



## THE CURRENT STATE OF WOMEN'S ENTREPRENEURSHIP IN RURAL AREAS OF UZBEKISTAN

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**Abstract:** *Women's entrepreneurship in rural Uzbekistan has experienced explosive growth since 2017, rising from fewer than 300,000 registered entrepreneurs in 2020 to 2.1 million by the end of 2024. This article presents the first comprehensive, English-language assessment of this phenomenon, focusing on rural women who constitute the majority of new entrants. Drawing on the latest data from UNDP, ILO, World Bank, GEM Consortium, and Uzbekistan's Agency for Statistics, the analysis reveals that agriculture and household-based production dominate rural women's ventures (55 % of total activity), while informality remains high (61 %). Despite impressive quantitative gains, structural barriers — limited financial inclusion, heavy unpaid care burdens, and low digital literacy — continue to constrain scalability and sustainability. The article proposes an integrated policy and monitoring framework combining GEM annual surveys, periodic ILO WED assessments, and permanent EDGE gender indicators to transform Uzbekistan's rural women entrepreneurs from survivalist operators into engines of inclusive growth.*

**Keywords:** *women's entrepreneurship, rural Uzbekistan, agriculture, gender reforms, informal sector, SDG 5, SDG 8*

### INTRODUCTION

Uzbekistan's economic liberalisation since 2017 has produced one of the fastest-growing cohorts of women entrepreneurs in the developing world. Nationally, the number of women entrepreneurs increased sevenfold from 300,000 in 2020 to 2.1 million by 2024 (UNDP, 2025). Rural areas, home to 49 % of the population (18.2 million people), have been at the heart of this transformation.

Agriculture remains the primary arena, with rural women now leading 55 % of agricultural ventures (up from 40 % in 2020) and generating collective net profits of 4.2 trillion UZS (approximately US\$335 million) in 2024 (Agency for Statistics, 2025).

Despite these achievements, rural women's entrepreneurial activity rate stands at only 28 % — 10–12 percentage points lower than in urban areas (ILO, 2024). Over 61 % operate informally, 31 % face loan rejections, and 48–54 % cite unpaid care work as the primary barrier to growth (UNDP, 2025; World Bank, 2025).

This article addresses three questions: (1) What are the dominant trends shaping rural women's entrepreneurship between 2020 and 2025? (2) How do structural and socio-cultural factors influence opportunities and constraints? (3)

Which policy and methodological frameworks are most effective for sustained progress?



## Literature Review

Feminist economics and the capability approach (Kabeer, 1999; Sen, 1999) frame women's entrepreneurship as a function of resource access and agency rather than individual traits alone. In rural contexts, the "feminization of agriculture" (Deere, 2005; FAO, 2019) is highly relevant: male labour migration (60–90 % of Uzbek migrants are men) has shifted agricultural responsibilities to women while restricting their commercialisation capacity.

Globally, rural women produce 30–40 % of food yet own less than 20 % of land and receive only 10 % of agricultural credit (FAO, 2023). In Central Asia, Kazakhstan and Kyrgyzstan have achieved higher formalisation through cooperatives, whereas Uzbekistan's growth remains largely informal (ADB, 2023). Recent Uzbekistan-specific studies document the post-2017 surge (UNDP, 2025; ILO, 2024) and link preschool expansion to a 12 % rise in rural women's employment (World Bank, 2025). However, 68 % of rural women remain unaware of state support programmes (Ergasheva, 2024), and GEM data reveal a 47 % higher business closure rate due to family responsibilities (GEM Consortium, 2025).

The literature lacks a comprehensive, up-to-date synthesis of rural-specific trends and a clear proposal for ongoing monitoring — the gap this article fills.

## Methodology

This study adopts a mixed-method desk-research design that systematically combines the most recent quantitative and qualitative sources available as of December 2025. The quantitative foundation rests on official time-series data from the Agency for Statistics under the President of the Republic of Uzbekistan covering the period 2020–2025, the Global Entrepreneurship Monitor (GEM) national reports from the same years, the UNDP enterprise database updated in 2025, and impact evaluations of World Bank projects implemented between 2019 and 2025. These sources provide hard figures on the number of registered women entrepreneurs, entrepreneurial activity rates disaggregated by urban and rural areas, sectoral distribution, net profits generated by women-led micro-firms, loan allocation volumes, and programme coverage statistics. The qualitative dimension is built from an extensive review of policy documents, including Presidential Decrees PQ-96 and PQ-103 issued in 2025, the full text of the National Gender Equality Strategy to 2030, ILO country assessments, detailed UNDP Aid for Trade project case studies from the Fergana, Namangan and Andijan regions, and the proceedings of the OSCE Regional Women Farmers Forum held in Tashkent in 2024 (GEM Consortium, 2025).

Trends are examined through longitudinal time-series comparisons that track the evolution of key indicators such as the rural women's entrepreneurial activity rate, the share of agriculture in their ventures, and the volume of preferential credit disbursed. Barriers and enabling factors are mapped and interpreted using a SWOT framework that allows structural, financial, socio-cultural and institutional dimensions to be weighed against each other. Policy recommendations are explicitly benchmarked



against the strengths and limitations of the four leading international methodologies discussed earlier in the broader research programme — the ILO Women's Entrepreneurship Development (WED) Assessment, the GEM annual survey system, the EDGE gender-disaggregated statistical modules, and the conceptual legacy of the GEDI Female Entrepreneurship Index. Because the study relies entirely on publicly available secondary sources and does not involve primary human subjects, no ethical approval was required, although all data have been handled in strict accordance with the transparency and citation standards of academic publishing (ILO, 2024).

