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LEGAL REGULATION OF ENTREPRENEURIAL NETWORKS AND THEIR ROLE IN SUPPORTING WOMEN ENTREPRENEURS IN UZBEKISTAN

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Abstract

The article is dedicated to the study of the legal regulation of entrepreneurial networks in Uzbekistan and their role in supporting women entrepreneurs. The relevance of the topic is driven by the need to expand economic opportunities for women and integrate them into entrepreneurial activities. The article examines the legal acts governing the creation and functioning of such networks and analyses the mechanisms by which they can be leveraged to enhance women's economic activity. The methodological framework includes an analysis of existing legislation and international practices. The research also provides a comparative analysis of international experiences and develops recommendations for improving the legal framework to strengthen the role of entrepreneurial networks in supporting women-led businesses. As a result, key barriers have been identified, and recommendations are proposed to enhance the legal regulation for more effective support of women entrepreneurs.

KEYWORDS: Entrepreneurial networks, women entrepreneurs, legal regulation, Uzbekistan, business support, entrepreneurship support.

INTRODUCTION

The significance of integrating women into the business environment is recognised globally. At the 74th session of the United Nations General Assembly, the Women's Entrepreneurship Support Program was initiated with the objective of maximising the impact of women's entrepreneurship on achieving Sustainable Development Goals by establishing a supportive ecosystem for women entrepreneurs worldwide.

In Uzbekistan, this issue has also gained considerable attention, as the women's entrepreneurship sector is becoming a means of addressing numerous gender and social policy challenges. For instance, it facilitates expanding women's opportunities in the labour market, achieving gender equality in employment, and enhancing access to credit resources to boost financial independence.

With the growth of the digital economy and shifts in the labour market, women in Uzbekistan are increasingly involved in entrepreneurship. However, they face various challenges, including limited access to resources, legal insecurity, and insufficient support from entrepreneurial networks. Entrepreneurial networks play an essential role in expanding economic opportunities for women and helping them integrate into the market. This article examines the legal regulation of these networks and evaluates their impact on supporting women entrepreneurs [1].

Entrepreneurial networks are vital in business development and are especially significant for women entrepreneurs, who encounter additional barriers in establishing and growing their businesses. In Uzbekistan, fostering female entrepreneurship is a priority within state programs aimed at expanding economic opportunities for women. Nevertheless, the legal support for entrepreneurial networks remains underdeveloped, which restricts women entrepreneurs' ability to fully engage in the country's economic landscape [2].

Purpose of the Article

The purpose of this article is to examine the legal regulation of entrepreneurial networks in Uzbekistan and evaluate their role in supporting women entrepreneurs, identify existing barriers, and propose recommendations to improve the legal framework for more effective development of female entrepreneurship.

Women's entrepreneurship plays a key role in the economic development of any country. In Uzbekistan, where women constitute a significant portion of the working-age population, their active participation in entrepreneurship is a crucial factor in boosting economic well-being and creating jobs. Government programs and initiatives aimed at supporting women in business have significantly increased the proportion of female entrepreneurs. However, legal and infrastructural barriers remain substantial issues. Weak legal regulation of entrepreneurial networks limits their capacity to offer support and resources for women, thus hindering their access to markets, capital, and modern technologies [3].

When analysing the characteristics and trends of female entrepreneurship development in Uzbekistan, the term "self-employed" is increasingly used alongside "entrepreneurship." In international documents, such as the Beijing Platform for Action and the Millennium Declaration, the term "self-employed women" is widely used to encompass both informal micro-entrepreneurs and owners of small and medium-sized enterprises.

In Uzbekistan, "self-employed women" can be viewed not merely as a general category but as an important metric for analysing the development of female entrepreneurship. This classification aligns with the country's national legislation and existing data collection and statistical practices. Unlike countries like the United States, where the term "self-employed women" is rarely used in studies on female entrepreneurship, in Uzbekistan, as in some other countries like England and Canada, women engaged in self-employment are substantially included in studies of economic activity and entrepreneurship [4].

