Scottish International Conference on

Multidisciplinary research and Innovation (SICMRI 2026)

THE ROLE OF ENTREPRENEURSHIP IN INCREASING YOUTH EMPLOYMENT

Javohirbek Safarov
4th-year student, Economics Program
Faculty of Economics and Management
Samarkand State Technical University, Uzbekistan

ABSTRACT

Youth employment is an important issue for economic development. Entrepreneurship can help young people create their own jobs and, as businesses grow, provide work for others. This article examines the role of youth entrepreneurship in employment creation, focusing on opportunities and challenges relevant to Uzbekistan. The study uses a descriptive review of publications by the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD). It discusses access to finance, business knowledge, mentoring and digital tools. The findings suggest that entrepreneurship is a useful part of youth employment policy, but it cannot replace the need for quality wage employment. Practical recommendations include entrepreneurship education, affordable financial services and mentoring programmes. The article concludes that coordinated support can help young people establish more sustainable businesses and contribute to local economic development.

Keywords: youth employment, entrepreneurship, small business, self-employment, business education, Uzbekistan.

1. INTRODUCTION

Youth employment affects family income, social well-being and long-term economic growth. Young people often enter the labour market without sufficient work experience, professional networks or savings. As a result, the transition from education to employment can be difficult. According to the ILO, the global youth unemployment rate was 13.0% in 2023, while approximately one in five young people was not in employment, education or training [1]. These figures show that improving opportunities for young people remains an international priority.

Entrepreneurship offers one possible response to this challenge. A young person may start a small shop, provide educational or digital services, produce goods or develop an online business. Such activities may generate income for the owner and create additional jobs as the enterprise expands. In Uzbekistan, entrepreneurship is particularly relevant to local services, trade, agriculture and emerging digital activities. However, starting a business is not always easy, and not every new enterprise survives.

The aim of this article is to explain how entrepreneurship can support youth employment and to propose practical measures for helping young entrepreneurs in Uzbekistan.

2. LITERATURE REVIEW

Economic literature has long connected entrepreneurship with innovation and development. Schumpeter [2] described entrepreneurs as important participants in economic change because they introduce new products, services and methods of production. In the context of youth employment, entrepreneurship also creates a route into economic activity for people who have difficulty finding paid jobs.

© 2026Scottish International Conference on Multidisciplinary Research and Innovation. All Rights Reserved.

The OECD and European Commission [3] identify limited financing, lack of experience and weak professional networks as common barriers to youth entrepreneurship. Their policy review highlights business education, coaching, mentoring and better access to finance as important support measures. More recent OECD evidence suggests that combined packages of financial and non-financial assistance are generally more promising than isolated interventions [4].

Entrepreneurship should nevertheless be evaluated realistically. Self-employment does not automatically provide a stable income, and new businesses may close because of weak demand, high costs or insufficient planning. Therefore, youth entrepreneurship policies should focus not only on the number of businesses created but also on their survival, productivity and job quality.

3. RESEARCH METHODOLOGY

The study uses a qualitative and descriptive research method. Secondary information was obtained from the ILO Global Employment Trends for Youth 2024 report and OECD publications on youth entrepreneurship. The analysis consists of three steps: reviewing international evidence, identifying key opportunities and obstacles, and developing recommendations that may be relevant to Uzbekistan. No original survey or econometric analysis was conducted. Therefore, the findings represent an evidence-informed discussion rather than a measurement of the direct effect of entrepreneurship on unemployment in Uzbekistan.

4. RESULTS AND DISCUSSION

Entrepreneurship can influence youth employment through several channels. First, self-employment allows a young person to earn income without waiting for a formal job vacancy. Second, a successful enterprise may hire other workers. Third, business activity helps develop practical skills, including communication, financial planning, problem-solving and customer service. Fourth, small enterprises can meet local demand in communities where large employers are limited.

Table 1 presents selected international indicators that illustrate the wider youth employment challenge. These are global figures and should not be interpreted as statistics for Uzbekistan.

Table 1. Selected Global Youth Employment Indicators (2023)

Indicator	Reported value	Source
Global youth unemployment rate	13.0%	ILO [1]
Unemployed youth worldwide	64.9 million	ILO [1]
Young people not in employment, education or training (NEET)	Approximately 20 %	

Source: Compiled by the author based on ILO, Global Employment Trends for Youth 2024.

The figures indicate that labour market difficulties remain significant even when unemployment rates improve. Entrepreneurship can be part of the response, particularly where young people have useful skills and local market opportunities. In Uzbekistan, possible areas for youth-led businesses include food processing, repair services, tourism-related activities, tutoring, graphic design and e-commerce. These examples illustrate opportunities rather than confirmed employment outcomes.

Digital tools can reduce some entry costs. Social media pages, online marketplaces and mobile payment services may help small enterprises find customers and manage transactions. At the same time, digital business requires reliable internet access, financial literacy and basic marketing skills. Business

© 2026Scottish International Conference on Multidisciplinary Research and Innovation. All Rights Reserved.

ideas should be tested against real customer demand before young people borrow money or make large investments.

5. CHALLENGES AND RECOMMENDATIONS

The main difficulties for young entrepreneurs include limited start-up capital, insufficient business experience, lack of market information and fear of financial risk. Some young people also have difficulty understanding registration, taxation and accounting procedures. These problems can make a promising idea difficult to turn into a sustainable enterprise.

To address these challenges, universities and vocational institutions can offer short practical courses on business planning, budgeting, marketing and digital sales. Experienced entrepreneurs can provide mentoring and feedback on students' business ideas. Banks and other financial institutions can explain financing conditions clearly and offer suitable products while assessing repayment risks. Local business centres can help young people understand legal requirements and connect with potential customers.

Support programmes should combine training, mentoring and access to finance rather than focus only on loans. This approach is consistent with OECD findings [3, 4]. Special attention should be given to young people in rural areas and to those with fewer professional connections. Programme success should be evaluated through business survival, stable income and jobs created, not simply through the number of participants.

6. CONCLUSION

Entrepreneurship can contribute to increasing youth employment by supporting self-employment, developing practical skills and creating opportunities for additional jobs. It is especially relevant for young people who identify unmet needs in local markets or can use digital technologies to provide services. However, entrepreneurship is not a guaranteed solution to unemployment. Successful business development requires realistic planning, access to resources and continued support.

For Uzbekistan, practical entrepreneurship education, mentoring, transparent financing opportunities and improved access to market information may help young people start and maintain small businesses. Future research could use national statistics or surveys of young entrepreneurs to measure how different support programmes influence business survival and employment outcomes.

REFERENCES

[1] International Labour Organization. (2024). Global Employment Trends for Youth 2024: Decent Work, Brighter Futures. Geneva: ILO. https://www.ilo.org/publications/major-publications/global-employment-trends-youth-2024

[2] Schumpeter, J. A. (1934). The Theory of Economic Development. Cambridge, MA: Harvard University Press.

[3] OECD/European Commission. (2020). Policy Brief on Recent Developments in Youth Entrepreneurship. OECD SME and Entrepreneurship Papers, No. 19. https://doi.org/10.1787/5f5c9b4e-en

[4] OECD/European Commission. (2023). The Missing Entrepreneurs 2023: Policies for Inclusive Entrepreneurship and Self-Employment. Paris: OECD Publishing. https://www.oecd.org/en/publications/the-missing-entrepreneurs-2023_230efc78-en.html

© 2026Scottish International Conference on Multidisciplinary Research and Innovation. All Rights Reserved.