



## WOMEN'S CONTRIBUTION TO THE BUSINESS SECTOR

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**Annotation:** *It is said that today favorable opportunities are being created for women, Women's motives for starting a business are mainly explained by pull and push factors, women own businesses and are paid less than men and are more involved in unprotected work such as housework, Uzbek women entrepreneurs are the most adapted to manage tradition and modernity, because they have the opportunity to benefit from both sides of their conflicting value systems.*

**Keywords:** *business, opportunity, management, formation, economy, entrepreneurship, tourism, communication, service.*

**Аннотация:** *Говорят, что сегодня для женщин создаются благоприятные возможности, Мотивы женщин для начала бизнеса в основном объясняются факторами притяжения и выталкивания, женщины владеют бизнесом и получают меньше, чем мужчины, и больше вовлечены в незащищенный труд, такой как работа по дому, узбекские женщины предприниматели наиболее приспособлены к управлению традициями и современностью, потому что у них есть возможность извлечь выгоду из обеих сторон своих конфликтующих систем ценностей.*

**Ключевые слова:** *бизнес, возможность, управление, образование, экономика, предпринимательство, туризм, связь, сервис*

A society cannot be developed effectively unless the women of it are developed since almost half of the world's population is female. Female entrepreneurs are increasingly being considered for economic development. This increase has contributed to the creation of employment, economic growth as well as creating diversity in the entrepreneurial world as part of the economic process (Verheul and Thurik, 2001).

Women still remain underrepresented among the ranks of entrepreneurs especially in transition countries. Fewer women own businesses and earn less than men and are more likely to engage in unprotected work like domestic work. If women took part in entrepreneurial activities equally as men, the global GDP would rise by 2% translating to \$1.5 trillion (Boston Consulting Group, 2014). Developed nations such as Europe and North America report gender inequality and lack of gender development is a major cause of most of the social and economic problems encountered and an assessment of Mongolia still faces gender inequality despite a 98% literacy rate among women (Aramand, 2013).

Women are more channeled towards traditional female jobs which are: domestic services, agriculture, health, education, retail, communication and tourism unlike men



who get employed in maritime jobs, transport services, resource extraction and construction (ESCAP, 2017). Data from ILO (2013) showed that women from the central Asian region were highly present in the services sector (over 50%), followed by the agricultural sector (less than 42%) and the industry sector (less than 12%). When this data was compared to the global trends; there was a 5.6% drop in the women working in the industry sector while the proportion of men increased by 5.3%.

Globally, women and men have unequal access to resources which limits women's abilities to grow businesses. Gender blind business support measures don't support female entrepreneurship development to the same extent as they do for men-owned businesses and such conditions result in lowered gender rights, restrictions outside the home as well as travel within and outside the country which men don't have to encounter (Gender GEDI Executive Report, 2013).

Uzbekistan went through a political, economic and social transformation after it gained its independence in 1991 that resulted in globalization. Female entrepreneurship in Uzbekistan can be traced back to the late Soviet Era when the state had strictly prohibited informal economic activities such as small-scale trade but as time passed by small-scale trading became acceptable and religious tenets, restricted gender roles, and traditional behaviours and attitudes could not prevent Uzbek female entrepreneurs from seizing the opportunities created by opening borders, increased mobility, and globalization (Rano, 2017).

Culture is crucial for everything that is done around the world and female entrepreneurs from Uzbekistan are the most adapted when it comes to navigating tradition and modernity as they are able to gain from both sides of their contradictory value systems (Akiner, 1997). Social norms regarding household and child care create a barrier in women's progression as leaders and decision makers (Gender-GEDI Executive Report, 2013). Most of the Uzbek women in the labor market who are college-educated are mostly teachers, nurses, agricultural workers or stay at home taking care of their parents and children.

A state program was developed aimed at encouraging women to start their own enterprises through micro-finance loans and credits and it has increased the proportions of women in micro, small and medium enterprises although they are still restricted from accessing larger enterprises due to the pre-dominant traditional mindset. A previous survey indicated that only 0.7% of female entrepreneurs borrow to start, operate or expand businesses (UNECE, 2014). Economic challenges as well as failure in the state's social security system (which has granted more power to traditional local authorities and institutions) has affected gender roles and the overall situation of women in Uzbekistan (Rano, 2017).

