EXPLORING THE ROLE OF ARTIFICIAL INTELLIGENCE IN SUPPORTING SMALL ENTERPRISES AND ALLEVIATING POVERTY AMONG THE YOUNG IN UZBEKISTAN

Djalilova Shaxlo Ismoiljon kizi
"Andijan State Technical Institute"
Department of "Economics" PhD student
Email: jalilovashahlo52@gmail.com
Tel:+998979949398

https://doi.org/10.5281/zenodo.20699315

Abstract

This study looks at ways to support small businesses and reduce poverty in Uzbekistan by using artificial intelligence (AI). Recently, Uzbekistan has made big economic changes to encourage entrepreneurship, improve digital systems, and raise living standards. In this setting, AI has strong potential to make small and medium-sized businesses more efficient, productive, and competitive. The research examines how AI tools like data analysis, automation, and online platforms can help small businesses get funding, run more smoothly, and connect better to markets. The paper also looks at how AI can create jobs, build skills, and promote economic growth that includes everyone, especially in rural and less developed areas. The study uses a detailed review of policy papers, global examples, and new practices in Uzbekistan. The results show that using AI well can help reduce poverty by creating more ways to earn money, cutting costs, and boosting business skills. But problems like low digital skills, poor infrastructure, and rules that limit progress need to be fixed to get the full benefits. The paper ends with suggestions for policies to improve the AI environment and make sure it helps small businesses and fights poverty fairly.

Keywords: artificial intelligence, small business, SMEs, poverty reduction, digital economy, Uzbekistan, entrepreneurship, innovation, economic development, inclusive growth.

Introduction

In recent times, the swift development of Artificial Intelligence has emerged as a crucial factor in global economic change, greatly impacting productivity, innovation, and competitive edge across multiple industries. Countries like Uzbekistan are progressively acknowledging the significance of digital technologies for attaining sustainable economic development and alleviating poverty. Small and medium-sized enterprises (SMEs), essential to Uzbekistan's economy, significantly contribute to job creation and income distribution. The World Bank states that SMEs play a significant role in generating employment and are vital for alleviating poverty in developing nations [1].

Uzbekistan has launched a number of structural reforms designed to better the business climate, upgrade digital infrastructure, and promote entrepreneurship. The implementation of national initiatives like the "Digital Uzbekistan–2030" program showcases the government's dedication to incorporating cutting-edge technologies into economic growth efforts [2]. In this context, artificial intelligence presents fresh possibilities to tackle ongoing issues encountered by small enterprises, such as restricted funding, low efficiency, and market flaws. Additionally, AI-powered solutions can aid in diminishing regional inequalities and promote inclusive development by allowing marginalized groups to engage in economic opportunities.

Even with these prospects, the incorporation of AI into small business growth in Uzbekistan is still in its initial phase. Problems like inadequate technological preparedness, shortage of skilled

workforce, and regulatory obstacles persist in obstructing its broad implementation. Thus, examining the role of AI in assisting SMEs and alleviating poverty is both pertinent and timely

In recent years, the swift progress of Artificial Intelligence has emerged as a crucial factor in economic change globally, greatly impacting productivity, innovation, and competitiveness in multiple industries. Countries like Uzbekistan are progressively acknowledging the significance of digital technologies for attaining sustainable economic development and alleviating poverty. Small and medium-sized enterprises (SMEs), which are essential to Uzbekistan’s economy, significantly contribute to job creation and income distribution. The World Bank states that SMEs play a significant role in job creation and are crucial for lowering poverty rates in developing economies [1].

Utilizing artificial intelligence in the growth of small businesses can greatly improve efficiency and the processes involved in decision-making. AI technologies like machine learning, predictive analytics, and automation tools allow companies to enhance resource distribution, anticipate demand, and elevate customer interactions. AI-driven financial technologies (fintech) can enhance credit access for small businesses by evaluating creditworthiness using alternative data sources, thus bypassing conventional lending obstacles [3]. This is especially vital in developing economies where numerous SMEs do not have established financial records.

