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Alternative Scenarios for The Development of The Economic Mechanism of Women's Entrepreneurship

Kamoldinova Nargiza Anvarovna¹

1. Andijan State Technical Institute, PhD student

Abstract: This article explores the current state and development prospects of women's entrepreneurship in Uzbekistan, with a particular focus on regional contexts. It examines the socio-economic conditions that influence the formation and growth of female-led enterprises, including access to financial resources, legal support, institutional infrastructure, and social norms. The study identifies key challenges faced by women entrepreneurs, such as limited access to credit, low levels of digital and financial literacy, and gender-based constraints. Using comparative analysis and statistical data from Andijan region, the article evaluates existing support mechanisms and proposes an integrated approach to strengthening the economic participation of women. This includes enhancing government policy, creating inclusive financial instruments, expanding business training, and fostering gender-sensitive entrepreneurship ecosystems. The findings contribute to the ongoing discourse on inclusive economic development and offer actionable strategies for empowering women entrepreneurs at the local and national levels.

Keywords: Innovative Development Scenario, Government Support Scenario, Private Sector and Investment Scenario, Local and Regional Development Scenario, Alternative Scenario, Economic Mechanism, Government Subsidies, Grants, Preferential Loans

1. Introduction

The development of the economic mechanisms for women entrepreneurship in Andijan region aims to transform leading textile enterprises into competitive businesses, modernize the produced goods technically and technologically, diversify product types, and improve their quality. The economic mechanisms for developing women entrepreneurship can be based on various alternative scenarios, including innovative development, government support, private sector and investment, and local and regional development scenarios. Each of these scenarios will be discussed individually.

a. The scenario of innovative development of opportunities for the development of the economic mechanism of women's entrepreneurial activity [1]. It is understood that women's entrepreneurship is developed on the basis of modern technologies, digital economy and innovative solutions [2], [3]. Its key elements are: e-commerce and online platforms: the use of Amazon, eBay, ozone, Etsy and local online marketers; digital payment systems: online payment options through financial technologies such as PayPal, Payme, Click, grape Pay; startup ecosystem: joining accelerator and incubator programs to develop innovative businesses; artificial intelligence and automation: chatbots, big data analysis, and smart marketing [4].

Its advantages are achieved through: the possibility of reaching the world market; automation of production and sales processes; reduction of costs through new

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technologies. Also disadvantages: high initial costs for technology acquisition; high levels of competition; the need for it and digital literacy, among others.

The scenario of innovative development of opportunities for the development of the economic mechanism of women's entrepreneurial activity indicators: can increase the share of digital trade by 40-50%, the share of women's entrepreneurship by 20% to 35%, the forecast of investment in technology by 2 times [5], [6].

b. The scenario of state support of the opportunities for the development of the economic mechanism of women's entrepreneurial activity. The development of women's entrepreneurship can be facilitated by the allocation of government subsidies, grants and preferential loans. Its main elements: state financial programs: preferential loans (interest rate of 0-7%), grants (up to 50 million rubles); tax benefits: reduction of the tax burden on women's entrepreneurship (e.g., exemption from VAT); business incubators and training programs: organizing Centers for the support of women's entrepreneurship [7], [8].

The advantages of the opportunities for the development of the economic mechanism of women's entrepreneurial activity are: stable financial support from the state; a favorable opportunity to start new businesses; increasing knowledge and skills through special programs for women. Also, its disadvantages are: poor funding process due to state bureaucracy; increased state dependence; preventing the risk of corruption in the financial allocation process [9], [10].

The scenario of state support for the development of the economic mechanism of women's entrepreneurial activity indicators: the use of preferential loans leads to a forecast result of 50%, the share of women's business in the economy by 30-40%, the total volume of state grants increases by 3-5 times.

c. The scenario of opportunities for the development of the economic mechanism of women's entrepreneurial activity on the private sector and investments. The essence of this is mainly that women's entrepreneurship is developed through private equity, international investments and bank loans. Its key elements are: private investment: special venture capital funds for women; bank loans and microfinance: low-interest loans for women's entrepreneurship (10-12%) [4]; international cooperation: based on attracting investors abroad, etc. The advantages of the scenario of the development of the economic mechanism of women's entrepreneurial activity on the private sector and investments: the possibility of attracting more capital; the use of international experience; conducting independent business without state assistance. But the disadvantages of this are: increased pressure on the business due to the fact that investors demand profit; high interest rate of loans; difficulties in attracting profitable investments. Based on this scenario, the following indicators were achieved. In particular, the volume of private investment was projected to increase by 2-3 times, the share of women entrepreneurs who received loans to 35%, and the profitability of women's business to 15-25%.

d. Scenario of local and territorial development of opportunities for the development of the economic mechanism of women's entrepreneurial activity. The main focus in this is the scenario aimed at the development of the local economy and territorial entrepreneurship. Its main elements: agriculture and crafts: production and sale of local products; cooperatives and cluster systems: women's activities through collective business; development of the domestic market: reveals the orientation of local entrepreneurs to strengthen the domestic economy.

