

YOUTH ENTREPRENEURSHIP DEVELOPMENT IN THE CONTEXT OF THE DIGITAL ECONOMY

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Abstract

In this article, the conditions created for young people in our country, especially how they can improve their lives financially by doing business, are widely covered. In particular, large-scale activities are currently being carried out to involve the population in entrepreneurship, in particular, to provide all-round assistance to the implementation of business ideas of young people.

Keywords: Digital economy, youth, business, entrepreneurship, credit, finance, legal document, business environment, young entrepreneurs, financing innovative, involving.

Introduction

In the modern era of digital transformation, the role of youth entrepreneurship has become increasingly significant, especially in emerging economies like Uzbekistan. The rapid development of information and communication technologies (ICT), the expansion of digital platforms, and the rise of innovative business models have created new opportunities and challenges for young entrepreneurs. In Uzbekistan, where over 60% of the population is under the age of 30, the development of youth entrepreneurship is not only a socio-economic priority but also a key driver of sustainable economic growth and technological progress.

The government of Uzbekistan has launched a series of strategic reforms aimed at fostering an enabling environment for youth participation in the digital economy. These include policy initiatives to improve digital literacy, access to finance, startup ecosystems, and entrepreneurship education. Despite these efforts, young entrepreneurs still face a number of obstacles such as insufficient access to capital, limited experience in business management, and underdeveloped infrastructure in certain regions.

This article explores the current state of youth entrepreneurship in Uzbekistan within the framework of the digital economy. It examines key government policies, institutional support mechanisms, and practical challenges faced by young entrepreneurs. Furthermore, it highlights best practices and offers recommendations for enhancing the role of youth in the country's digital economic development.

METHODOLOGY

This research is based on qualitative content analysis of official government documents, presidential decrees, national statistics, and reports from institutions such as the Youth Affairs Agency, Ministry of Economy and Finance, and the Chamber of Commerce and Industry. Additionally, data from the electronic portal “oilakredit.uz” and media reports on state-funded youth projects were reviewed. The study also incorporates case-based evidence from regional entrepreneurship support programs, focusing on youth participation rates and project outcomes between 2019 and 2024.

DISCUSSION

While state-led initiatives have substantially increased youth participation in entrepreneurship, several challenges persist. Access to finance remains unequal, especially in remote regions, and many youth lack sufficient business training despite available programs. There is also a need to enhance monitoring and evaluation mechanisms for subsidized projects and ensure that resources are not misallocated. The integration of digital platforms like oilakredit.uz has improved transparency and accessibility in loan distribution. However, continuous investment in digital literacy and infrastructure is necessary to fully leverage the digital economy’s potential. Further improvements should focus on public-private partnerships, incubation programs, and tailored mentoring for youth startups. Moreover, international cooperation and best practices should be adopted to ensure scalability and sustainability.

"Today's young entrepreneurs are a product of New Uzbekistan. Their knowledge and aspirations are new." President of the Republic of Uzbekistan Sh. Mirziyoev

The state supports the economic independence of young people. State support for youth entrepreneurship:

- ✓ assistance in organizing youth entrepreneurship by state bodies;
- ✓ providing preferential loans in order to attract young people to business activities;
- ✓ training young people on the basics of entrepreneurial activity, developing cooperation between educational institutions and employers on the basis of a contract;
- ✓ it is implemented by developing and implementing youth entrepreneurship support programs.

In order to support youth entrepreneurship, the state will determine the relevant benefits and advantages in accordance with the law.

"Youth register" funds in the amount of no more than 40 times the amount of the base calculation for young people included in the "Youth register" to start entrepreneurship and purchase equipment and labor tools necessary for self-employment, a subsidy is allocated from the account;

State to business entities that employ unemployed youth included in the "Youth register".

A single electronic platform is a single electronic platform of Family Entrepreneurship Development Programs (oilakredit.uz) that provides fully digitized allocation of loans within the programs. Decree of the President of the Republic of Uzbekistan No. PF-6208 of April 20, 2021 "On additional measures to support the entrepreneurial activity and employment of young people, their social protection and meaningful organization of free time"



In 2022-2024, funds for financing innovative, start-up and business projects developed on the basis of new ideas of young people will be allocated by "National Bank of the Republic of Uzbekistan for Foreign Economic Activity" JSC ("Uzmilliybank" JSC) in accordance with the scheme in Appendix 1 below will be allocated in the following order: in the 1st stage - funds equivalent to 50 million US dollars for the implementation of projects in the regions according to the distribution in accordance with Annex 2; In the 2nd stage - based on the distribution approved by the Cabinet of Ministers based on the results of the evaluation of the effectiveness of the use of the funds allocated in the 1st stage, according to the proposal of the Youth Affairs Agency of the Republic of Uzbekistan, funds in the amount of the equivalent of 50 million US dollars; Also, loans are allocated under the following conditions: the borrower must be a young business entity in accordance with legislation; loan amount — from 1,000 to 2,000 times the base calculation amount for each young business entity; loan term - 7 years, including a grace period - 3 years; interest rate - equal to the main rate of the Central Bank; credit provision - types of provision not prohibited by law and bank credit policy, including the guarantee of up to 50% of the loan amount by the State Fund for the Support of Entrepreneurial Activities;