Additionally, AI aids in lowering costs and enhancing productivity by automating repetitive tasks and optimizing business processes. A report by the Organisation for Economic Co-operation and Development states that digital transformation, including the adoption of AI, has the potential to enhance productivity at the firm level and encourage innovation, particularly in small businesses [4]. In Uzbekistan, numerous small enterprises function with scarce resources, and such advancements in technology can greatly boost competitiveness in both local and global markets.

An additional vital aspect is the contribution of AI to alleviating poverty by generating employment opportunities and enhancing skill sets. Though automation might displace specific low-skilled positions, it also generates fresh opportunities in digital services, data analysis, and technology management. The United Nations Development Programme highlights that digital technologies can foster inclusive growth by increasing access to education, job opportunities, and entrepreneurial ventures [5]. In Uzbekistan's rural regions, AI-driven platforms can link entrepreneurs to broader markets, offer access to educational resources, and aid in the growth of microenterprises.

Nonetheless, effectively implementing AI involves tackling multiple challenges. This encompasses upgrading digital infrastructure, boosting internet access, and funding education and training initiatives to develop a proficient workforce. Moreover, creating a transparent regulatory framework is crucial for guaranteeing data security, responsible AI usage, and equitable competition. In the absence of these supportive conditions, the advantages of AI might be unevenly allocated, possibly worsening existing inequalities instead of alleviating them.

Conclusion

To sum up, the advancement and utilization of Artificial Intelligence provide substantial prospects for enhancing small business operations and alleviating poverty in Uzbekistan. The analysis indicates that AI technologies can boost the efficiency, productivity, and competitiveness of small and medium-sized enterprises by enhancing access to financial resources, streamlining business processes, and aiding integration into larger markets [1; 3]. These enhancements hold significant value within the framework of Uzbekistan's continuous economic reforms and its strategic emphasis on digital transformation [2].

Additionally, AI can play a role in promoting inclusive economic growth by generating new job opportunities, encouraging innovation, and aiding entrepreneurship, particularly within vulnerable and underserved communities. AI can aid in diminishing structural inequalities and fostering sustainable income generation by providing improved access to information, education, and digital platforms. This corresponds with the wider development objectives stressed by global entities like the World Bank and the United Nations Development Programme, which underline the significance of digital technologies for attaining poverty alleviation and economic stability [1; 5]

Nonetheless, the effective execution of AI-driven solutions necessitates a thorough and unified policy strategy. Critical obstacles, such as inadequate digital infrastructure, poor digital literacy, restricted access to technology, and regulatory shortcomings, need to be systematically tackled. Investing in education and skill enhancement, fostering innovation ecosystems, and creating well-defined legal frameworks for data protection and ethical AI application are critical foundations for fully harnessing the advantages of AI [4].

To fully harness the capabilities of artificial intelligence in aiding small enterprises and alleviating poverty, Uzbekistan must focus on policies that promote technology adoption, enhance public-private collaborations, and guarantee inclusivity in digital advancement. A strategic and balanced method will allow the nation to leverage AI as an effective asset for sustainable economic development and societal welfare.

Adabiyotlar, References, Литературы:

1. World Bank. *Small and Medium Enterprises (SMEs) Finance*. Washington, DC: World Bank, 2020.
2. Ministry for Development of Information Technologies and Communications of the Republic of Uzbekistan. *Digital Uzbekistan–2030 Strategy*. Tashkent, 2020.
3. Gomber P., Koch J.-A., Siering M. Digital Finance and FinTech: current research and future research directions // *Journal of Business Economics*. 2017. Vol. 87. No. 5. P. 537–580.
4. OECD. *SME and Entrepreneurship Outlook 2019*. Paris: OECD Publishing, 2019.
5. UNDP. *Human Development Report 2021/2022: Uncertain Times, Unsettled Lives*. New York: United Nations Development Programme, 2022.