In international practice, entrepreneurial networks are instrumental in supporting women's businesses. For example, in the European Union, specialised programs and initiatives such as the European Network of Female Entrepreneurship Ambassadors and the European Network of Mentors for Women Entrepreneurs are designed to promote female entrepreneurship through mentoring, training, and experience sharing. In these networks, women entrepreneurs gain access to professional consultations, startup resources, and financing, which significantly improves their market position and enhances their competitiveness.

In the United States, programs as the National Association of Women Business Owners (NAWBO) offer women entrepreneurs broad opportunities for networking, access to capital, and legal support. These networks facilitate information and experience exchange among participants, promote training and skill development for women in business, and influence the creation of a favourable business climate through advocacy and lobbying for women entrepreneurs' interests [5].

In Japan, despite a traditionally strong patriarchal societal structure, efforts are being made to strengthen the role of women in the economy through government initiatives and the establishment of support networks. The Women's Economic Empowerment (WEE) program encourages women's participation in the economy and stimulates their entrepreneurial activity by developing networks and providing preferential lending.

In Uzbekistan, associations such as the Business Women's Association of Uzbekistan offer networking, mentoring, and training opportunities. However, these efforts are more fragmented compared to organized European networks, which provide extensive mentorship programs and access to funding [6].

In Uzbekistan, there is growing attention on the development of more formal entrepreneurial networks, which could integrate international experience, especially for women. Some international partnerships, namely, projects with UNDP and other organizations, aim to provide women with greater access to education and financial support, though these networks are not yet as established and widespread as those in the EU.

METHODS

This research incorporated legal analysis of Uzbekistan's current legislation regulating entrepreneurial networks, alongside a comparative analysis of international experiences in supporting women in entrepreneurship. The empirical basis of the study included interviews with women entrepreneurs and representatives of business communities.

The research will examine international practices for comparison and recommendations to improve the legal framework and create favourable conditions for the development of female entrepreneurship. The proposed measures will help overcome existing barriers and increase the number of women entrepreneurs, positively impacting Uzbekistan's economy overall.

RESULTS

The research findings reveal that although the legal framework exists to support entrepreneurship, women face challenges in accessing entrepreneurial networks due to limited access to loan and insufficient awareness of available resources. Recommendations have been proposed to improve legal support, including strengthening interaction mechanisms between business networks and the state. However, the examination of current regulations indicates that existing legal tools require further enhancement, especially in light of the need to implement international standards and best practices. Key legislative acts and their impact on the development of entrepreneurial networks and the role of women in entrepreneurship in Uzbekistan are examined [7].

The study shows that Uzbekistan has developed the legal foundation for supporting entrepreneurship, including subsidy and training programs. However, specific support for women through entrepreneurial networks remains limited. The main barriers for women entrepreneurs include:

- ◇ Insufficient information about existing support programs.
- ◇ Difficulty accessing financing and loans.
- ◇ Lack of specialized legal mechanisms supporting women's entrepreneurial networks.

International experience indicates that effective entrepreneurial networks can significantly contribute to the growth of women-led businesses by providing resources, training, and expanded market access.

Legal regulation plays a key role in ensuring the sustainability and functionality of entrepreneurial networks. In countries with well-developed legal systems, entrepreneurial networks have legal frameworks that provide protection and enable interaction with government institutions. These networks are regulated regarding financial transparency, legal support, and adherence to anti-discrimination norms, allowing women to develop their businesses safely and effectively.

In Uzbekistan, however, legal regulation of

entrepreneurial networks for women entrepreneurs is in its early stages. Some support measures, such as preferential loans and tax benefits, exist, but there is currently no comprehensive approach to the development and legal regulation of entrepreneurial networks. This creates barriers for women's entrepreneurship, such as limited access to information, financial resources, and opportunities for professional growth.

Goal No. 69 of the New Uzbekistan Development Strategy (2022–2026) provides the support and promotion of women's entrepreneurship through education and skill-building initiatives, as well as the creation of conditions for their participation in entrepreneurial networks. However, the legal regulation of networks still lacks clear mechanisms for their functioning, limiting the effectiveness of this strategy [8].

