

## THE ROLE OF INNOVATIONS AND STARTUPS IN ECONOMIC GROWTH: THE CASE OF UZBEKISTAN

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### Abstract

This extended scientific article provides an in-depth analysis of the role of innovations and startups in the economic growth of the Republic of Uzbekistan. The study examines the formation of innovation policy, the stages of startup ecosystem development, and their impact on gross domestic product (GDP), employment, and national competitiveness using statistical and analytical methods. The research findings demonstrate that innovations and startups have become key drivers accelerating economic growth in Uzbekistan.

**Keywords:** innovation, startups, economic growth, Uzbekistan's economy, digital development.

### Introduction

In recent years, modernization of the economy, acceleration of digital transformation, and promotion of innovative development have become priority directions of state policy in the Republic of Uzbekistan. In this context, innovations and startups play a significant role in ensuring sustainable economic growth, creating new jobs, and increasing competitiveness in international markets. Therefore, the main objective of this article is to provide a comprehensive analysis of the role of innovations and startups in Uzbekistan's economic growth.

### Innovation Development Policy in Uzbekistan

In order to promote innovative activity, Uzbekistan has adopted a number of regulatory and institutional reforms in recent years. The establishment of the Ministry of Innovative Development, along with the expansion of technoparks and IT parks, has created a favorable environment for startup development. These measures contribute to supporting innovative projects and facilitating the commercialization of research results.

### Literature Review

Within the framework of economic theory, innovation issues were fundamentally explained in Schumpeter's concept, which identified innovation as the

main driver of economic growth. Recent international studies emphasize the contribution of startups to GDP growth and employment. Uzbek scholars have also increasingly focused on innovation-driven development, highlighting the effectiveness of state support mechanisms for startups.

### Research Methodology

The study employs statistical analysis, comparative analysis, logical generalization, and graphical analysis methods. The data used in the research are based on information from the State Statistics Committee of the Republic of Uzbekistan and other official open sources.

### Results and Discussion

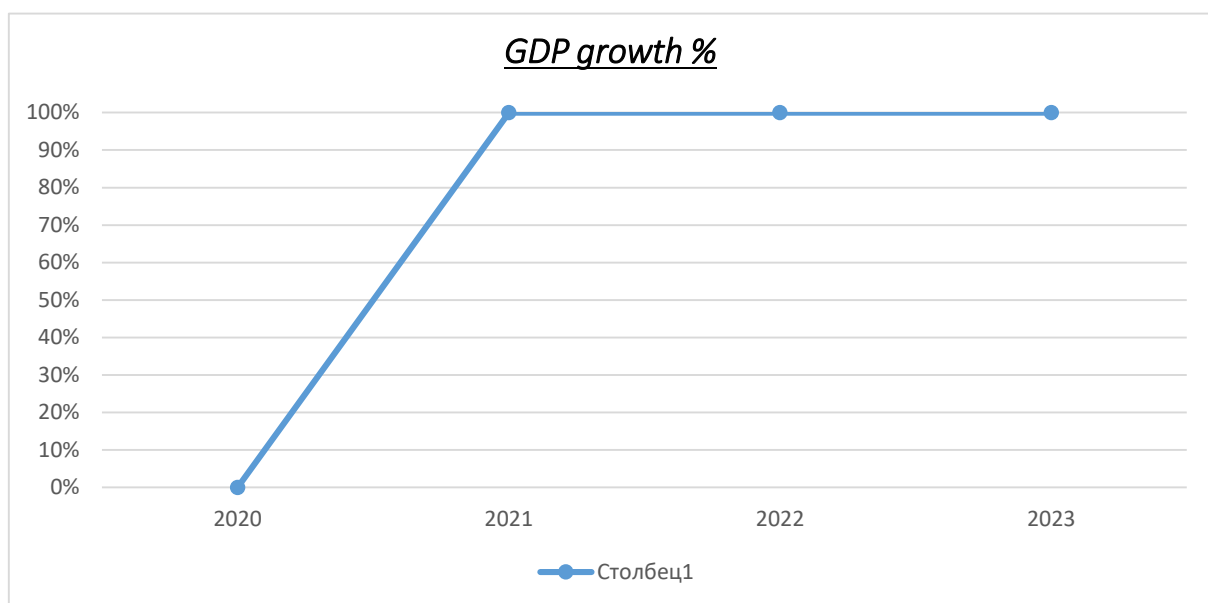
The increase in the number of innovative enterprises and startups in Uzbekistan has had a positive impact on economic growth indicators. In particular, startups operating in information technology, financial technologies, and e-commerce sectors have significantly enhanced overall economic activity.

**Table1. Innovation Activity Indicators in Uzbekistan Indicator**

Indicator	2020	2021	2022	2023
Number of innovative enterprises (thousand)	2.1	2.6	3.2	3.9
Number of startups (thousand)	0.8	1.2	1.7	2.3
GDP growth rate (%)	1.9	4.3	5.7	6.0

The data in Table 1 indicate a positive correlation between innovation activity and economic growth in Uzbekistan.

**Figure 1. Dynamics of the Number of Startups and GDP Growth in Uzbekistan**



### Economic Significance of Startup Ecosystem Development

Startups play an important role in increasing youth employment, developing export-oriented products, and attracting investments. The growing number of IT Park residents in Uzbekistan indicates the gradual formation and expansion of a national startup ecosystem.

**Table 2. Startup Support Mechanisms in Uzbekistan**

Mechanism	Economic significance
State grants	Financing innovative projects
IT Parks	Providing infrastructure for startups
Incubators and accelerators	Supporting young entrepreneurs

### Conclusion

Based on the results of the study, it can be concluded that innovations and startups are among the most important factors driving economic growth in Uzbekistan. Strengthening support for innovative activities and further developing the startup ecosystem will contribute to sustainable economic growth, increased competitiveness, and the advancement of the digital economy.

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