



THROUGH THE DEVELOPMENT OF SMALL AND MEDIUM-SIZED BUSINESSES

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In the context of the modern global economy, achieving socio-economic stability and effectively integrating all segments of the population especially women into the labor market is considered a key strategic direction. Engaging women in economic activities not only ensures their financial independence, promotes gender equality, and strengthens family and social welfare, but also positively impacts the country's macroeconomic indicators. Global experience shows that developing small business and entrepreneurship is one of the most effective and sustainable mechanisms for increasing women's employment.

"Investing in women-led businesses has a strong economic rationale and is gaining increasing attention. As noted in the World Bank's 2012 report "Gender Equality and Development": "Gender equality is not only an independent development goal but also an economically sound decision."³⁵

Nevertheless, despite the significant potential of women's entrepreneurship, there are notable differences between male- and female-owned enterprises. Women-led businesses are generally smaller in scale and more concentrated in retail and service sectors, with less involvement in manufacturing.

Women often identify access to financial resources as the primary or secondary barrier to developing their businesses. Significant gender gaps exist in accessing formal credit. Women-led businesses are less likely than those owned by men to secure bank loans. Although this gap decreases as firms grow larger, it still persists.

"According to a report prepared for the G-20, women-owned enterprises face an annual financing gap ranging from \$290 billion to \$360 billion"³⁶.

"According to the Global Financial Inclusion Index (Global FINDEX), women lag behind men in having formal bank accounts in every region, especially in developing countries. In South Asia, this gap is particularly pronounced: only 25% of women have an account, compared to 41% of men. Additionally, women who do not have accounts are more likely than men to cite the reason "someone else in the household already has an account," a response given by 26% of women worldwide compared to 20% of men"³⁷.

³⁵ World Bank. Gender Equality and Development. World Development Report. 2012.

³⁶ IFC and G20 Global Partnership for Financial Inclusion (GPFI). "Strengthening Access to Finance for Women Owned Small and Medium-sized Enterprises (SMEs) in Developing Countries". October 2011.

³⁷ Demircuc-Kunt, A., L. Klapper, and D. Singer. 2013. "Financial Inclusion and Legal Discrimination against Women: Evidence from Developing Countries." World Bank Policy Research WP 6416.

When starting a business, women typically have less capital than men and are less inclined to take on debt to expand it. Since capital and financing opportunities are crucial factors for business size and growth, it is extremely important to raise women's awareness of available financial resources and ensure their full access to these sources.

At the same time, experiences from the United States, Germany, and Japan show that gender-sensitive policies, equal access to financial resources and educational services, and creating a supportive environment for entrepreneurial entities through digital services play a crucial role in promoting women's entrepreneurship. In these countries, institutional support for women has been effectively implemented through dedicated grants, microcredits, mentoring programs, digital platforms, and gender budgeting systems.

Table - 1

Scientific Analysis of Strategies for Developing Small and Medium Enterprises (SMEs) in International Practice: The Case of the United States, Germany and Japan³⁸

Direction	USA	Germany	Japan
Legal Framework	Small Business Act – provides legal protection for small businesses and allocates quotas in government contracts.	Legal guarantees and simplified procedures for starting a business through KfW Bank.	Small and Medium-sized Enterprise Basic Act - provides legal status and state guarantees for SMEs.
Financial Support	Preferential loans and guarantees through the SBA (Small Business Administration); a developed venture capital market.	KfW Bank - low-interest loans and subsidies; grants at the level of the Lander (federal states).	Shoko Chukin Bank - low-interest loans, government guarantees, and tax incentives.
Innovation	Grants for innovative startups through SBIR and STTR programs.	Fraunhofer Institutes - centers for scientific research and technology transfer.	METI programs – funding for technoparks and innovation accelerators.
Training of Personnel	SCORE mentoring programs and online business education platforms.	Dual education system – combines practical work and formal education.	Free business training at government centers for SMEs.
Export Support	U.S. Commercial Service - advice on exports, marketing, and insurance.	Germany Trade & Invest - assistance with exports and strategies for entering foreign markets.	JETRO - promotion of exports and funding for participation in international fairs.
Regional Development	Special grants and infrastructure projects for small businesses in rural areas.	Additional incentives for regions in Eastern Germany.	Support for small businesses through regional development funds.

³⁸ By made author

Overall, the experience of these three countries demonstrates several common strategic advantages in developing small and medium enterprises (SMEs). First, all three countries have established a clear and consistent legal and regulatory framework that ensures the stable operation of SMEs, expanded access to financial resources, and implemented systematic state-level support mechanisms for innovation development. At the same time, each country's approach is shaped by its specific national economic model and priorities.