### Findings and Analysis

The period 2020–2025 has witnessed an unprecedented expansion of women's entrepreneurship in rural Uzbekistan. The rural women's entrepreneurial activity rate, which stood at just 15 percent in 2017, climbed steadily to 28 percent by the end of 2024 according to the International Labour Organization's latest country report. This growth is reflected in the creation of more than twenty thousand women-led small enterprises and micro-firms across the countryside, which together generated a collective net profit of 4.2 trillion Uzbek soums in 2024, equivalent to approximately 335 million United States dollars at the prevailing exchange rate. The average annual profit per firm reached 202.6 million soums, demonstrating that many rural women have moved beyond subsistence-level activity into commercially viable operations spanning agriculture, light manufacturing, trade and services (UNDP, 2025; World Bank, 2025).

Agriculture remains the dominant sector and now accounts for 55 percent of all rural women's entrepreneurial ventures, a significant increase from the 40 percent recorded in 2020. This shift has been driven by a combination of deliberate state policy and demographic change. The massive expansion of preschool coverage from under 30 percent in 2017 to 76 percent nationwide by 2024 has freed substantial time for rural mothers, producing a measurable 12 percent rise in female employment and entrepreneurial engagement according to World Bank impact evaluations. UNDP's Aid for Trade programme has played a catalytic role in several regions by establishing green agricultural value chains centred on dried fruit and nut processing; each project cluster has created more than fifty permanent jobs and positioned rural women producers to capture a growing share of international markets, with an overall export target exceeding 100 million dollars annually by the end of 2025 (UNDP, 2025; World Bank, 2025).

Despite these achievements, structural constraints continue to limit the depth and sustainability of this growth. Sixty-one percent of rural women entrepreneurs still operate in the informal sector, leaving them exposed to economic shocks and unable to access the full range of state support measures. Loan rejection rates for rural women remain stubbornly high at 31 percent, largely because of collateral requirements that are difficult to meet in areas where land and property are predominantly registered in male names. Unpaid care work emerges as the single most frequently cited obstacle,



mentioned by between 48 and 54 percent of respondents in UNDP field consultations, while 68 percent of rural women report that they have never heard of the government programmes theoretically designed to assist them.

### Discussion

Uzbekistan's experience over the past five years illustrates that rapid, state-orchestrated economic liberalisation combined with targeted gender measures can produce dramatic quantitative leaps in women's entrepreneurship within a remarkably short timeframe. The sevenfold national increase and the clear movement of rural women into higher-value agricultural processing represent a genuine success story that few developing countries have matched at comparable speed. However, the persistence of high informality, elevated loan rejection rates, and the overwhelming burden of unpaid care work reveal a critical insight: sheer numbers of new ventures do not automatically translate into resilient, scalable or transformative businesses.

When placed in regional perspective, Uzbekistan now outperforms most Central Asian neighbours in absolute growth and overall numbers, yet it lags behind Kazakhstan's cooperative-based formalisation model and Kyrgyzstan's more mature microfinance ecosystem in terms of business quality and longevity. The rural–urban gap of 10–12 percentage points and the 47 percent higher business closure rate among rural women compared to rural men underscore that without simultaneous investment in care infrastructure, collateral reform and aggressive awareness campaigns, the current trajectory risks plateauing rather than accelerating toward the 40 percent women-owned SME target set for 2030 (FAO, 2023).

### Policy Recommendations and Conclusion

To convert impressive quantitative gains into lasting qualitative transformation, Uzbekistan should adopt a fully integrated monitoring and policy framework built on the complementary strengths of existing international methodologies. Annual GEM surveys should be expanded with deliberate rural oversampling to provide real-time, gender-disaggregated behavioural data. Comprehensive ILO WED national assessments should be conducted every four to five years to deliver in-depth diagnostic insights and actionable reform roadmaps. EDGE gender modules must be permanently embedded into the regular enterprise census and labour-force surveys of the Agency for Statistics to ensure long-term comparability and alignment with SDG reporting requirements (ResearchGate. FAO, 2023).

On the policy side, the government should scale collateral-free and state-guaranteed loan products to reach at least half of all rural women applicants by 2030, establish a dedicated Green Rural Women Fund with an initial capitalisation of 50–100 million dollars in partnership with the EBRD and IFC, and accelerate investment in community-based childcare cooperatives to push rural preschool and early-childhood coverage toward 95 percent. A national "Digital Mahalla" initiative targeting half a million rural women with basic e-commerce and digital marketing training by 2030, coupled with the creation of one hundred district-level women-led agricultural export



hubs, would directly address the awareness and market-access deficits that currently hold back the majority of rural entrepreneurs (Agency for Statistics under the President of Uzbekistan, 2025).

In conclusion, the rural women of Uzbekistan have moved in less than a decade from the margins of economic life to its very centre. The country now possesses one of the fastest-growing cohorts of women entrepreneurs anywhere in the developing world. With the integrated monitoring system and targeted policy package outlined above, Uzbekistan has a historic opportunity to ensure that its remarkable quantitative achievements become the foundation for genuine economic empowerment, widespread poverty eradication, and lasting gender equality — thereby fully realising the promise of the New Uzbekistan by 2030 and beyond.

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