The entrepreneurial world is dominated by men and since Uzbekistan gained independence; the path it took highlights difficult situations faced by Central Asian Countries. The country has followed a path of a gradually developing democracy, a socially-oriented market economy and the nation-keeping process by keeping the



indigenous ethno-national culture and traditions as the core of the country (Mushtaq and Aijaz, 2006). Almost twice the number of men open businesses compared to women despite the fact that the female population represents 50.12% of the population (UNPD, 2019).

Women are faced by a variety of challenges when it comes to doing business : gender-insensitive macro-economic policies , complex tax policies, gender-based inequalities in employment policies and regulations, complex business registration and licensing procedures, lack of cultural acceptance for the role of women in entrepreneurship, lack of collateral due to ownership practices, social restrictions concerning networking with men in business and suppliers insisting to deal with the husbands to the entrepreneurs when it comes to decision making and women continue to juggle both business and family responsibilities (ILO, 2013; Amer, 2013). This study seeks to find out the impact to which culture has on female entrepreneurship in Uzbekistan.

Entrepreneurship is a phenomenon that is multi-dimensional; attracting the attention of scholars from different disciplines (Majidov, 2007). The Organization for Economic Cooperation and Development (OECD) defines entrepreneurs as “persons who have direct control over the activities of an enterprise by owning the totality or a significant share of the business”. An entrepreneurial venture can either be Necessity-based where a woman may decide to sell goods in the market as the best option to support her family or Opportunity-based which is designed to capitalize on a market need or trend. Necessity-based entrepreneurship co-exists with economic growth in most of the developing countries while opportunity-based entrepreneurship accomplishes growth in developed in countries (GEM, 2005).

Capital is key for starting and sustaining an enterprise. There exists three types of capital;

- Human capital which comprises of the skills, business knowledge and experience an entrepreneur requires
- Financial capital referring to the required monetary resources
- Social capital referring to access to networks that provide information and resources and also access to formal and informal mentorship

Developing countries are faced with the pressure to reshape their production and adapt to be more geared towards innovation and encourage the shift from necessity to opportunity-based entrepreneurship and thereby increasing female participation becomes paramount. Female entrepreneurs have been observed to pursue their business aspirations in a limited number of sectors which women have traditionally been known to be active in. Majority of the women-owned businesses are in wholesale and retail, restaurants, hotels and services due to the low barrier entry. In the manufacturing, food processing, clothing and textile as well as traditional crafts such as gold embroidery, carpet and silk weaving in Uzbekistan play a vital role in women’s business activities (Odinga and Poipoi, 2012).



Women-led businesses are one of the fastest growing entrepreneurial populations in the world making significant contribution to innovation, employment and wealth generation across all economies (Brush and Cooper, 2012). Female entrepreneurship can manifest in different ways based on different contexts and geographies and women from different parts of the world have varied entrepreneurial experiences regarding their access to opportunities, markets and resources (Welter, 2011). The most recent women's report done by the by the Global Entrepreneurship Monitor reported that 274 million women own new or established businesses in 74 economies (Kelley et al., 2017).

Despite the benefits of female entrepreneurship to a country's economy; women's full potential in the entire sector is yet to be unleashed. Entrepreneurship should ideally utilize all human capital for economic growth and sustainable development which can only take place through the integration of the gender perspective through gender diversity with both male and female entrepreneurs equally involved and in competition with each other aiming towards the growth and development of a country .

Women's motivations to begin businesses are mostly explained by pull and push factors. Push factors are necessity-driven and they include; insufficient family income, job dissatisfaction, trouble with finding a job and the need for flexibility due to family responsibilities. Pull factors include independence, self-fulfillment, desire for wealth, social status and power (Orhan and Scott, 2001). In Afghanistan, female entrepreneurs are motivated by the desire for financial independence and autonomy (Nehad, 2016). In Pakistan, self-motivation, family support, social networking and information communication technology were reported as the motivators for female entrepreneurs to start businesses.

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