

INNOVATIVE DEVELOPMENT OF THE DIGITAL ECONOMY IN SMALL BUSINESS

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Abstract:

The article analyzes the digital transformation of the economy of all countries of the world, which is now becoming an integral element of modern life, contributing to improving the efficiency of business development, including small entrepreneurship, economic sectors, the social sphere and the public administration system.

Keywords: *public administration, digital transformation, digital technology, business development, small business, technical innovation, increasing efficiency, economic sectors, social sphere.*

Digital transformation has firmly entered the life of all countries of the world; when considering and defining this concept, scientists characterize it from different points of view. The first point of view comes down to the fact that the goal of the development of digital technologies is business automation. Digital transformation is a decades-long process, with the emergence of new technologies fueling new stages of digitalization. The combination of technical innovations leads to the replacement of one way of life by another (Fig. 1).

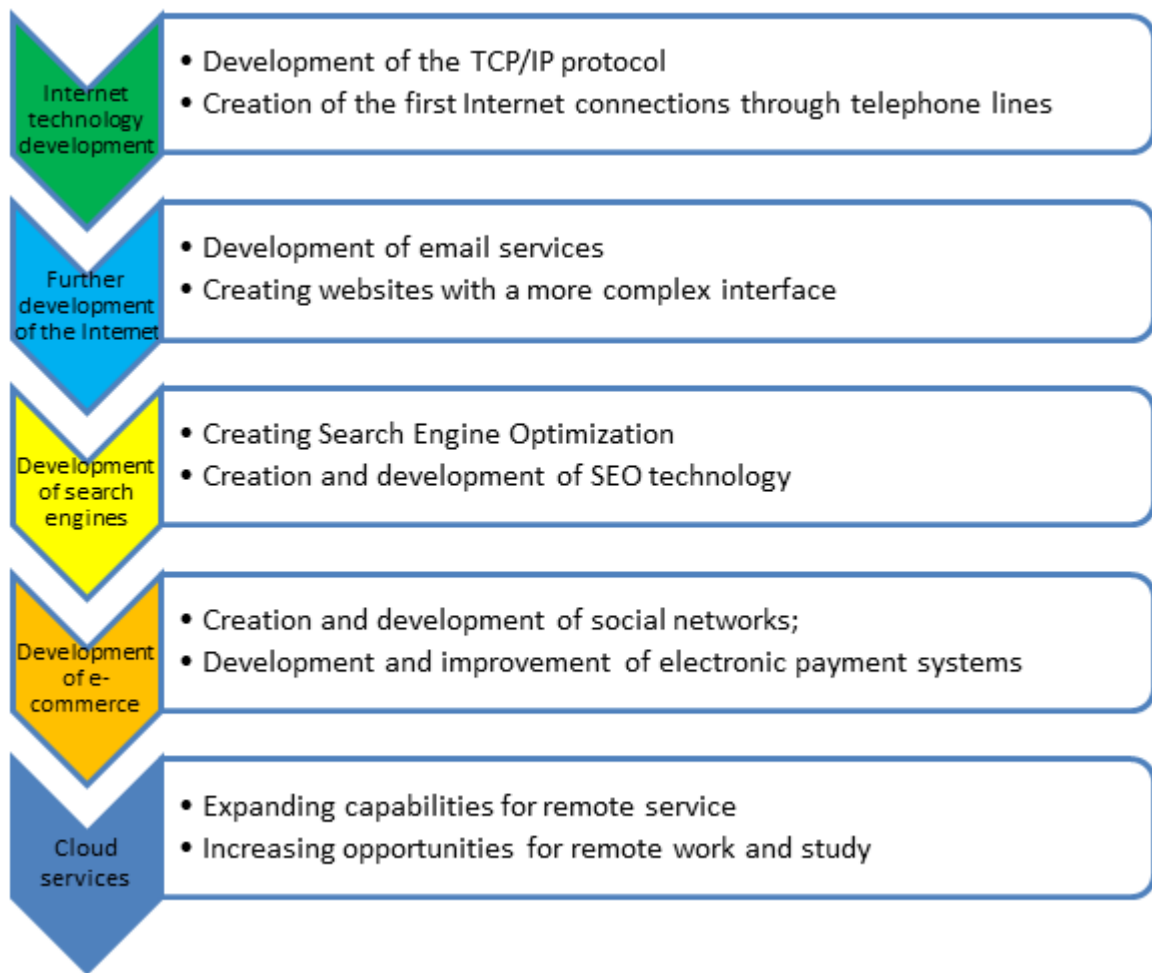


Fig.1. Stages of digital technology development

The second point of view connects digital transformation with a certain period of development of information technology. The turning point was the development of the third platform (cloud technology, mobile Internet, “big data”), which served as the basis for the creation of fully digital companies operating in the virtual space.

Adherents of the third point of view focus on the economic aspects of the phenomenon, considering digital transformation a relevant tool for any company engaged in both digital business and real production. Companies conducting real production activities use new business models and the necessary tools for successful development. The use of digitalization in developing marketing strategies is especially relevant for such companies.

