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ANALYSIS OF OPPORTUNITIES TO REDUCE POVERTY BY INCREASING THE SHARE OF WOMEN IN SMALL BUSINESS IN UZBEKISTAN

Janabayeva Gulbahor Ashirovna
Teacher intern of "Finance and Management" Department at Oriental University

ABSTRACT
In the article, analyzes the opportunities to reduce poverty by increasing women's participation in small businesses in Uzbekistan. It emphasizes that enhancing women's economic activity not only raises household incomes but also positively impacts the country's economic stability. The study examines key barriers such as limited access to financial resources, lack of business skills, and gender stereotypes. Additionally, the importance of government support programs, training, and microcredit is highlighted. Based on a review of the literature and socio-economic analysis, it is demonstrated that expanding women's roles in entrepreneurship is an effective mechanism for poverty reduction.
KEY WORDS: *Women's Entrepreneurship, Small Business, Poverty Reduction, Gender Equality, Financial Inclusion, Socio-Economic Development.*

1. INTRODUCTION

Reducing poverty remains one of the primary objectives of any nation today. In Uzbekistan, poverty alleviation is considered a crucial task in ensuring economic growth and social stability. In particular, increasing women's participation in the small business sector can significantly contribute not only to improving household incomes but also to the sustainable development of the national economy. Therefore, enhancing the share of women in small businesses is regarded as an effective mechanism for poverty reduction.

Although women play a significant role in Uzbekistan's economic life, their participation in entrepreneurship remains relatively low. Factors such as gender inequality, limited access to financial resources, and lack of knowledge and skills hinder the development of women's business activities. Therefore, special programs, training sessions, and preferential loans provided by government and community organizations create substantial opportunities to increase women's share in the small business sector.

Increasing the share of women in small businesses holds significant socio-economic importance for poverty reduction. The expansion of women's activities not only improves the well-being of their families but also ensures the economic stability of communities and society as a whole. In this regard, studying and developing opportunities to reduce poverty by involving women in entrepreneurship is one of the most pressing issues in Uzbekistan today.

Poor population refers to the segment of the population whose income or consumption falls below the poverty line established by the country and who face limitations in three main areas of life activity: healthcare, education, and material well-being. Researchers and practitioners worldwide have developed and applied various methodologies to measure the level of poverty in practice.

A general consensus is forming regarding the necessary measures for Small Enterprise Development (SED). The main directions include: a simplified, swift, affordable, and corruption-free political, regulatory, and legal environment; access to low-cost credit sources without physical collateral requirements for the poor population; affordable and efficient business services; a workforce equipped with relevant professional skills; strengthening human capital through healthcare and education; a culture that supports and encourages entrepreneurship; equal opportunities to access domestic and international markets alongside large corporations; and reliable infrastructure (transportation, energy, telecommunications, etc.).

However, several important challenges remain in this area. First, it is unclear how to transition the small entrepreneurship sector from a system dominated by micro and small enterprises to one where small and medium-sized enterprises prevail. Second, there is insufficient effort to accurately measure the impact of small business development initiatives on poverty reduction. This is crucial for effective experience sharing and the development

of appropriate approaches. Third, it remains unclear how necessary state-funded interventions are in small business development and to what extent these activities should be self-sustaining from a commercial perspective.

2. LITERATURE REVIEW

In contemporary scientific literature, increasing the share of women in small business in Uzbekistan is interpreted as a crucial factor for achieving socio-economic stability. Studies emphasize that the growth of women's entrepreneurship not only leads to an increase in household income but also significantly impacts the enhancement of regional economic activity and the improvement of employment levels.

Therefore, ensuring gender equality through political and institutional approaches to widely involve women in small business remains a pressing issue. The International Labour Organization (ILO), operating on a tripartite principle, works closely with employer and worker representatives to develop and implement poverty reduction strategies. Through this approach, the ILO aims to integrate the concept of decent work into Poverty Reduction Strategy Papers (PRSP), strengthen the capacity of social partners, and engage other development organizations in this approach.

The International Labour Organization strategic approach in this area is based on six key principles:
Acting on the basis of national initiatives (through ILO field offices);
Working with a focus on concrete results (through the "Decent Work and Poverty Reduction" program);
Applying a comprehensive approach that covers all aspects of decent work;
A cooperation model that ensures coordinated participation of all stakeholders;
Pursuing policies based on a long-term perspective;
Setting priorities adapted to the resources and capacities of the ILO and its partners.

In practice, the ILO promotes projects, programs, and policy initiatives in various countries through specialists working in the field of Small Enterprise Development (SED). These specialists support the implementation of PRSP documents and provide advice and practical recommendations to stakeholders to offer tangible assistance to poor populations operating in small enterprises. Through their activities, an effective mechanism is being formed to combat poverty by enhancing the capacity of the private sector, creating sustainable jobs, and expanding employment opportunities.

