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DEVELOPING SMALL BUSINESS AND ENTREPRENEURSHIP THROUGH THE TRANSITION TO THE DIGITAL ECONOMY

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ABSTRACT

Today, new digital technologies, innovative business models occupy all spheres of economic life of society and affect the essence of the economy, which in turn shapes the qualitative structural changes in the economy. As a result, the digital economy is emerging as a subsystem of the traditional economy, characterized by the active use of digital technologies and the circulation of specific electronic goods. The level of development of the digital economy is closely linked to national competitiveness, which requires special attention to the development of the state and business. This article provides an overview of the development of the digital economy in the world and in Uzbekistan, an overview of the development of the digital economy, as well as various threats and some suggestions for their elimination.

KEYWORDS: *Digital Economy, Small Business, E-Commerce, Innovation, Sustainable Development, Economic Growth, Government Regulation Of The Economy, Threats And Risks To Scientific And Technological Progress*

INTRODUCTION

Many researchers rightfully link medium-term trends in the development of society and the economy with their digitalization. Today, new digital technologies and innovative business models are penetrating all areas of the economic life of society, influencing the essence of the economy and forming qualitative structural changes in it.

It can be said that humanity has entered a new era of global change due to digitalization and other technological developments being put forward by many researchers today.

It is no exaggeration to say that by the 21st century, e-economy has already moved beyond economic processes.Now that digitalization is being applied to the social processes of society, the successful lives of people are also increasingly dependent on the digitalization process.Indeed, the activities of all government agencies and their structures are also being evaluated through the widespread introduction of digital technologies.The development of the digital economy on a global scale has led our country to pay great attention to this trend.Admittedly, at the moment, Uzbekistan has not yet achieved a leading position in the world in the digital economy. However, in the group of countries that follow the leaders, it can be said that the rapid development of digitization on economic growth and the promotion of reforms in this area are considered as one of the countries on the agenda, and thus improving its position in this direction year by year.

MAIN PART

The joint activities of the government and business are important for the rapid development of the digital economy in any country.

It is worth noting that the digital economy is now widely accepted as the solution to almost all existing rapid development problems.

In support of our view, we see this reflected in socio-economic and humanitarian studies, including statements and official documents of influential politicians and government officials, as well as a sharp increase in interest in digital issues among the public.

However, it must be acknowledged that just as not all diseases are claimed, the self-digital economy does not serve as the primary means of eliminating all elements of the global economy. The development of artificial intelligence and, as a result, modern technological changes, the digitization of society and the economy and all social structures closely related to them will go hand in hand with direct economic digitization, as all aspects of life are inextricably linked with the economy.

An overview of the development of the digital economy.

Since the second half of the 20th century, information technology has become increasingly important in the economic development of many countries around the world.

At the present stage due to scientific and technological progress the single information economic space is achieving economic growth and labor productivity, creating innovative jobs and digital assets, expanding the rights and opportunities of citizens, as well as access to global markets and enhancing the competitiveness of enterprises, thereby improving the quality of public services.

Chronologically, in 1995, the American scientist N. Negroponte introduced the concept of “digital economy” in connection with the use of modern information technology in digital economic processes and their management. According to him, the advantages of the digital economy include the elimination of the complexity of product delivery, size of the data, low prices, resources for the production of electronic goods, the relatively small size of the product, as well as the almost instantaneous movement of goods via the Internet

The digital economy has become a key factor in the development of various international organizations. In particular, the Organization for Economic Co-operation and Development

(OECD) has described the digital economy as a combination of several common goals achieved by people through the Internet and related technologies.

The digital economy is unequally distributed around the world, and there is an uneven distribution in the development of this industry even between the North Pole and the South Pole. For example, the United States itself has an advantage in the development of the digital economy network in the North Pole, with a quarter of the pole in that state. Today, the geography of the digital economy is gaining momentum in the economies of two countries, China and the United States. Currently, the U.S. and China account for 75% of blockchain technology authorship and 90% of the market capitalization of the 70 largest digital platforms in the world.

