

Issues of Small Business and Private Entrepreneurship Development in the Digital Economy

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Annotation:

The rapid change of market conditions in the economy, the rapid exchange of the balance between supply and demand is the development of each sector on the basis of the requirements of the digital economy. In the field of small business will also be developed industrialized and innovative "Small Business 4.0", which is fast-changing, flexible and responsive to the vagaries of the market economy.

KEYWORDS: *Global, models, family companies, the fourth industrial revolution, small business, new innovations, technology parks, business incubators, engineering centers, research organizations, nanotechnology centers, "Industry 4.0", "Small Business 4.0", conveyor, digital technologies, "intelligence factories", virtual industries, artificial intelligence*

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INTRODUCTION

At the beginning of the XXI century, the economy of the Republic of Uzbekistan has achieved a steady pace of development. Global changes in the world economy, the tightening of relations between many countries have affected the level of economic development in the regions of the country. Today, domestic and foreign economic research consists of the active development of new models of economic development. In order to achieve sustainable economic development, the aim is to make extensive use of the achievements of the Fourth Industrial Revolution, to raise the sectors of the economy to the fifth and sixth technological sectors. And family businesses are gaining a strong foothold in the world economy. "The share of family companies in the European Union is 50%, in Latin America - 65-90%, in the United States - 95%. In addition, 45-50% of the GDP of European countries, 70% of Latin American countries, and 65-82% of the GDP of Asian countries are created by family enterprises" [15]. In the modern world economy, small business and private entrepreneurship play an important role in the development of the economy, employment, poverty reduction in the regions of the country, self-employment. The mass economic interests of many segments of the population are also mainly focused on small businesses [2]. The share of small business and private entrepreneurship in the GDP of many countries is high. The Resolution of the President of the Republic of Uzbekistan "On the implementation of the program" Every family is an

entrepreneur "emphasizes the need to" popularize the ancient professional traditions of our working people, family business, crafts, home-based and other types of entrepreneurial activity."

Main part.

The sustainable development of this industry is strongly influenced by any changes in the business sector. At the same time, the experience of developed economies shows that the steady rise in living standards has been achieved, first of all, through the rapid development of small business and private entrepreneurship. Therefore, the development of business and private entrepreneurship, increasing its place and role in the economy is also very important for the people of Uzbekistan. Small business is a group of organizations that have the characteristics of the business entrance, based on the internal relations of the firm, as well as are inextricably linked with the external environment [3]. The term "small business" is an English word, mostly used in Western European countries and Japan, and the term "small and medium business" is used in India and Asia as "small manufacturing" [16]. According to A.N. Azriliyana's large economic dictionary, "small business is an organization or enterprise consisting of private and small organizations, which does not reach the level of a single monopoly and is necessary for all sectors of the economy [4]. V. Shepelev defined business activity and the main forms of business

according to the sources of entrepreneurial origin, administrative-legal forms, legal regulation, the level of novelty of goods and services [5].

In particular, S. Gulomov pointed out the following forms of entrepreneurial activity: private entrepreneurship is organized by individuals or legal entities (enterprises) in practice on the basis of their personal (private) property; collective entrepreneurship - is organized on the basis of the collective property of a group of citizens; mixed business - is organized on the basis of merging the property of one (or more) legal entity (enterprise) and several individuals; contractual entrepreneurship - carried out on a contractual basis by the head of the enterprise which is not the owner of property; the head of the enterprise is registered in the same manner as a business citizen and has the same responsibilities [6]. K. Muftaydinov points out the following forms of entrepreneurship: private entrepreneurship on the basis of individual labor activity; private entrepreneurship carried out by individual citizens on the basis of hired labor; collective entrepreneurship by a group of citizens; is a joint venture carried out on the basis of merging legal entities and citizens into their property and property rights [7].

According to I.Yu. Umarov, it is necessary to provide a unified approach to solving the problem of development and support of entrepreneurship in the food industry in the regions of the country, to apply a single principle in managing all areas of development, their design and implementation [8].