In our opinion, there are certain reasons in the first two points of view, but the third point of view is more consistent with the essence of digital transformation.

The difference between digital transformation and business process automation is a radical increase in efficiency. It is no coincidence that Sh. Mirziyoyev, within the framework of the “Digital Uzbekistan-2030” Program, notes the need for complete digitalization of such areas of the economy as construction, energy, agriculture and water management, transport, geology, healthcare, education, cadastral and archival affairs.

A. Prokhorov and L. Konik associate the possibility of digital transformation not only with the availability of certain technologies, but also with the need for the enterprise to provide an appropriate strategy, ways of organizing work groups and work processes¹.

Table 1. Factors driving the transition to digital transformation

Elements of Marketing Strategy	Stages of digital transformation		
	Initial	Managed	Optimized
Strategy	Digital strategy is missing from the enterprise strategy	Digital strategy is one of the company's priorities	Digital strategy is the basis of an enterprise's business strategy
Technology	Disparate data sources, basic tools for data accounting and analysis	Multi-channel data collection, basic modeling tools	Using cloud technology and big data
Human capital	Scattered digital knowledge	Personnel have digital competencies	Digital marketing specialists available

Table 1 examines the factors driving the transition to digital transformation.

Numerous surveys indicate that the main drivers for digital transformation are:

- changing the behavior and expectations of employees and clients from the level of digital services,
- competitive pressure, desire to occupy new promising markets.

Digital transformation is characterized by the introduction not only of information technology, but also of other innovations: biotechnology, nanotechnology, quantum technology. Each of the listed technologies, cooperating with information technologies, creates innovations at their intersection².

To assess the degree of digital transformation in different countries of the world, the Digital Evolution Index (DEI) is used, which includes the following parameters:

- ✓ level of development of physical and digital infrastructure;
- ✓ demand for digital technologies in the country;
- ✓ level of development of the institutional environment;
- ✓ level of development of the national innovation system.

In terms of the quality of ICT infrastructure, Uzbekistan is ahead of neighboring countries, such as Kazakhstan, Tajikistan, and Kyrgyzstan, since the telecommunications infrastructure is developing very dynamically in Uzbekistan. For the development of digital infrastructure in 2024-2026. it is planned to attract about 2.0 billion dollars. In Uzbekistan, the number of installed broadband Internet access ports increases annually, which provides subscribers with a continuous connection to it for transmitting and receiving information at high speeds

¹ Прохоров А., Коник Л. Цифровая трансформация. Анализ, тренды, мировой опыт. — М.: ООО «АльянсПринт», 2019, с.26

² Will we point click search scan swipe see sign or touch the future [Electronic resource]. — Available at: <https://excapite.wordpress.com/2010/08/31/will-we-point-click-search-scan-swipe-see-sign-ortouch-the-future/33>.

To improve the indicator of human capital and its competencies in the field of information technology, the “One Million Programmers” program was launched in 2020, providing free training in programming skills, under which more than 130 thousand students are trained. All the measures considered contribute to increasing the development index of the digital economy of Uzbekistan to the level of leading EU countries.

The information and communications technology (ICT) industrial sector, which typically includes telecommunications services, electronic equipment, computing and software, plays an important and growing role in the global economy. According to McKinsey, in 2020 it accounted for approximately 7.5% of global GDP.³

However, the sector's share of GDP does not fully reflect the enormous impact that ICT, due to the nature of the product, has on economic growth and all aspects of human activity, including the availability of various social services, health care and education. The increased use of modern information technologies (high-speed Internet, mobile broadband and computer services) in itself contributes to economic growth, and the fact that such technologies facilitate and speed up the process of interaction between people and increase labor productivity creates an additional socio-economic effect.

The digital economy is an addition to the real economy, capable of pushing the development of industry, the agricultural sector, construction, services and public administration, and increasing the country's global competitiveness and its national security. The introduction of digital technologies is carried out with the parallel development of traditional production, when society receives the main dividends from the digital economy.

Digitalization of small businesses is a source of development of small businesses in different countries of the world. The data presented indicate that the highest level of provision of small businesses with high-speed broadband Internet occurs in Denmark, Sweden, and Finland. However, the provision of small enterprises in the Republic of Uzbekistan with broadband Internet at speeds from 2 to 100 Mb/s is quite high.

Digital modernization is changing the organization of production and economic activity in all countries of the world, becoming an integral part of them, which is characterized by a steady upward trend in the share of the digital economy in the structure of GDP. At the same time, the level of digitalization varies significantly in different countries.

The digital economy is rapidly changing the face of modern business. It opens up access to a significant amount of data to numerous participants in the global economy. The strategy of digitalization of the economy contributes to the expansion of the scale of production and exchange, the growth of the market value of enterprises, and the more efficient use of means of production and labor, both in the sphere of material production and in the sphere of production. services, and most importantly, increased competition and changes in the prevailing style of economic management.

Thus, the digital transformation of the economy of all countries of the world is now becoming an integral element of modern life, contributing to increasing the efficiency of business development, including small businesses, economic sectors, the social sphere and the public administration system.

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