens their economic independence and contributes to poverty reduction. The authors emphasize the necessity of financial support, capacity building through education and skills development, and the advancement of social infrastructure as key mechanisms for increasing employment.

In addition, the views of other scholars have also been examined. According to Рассказова Э. В. (2013), the increase in women's employment in small entrepreneurship not only enhances their economic activity but also contributes to strengthening the overall economic potential of the country. The study identifies several key barriers to the broader involvement of women in entrepreneurial activities, including limited access to financial resources, prevailing gender stereotypes within society, and institutional constraints.

To address these challenges, the author recommends expanding state-supported programs and strengthening preferential credit policies aimed at supporting women entrepreneurs.

For example, according to Voronkova (2014), psychological, social, and institutional factors play a decisive role in the development of women's entrepreneurship. The author argues that ensuring gender equality and creating favorable conditions for women within the business environment are essential prerequisites for increasing women's employment. Furthermore, women's active participation in economic activities contributes to enhancing a country's overall competitiveness.

Thus, Shepeleva (2016) emphasizes not only the importance of developing social infrastructure in supporting women's entrepreneurship, but also highlights the role of improving business knowledge and providing tax incentives. The author notes that expanding women's employment in small business can contribute not only to addressing social challenges, but also to ensuring overall economic stability.

In the business environment, there exist certain subtle yet significant constraints affecting women, which limit their opportunities to establish effective professional networks and gain access to important information. In some cases, men may feel more cautious or uncomfortable when interacting with women, resulting in communication that remains superficial and confined in scope.

Moreover, as noted by Moletta (2021), women are often excluded from mixed business networks (i.e., networks involving both men and women) or are invited to participate in such networks less frequently. Within these networks, male entrepreneurs tend to invite partners who resemble themselves predominantly other men thereby indirectly marginalizing women and reinforcing a cycle of "exclusion rather than inclusion.

In the entrepreneurial environment, women are often perceived as a minority group. However, as emphasized by Kubberod et al. (2021), this minority status should not be viewed as a weakness, but rather as an opportunity to stand out through difference and transform it into a source of strength. Women can convert this position into a strong strategic advantage by adopting a distinctive approach namely, by learning to accept and strategically navigate a sense of "non-belonging.

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3. RESEARCH METHODOLOGY

This study applies an integrated methodological approach to examine how increasing women's employment in small business contributes to poverty reduction. Using methods of analysis and synthesis, abstract-logical reasoning, and scientific generalization, the research assesses economic, institutional, and socio-cultural factors affecting women's labor participation, income generation, and access to social protection. The findings provide a comprehensive understanding of women's employment as a sustainable mechanism for reducing poverty levels.

4. ANALYSIS AND RESULT

This study aims to analyze the process of reducing poverty through increasing women's employment in small businesses based on a single case study. The research base was selected as a small business entity in which women's labor is actively involved and formal employment arrangements are in place.

The results of the empirical analysis indicate that the increase in women's employment within the studied entity has contributed to more efficient use of labor resources and greater stability in production processes. Formal employment of women has ensured access to a regular source of income, thereby reducing informal employment and temporary unemployment.

Furthermore, during the period of increased women's employment, household incomes demonstrated greater stability. The presence of a stable wage expanded households' ability to cover essential consumption expenditures and reduced the risk of financial vulnerability. As a result, regular spending on education, healthcare, and daily necessities was maintained.

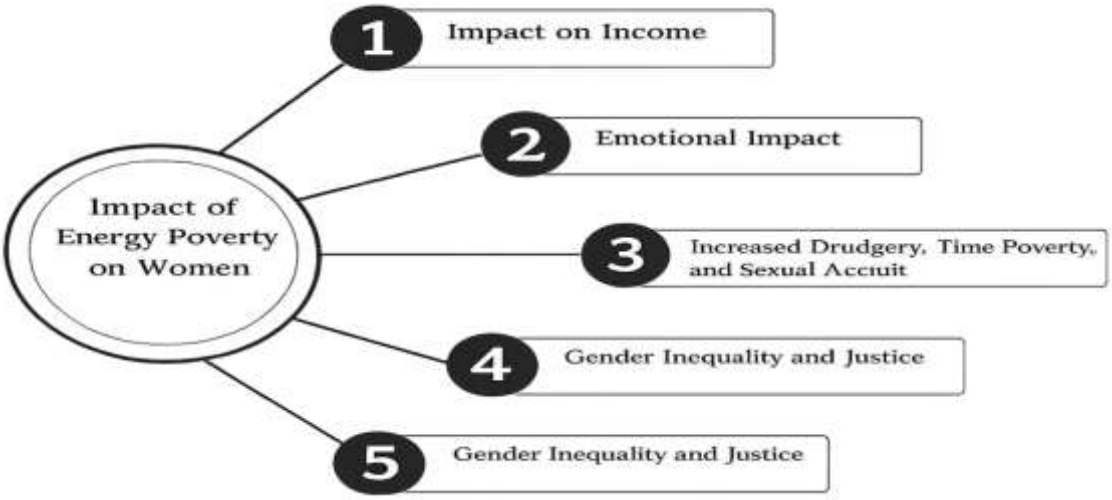


Figure 1. Key impacts of energy poverty on women[1]

Energy poverty represents a complex socio-economic challenge that exerts a systemic and disproportionate impact on women, directly affecting their income-generating capacity, social participation, and health outcomes. Limited access to stable and affordable energy sources significantly increases the burden of unpaid domestic labor borne by women and constrains their participation in small business activities, self-employment, and the formal labor market.