Specifically, in the U.S. experience, the predominance of market mechanisms and strong private sector participation accelerates the flow of capital and investment for SMEs. The German model focuses on strengthening infrastructure and scientific-technical capacities, as well as enhancing workforce potential through a dual education system. In Japan, the approach emphasizes technological modernization, improving production efficiency, and supporting export activities as central strategic directions. These differences scientifically confirm the need to adapt SME development policies to the structure and priority sectors of each national economy.

The presented (Figure 1) illustrates the factors that determine the business development process and their interrelationships. In this context, the business concept occupies a central position, defining the enterprise's growth opportunities, strategic objectives, and future development directions. The formation of this concept is significantly influenced by individual factors, such as personal abilities, goals, motivation, responsibility, and initiative. At the same time, the successful operation of the business relies on the enterprise's resources, including financial, social, organizational, and technological capabilities.

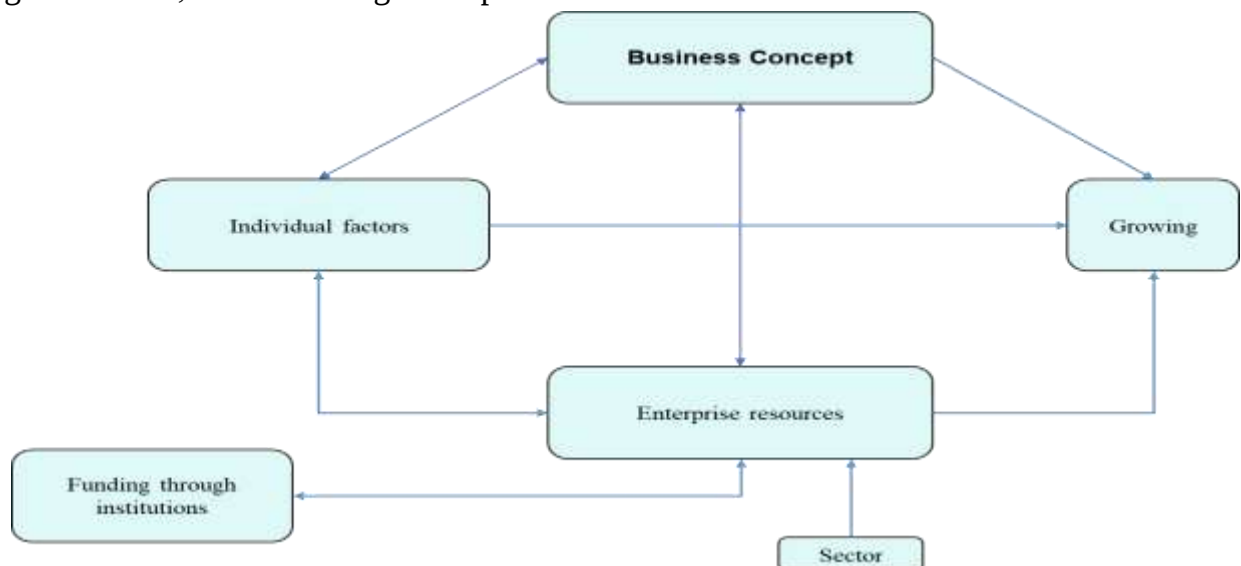


Figure 1. Conceptual foundations of women's entrepreneurship and the growth of small businesses³⁹

³⁹ By made author



The formation of resources, in turn, depends on financing through institutions, that is, on public and private financial sources, as well as credit and investment mechanisms. Additionally, business development is shaped by the conditions of the sector in which it operates, including the market environment, competition, and industry requirements. When these factors are aligned, they contribute to the sustainable growth of the enterprise and serve as a crucial foundation for implementing the business concept in practice.

When summarizing the scientific foundations established and the results achieved as a result of the conducted analyses.

Women's entrepreneurship serves not only to expand employment but also as a strategic factor in ensuring economic stability and social justice in society. By developing small and medium-sized enterprises and actively involving women in economic activities, their financial independence is strengthened, family well-being is enhanced, and the country's overall innovative potential is increased. In this process, the factors that determine the growth dynamics of enterprises efficient use of resources, modern organizational management practices, government support policies, and favorable market conditions play a decisive role.

International experience, particularly from the USA, Germany, and Japan, demonstrates that legal mechanisms, preferential financial programs, business incubators, mentoring systems, and innovative education projects aimed at developing women's entrepreneurship yield effective results. Therefore, it is a pressing task for our country to establish a comprehensive approach to supporting women, actively involve them in the digital economy, expand the system of grants and subsidies, and strengthen international cooperation. Consistent reforms in this direction will not only increase women's employment but also ensure a new stage of societal development.

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