Looking at the recent past of digital economy development, business digitalization began with domestic and corporate projects and gradually gained global coverage, and soon major digital business participants took first place in the world in digitalizing economic development. In this regard, it is necessary to recognize the development of the world's largest companies in terms of market capitalization, such as Apple, Alphabet, Microsoft, Amazon and Facebook in the field of digital business.

Another major company on this list is Alibaba Group, an internet retailer. In addition, examples of "digital ecosystems" can be found in a variety of other industries and companies today.

In short, the digital economy can be described as a new type of economic relations that already exists and is actively developing in all sectors of the world market.

It is no exaggeration to say that the digital economy may soon become a leading segment of the growth and development of the economic system, a driver of rapid industry management. A single example of this is the fact that the digital economy has some advantages over material commodity exchanges, such as the speed of delivery of goods or the actions taken in practice to provide services almost instantly. Another advantage of the digital economy is that it is associated with lower production and transaction costs.

Development of digital economy in Uzbekistan

Today, in the process of large-scale reforms in our country, comprehensive measures are being taken to actively develop the digital economy, the widespread introduction of modern information and communication technologies in all sectors and industries, especially in public administration, education, health and agriculture.

A number of measures aimed at accelerating the development of the digital economy in the country with the broad involvement of information technology are being set by the head of our state.It should be noted that adoption of the Decree of the President of the Republic of Uzbekistan dated October 5, 2020 No PF-6079 on approval of the strategy "Digital Uzbekistan – 2030"and measures for its effective implementation was an important program aimed at accelerating the development of digital industry in the country .

This Decree provides for the introduction of more than 400 information systems, electronic services and other software products in various areas of socio-economic development of the regions in the framework of digital transformation of regions and industries in 2020-2022, automation of management, production and logistics processes in enterprises in the real sector. More than 280 information systems and software products have been identified for development.

Another important role of this decree in the implementation of the digital economy strategy is the addition of appropriate higher education institutions to improve the digital literacy and skills of governors, government agencies and organizations in the regions, training them in information technology and information security, with their 12,000 employees being trained in IT too. This, in turn, will help reduce poverty through the widespread implementation of local information, the introduction of e-government services for the development of small businesses and private entrepreneurship, which play an important role in the socio-economic life of the country through the digitalization of the economy in remote areas.

The Decree also provides for the practice of hearing monthly reports of the heads of government agencies and organizations on the implementation of planned projects and measures for the development of the digital economy and e-government, as well as consideration of their responsibilities. Based on continuous monitoring of the widespread implementation of the digital economy in the country, it is planned to take measures to further improvement of e-government services in business, optimization of functional processes and procedures in state bodies and organizations.

Another important reform envisaged in the decree was the introduction of the formation of a personal account for the establishment of electronic interaction with government agencies and organizations in the issuance of an ID card to an individual under the complex program "Digital Tashkent". Today this system has been put into practice, which allows even more accelerating and optimizing the stages of documentation and registration process when starting a small business.In addition, the Open Data Portal of the Republic of Uzbekistan envisaged by the Decree provides for the online posting of public statistics by government agencies and organizations, registration of patents, medicines and medical devices, public transport, land use and other public statistics. Significant benefits will be achieved in the development of entrepreneurship in the field of large business.This will allow entrepreneurs to obtain the necessary information from the open data portal, preventing them from obtaining documents of various permits, applying to the competent authorities for the first step to start a business.

In addition, it should be noted that the ability of individuals and legal entities to pay all established state duties, fees, fines and other mandatory payments online using electronic payment systems will create a wide range of benefits for small businesses.

Another important aspect is that the Decree stipulates that by January 1, 2022, the digital transformation of commercial banks will be completed by providing a wide range of online services, including the sale of remote credit products, opening deposits and accounts.

