

FUNCTIONAL-INSTITUTIONAL APPROACHES AND INTEGRATED ASSESSMENT METHODOLOGY FOR THE DEVELOPMENT OF YOUTH ENTREPRENEURSHIP IN UZBEKISTAN

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ABSTRACT. This thesis analyzes the theoretical and methodological foundations of youth entrepreneurship development in Uzbekistan, its economic and social significance, and modern assessment mechanisms based on functional approaches. Based on World Bank data, the high demographic potential of youth, labor market challenges, and unemployment levels are substantiated as key factors increasing the necessity of entrepreneurship development. In addition, the system of normative and legal documents adopted by the state, including strategies and decrees aimed at supporting youth entrepreneurship, is systematically analyzed. The study proposes a functional index model for assessing youth entrepreneurial competence and develops an integrated approach based on educational, practical, institutional, innovative, and motivational components.

Keywords: youth entrepreneurship, employment, innovation, functional index, economic activity, startup, digital economy, social entrepreneurship.

INTRODUCTION

Today in the Republic of Uzbekistan, the high proportion of young people is considered both an opportunity and a challenge for the country's economic development. According to World Bank data, the number of people under 24 exceeds 15 million, while those under 29 exceed 18 million. This demographic situation creates significant pressure on the labor market, leading to unemployment and low levels of economic activity among youth.

Therefore, the development of youth entrepreneurship has become one of the priority directions of state policy. The “Development Strategy of New Uzbekistan” and a number of Presidential decrees and resolutions define tasks such as ensuring youth employment, supporting their entrepreneurial initiatives, and expanding business incubators and industrial zones.

In this context, studying youth entrepreneurship not only as an economic activity but also as an important mechanism for ensuring social stability is highly relevant.

MAIN PART

1. Theoretical Foundations of Youth Entrepreneurship

Youth entrepreneurship is defined as an activity aimed at solving socio-economic problems through the creation of new products or services based on young people's innovative thinking, digital skills, and initiative.

It differs from traditional entrepreneurship in the following aspects:

- orientation toward solving social problems;
- dominance of innovative approaches;
- combination of income generation and social goals;
- reliance on digital technologies.

Youth entrepreneurship is developing through modern forms such as startups, freelancing, coworking, and crowdsourcing.

2. Economic Importance of Youth Entrepreneurship

Youth entrepreneurship:

- reduces unemployment;
- increases economic activity;
- ensures income growth;
- forms an innovative environment.

According to statistical data, about 24% of people aged 16–24 and 26.4% of people aged 16–29 belong to the NEET category (Not in Education, Employment, or Training). This situation requires new approaches in economic policy.

3. State Policy and Institutional Framework

In Uzbekistan, the following directions are defined for the development of youth entrepreneurship:

- expansion of business incubator systems;
- establishment of industrial zones;
- optimization of tax burden;
- stimulation of regional entrepreneurship;
- youth employment programs.

These measures aim to increase the economic activity of young people.

4. Functional Model for Assessing Youth Entrepreneurship

The study develops a functional index model (YFI) for assessing youth entrepreneurship.

It consists of the following components:

- educational function;
- practical function;
- institutional function;

- innovation function;
- motivational function.

The general model is expressed as:

$$YFI = \sum \omega_k \times F_k$$

Where:

- F_k — functional components;
- ω_k — weighting coefficients.

This model enables quantitative assessment of youth entrepreneurship and links it with labor market indicators.

5. Integrative Approach and the “Balance Principle”

The study considers youth entrepreneurship as a balance between social and commercial objectives. According to the “balance principle”:

- in social entrepreneurship, social goals dominate;
- in traditional business, profit dominates;
- in youth entrepreneurship, both directions are integrated.

This approach allows youth entrepreneurship to be distinguished as a separate category within the modern economic system.

CONCLUSION

The development of youth entrepreneurship is a key factor in ensuring sustainable economic growth and social stability in Uzbekistan. High demographic potential, labor market pressure, and the transition toward an innovative economy further increase the relevance of this direction.

The proposed functional index model serves as a scientific basis for the comprehensive assessment, forecasting, and optimization of economic policy regarding youth entrepreneurship. In addition, in combination with state support mechanisms, youth entrepreneurship can become a major driver of economic growth.

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