In our opinion, small businesses and private entrepreneurship are enterprises or organizations that are compact, fast-changing, have additional production and service areas, and are inextricably linked with the digital economy.

Currently, the most pressing issues in the development of small business and private entrepreneurship in the country. In the context of the transition to a market economy, this issue is becoming increasingly important. Business is an English word that means an entrepreneurial activity or in other words an entrepreneurial activity aimed at benefiting people. The word "business" is a widely used concept internationally and is almost indistinguishable from the concept of "entrepreneurship".

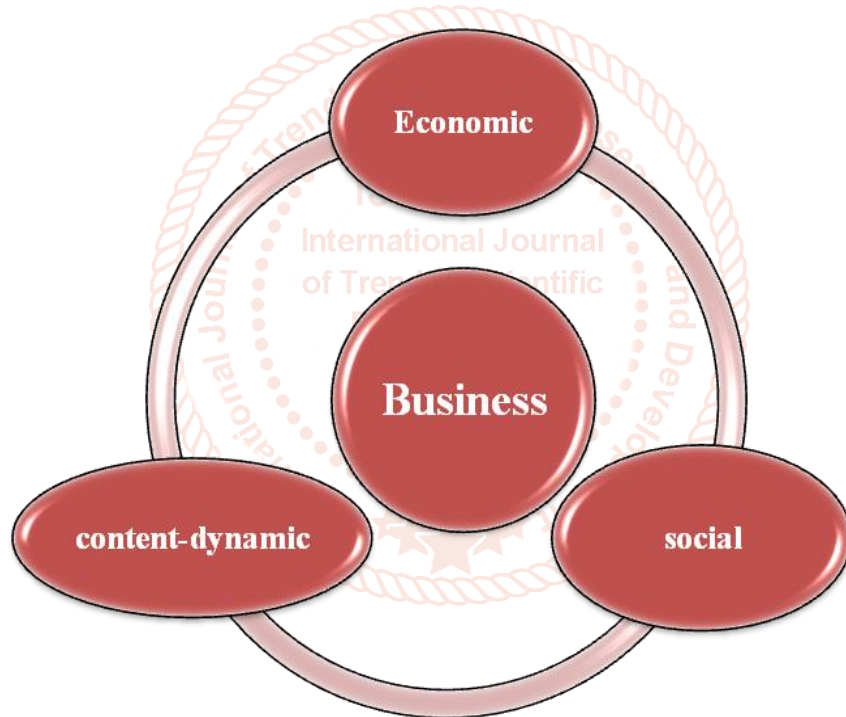


Figure 1. Features of a small business¹

In modern industrialized countries, the institute, which has the characteristics of dynamic development of small business, produces competitive products through the production of products rich in innovative innovations. In the socio-economic development of the regions, through the rapid development of small business and private entrepreneurship, there will be positive changes in the division of labor in the regions, cooperation with medium and large businesses will be established.

Results and Discussions.

The share of those engaged in small business and private entrepreneurship is growing. If the share of small business and private entrepreneurship in the total number of people employed in the economy in 2000 was 49.7%, in 2005 - 64.8%, in 2010 - 74.3%, in 2019 - 78.3%, it increased by 28.5% compared to 2000. . Despite the growing share and importance of small business in the economy of our country, the value of these indicators remains low (average 65-75%) compared to developed and developing countries.

¹Kireev N.N. A mechanism for assessing and improving the efficiency of small business development in the region. The author's abstract of the dissertation on the sys. Of the doctrine of degrees. Candidate of Economics. Kursk. Russia, 2019, 9-p.