It is also planned to open digital technology training centers for the general population, especially for young people and women, on the basis of existing infrastructure facilities in each district and city. This is aimed at ensuring the broad penetration of public administration into the community and through it, improving the skills of citizens to live in step with the development of the digital economy.

The scope of the reforms includes the organization of paperless electronic document exchange and office work, digitization of all administrative procedures and operational processes, ensuring openness and transparency of activities and the use of public services in settlements, automation

of interdepartmental electronic cooperation. provides e-government services to the subjects without human factor.

In short, the “Digital Uzbekistan – 2030” Strategy sets out the strategic goals, priorities as well as medium- and long-term prospects for the development of the digital economy and e-government in Uzbekistan.

It should be noted that today in our country the transition to the digital economy is widespread in all areas. In particular, work has begun on the introduction of the "Electronic Polyclinic" in the health sector, which is expected to reduce the number of documents in medical institutions by 40% and waiting times by 60%. Currently, only in the capital, information systems for electronic medical records, hospitals and ambulances are being introduced in this area. Starting next year, it is planned to launch software in this area in the regions of the country.

It should be noted that in order to ensure the rapid development of the digital economy and to cover all areas in this regard, 2020 has been declared in Uzbekistan “Year of Science, Education and Digital Economy”. On the accelerated development of this sector, the President of Uzbekistan signed another Decree “On measures to widely introduce the digital economy and e-government”. This Decree provides for a doubling of the share of the digital economy in the country's GDP by 2023, including the introduction of a set of information systems in production management, the widespread use of software in reporting in the field of financial and economic activities,as well as the task of its rapid formation through the automation of technological processes.

CONCLUSIONS AND SUGGESTIONS

In the context of globalization, the digitization of the economy as an important factor of development will bypass the electronic front of any country.Digitalization requires a balanced development not only in the economy, but also in all spheres of life, as well as in social and spiritual life.At the same time, it should be taken into account that lagging behind in one sector will lead to failures in other sectors.As a single example, it is natural that the electronicization of documents in the field of construction lags behind, which in turn delays the registration of the business. As a result, it is necessary to recognize that the start of entrepreneurship and the acceleration of positive results will be slowed down.

Another important factor is the optimization of procedures for providing public services to entrepreneurs, reducing the number of required information and documents, the transfer of all processes related to the issuance of licenses and permits for business activities in electronic form in real time primarily serves the development of small business.

The development of digital technologies in the economy will provide management through the automation of all stages of small business, thereby reducing logistics and procurement costs, robotization of production processes, as well as the introduction of artificial intelligence technologies will enable the development of entrepreneurship in any country.

Therefore, it is expedient to put forward a number of proposals for the development of the digital economy in the transition period. In particular, as a prelude to the rapid development of this sector, there is a need to improve the existing regulatory framework in our country for the introduction of innovative automated control systems and software products.

Accelerating the creation of industry databases in the form of mutual electronic exchange of information between government agencies, the formation of an open registry of information needed for business, by expanding existing information systems of competent state bodies and organizations to assess the level of digitalization.

In this regard, the implementation of the adopted regulations in this area by the relevant structures is significantly lagging behind. It should also be noted that the lack of awareness of local executives on the content of reforms in the sector leads to the fact that the development of information and digitalization lags behind global economic development.

Today, in many countries around the world, including Uzbekistan, portals for the provision of public services to the population, as well as payment platforms have been developed. In the field of reporting and exchange of information in the field of entrepreneurship, tax authorities are also moving to electronic reception, work on the widespread use of plastic cards for social payments is underway.

The widespread introduction of the digital economy requires, first of all, informatization and technological development. This, in turn, generates the need to increase the number of training of specialists in the field of information, the formation of inter-branch, regional and interstate systems of cyber security, including the improvement of legislation to combat cybercrime, the creation of security units in law enforcement agencies. However, it should be borne in mind that information security should not hinder the growth and development of technology, and it is desirable to strengthen the interstate exchange of information in the field of cyber security, along with the development of the digital economy.

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