



THE ROLE OF ENTREPRENEURSHIP IN THE ECONOMY: THE CASE OF NAVOI REGION

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Abstract. This study analyzes the role and significance of entrepreneurship in the national economy. Entrepreneurship is the driving force of a market economy, playing a crucial role in creating new jobs, introducing innovations, and increasing societal welfare. The research examines the role of small and medium-sized business entities in economic development, the government support provided, and the growth rates of the private sector. Additionally, it highlights opportunities for expanding the domestic market, enhancing export potential, and addressing social issues through the development of entrepreneurship.

Key words: Entrepreneurship, Economy, Innovation, Jobs / Employment, Private sector, Market economy, Competitiveness, Tax revenues, Social stability, Economic growth, Government support, Regional development

Introduction. The Role of Entrepreneurship in Sustainable Economic Development under Modern Market Relations. In the conditions of modern market relations, the role of entrepreneurship in the sustainable development of the economy is steadily increasing. The economic potential and competitiveness of any country are directly related to the level of development of its entrepreneurial environment. Entrepreneurship is important not only for creating new products and services but also as a means to ensure employment, implement innovative ideas, and increase the welfare of society. Therefore, this article provides a comprehensive analysis of the role of entrepreneurship in the economy, its main directions, and factors influencing its development.

The Role of Entrepreneurship in the Economy. Today, entrepreneurship is recognized worldwide as an important factor in the sustainable development of market economies. Entrepreneurship is not just a type of economic activity; it is a socio-economic force that introduces innovations, creates jobs, and contributes to the progress of the country. In Uzbekistan, too, the development of entrepreneurship is one of the priority directions of state policy.





Entrepreneurship — The Driving Force of Economic Development.

Entrepreneurship plays a significant role in the economy in several ways. First, it serves to fill the market by producing new products and providing services. Second, entrepreneurship creates new jobs, which helps reduce unemployment. Third, through the private sector, tax revenues to the state budget increase, which in turn allows for the allocation of funds to social sectors.

Innovation and Competitiveness. Entrepreneurs constantly strive to seek innovations, increase efficiency, and implement innovative technologies. This helps improve production processes and achieve international standards of product quality. As the competitive environment intensifies, entrepreneurs are forced to develop new approaches, which positively impacts overall economic development.

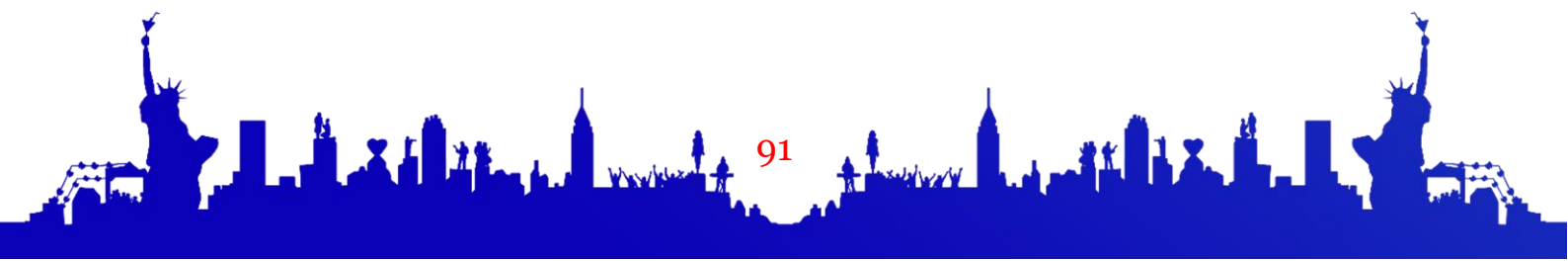
Entrepreneurship and Social Stability. Entrepreneurship also has important social significance. Local entrepreneurs, by conducting their activities in regions, districts, and villages, contribute to regional development. This leads to improvements in infrastructure, increases in income, and the resolution of social problems. Therefore, the development of entrepreneurship holds an important place in the state's social policy.

Entrepreneurship is considered the heart of the economy. It serves as the basis for economic growth, social stability, and innovative development. In our country, reforms aimed at supporting entrepreneurship are being carried out, taking into account its invaluable role in the economy. In the future, systematic work in this area will enable the formation of a sustainable and competitive economy.

Today, entrepreneurship is recognized as the driving force of any country's economy. In countries based on a market economy, entrepreneurship is not only a factor of economic development but also a key element of social stability. Especially in an era of increased economic competition under globalization, the role of entrepreneurship in achieving stability through innovations, creating new jobs, and implementing modern management methods is invaluable. Therefore, this article thoroughly discusses the role of entrepreneurship in the economic system, its types, socio-economic impact, and prospects for development.