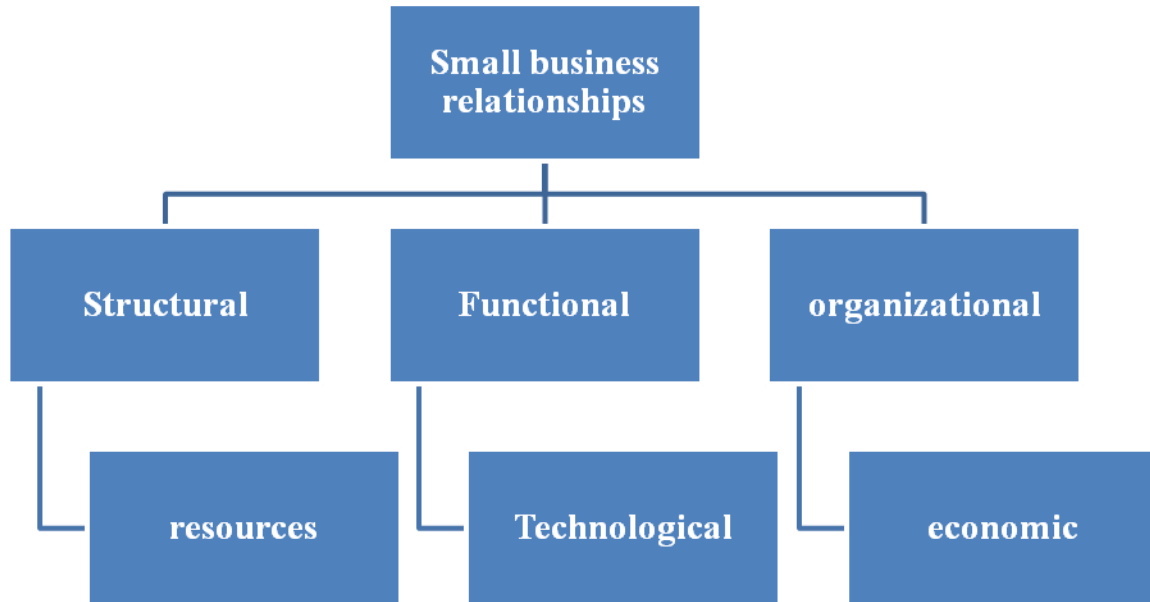


Figure 2. Small business relationships²

Small business quickly adapts to changes in the market economy, quickly specializes based on market requirements, quickly assimilates new innovations in the economy. Since the 1990s, modern innovative systems have been formed, which can include technology parks, business incubators, engineering centers, research organizations, nanotechnology centers. For the development of small businesses in accordance with the requirements of a market economy, it is desirable to introduce more innovations in the industry.

Table 1. Innovative small business infrastructure facilities³

Innovative small business facilities	Innovative small business facilities
Research organizations	Accelerators
Testing laboratories or centers	Scientific and technological centers
Centers for collective use of scientific equipment	Children's technoparks
Coworking	International scientific and technical cooperation
Laboratory complexes	Cities of Science
Business incubators	Nanotechnology centers
Regional Small Business Support Centers	Regional Development Centers
Innovative Youth Center	Innovation centers
Engineering centers	Scientific and technological valleys
Technoparks	Innovation and production centers
State research centers	Institutions of regional development

It is necessary to accelerate the implementation of the achievements of the Fourth Industrial Revolution through the widespread application of the principles of "Industry 4.0" in small business and private entrepreneurship, as in all sectors. It is necessary to create a new system of innovative small business and private entrepreneurship, compatible with the digital economy, based on innovation from traditional production in all sectors of the economy. Due to the rapid change in market conditions in the world economy, the need to change each sector due to the rapid change in the balance between supply and demand, it is necessary to provide a fast-changing, flexible and responsive industrialized and innovative "Small Business 4.0" in small business. It is necessary to develop a "Concept for the development of small businesses in Namangan region on the basis of digital technologies" using the "Strategy for the development of the metallurgical industry based on digital technologies, developed by the SMS group of the German concern." New technological revolutions are changing human working and living conditions and opening up new opportunities.

Underlying such changes will be the formation of new business models, ideas, and significant structural and innovative changes in companies operating in the traditional way. At the beginning of the new millennium, new production and service systems were developed against the background of the proliferation of digital technologies, the activation of mobile Internet, the growth of small-scale production equipment, the rapid penetration of artificial intelligence into manufacturing and services.