Article 20 of the Law "On Guarantees of Equal Rights and Opportunities for Women and Men" states: "The state guarantees equal rights and opportunities for women and men in the conduct of entrepreneurial activities" [11]. The legislation includes the following measures for the development of women's entrepreneurship:

- Allocation of preferential loans for women's small business projects.
- Creation of centres and clusters of women's crafts in each region.
- Improvement of women's entrepreneurship centres and measures for establishing regional centres.
- Assistance in the promotion of products manufactured by women entrepreneurs.
- Training in entrepreneurship and encouraging women's involvement in business.

Entrepreneurial networks play an important role in supporting and promoting women's entrepreneurship [9]. They help create favourable conditions for experience sharing, access to resources, and development of business skills.

However, despite the state's strategic goals, Uzbekistan's legislation still lacks clear mechanisms for regulating and supporting such

networks.

International experience shows that legal support for women's entrepreneurship and the establishment of effective entrepreneurial networks play a crucial role in economic development. Implementing international standards and best practices can significantly enhance support for women entrepreneurs in Uzbekistan.

- ◇ **UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).** Uzbekistan ratified this convention, which requires member states to adopt measures to eliminate discrimination against women, including equal access to economic resources. However, despite the introduction of gender policies, the implementation of CEDAW provisions regarding entrepreneurship remains fragmented.
- ◇ **Recommendations from the World Bank and the International Labour Organization (ILO).** These organizations emphasize the importance of creating business networks for women, through which they can access knowledge, funding, and training opportunities. In countries with a well-developed entrepreneurial support infrastructure, women benefit from specialized services and programs, enabling them to develop their businesses effectively. In Uzbekistan, these recommendations are only beginning to be implemented, and legal acts have yet to fully reflect all the essential elements of international standards.

DISCUSSION

The discussion of results shows that additional legislative changes are necessary to strengthen the role of entrepreneurial networks in supporting women. These changes should aim to encourage women's participation in these networks and improve their access to financing. It is essential to consider international experiences where entrepreneurial networks play a crucial role in developing women-led businesses.

The study reveals that existing legal mechanisms supporting entrepreneurial networks are

insufficient to ensure women's full participation in economic life. Key issues include:

- ◇ **Limited access to credit:** Despite preferential loan programs, women often face difficulties in obtaining financing due to high collateral requirements and insufficient information about available support.
- ◇ **Lack of information:** Many women are unaware of existing entrepreneurial networks and the opportunities they offer. This gap is tied to inadequate legal support for networks that focus on entrepreneurial skill development and training.
- ◇ **Bureaucratic barriers:** The processes for business registration and obtaining state benefits are often administratively burdensome, limiting women's access to entrepreneurial networks.

Legal scholars and economic experts emphasize the importance of legal support for entrepreneurial networks to stimulate female entrepreneurship. For example, researcher S. Khodjaeva argues that legislative recognition and support of entrepreneurial networks are vital for developing an inclusive entrepreneurial sector. Khodjaeva notes that without a clear legal status for these networks and mechanisms for their interaction with the state, their potential for supporting women remains unrealized [11].

L. Burkhanova, an expert on gender aspects of entrepreneurship, underscores that adopting international best practices for establishing and supporting entrepreneurial networks, such as specialized networks for women, should be a key component of reforms in Uzbekistan. Burkhanova points out that women's entrepreneurial networks abroad, for instance, in the U.S. and the EU, play a significant role in economic success due to a well-defined legal foundation and tax benefits [12].

International experience shows that legal regulation of entrepreneurial networks significantly influences their success and effectiveness [13]. For example, in the EU, entrepreneurial networks for women, such as the European Women's Lobby, are regulated and supported at the state level through specific

programs and grants. These networks not only provide a platform for experience and knowledge exchange but also grant access to financial and professional resources.

In the United States, numerous legal mechanisms support women's business networks, such as the National Association of Women Business Owners (NAWBO). These networks are non-profit organizations with a clear legal status and receive government support [14], allowing women to develop their businesses effectively through access to consultations, grants, and training.