Loans are not allocated for the following purposes:

- ✓ to repay previously received loans or any other debts;
- ✓ to produce alcohol and tobacco products, as well as cigarillos and electronic cigarettes;
- ✓ trade mediation;
- ✓ formation of working capital of catering organizations;
- ✓ repair and construction works, including organization of trade facilities and catering facilities;
- ✓ non-production costs, including payment of administrative costs and purchase of a service motor vehicle;
- ✓ organization of circulation, instant and digital lotteries, as well as purchase of equipment for these purposes.

The Decree of the President of the Republic of Uzbekistan "On Measures to Fundamentally Improve the System of State Protection of Legal Interests of Business and Further Development of Entrepreneurial Activities" provides for the development of entrepreneurial activity and the protection of legal interests of business, as well as the fundamental improvement of the activities of the Chamber of Commerce and Industry of the Republic of Uzbekistan. [2]

The experience of developed countries clearly shows that entrepreneurship plays a very important role in the modernization and diversification of the national economy, in ensuring its development at a stable pace, in technical and technological re-equipment, in the development of new types of products, and is the main source of filling the domestic market with necessary goods and services.

Major economic units of the world are interested in the development of youth entrepreneurship. This is one of the areas of implementation of small business support programs. Young people, as a group, are mobilizing, innovative, and therefore entrepreneurs, and the state, realizing this, conducts a series of activities aimed at building the entrepreneurial potential of its citizens. In addition, youth are a great force in the development of the country's economy. About 230,000

young entrepreneurs, farmers, and skilled craftsmen are working in our republic. The state is creating the necessary conditions for their further expansion.

From this point of view, today, large-scale work is being carried out to involve the population in entrepreneurship, in particular, to provide all-round assistance to the implementation of business ideas of young people. In the regions, the ground is being created for the widespread involvement of families in business activities, for them to have a stable and additional source of income, for the further development of national handicrafts, for the implementation of entrepreneurial initiatives of women, for the realization of promising ideas and projects of young entrepreneurs, and on this basis, for the provision of employment for the population.

A strong legislative and legal basis for the development of entrepreneurship has been formed in Uzbekistan, and it is being regularly improved. Great tax and financial benefits have been set for this sector. Programs such as "Each family is an entrepreneur", "Youth are our future", "Prosperous village", "Prosperous neighborhood", and development of estates were adopted in order to increase the welfare of the people. These programs serve to ensure employment of the population and create a source of income for families.

Implementation of the tasks defined in the Action Strategy on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021, including establishing effective communication and useful cooperation mechanisms between representatives of the business sector and state bodies, strengthening guarantees of reliable protection of the rights and legal interests of private property and entrepreneurship, on issues of improving the business environment, as well as ensuring the provision of high-quality state services to business entities, the mutual cooperation of state bodies and business structures, especially new effective systems of supporting business entities in the period when they are just starting their activities are being created.

The source of our opinion President Sh. Mirziyoyev declared 2024 as the "Year of supporting youth and business" in our country. This creates a great foundation for the development of youth entrepreneurship in the future.

In recent years, a number of reforms have been implemented in our country in order to create favorable conditions for rapid socio-economic development of regions, support of business activities and attraction of investments. It is important that the implemented reforms serve to improve the living conditions of the population in the neighborhoods and strengthen the role of the neighborhoods in the society. Also, to further improve the youth support system by the state, to support their employment, to encourage entrepreneurial ideas and initiatives, to create additional conditions for them to earn a decent income, to train young people interested in entrepreneurship in business and entrepreneurial skills, and to develop innovative, start-up and We are witnessing that continuous reforms are being implemented in the financing system of business projects.

CONCLUSION

Youth entrepreneurship plays a vital role in Uzbekistan's economic future, especially within the digital economy. The government's comprehensive policy framework and financial incentives have created favorable conditions for young business owners. Nevertheless, targeted



efforts are required to eliminate remaining barriers and promote inclusive, innovation-driven entrepreneurship. Ongoing reforms and declared national priorities, such as the “Year of Supporting Youth and Business” (2024), demonstrate the country’s commitment to empowering its young population through business development.

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