²Kireev N.N. A mechanism for assessing and improving the efficiency of small business development in the region. The author's abstract of the dissertation on the sys. Of the doctrine of degrees. Candidate of Economics. Kursk. Russia, 2019, 8-p.

³Author's development

"While meeting the endless needs of billions of people through today's mobile devices, a virtual system, a virtual economy, has begun to take shape. Underlying these changes, new business models have radically changed the production, transportation, consumption and delivery systems of traditional companies.

These innovations serve to replace obsolete and outdated mechanisms, to radically change them, to restart reforms. "[9] deepening, the transformation of countries' economies into global economies. At the same time, the high level of economic development in the future will be achieved through the achievements of the Fourth Industrial Revolution. The word revolution means rapid and abrupt change. This creates the opportunity for a long and drastic development of the economy, a sharp and radical change in the period of stagnation.

The first industrial revolution took place in 1760-1840. In it the development of industry through the use of human mechanical energy, steam engines.

The second industrial revolution took place in the late nineteenth and early twentieth centuries. It developed mass production, the use of many types of electricity, production in the style of conveyor [10] (conveyor-quantitative indicators).

The third industrial revolution took place in the 1960s. This revolution is also called the computer or digital revolution. The development of large-scale electronic computers (PCs) in the 1960s, personal computers in the 1970s and 1980s, and Internet networking served as catalysts for accelerating economic development. The rapid development of digital systems in turn led to the fourth industrial revolution. This revolution developed its first examples, namely mobile communication and mobile internet. In 2011, the term "4th Industry" appeared at the Hanover Fair in Germany. The development of new technologies has created "mind factories". The fourth industrial revolution created a new virtual world. This virtual world developed on a large scale and began to cover all sectors of the economy. "17% of the world's population and 1.3 billion people are developing under the influence of the achievements of the second industrial revolution, and half of the world and 4 billion people are developing under the influence of the achievements of the third industrial revolution. Some developed countries are taking advantage of the achievements of the Fourth Industrial Revolution, and they are very deficient. "[11]