Thus, Russian scholars have presented various views on this topic. N.A. Kuznetsova and S.N. Kiryukhina (2020-2019) argue that the development of women's entrepreneurship contributes to sustainable economic growth, increased employment, and poverty reduction. By involving women in small businesses, their economic independence is ensured. Furthermore, it is necessary to improve the legal and financial environment to support women's entrepreneurship. Increasing women's participation in small businesses enhances their economic activity and reduces poverty[1].

Additionally, our foreign scholars have also expressed their views. Schwarzer G. & Nadvi K. (2021) stated that supporting women entrepreneurship in small businesses can lead to economic inclusion and sustainable development in rural areas. By involving women in small businesses, poverty can be reduced[2].

At the same time, Sharipova D.M. (2021) stated that in Uzbekistan, increasing women's economic activity and reducing poverty can be achieved by involving women in entrepreneurship within small businesses. By engaging women in small business, their economic status improves[3].

In particular, support for women's entrepreneurship is being implemented through a range of government-developed programs and measures. Active participation of women in small business not only impacts their sources of income but also makes a significant contribution to reducing household poverty. In this process, expanding women's equal access to financial services, education, and the necessary infrastructure for business development is considered one of the key tasks.

At the same time, social stereotypes and negative gender perceptions remain one of the main barriers to involving women in entrepreneurship. To overcome these obstacles and increase women's economic activity, it is necessary to expand education, skills development programs, and social support systems. In this way, increasing women's

[1]. *Kiryukhina, S.N. (2019). Women in small business: problems and prospects. Saint Petersburg: Economics.*
[2] *Schwarzer, G., & Nadvi, K. (2021).* Women entrepreneurship and regional economic inclusion in rural Europe. *Berlin: Springer Verlag.*
[3] *Sharipova, D.M. (2022). The development of women's entrepreneurship in Uzbekistan and its socio-economic impact. Tashkent: Journal of Economic Development, No. 4, pp. 115–121.*

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share in small business will not only improve their socio-economic status but also lead to an effective reduction of poverty across the entire country.

3. RESEARCH METHODOLOGY

The methodology applied in this study demonstrates that, in the context of Uzbekistan, various scientific methods - including synthesis, generalization, analysis, and parallelization - wre extensively used to conduct an in-depth analysis of the opportunities to reduce poverty by increasing the share of women in small businesses. To clearly and effectively present the research results, tables and graphical illustrations were utilized. This approach played a crucial role in providing a comprehensive understanding of the issue and in developing practical recommendations.

4. ANALYSIS AND RESULT

In Uzbekistan, small business is a crucial factor in promoting economic growth and creating jobs. In particular, increasing women's participation in this sector not only ensures gender equality but also stabilizes household incomes. Currently, the government is implementing several programs aimed at supporting women entrepreneurs in practice.

At the same time, it is crucial for women engaged in small business to have adequate access to financial resources, as well as education and business skills. These challenges are even more pronounced in rural areas. Analyses show that small business projects involving women are often tailored to local needs and have a significant social impact.