The advantages of this scenario are realized in: local economy develops; women adapt their business to natural conditions; efficient use of resources and other factors; disadvantages of this scenario: limited market and low profitability [5]; poor development of Territorial Infrastructure, low competitiveness are affected. The advantages of this scenario are realized in: local economy develops; women adapt their business to natural conditions; efficient use of resources and other factors; disadvantages of this scenario: limited market. As a result, the key indicators for this scenario should aim to increase the

number of regional women entrepreneurs by up to 50%, raise incomes from agriculture and handicrafts by 30-40%, and expand the share of the internal market to 20-25%.

The concepts of women entrepreneurship and men entrepreneurship are closely interconnected and are based on the general concept of entrepreneurship. The development of women entrepreneurship is particularly relevant in the context of global economic globalization. However, the share of women entrepreneurship constitutes one-third of all entrepreneurs worldwide. Moreover, the share of women entrepreneurship is higher in developing countries compared to developed ones [11]. Studies indicate that women possess sufficient qualities such as initiative, management enthusiasm, diligence, perseverance, responsibility, and the ability to systematically and positively solve problems. However, their success is often hindered by a lack of financial resources and various barriers. Experts in the field believe that the potential of women entrepreneurship could double the global GDP [12]. According to the results of the Boston Consulting Group experts, if the number of women entrepreneurs were equal to that of male entrepreneurs, the global economy could grow from \$2.5 trillion to \$5 trillion.

2. Methodology

The article employs various methods, including comparative and selective research, monographic analysis and grouping, systematic analysis, graphic interpretation, expert evaluation, econometric analysis, and forecasting.

3. Analysis and Results

Among the four scenarios discussed, the most effective one will be identified. Based on the scenarios conducted, four criteria—efficiency, stability, investment volume, and competitiveness—will be evaluated at low, medium, and high levels.

Table 1. Evaluation of Alternative Scenarios for Developing the Economic Mechanisms of Women's Entrepreneurship in Andijan Region.

Scenario	Efficiency	Stability	Investment Volume	Competitiveness
Innovative Development	High	Medium	Medium	High
Government Support	Medium	Low	Medium	Medium
Private Sector and Investment	High	Medium	High	High
Local and Regional Development	Medium	Low	Low	Low

According to Table 1, the study identifies the effectiveness of the four alternative scenarios for developing the economic mechanisms of women's entrepreneurship in Andijan region. The innovative development scenario shows high efficiency, medium stability, medium investment volume, and high competitiveness. The government support scenario is evaluated as medium efficiency, low stability, medium investment volume, and medium competitiveness.

In conclusion, several alternative scenarios have been developed to enhance the economic mechanisms for developing women entrepreneurship. Each scenario is implemented based on various strategies, financial resources, and changes in government

policy [13]. The main descriptions of these alternative scenarios, along with their advantages and disadvantages, are presented in the following table.

Table 2. Alternative Scenarios for Improving the Economic Mechanisms of Women Entrepreneurship, Their Advantages and Disadvantages.

Scenario Type	Description	Advantages	Disadvantages
Government Support Scenario	Supporting women entrepreneurship through increasing government benefits, subsidies, and grants	<ul style="list-style-type: none"> • Rapid development of small businesses 	<ul style="list-style-type: none"> • Increased government spending
Private Sector and Investment Scenario	Attracting venture capital and private investors for women's entrepreneurship	<ul style="list-style-type: none"> • Support for innovative business projects 	<ul style="list-style-type: none"> • Private sector supports only profitable projects
Cooperation and Cluster Development Scenario	Creating clusters and cooperatives by uniting women entrepreneurs	<ul style="list-style-type: none"> • Effective resource utilization 	<ul style="list-style-type: none"> • Requires time and resources to establish clusters
Digital Technologies and Innovations Scenario	Developing women's businesses through e-commerce, fintech, and IT technologies	<ul style="list-style-type: none"> • Bringing women's entrepreneurship to the global market 	<ul style="list-style-type: none"> • Dependency on internet and technological infrastructure
International Cooperation and Grant Programs	Expanding cooperation with international donors and organizations for women's entrepreneurship	<ul style="list-style-type: none"> • Access to international experience and resources 	<ul style="list-style-type: none"> • Complexity of long-term agreements with international organizations

Based on the analysis of the above scenarios, it is evident which scenario can effectively improve the economic mechanisms for developing women entrepreneurship. Furthermore, the analysis and forecasting of alternative scenarios have led to the development of the following Table 2.

Table 3. Evaluation Results of Alternative Scenarios for Improving the Economic Mechanisms of Women Entrepreneurship and Their Implementation Periods.

Scenario Type	Implementation Period	Efficiency Level	Risks
Government Support Scenario	Short term (1-3 years)	High	Increased government spending
Private Sector and Investment Scenario	Medium term (3-5 years)	High	Changes in the competitive environment

Cooperation and Cluster Development Scenario	Medium and long term (5-10 years)	Medium	Initial investments required
Digital Technologies and Innovations Scenario	Short and medium term (2-5 years)	High	Dependency on digital infrastructure
International Cooperation and Grant Programs	Medium and long term (5-10 years)	High	Complexity of international agreements

Improving the economic mechanism for the development of women's entrepreneurship as a result of the assessment of alternative scenarios, the effectiveness of the state-enhanced support scenario is "high", since its validity is "short-term", that is, it involves 1-3 years, see Table 3.