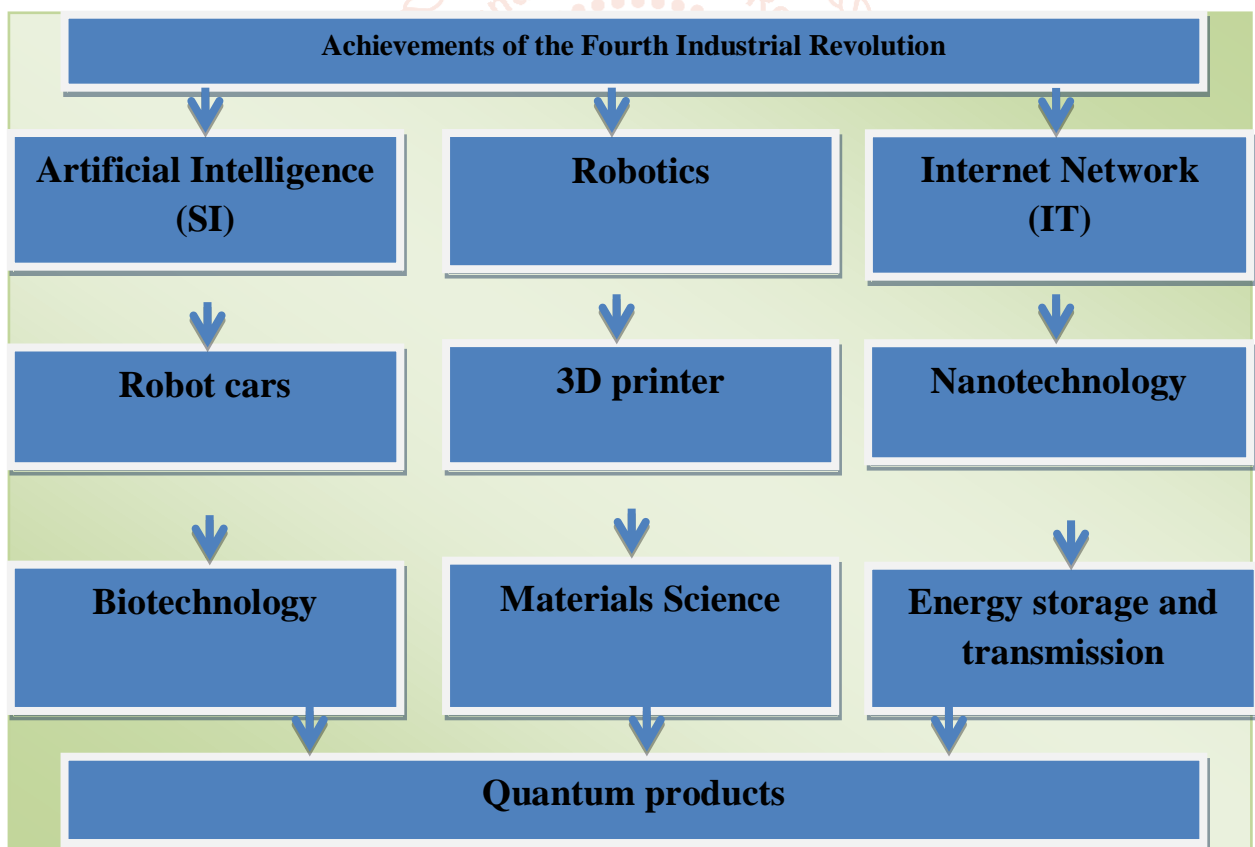


Figure 3. Achievements of the Fourth Revolution⁴

⁴Axunova Sh.N. The Fourth Industrial Revolution and its Impact on the World Economy. Business Expert Magazine. 2020, №2. 22-23 b.

In 2007, the iPhone mobile phones appeared on the market. At the end of 2015, about two billion mobile phones were produced. In 2010, Google introduced its own driverless cars. Along with them, information goods began to be launched on the market. Companies such as Instagramm, WhatsApp, Telegramm were able to set up their own virtual industries in the virtual world, making extensive use of the achievements of the fourth industrial revolution. They covered millions of people like a spider's web. Brinyolfsson and McAfee say in their book, *The Second Machine Age: The computer emerged as the most essential element for sectors of the economy by providing many additional capabilities. Computers have moved to be controlled by artificial intelligence. Artificial intelligence has covered all areas today. A driverless car is a virtual assistant for drones, and new opportunities for economic development are opening up with the help of programmed interpreters. Demand for computer technology, intellectual development and innovation has grown in countries around the world. Apple has introduced its own artificial intelligence development called AI Field. At the same time, new types of services began to develop, such as ordering a taxi, ordering services online by rail, water and air, booking, making payments, watching movies online and listening to songs. Internet access through thousands of apps on smartphones has skyrocketed. Such simple devices, i.e. work as a tablet, search for information, storage of information has become cheaper, spending \$ 0.03 for 1 GB of information storage. The Fourth Industrial Revolution brought about a qualitative change in products and services and a rapid, dramatic development of the world economy.*

Conclusion.

Small business and private entrepreneurship operate in a number of interrelated and interrelated areas:

First, small business is the most important part of the regional economy;

Second, small business is an invisible part of big business, which can be used to quickly solve many problems in a market economy;

Third, a comprehensive study of regions for the development of small business and the development of strategies for the development of the industry, the adoption of national projects;

Fourth, it serves as a solid platform for the development of medium and large businesses under the influence of small business and private entrepreneurship development in the regions;

Fifth, the development of the industry is an important factor in ensuring self-employment of the population, a number of social problems will be solved, will affect the decline in unemployment, will lead to the creation of new jobs. For the rapid development of small business and private entrepreneurship, it is necessary to fully adapt to the new conditions on the basis of digital technologies.

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