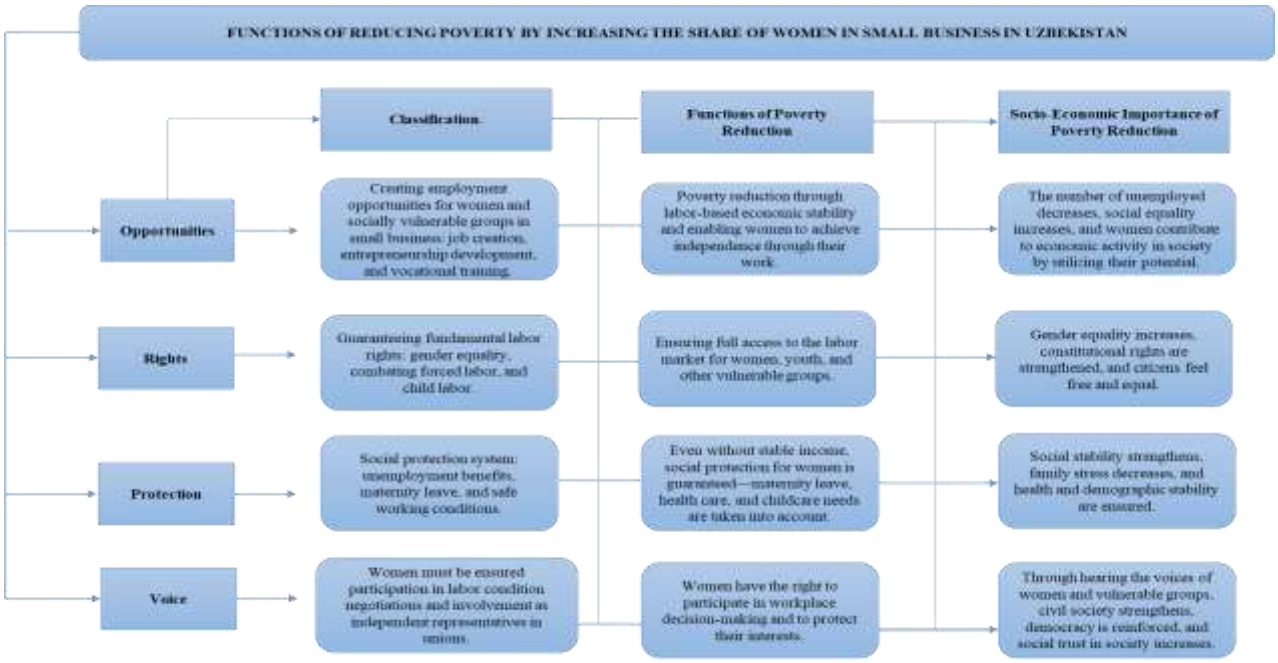


Figure -1 Analytical Classification of Mechanisms for Poverty Reduction through the Increase of Women's Participation [4]

In Uzbekistan, the broad involvement of women in small business can be recognized as a crucial factor in poverty reduction. An increase in the number of economically active women expands the family income base, which helps reduce inequality among social groups. Women running small businesses not only provide financial support for themselves but also improve their families' access to education and healthcare for their children. This plays a positive role in breaking the cycle of poverty passed down from generation to generation.

Moreover, the increase in women's participation in small business ensures economic diversification, creates new jobs, and stimulates regional socio-economic development. Many women engage in service industries, labor-intensive crafts, and agribusiness, introducing new approaches to traditional market segments. This process contributes to the expansion of economic activity, reduction of poverty levels, and the formation of sustainable development strategies.

[4] *By Made Author*

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Table – 1. Mechanism and Analysis of Approaches to Poverty. [5]

Approach	Definition	Unit of Analysis	Main Difficulties in Measurement
Monetary	Poverty is a lack of consumption (or income) relative to a certain poverty line.	Ideally – individual, but in practice – household.	The need to rely on external expert evaluation.
Capabilities-Based	Poverty is the lack of functional capabilities, i.e., the ability to live a long life, eat well, be healthy and literate. The value of living standards lies in life itself, not in owning goods.	Individual	It is difficult to define a list of capabilities for assessment due to the multidimensional nature of the approach.
Social Exclusion-Based	Poverty is a lack of material resources and the inability to participate effectively in economic, social, and cultural life, along with exclusion and distancing from mainstream social processes.	Individuals or groups closely connected within their communities or society at large.	Problems with multidimensionality and the dynamic nature of social processes.
Participation of the Poor	Poverty is a set of problems that go beyond low income. It is the lack of fundamental freedom of action and choice, which wealthier people take for granted.	Groups or individuals within those groups.	How measurable are people's opinions? How representative are their views?

This table analyzes the main approaches used in assessing poverty. Each approach interprets poverty from its own unique perspective: some are based on income or consumption levels, while others take into account a person's capabilities, social position, or subjective condition. Although the monetary-based approach is the most traditional and measurable criterion for defining poverty, it does not fully capture the complex social and psychological aspects of human life.

The capability approach links poverty to a person's potential and freedom of choice, offering a development-oriented perspective. Approaches based on social exclusion and the lived experiences of the poor provide a deeper insight into the social dynamics and human dimensions of poverty. The comprehensive approach integrates all these factors, viewing poverty as a multifaceted and systemic problem.

As a result, effectively analyzing poverty and combating it requires the coordinated application of each of these approaches in harmony.

5. CONCLUSION

Based on the above analysis, we summarize the conclusions and the achieved results:
In Uzbekistan, there are significant opportunities to increase women's economic activity, boost household incomes, and reduce poverty by actively involving women in small businesses. Expanding women's participation in entrepreneurship not only ensures their personal development but also contributes to achieving socio-economic stability for the entire society. The conditions created by the government, the strengthening of the legislative framework, and the expanded access to credit and financial resources serve to accelerate this process.

International experience also shows that involving women in small business leads not only to economic but also to significant social outcomes. In Uzbekistan, ongoing reforms - particularly those aimed at providing women with vocational training, education, and advisory services - play a crucial role in this process. In conclusion, expanding women's participation in the small business sector is one of the effective strategic directions for poverty reduction in Uzbekistan.

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