

“IMPROVING SMALL BUSINESS MANAGEMENT IN THE DIGITAL ECONOMY DEVELOPMENT”

¹Makhmudova Dilbar Rakhmonovna

makmudovadil94@icloud.com

²Sayfudinova Djamila Badridinovna

³Muhammedov Murod Muhammedovich

¹Doctoral student of Samarkand institute of economics and service ²Senior Lecturer of the Department of Humanities, Physical Culture and Sports ³Doctor of Economics, Professor

ABSTRACT:

The article describes “Improving small business management in the digital economy development”, the reforms being carried out in the country to bring the industry to a new level and its future tasks, and offers suggestions for improving small business management.

Keywords:

digital economy, small business, industry 4.0, smart management, investment, innovation, software products, internet products, artificial intelligence, “cloud” computing technologies.

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Improving small business management is one of the important strategic tasks in the developing economic reforms process in our country. The state program "Science and digital economy development", adopted in the framework of the Action strategy for the five priority areas of further development of the Republic of Uzbekistan for 2017-2021, the resolution "On additional measures to improve the entrepreneurship system and the entrepreneurship development" and the decree on the approval of the Strategy "Digital Uzbekistan-2030" and its effective implementation, as well as in the President addresses of the Republic of Uzbekistan ShavkatMirziyoyev to the Oliy Majlis, also sets important tasks to improve small business management. These include:

- more than 280 information systems and software products for management automation, production and logistics processes will be introduced at enterprises in the real economy sector;

- to study and put into practice the using virtual possibilities and augmented reality, artificial intelligence, cryptography, machine

learning, big data analysis and "cloud" computing technologies in the sectors of the economy;

- implementation of promising innovative developments and startup projects, as well as support their commercialization and technology transfer.

- improving the support system for the management data reception, including through the real-time business analysis system introduction;

- increase the share of large business entities that have introduced the enterprise resource management system (ERP) to 90% by 2025;

- Automation of production and management processes (ERP, MES, SCADA, etc.), robotics, software products such as "Internet of Things", "artificial intelligence" introduced in industrial enterprises by 2027, and hardware by 2030 public-private partnership based on priorities such as localization.

Small business is now an important factor that determines not only the economic power of our country, but also the world. One of the important aspects of the economic policy of our President is the great attention paid to the improving tasks of small business management

in further enhancing our economic power. The third direction of the Action Strategy for the five priority areas of further development of the Republic of Uzbekistan for 2017-2021 sets out a number of tasks for the economy and small business management development.

Priorities have been chosen to further increase the ongoing reforms effectiveness, to create conditions for the comprehensive and rapid development of the state and society, to modernize our country and liberalize all life spheres. We have set ourselves the goal of "strengthening macroeconomic stability and maintaining high economic growth rates aimed at further development and liberalization of the economy, institutional and structural reforms continuation to increase the national economy competitiveness, modernization and accelerated development of agriculture, state participation reduction in the economy, private property rights protection, and further strengthening its priority position, stimulating the small business and private entrepreneurship development, comprehensive and balanced socio-economic development of regions, districts and cities, actively attracting foreign investment to sectors and regions of the economy by improving the investment climate".¹

In accordance with the State program "Development of science, enlightenment and digital economy", 197 large, thousands of small and medium-sized enterprises and infrastructure facilities have been built in the country in the course of reforms in all spheres to build a new Uzbekistan. Many benefits and privileges have been provided to support entrepreneurship, and 100 trillion soums, or almost 4 times more than in 2016, have been allocated to businesses. In the economy of our country, 2020 was a turning point in the social protection field.

As we focus on improving small business governance in the digital economy, in this

regard, the announcement of 2021 as "The year of youth support and public health" means that we will build a new digital Uzbekistan together with educated, creative, mature professionals who can meet modern requirements, our courageous youth.

In the process of gradual reforms implementation, the loss of the pandemic has become a great loss in the life of our country, as well as in the economies of the world. In the global economy, the pandemic is causing about \$ 400 billion in damage every month. Until now, 500 million jobs have been lost worldwide. In such a dangerous period, our people, especially our entrepreneurs, need the state support, but also set great tasks for them. The Decree of the President Shavkat Mirziyoyev "On additional measures to support the population, the economy and businesses sectors during the coronavirus pandemic" shows that the small business development is in the focus of the state head even during the dangerous pandemic. This, in turn, is explained by the fact that, despite this year's tests, according to the analysis of the International monetary fund and international rating agencies, Uzbekistan has maintained a positive growth rate among the few countries in the world.

