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THE IMPACT OF DIGITALIZATION OF THE ECONOMY ON DEVELOPMENT SMALL AND MEDIUM-SIZED BUSINESSES IN THE REPUBLIC OF UZBEKISTAN

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In the conditions of Uzbekistan, the study on a scientific basis largely depends on the trends and opportunities for the development of the digital economy and, in particular, the degree of penetration of modern digital technologies into various sectors of the economy, this is especially important for small and medium-sized businesses.

The digital economy in Uzbekistan is aimed at increasing the potential of the domestic ICT market, digital transformation of public services, creation of favorable conditions for further development and development of new information technologies and software products, development of human capital and improvement of the system of training and retraining of personnel in the field of information technology. [1]

The degree of development of the digital economy in the country, which is directly related to the level of development of information and switching technologies (ICT), is usually assessed by various indicators: the share of the digital economy in GDP, the size of investments in the ICT industry, the speed of the Internet, its coverage of the country and accessibility for use by the population, the level of development of e-commerce, the share of public services in the system e-government, provision of organizations with specialists in the field of ICT. In addition, the indicators in the international ratings that assess the degree of development of information technologies in the country are important.

According to the data of 2022, the share of digitalization of the economy in GDP in Uzbekistan is 2.2%. At the same time, the average optimal indicator is 7-8%. For example, in the UK it is 12.4%, South Korea - 6.9%, Russia - 2.8%, Kazakhstan - 3.9% (. Experts have identified the share of small and medium-sized enterprises in the industrial exports of a number of developed countries. So, in Germany and the Netherlands, this share is about 40%, in Italy – about 20-25%, and finally, in the USA and Japan – 15% of exports.[3] If the participation of small enterprises in the complete set of finished products exported by larger companies is included in the calculation, then the share in the exports of these countries will almost double.

The main export items of SMEs are undoubtedly international technology trade. So, for example, in the USA, 50% of licenses sold are for small enterprises, innovative companies.[4] In addition, small business is a supplier of mechanical engineering, chemical, textile, metalworking and other products of various industries.

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In the WTO countries, small and medium-sized enterprises account for more than 95% of all firms, which makes it possible to provide 60-70% of employment, creating an increasing number of new jobs. In addition to the fact that small business contributes to maintaining economic stability in countries by providing employment, small business has a number of advantages.[2]

Firstly, in a modern society with a huge number of needs among the population, small businesses are able to adapt most effectively to meet small orders and short-term needs, thanks to their maneuverability and increased flexibility.

Secondly, small businesses are more productive than larger businesses. Also, small businesses are able to make optimal use of human potential due to the absence of bureaucratic barriers.

Thirdly, small business is certainly connected with innovation.

Small business entities have a large number of competitiveness factors:

1) Higher management efficiency than that of a large business;

2) Low costs (management and accounting);

3) Lower barriers to exit from the market;

4) Relative ease of changing the type of business.

Currently, the key strategy for the development and entry of SMEs into the international arena is the active digitalization of business. The use of production and financial resources of small businesses based on digitalization can be both extensive and intensive. Extensive use of the digital economy and its development is focused on the involvement of additional resources in production. The intensification of the increase in the production efficiency of small enterprises consists, first of all, in the qualitative and effective use of ICT so that the results of production grow faster than the costs of it, so that by involving relatively fewer resources in production, it would be possible to achieve greater results. The basis of such intensive development is currently the digital economy. The analysis of the intensification of production requires the classification of factors of extensive and intensive development of digitalization.

In the context of the Fourth Industrial Revolution, virtual and physical systems flexibly interact with each other at the global level. Due to the fact that an increasing part of the product life cycle at the pre-production stage is shifting to the virtual sphere, the time for the introduction of new products is shortened. The first companies to embark on the path of "digitalization" show a 50% reduction in the delivery time of products adapted to the customer.

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