As a result, women become economically more vulnerable and face a higher risk of poverty. At the same time, persistent energy-related challenges in daily life generate continuous psychological stress and emotional instability among women, as responsibility for household energy management is predominantly placed on them. The intensification of labor burdens and time poverty heightens the risks of physical exhaustion, health complications, and gender-based violence, thereby deepening existing gender inequalities and restricting access to justice.

[1] *By Made Author*

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The table demonstrates that increasing women's employment in small business plays a critical role in reducing poverty through multiple interconnected channels. Enhanced income generation enables women to secure stable earnings, which directly raises household income and lowers vulnerability to poverty.

The expansion of women-led small enterprises contributes to job creation and broader employment growth, while increased opportunities for self-employment facilitate the transition from informal to formal labor markets, improving access to social protection.

Table - 1.
Impact of increasing women's employment in small business on poverty reduction[2]

Dimension	*Outcomes of Increased Women's Employment*	*Impact on Poverty*
Income generation	Women gain stable and regular sources of income	Household income increases and poverty levels decline
Small business development	Growth in women-led small enterprises	New jobs are created and overall employment expands
Self-employment	Transition from informal to formal employment	Access to social protection and economic security improves
Human capital development	Enhancement of women's skills and competencies	Long-term poverty reduction is achieved
Social stability	Strengthening of women's economic independence	Social vulnerability and inequality are reduced
Intergenerational effects	Increased investment in children's education and health	Intergenerational transmission of poverty is disrupted

Moreover, investment in women's skills and human capital strengthens their long-term economic resilience, leading to sustainable poverty reduction. The resulting improvement in women's economic independence also enhances social stability and reduces inequality. Finally, the intergenerational effects of women's employment particularly greater investment in children's education and health help break the cycle of poverty and support inclusive economic development.

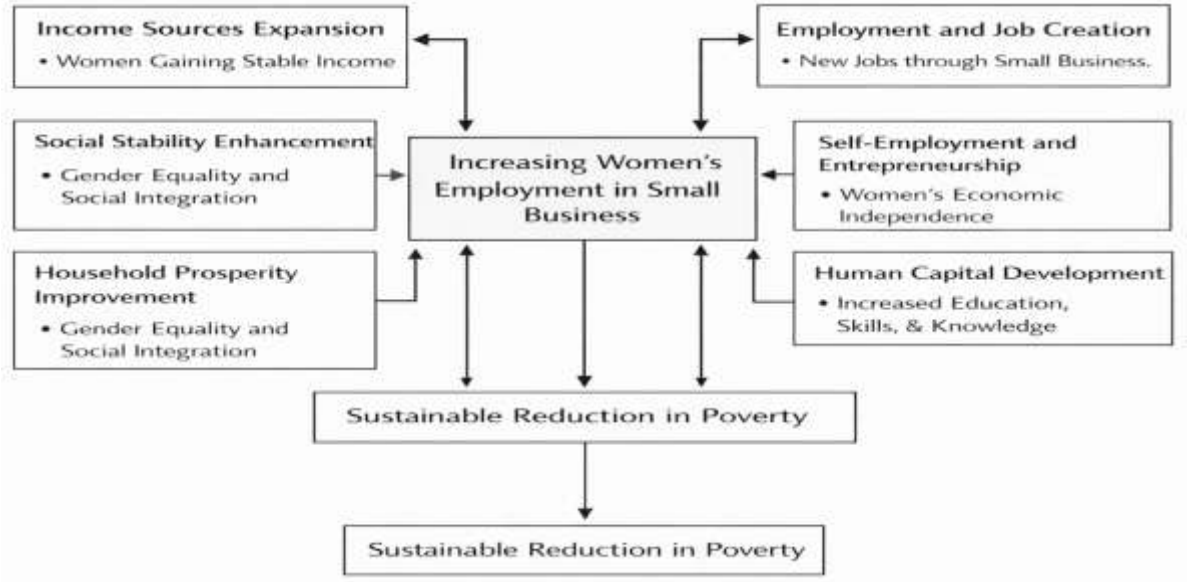


Figure - 2 Classification of poverty reduction through expanding women's employment in small business[3]

[2] *Researcher's framework based on theoretical knowledge*
[3] By made author

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Thus, expanding women's employment within the small business sector is substantiated as an important institutional mechanism for reducing poverty. The expansion of access to education, the use of financial resources, as well as legal and institutional support measures, emerge as key factors stimulating women's employment and entrepreneurial activity in small businesses.

This process not only ensures income stability for women but also contributes to the development of human capital, namely the enhancement of knowledge, skills, and labor competencies. As a result, social integration and gender equality are strengthened, and processes of economic inclusion are expanded. The consistent functioning of these interrelated and systemic mechanisms leads not only to a short-term reduction in poverty but also to its long-term and sustainable decline.

5. CONCLUSION

Based on the above analysis, we summarize the conclusions and the achieved results:
Thus, this study analyzed the possibilities of reducing poverty by increasing women's employment in small businesses based on a single case study. The results of the empirical analysis confirmed the existence of a stable and positive inverse relationship between women's employment and poverty levels.

The findings demonstrate that formal employment of women in small businesses ensures access to a regular source of income and contributes to the stabilization of household incomes. This process not only reduces poverty risk but also enables households to cover essential consumption expenditures and maintain continuous spending on education and healthcare.

Furthermore, the expansion of women's employment leads to more efficient use of labor resources within small business entities, greater stability in production processes, and strengthening of overall economic activity. This highlights that increasing women's employment should be viewed not only as a social protection measure but also as an effective economic mechanism for poverty reduction.

Overall, the study's results indicate that supporting and expanding women's employment in small businesses has significant practical importance in combating poverty. Future research in this area may deepen these findings by expanding the research base and applying comparative analyses.

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