To mitigate and eliminate the pandemic consequences, the state has taken comprehensive measures worth a total of 82 trillion soums. In particular, the Anti-Crisis Fund has been established, more than 16 trillion soums have been allocated from the budget for measures to combat the coronavirus, support the population and businesses. In addition, state-owned enterprises and more than 500,000 business entities and about 8 million citizens received practical assistance in tax benefits, loan extensions and financial support totaling 66 trillion soums². In the strategic development of the economy, these measures will remain the basis for the management and

¹"Action Strategy" for the five priority areas of development of the Republic of Uzbekistan for 2017-2021. 7.02.2017.

²Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. 29.12.2020.

development of small business and private entrepreneurship. Because of the needs and requirements for today, the identified measures are important for this sector management. Such practical measures are yielding results.

Based on the possibilities of solving the social problems of small business and private entrepreneurship related to increasing employment and population welfare, the following are the main conceptual directions of small business and private entrepreneurship development in the country for 2017-2021:

1. Ensuring reliable protection of the rights and private property guarantees, overcoming all obstacles and restrictions on the private entrepreneurship and small business development, giving it full freedom;

2. Creation of a favorable business environment for small business and private entrepreneurship development, strict prevention of illegal interference in the business structures activities by government, law enforcement and regulatory agencies;

3. Further expansion of state property privatization and its procedures simplification, reduction of state participation in the charter funds of economic entities, creation of favorable conditions for the private entrepreneurship development on the basis of privatized objects of state property;

4. Improving the investment climate, active attraction of foreign, first of all, foreign direct investment in the sectors and regions of the country's economy;

5. Introduction of modern standards and methods of corporate governance, strengthening the shareholders role in the strategic management of enterprises;

6. Improvement and simplification of procedures and mechanisms for connecting business entities to engineering networks;

7. Reducing state participation in the socio-economic development regulation of the country, expanding public-private partnership,

increasing the role of non-governmental, public organizations and local governments³.

Taking into account the importance of women in the small business development in our society, who make up half of the population, in order to ensure the unconditional observance of the rights and legitimate interests of women in our country, to further improve the large-scale work to guarantee labor rights and support women's entrepreneurship it was adopted the resolution "On measures to further strengthen the guarantees of women's labor rights and support entrepreneurship". This, in turn, not only created a wide range of opportunities for women to start their own businesses, but also laid the foundation for them to operate freely. In recent years, more than 13 trillion soums of soft loans have been provided to more than 600,000 families within the framework of "Every family is an entrepreneur", "Our youth future" and other social programs aimed at attracting a wide range of people to entrepreneurship and expanding their income sources.

In order to consistently continue the ongoing reforms to improve the entrepreneurship system, poverty reduction and business development, in 2021, it is necessary to pay attention to the following in a new business model development for the creation of a banking infrastructure network that will provide microfinance services through the widespread introduction of digital technologies in all districts and cities of the country, the population involvement, especially youth and women:

- to identify as one of the main indicators of the bank's performance (KPI) efficiency the subsequent increase in the number and customers share who received microcredit and then established a stable business and expanded production or dropped out of poverty;

³Decree of the President of the Republic of Uzbekistan dated October 5, 2016 "On additional measures to ensure the rapid development of entrepreneurial activity, comprehensive protection of private property and improving the quality of the business environment."

- cooperation implementation with non-governmental educational organizations on vocational and business training within the microcrediting programs framework and organization of financial literacy training of the population for the microcrediting purpose;

- formation of an institute for regular monitoring of the entrepreneurs activities receiving microcredits and providing them with advice and assistance;

- issues such as finding buyers for products produced by bank customers and assisting in expanding markets were mentioned by the head of state.

If we pay attention to the small business and private entrepreneurship role in the economy of our country today and the economic reforms results, significant results have been achieved over the past years. Based on the ongoing reforms and the developed countries experience, there are a number of reasons to prioritize the rapid development of small business and private entrepreneurship, in which the issue of filling the domestic market with the necessary goods and services is important. In saturating the domestic market with quality and affordable products, as well as increasing the products range, it is expedient not only for our people welfare, but also for the manufacturing entrepreneur himself. In such processes, of course, working on the basis of foreign experience means the entrepreneurial activity development.

