



LEVEL OF USE OF DIGITAL TECHNOLOGIES IN SMALL BUSINESS AND ENTREPRENEURSHIP IN UZBEKISTAN

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Abstract:

This study aims to analyze the level of integration of digital technologies into the activities of small businesses and entrepreneurship in Uzbekistan. In the rapidly developing digital economy, digital technologies play an important role in increasing the competitiveness of small businesses and entrepreneurship, optimizing production and service processes, developing new markets, and establishing effective relationships with consumers. The study examines the level of small businesses in Uzbekistan, the problems and opportunities they face, as well as the economic efficiency of introducing digital technologies. In addition, the study analyzes the factors that hinder the widespread introduction of digital technologies, including underdeveloped infrastructure, lack of personnel skills, limited financial resources, and problems related to information security. The results of the study serve as the basis for developing a strategy for developing small businesses and entrepreneurship based on digital technologies in Uzbekistan, improving state policy to encourage the introduction of digital technologies, and developing recommendations for small businesses and entrepreneurship on the effective use of digital technologies. The results of this study may be useful for small businesses and entrepreneurs, government agencies, scientific research institutions, and companies operating in the field of digital technologies. and the use of digital technologies by entrepreneurs.

Keywords: Small business, entrepreneurship, digital technologies, digital economy, Uzbekistan, innovations, information technologies, internet, e-commerce, digital marketing, economic growth, competitiveness, public policy, infrastructure, human resources, financial resources, information security.



Introduction

In the context of the increasing role of digital technologies in the global economy and increasing competition, sustainable development of the economy of Uzbekistan and ensuring its competitiveness is one of the important tasks. In this regard, the development of small business and entrepreneurship is of particular importance, since this sector provides a significant part of the country's gross domestic product (GDP) and is the main source of employment. In recent years, large-scale reforms have been implemented in Uzbekistan aimed at supporting and developing small business and entrepreneurship. As a result of these reforms, the number of small business entities and their share in the economy have increased significantly. However, there are problems such as differences in the level of development of small business across regions and sectors, as well as the low level of use of digital technologies. Therefore, it is urgent to develop a strategy for the development of small business and entrepreneurship based on digital technologies in Uzbekistan and improve state policy to encourage the introduction of digital technologies. This article aims to analyze the development status of small business and entrepreneurship in Uzbekistan, assess the level of use of digital technologies, and develop recommendations to encourage the introduction of digital technologies.

Despite the achievements in the development of small business and entrepreneurship in Uzbekistan, it is necessary to note a number of problems. In particular, differences in the level of development of small business across regions remain significant. For example, according to the results of 2023, the share of small business in GDP in Surkhandarya region was 75.9%, while in Navoi region this figure was only 26%. Such differences may be related to the economic potential of the regions, the level of infrastructure development, the investment climate and other factors. There are also problems across sectors. For example, the share of small business in agriculture remains relatively low, which indicates that there are additional opportunities for the development of small business in the agricultural sector. Another important problem is the low level of use of digital technologies in small business and entrepreneurship. Although digital technologies allow small businesses to reduce costs, increase production efficiency, enter new markets and improve relationships with consumers, many small businesses still use traditional methods. The reasons for this may be various, including insufficient knowledge about digital technologies, lack of financial resources for the implementation of digital technologies, lack of human resources and



concerns about information security. According to statistics, the number of Internet users in Uzbekistan is increasing year by year, but the majority of small businesses still use the Internet only to search for information and communicate via email. The level of use of e-commerce, digital marketing and other digital technologies is still low. This reduces the competitiveness of small businesses and limits their development opportunities. In addition, there are other problems that hinder the activities of small businesses and entrepreneurs, including limited financial resources, difficulties in obtaining credit, high tax burden, bureaucratic obstacles and corruption. The Uzbek government is implementing a number of measures to address these challenges, including financial support programs for small businesses, tax incentives, administrative reforms, and the fight against corruption. However, additional efforts are needed to increase the effectiveness of these measures and ensure the sustainable development of small businesses and entrepreneurship.

of small business and entrepreneurship in Uzbekistan. As a result of the intensification of the state policy aimed at supporting small business, reforms and incentive measures to improve the business environment, the role of small business in the economy has significantly increased. According to statistics, the share of small business and private entrepreneurship in gross domestic product (GDP) is increasing every year. According to the results of 2023, this indicator amounted to 51.2%, which clearly demonstrates the significant importance of small business in the country's economy. The employment rate in the small business sector has also increased. In 2023, 78.3% of the employed population was engaged in small business, which is significantly higher than the figure in 2000 (49.7%). The share of small business in the production of industrial products has also increased. If in 2000 this indicator was 12.9%, then in 2017 it reached 39.6%. The share of small businesses in agriculture is 99%, in construction - 65.1%, and in retail trade turnover - 88.4%. This indicates that small businesses play an important role in various sectors of the economy. The share of small businesses in the country's total exports is 27%, in imports - 50%, and in investments - 32%. This indicates that small businesses also play an important role in foreign economic activity. As a result of reforms implemented to support small businesses, the time for registering small businesses has been reduced, the tax burden has been reduced, and financial support mechanisms have been improved. This has created favorable conditions for the development of small businesses.



In conclusion, Uzbekistan has made great strides in developing small business and entrepreneurship, and this sector has become an important part of the country's economy. The increase in its share in GDP, the strengthening of its role in providing employment, and the growth of export potential are clear evidence of this. The consistent implementation of a policy of support for entrepreneurship by the state, reforms aimed at reducing bureaucratic barriers, facilitating access to financial resources, and improving the investment climate are bearing fruit. However, despite this, there are still problems on this path that are still waiting to be resolved. Factors such as differences in the level of development between regions and sectors of the economy, the low rate of adoption of digital technologies, and in some cases, shortcomings in protecting the rights of entrepreneurs, and corruption, prevent small business from developing at full capacity. Therefore, it is necessary to implement comprehensive measures aimed at solving these problems in the future. Developing targeted programs taking into account the specific characteristics of the regions, encouraging the introduction of digital technologies, increasing the financial literacy of entrepreneurs, improving mechanisms for protecting their rights, and strengthening the fight against corruption will ensure the sustainable development of small business and entrepreneurship. Only then can small business and entrepreneurship become the drivers of the Uzbek economy, make a worthy contribution to increasing the well-being of the population, and ensuring the country's competitiveness in the global market.

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