The implementation of international standards and practices in Uzbekistan could significantly strengthen the legal foundation for supporting women's entrepreneurship [15]. For example, introducing provisions that incentivize the creation of entrepreneurial networks through tax benefits and government subsidies would help remove barriers for women in business.

Despite notable achievements in the development of women's entrepreneurship in Uzbekistan, several significant barriers hinder further growth.

Key factors include insufficient gender sensitivity in entrepreneurial legislation, lack of initial capital, low levels of legal, financial, and digital literacy among women, and persistent gender stereotypes. These factors considerably hinder the process of integrating women into entrepreneurial activities [16].

1. Entrepreneurial Legislation: Uzbekistan's entrepreneurial legislation is gender-neutral, which limits the creation of special support conditions for women. The Law on Guarantees of Freedom of Entrepreneurial Activity [9] lacks provisions for the specific needs of female entrepreneurship. Although certain regulations aimed at supporting women are in place, it is crucial to ensure gender sensitivity in entrepreneurship legislation as a whole.

2. Framework of Gender Legislation: Gender legislation in Uzbekistan is largely declarative. The Law on Guarantees of Equal Rights and Opportunities for Women and Men affirms rights for women, yet lacks clear mechanisms for enforcement, which diminishes the effectiveness of

these provisions [10].

3. Coordination Deficits: There is insufficient coordination between agencies responsible for promoting gender equality and developing women's entrepreneurship. Multiple mechanisms created to address these issues often duplicate functions, leading to inefficient resource use and a lack of coordinated approaches.

4. Lack of Indicators: There is an absence of clear indicators for monitoring and assessing progress in developing women's entrepreneurship. This lack of metrics hinders the creation of precise recommendations and strategies to further improve the sector.

Negative gender stereotypes, such as "entrepreneurship is not for women" or "a wife should not earn more than her husband," along with insufficient financial literacy, legal awareness, and limited access to investment, create additional barriers for women in business. These outdated notions need to be reassessed and addressed to ensure the successful development of female entrepreneurship and equal economic opportunities.

Recommendations

Based on the research findings, the following recommendations have been proposed:

1. Strengthen Collaboration between the State and Entrepreneurial Networks: To enhance support for women entrepreneurs, partnerships between entrepreneurial networks and state agencies should be developed. This could involve creating platforms for information exchange, providing financial support to networks, and clearer regulation of their activities.

2. Establish Specialized Programs for Women Entrepreneurs: It is necessary to develop legal acts that regulate the creation and functioning of support networks for women, with a focus on educational programs, mentorship, and access to financing.

3. Implement International Standards into Uzbekistan's Legal Framework: International standards, such as recommendations from the World Bank and ILO, should be utilized to develop

a more comprehensive and inclusive approach to supporting women's entrepreneurship. The legal framework should provide preferential conditions for women's participation in entrepreneurial networks and expand their opportunities to gain knowledge and resources.

4. Remove Barriers to Accessing Credit: Additional guarantees for women starting businesses, such as government subsidies or microcredit programs, would help them overcome financial obstacles and utilize resources from entrepreneurial networks effectively.

CONCLUSION

The legal regulation of entrepreneurial networks in Uzbekistan requires refinement to create more favourable conditions for women entrepreneurs. The recommended measures include improving informational support, simplifying procedures for accessing entrepreneurial networks, and implementing state-level support programs.

Although the New Uzbekistan Development Strategy includes measures for promoting female entrepreneurship, the absence of regulatory mechanisms to support and facilitate the functioning of entrepreneurial networks limits their role. Implementing international standards and creating a clear legal framework will be essential steps toward achieving the goals of economic equality and the sustainable development of women's entrepreneurship in the country.

Legal regulation of entrepreneurial networks and their role in supporting women entrepreneurs is a crucial aspect of Uzbekistan's economic development. Although the regulatory framework provides some support mechanisms, their insufficient development limits women's opportunities. Enhancing the role of female entrepreneurship requires stronger collaboration between entrepreneurial networks and government structures, as well as broader implementation of international standards, which will enable women to participate fully in the country's economic life.

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