There is a perfect and well-developed system of comprehensive support for small business in foreign countries, which will ensure the economy globalization, the sustainable development of the global financial and economic environment. This means that the mechanism of support for small business by the state is fully developed. In developed countries, a number of effective measures have been developed for the large-scale development of small businesses and financial support for their innovative activities.

Improving small business management is also important for Uzbekistan to take a worthy

place in the international rankings. In the "Index of economic freedom-2019", our country ranked 140th out of 180 countries, or in the "Doing business -2020", it ranked 7th out of 186 countries out of 186 countries and ranked 7th in the world among developed countries. For the first time, our country has risen to 8th place in the world in ease of opening a new enterprise. Unfortunately, Uzbekistan is not included in the "Global entrepreneurship monitor", one of the most important in the world. Therefore, it is expedient to gradually improve its small business sector by further increasing the share of the real economy sector in our country.

In the current age of information technology, the radical changes and reforms process is taking place in the life of our country. Today, with the beginning of the fourth industrial revolution in the world, countries around the world are going through a period of "Industrial evolution." The most developed countries of the world, especially the United States, Germany, China, Japan, South Korea, are implementing economic reforms based on the digital economy. It is known that the fourth industrial revolution means the gradual improvement of the system through automation of management and robotization on the basis of deep integration of information technologies into the production process. In particular, Tesla and SpaceX, which was founded in California, or Fujitsu Siemens, Adidas and Harley-Davidson in Germany, the production process is controlled by a digital system. This, in turn, is a strategy to turn factories and plants into "smart" enterprises, creating great convenience in management, reducing labor, time, and a lot of costs. The main feature of the Industrial Revolution, i.e. "Industry 4", is the human labor reduction in all production components, the digital - cyberphysical system activation. Of course, during every industrial revolution, there is a fear of rising unemployment. However, as each revolution passes stage, the number of prestigious, high-demand professions will increase and the demand

for mature specialists will increase. As for the economy of Uzbekistan, our country is in the transition process to the level of "Industry 3", and many reforms are still needed, that is, the modernization, diversification and liberalization of our economy is a very important factor. This, in turn, not only affects all sectors of our economy, but also involves their radical reform.

Digital technologies not only improve the products and services quality, they reduce unnecessary costs. They are also an effective tool in overcoming the corruption scourge, one of the most serious evils. We all need to understand this deeply. Public and public administration, including the widespread introduction of digital technologies in the social sphere, can increase efficiency, in short, dramatically improve people's living standards.

In order to achieve development, we need to acquire digital knowledge and modern information technologies. This allows us to take the shortest path to the ascent. After all, information technologies and innovations are penetrating deep into all spheres around the world.

Based on the tasks the prospects for further improvement of small business management in the digital economy development, it is expedient to make the following proposals:

- introduction of innovative automated control systems, software products based on the digital technologies introduction in the real sector of our economy;

- implementation of measures for the innovative technologies introduction in manufacturing enterprises in cooperation with foreign experts, using the most developed countries experience in the world;

- training of qualified specialists in the production process robotization through the small business management improvement in the digital economy formation;

- development strategy implementation by expanding the revolutionary thinking scope in managers in improving small business management in the digital economy formation;

- take measures to organize effective management in the small business development, especially on the basis of "smart management";

- by improving the small business management in the digital economy, increasing the real sector share of our economy and developing promising areas to prepare our country for the stage of technologically advanced "Industry 4".

The most important guarantee of sustainable economic growth is new competitive products production and their non-traditional assortment on the basis of innovative ideas, finding new international markets for them and increasing exports and making full use of the country's transit potential. At the same time, the international market will force to improve product quality, reduce costs, bring new technologies, and accelerate the market reforms development. Simply say, it is necessary to enter the world production system, world market requirements and economic integration processes with innovations in business management.

Therefore, in the process of the world economy development with high trends, scientific research is an important factor in the radical industry reform, so that Uzbekistan also has a place in the world rankings and the world market, not to lag behind in development, is one of the most pressing issues today.

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