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Social And Economic Factors Of Youth Entrepreneurship Development In The Conditions Of The Digital Economy

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ABSTRACT

The rapid expansion of the digital economy has transformed the nature of entrepreneurship and created new opportunities for youth participation in economic activities. This article examines the social and economic factors influencing the development of youth entrepreneurship in the context of digital transformation. The study analyzes the role of digital literacy, innovation ecosystems, access to finance, educational institutions, social capital, and government support mechanisms in fostering entrepreneurial activity among young people. Using a socio-philosophical and socio-economic approach, the research reveals that the success of youth entrepreneurship depends not only on economic resources but also on social conditions, cultural values, and digital competencies. The findings demonstrate that digital technologies contribute to reducing barriers to market entry, expanding innovation opportunities, and strengthening youth participation in economic development.

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INTRODUCTION

The twenty-first century is characterized by rapid technological progress, digital transformation, and the increasing integration of information technologies into all spheres of social and economic life. The emergence of the digital economy has significantly altered traditional business models and created favorable conditions for entrepreneurial activity among young people. Digital platforms, e-commerce, artificial intelligence, cloud computing, and social media have expanded opportunities for entrepreneurship and innovation.

Youth entrepreneurship has become one of the strategic priorities of sustainable development policies worldwide. According to the United Nations, youth entrepreneurship contributes to job creation, poverty reduction, innovation development, and social inclusion (United Nations, 2023). In developing countries, including Uzbekistan, youth entrepreneurship is increasingly viewed as a key mechanism for ensuring economic growth and strengthening social stability.

However, the effectiveness of youth entrepreneurship is influenced by a wide range of social and economic factors. These include educational opportunities, digital skills, access to financial resources, institutional support, cultural attitudes toward entrepreneurship, and the development of innovation infrastructure. Understanding these factors is essential for developing effective policies that promote entrepreneurial activity among young people. The aim of this study is to identify and analyze the major social and economic factors affecting youth entrepreneurship development in the conditions of the digital economy.

LITERATURE REVIEW

The concept of entrepreneurship has been widely discussed in economic and social sciences. Schumpeter (1934) defined entrepreneurs as innovators who introduce new products, technologies, and organizational forms into the economy. Drucker (1985) emphasized entrepreneurship as a systematic process of innovation and opportunity recognition.

Recent studies highlight the growing significance of digital entrepreneurship. Nambisan (2017) argues that digital technologies fundamentally transform entrepreneurial processes by lowering transaction costs and facilitating innovation. Similarly, Sussan and Acs (2017) emphasize that digital entrepreneurship ecosystems combine technological, social, and economic resources to support entrepreneurial activity.

Research on youth entrepreneurship indicates that education, social networks, and institutional support play a decisive role in entrepreneurial success (Acs et al., 2018). According to Audretsch et al. (2020), entrepreneurial ecosystems that integrate universities, government agencies, and private-sector organizations contribute significantly to youth business creation.

From a socio-philosophical perspective, Castells (2010) argues that the network society transforms social relations and creates new forms of economic participation. Digital connectivity enables young entrepreneurs to access global markets, acquire knowledge, and establish professional networks regardless of geographical constraints.

Despite growing scholarly attention, the relationship between social and economic factors affecting youth entrepreneurship in digital economies remains insufficiently explored, particularly in transitional societies.

METHODOLOGY

The study employs a qualitative socio-philosophical and socio-economic research design. The following methods were used:

- Comparative analysis;
- Systemic approach;
- Socio-philosophical interpretation;
- Content analysis of academic literature and policy documents;
- Generalization and synthesis.

The research examines contemporary theoretical approaches to youth entrepreneurship and evaluates their relevance within the framework of digital economic transformation.

RESULTS

Digital Literacy as a Fundamental Factor. Digital literacy represents one of the most significant determinants of entrepreneurial success in the digital economy. Young entrepreneurs require competencies in information technologies, digital marketing, data management, and online communication.

Research indicates that individuals possessing advanced digital skills are more likely to establish successful startups and participate in innovative economic activities (World Bank, 2022). Digital competencies enable entrepreneurs to identify market opportunities, optimize business operations, and communicate effectively with customers.

Educational Institutions and Entrepreneurial Culture. Educational institutions play a crucial role in fostering entrepreneurial culture among youth. Universities increasingly incorporate entrepreneurship education into their curricula, providing students with knowledge and practical skills related to business development. Entrepreneurship education enhances creativity, problem-solving abilities, leadership skills, and innovation capabilities. Moreover, educational environments facilitate networking opportunities and encourage collaboration among aspiring entrepreneurs.

Access to Financial Resources. Access to finance remains a critical factor influencing youth entrepreneurship. Digital financial technologies, including fintech platforms, crowdfunding mechanisms, and online lending services, have expanded financing opportunities for young entrepreneurs. Nevertheless, many young people continue to encounter difficulties obtaining startup capital due to limited credit histories and insufficient collateral. Government-backed funding programs and venture capital initiatives can help overcome these barriers.

Social Capital and Networking. Social capital significantly influences entrepreneurial outcomes. Networks of family members, friends, mentors, and professional contacts provide access to information, resources, and market opportunities. Digital platforms further strengthen social capital by facilitating communication and collaboration. Online communities enable entrepreneurs to exchange experiences, obtain expert advice, and establish business partnerships.

Government Support and Institutional Environment. Effective public policies create favorable conditions for youth entrepreneurship. Regulatory reforms, tax incentives, startup incubators, innovation centers, and digital infrastructure investments contribute to entrepreneurial development.

Countries with supportive institutional environments demonstrate higher levels of entrepreneurial activity among young people. Government initiatives promoting digital skills and innovation ecosystems are particularly important in emerging economies.

DISCUSSION

The findings indicate that youth entrepreneurship in the digital economy is shaped by the interaction of social and economic factors. Economic resources alone are insufficient to ensure entrepreneurial success. Social conditions such as education, cultural values, networking opportunities, and institutional support play equally important roles.

The digital economy creates new opportunities by reducing traditional barriers to entrepreneurship. Digital platforms enable young entrepreneurs to access customers, suppliers, investors, and knowledge resources on a global scale. Consequently, entrepreneurship becomes increasingly dependent on innovation and digital competencies rather than physical capital.

From a socio-philosophical perspective, the development of youth entrepreneurship reflects broader transformations in social structures and economic relations. Digital technologies facilitate individual empowerment and encourage active participation in economic life. This process contributes to the formation of a more innovative and knowledge-based society.

At the same time, digital inequalities may limit entrepreneurial opportunities for certain groups. Differences in internet access, digital skills, and educational quality can create disparities in entrepreneurial outcomes. Therefore, inclusive digital policies remain essential for ensuring equal opportunities.

CONCLUSION

The development of youth entrepreneurship in the digital economy depends on a complex combination of social and economic factors. Digital literacy, education, access to finance, social capital, and institutional support constitute the key determinants of entrepreneurial success.

The study demonstrates that digital transformation creates favorable conditions for youth entrepreneurship by reducing market barriers and expanding innovation opportunities. However, sustainable entrepreneurial development requires comprehensive support systems integrating educational institutions, government agencies, financial organizations, and innovation ecosystems.

Future policies should focus on strengthening digital competencies, improving access to financial resources, promoting entrepreneurship education, and creating supportive institutional environments. Such measures will contribute to enhancing youth participation in economic development and fostering sustainable growth in the digital age.

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