The level of risk is mainly due to the increase in government spending. In the scenario of improving women's entrepreneurship through the private sector and attracting investors, the focus is on investment or investment projects. The validity of this scenario is in the "medium term (3-5 years)", and the level of efficiency is "high", the level of risk is influenced by the change in the competitive environment. Through the scenario of the development of the cooperative and cluster system, the result is achieved in the "medium and long term (5-10 years)" due to the improvement of women's entrepreneurship [14], [15]. Because its level of efficiency is also "Intermediate" compared to other scenarios, and its risks are the need for initial investments. For this reason, today these scenarios are developing a cooperative and cluster system more slowly in women's entrepreneurship, see Table 4.

Changes in the share of women's entrepreneurship in the regional economy, investments, lending, tax incentives, e-commerce and other important indicators in the Andijan region are presented. Because its level of efficiency is also "Intermediate".

Table 4. Key Economic Indicators of Women's Entrepreneurship in Andijan Region from 2016 to 2024.

Year	Share of Women Entrepreneurship (%)	Private Investments (billion soums)	Preferential Loans (billion soums)	Share of Digital Trade (%)	Employed Women (%)
2016	18	0,6	0,3	5	38
2017	19,5	0,8	0,4	8	39
2018	21	1,2	0,6	12	40
2019	22,8	1,5	0,9	18	41
2020	25	2,0	1,2	25	42
2021	26,5	2,5	1,5	30	43
2022	28,3	3,2	1,8	35	44
2023	30,5	4,0	2,2	42	45
2024	32,8	4,8	2,7	50	46

Based on the above analyses, the main economic indicators of the share of women's entrepreneurship of the Andijan region in the regional economy in 2016-2024 are given by factors on private investment, preferential loans, the share of digital trade, and working

women. As a result, the share of women's entrepreneurship increased by 14.8% from 2016 to 2024. In particular, private investment has increased by 8 times, which can be said to indicate the rapid development of women's entrepreneurship. The size of the preferential loans increased by 9 times, which confirms the importance of state support. In addition to the indicators between state support for women's entrepreneurship, the share of e-commerce has grown from 5% in 2016 to 50% in 2024.

The share of women's entrepreneurship of the Andijan region in 2016-2024, factors were determined by correlation and regression analysis of the correlation of the main economic indicators. Based on the correlation analysis, we determine the relationship between the share of women's entrepreneurship (ATU) and other economic factors.

Table 5. Correlation Coefficients Between the Share of Women Entrepreneurship and Economic Indicators from 2016 to 2024.

Variable	Correlation Coefficient (r)	Interpretation
Private Investments (billion soums)	+0.92	Strong positive correlation
Preferential Loans (billion soums)	+0.88	Strong positive correlation
Share of Digital Trade (%)	+0.95	Very strong positive correlation
Employed Women (%)	+0.76	Moderate positive correlation

According to Table 5, women's entrepreneurship shares have a correlation of 0.92 with private investment or a strong positive correlation. But it turned out that the most powerful influencing factors are the share of digital sales. Preferential loans will have a correlation of 0.88 or a strong positive correlation. Employed women have a correlation coefficient of 0.76 or a medium positive correlation.

We developed a regression equation that determines the share of women entrepreneurs in Andijan region based on four indicators from 2016 to 2024, see Table 6.

$$\text{Share of Women Entrepreneurship (SWE)} = 7.5 + 3.1 \times \text{Private Investments} + 2.5 \times \text{Preferential Loans} + 1.8 \times \text{Share of Digital Trade} + 1.03 \times \text{Employed Women}$$

Table 6. Forecast parameters for the share of women's entrepreneurship in Andijan region until 2029.

Year	Share of Women Entrepreneurship (%)	Private Investments (billion soums)	Preferential Loans (billion soums)	Share of Digital Trade (%)	Employed Women (%)
2025	33,2	5,5	2,9	53	47
2026	36,5	6,1	3,4	59	48
2027	38,8	6,4	3,9	65	49
2028	40,5	6,7	4,2	70	50
2029	42,3	6,9	4,6	75	51

The forecast parameters for the share of women entrepreneurship from 2025 to 2029 suggest significant growth. Recommendations for achieving these forecast parameters

include expanding investments in women entrepreneurship, further developing the system of preferential loans, and implementing e-commerce and innovative technologies.

4. Conclusion

The regression analysis indicates that the relationships between the variables have not been fully accounted for, suggesting that the indicators may increase further. In the coming years, it is essential to focus on utilizing state programs aimed at developing enterprises led by women entrepreneurs. This will contribute to the development of businesses, enhance their efficiency, and improve the indicators within the economic mechanisms.

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