1-table

The Role of Entrepreneurship in the Economy (Uzbekistan, as of 2024)





Indicators	Nationwide (Uzbekistan)	Navoi Region
Registered business entities	600,000+	25,000+
Share of SMEs in GDP	55.5%	48.3%
Share of population employed in private sector	76%	70%
Share of tax revenue from private sector	67%	61%
Share of SMEs in total exports	35%	22%
Number of subsidized entrepreneurship projects (2023–2024)	35,000+	1,250+
Women-led business entities	28%	24%

Source: based on data from the Navoiy Regional Department of Statistics

Entrepreneurial activity is widespread. With over 600,000 registered business entities across the country and more than 25,000 in the Navoiy region, these figures reflect the high level of entrepreneurial activity both nationally and regionally.

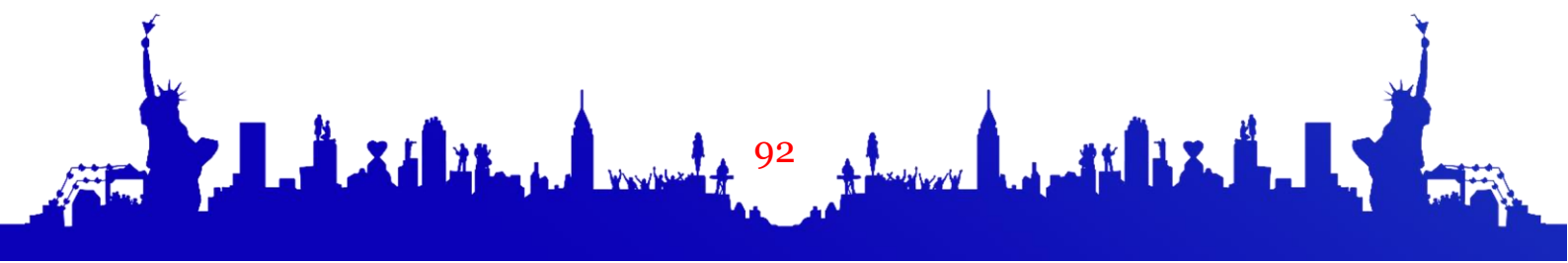
Significant contribution to GDP. Small and medium-sized businesses (SMEs) contribute 55.5% to the national GDP and 48.3% in the Navoiy region. This highlights entrepreneurship as a key pillar of the economy.

A major factor in employment. 76% of the employed population across the country and 70% in the Navoiy region are engaged in entrepreneurial entities, indicating the important role of entrepreneurship in ensuring social stability.

Private sector plays a key role in tax revenue. The private sector accounts for 67% of annual tax revenues nationally and 61% in the Navoiy region, confirming the private sector's vital contribution to fiscal sustainability.

Export potential remains underdeveloped. The share of small businesses in total exports is relatively low — 35% nationally and only 22% in Navoiy. This indicates the need to strengthen export capacity in the region.

State support is substantial. Thousands of entrepreneurial projects have received subsidies in recent years, reflecting the government's commitment to promoting private enterprise.





Women's entrepreneurship is growing. The share of women-led enterprises is increasing — 28% nationwide and 24% in the Navoiy region. This is a positive sign toward achieving gender equality in entrepreneurship.

Conclusion. In today's modern market economy, entrepreneurship plays a steadily increasing role in ensuring sustainable economic development. It is not only a driver of innovation and job creation but also a crucial mechanism for improving social welfare and regional development. The entrepreneurial environment of any country directly influences its economic potential and competitiveness.

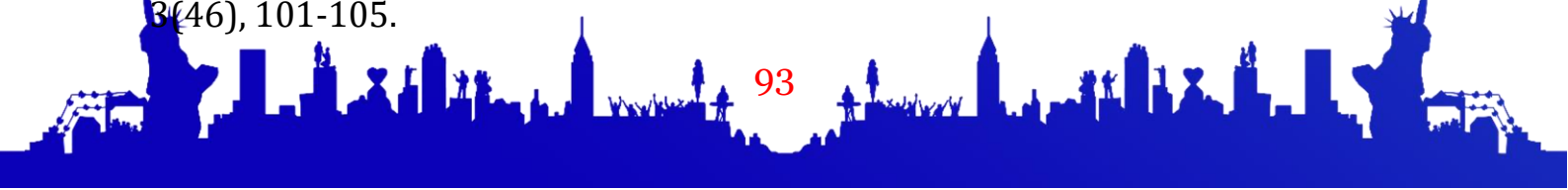
Entrepreneurship contributes to the economy by creating new products and services, generating employment, increasing tax revenues, and enhancing export potential. Furthermore, it drives technological modernization, increases labor productivity, and supports energy efficiency through innovation.

In Uzbekistan, entrepreneurship is a priority area of state policy, and continuous reforms are being implemented to support and promote this sector. Entrepreneurs play a significant role not only in boosting economic activity but also in addressing social challenges by fostering regional development, especially in rural and remote areas.

Ultimately, entrepreneurship is the engine of economic growth, a pillar of social stability, and the foundation of innovative development. Systematic efforts in this direction will help build a competitive and sustainable national economy in the future.

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