



## WAYS TO DEVELOP ACTIVITIES OF SMALL BUSINESS ENTITIES IN THE DIGITAL ECONOMY

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**Abstract:** The article proposes the development of "Small Business 4.0" in the sense that it is an urgent task today to take advantage of the achievements of the fourth industrial revolution by widely applying the principles of "Industry 4.0" to small business sectors. In addition, the article presents the current state programs and government decisions for the digitization of small business entities, and the results of these reforms are analyzed. At the end of the article, proposals and recommendations for improving the organizational and economic mechanisms of small business entities in developing the activities of small business entities and defining their prospects given.

**Key words:** small business, industrial revolution, algorithm, digital platform, investment.

### INTRODUCTION.

Taking into account the growing importance and role of small business and private entrepreneurship in the global economic system in recent years under the influence of rapid development, it is required to further develop the use of small business entities. This will increase the industry's rapid expansion and increase the importance of the industry's activities. The expected result of the development of small business entities in the country is to increase the employment of the population and to create new professions in the economy through the use of digital technologies.

Small business is the most important invisible part of the economy and is a sector of the national economy aimed at solving many interrelated problems in the market economy. A comprehensive approach to scientific and practical research of the field is required, and short- and medium-term prospective programs for the development of small business are developed.

Small businesses in the economy act as a solid platform for the development of large businesses. The activity of one cannot be imagined without the other. For the development of the industry, it is necessary to create digital platforms and pave the way for their implementation, and to develop the implementation of innovative innovations.

### LITERATURE REVIEW.

Issues of improving the organizational and economic mechanisms of small business development in the digitization of the economy have been reflected in the scientific works of a number of foreign economists. small business formation and development of small business by E.V. Romanenko, E.V. Zaverza, N.V. Novikova, R.I. Ilyasov, N.A. Lukasheva, S.D. Bodrunov, Dj.K. Galbraith researched by scientific and methodological aspects. Further development of the social and

economic processes of new Uzbekistan, bringing the development of small business to a new stage, is an issue that cannot be delayed today.

In order to find a solution to the above problems, it is becoming necessary to achieve labor productivity while ensuring the continuity of the added value chain based on the application of new techniques and technologies to production based on science-based innovations. In fact, all this shows the relevance of the chosen topic.

### METHODOLOGY.

Year after year, the world economy undergoes reconstruction processes based on digital technologies. In this sense, in our opinion, it is appropriate to develop a digital platform "Small Business 4.0" for the digitalization of small business, taking into account foreign experiences and available opportunities, and for this, based on the achievements of the fourth revolution mentioned above and based on its scientific conclusions and recommendations, as a first step, "Small Business We believe that it is appropriate to create an algorithmic model of the 4.0" digital platform.

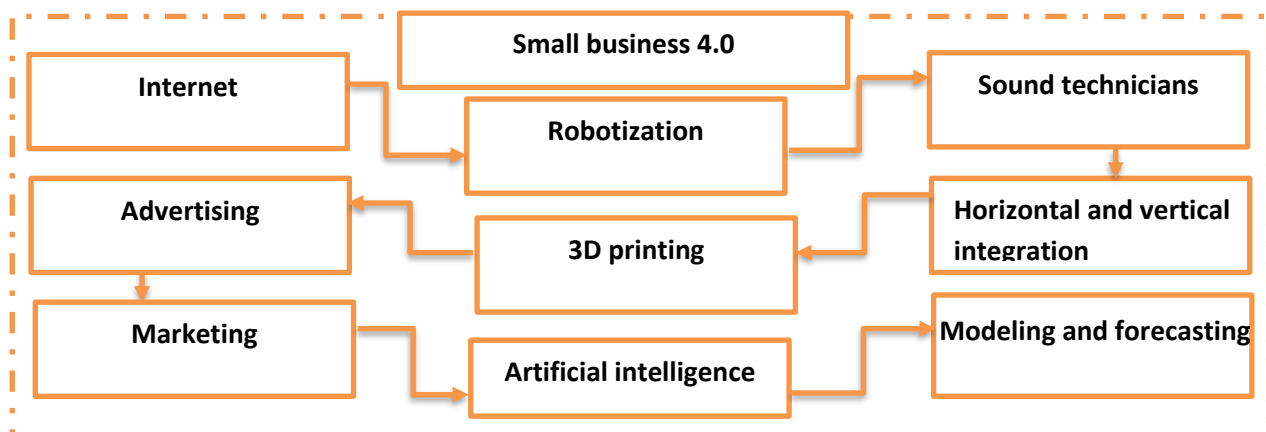


Figure 1. Algorithmic model of the digital platform "Small Business 4.0".

- Based on the study of the data in Figure 1 above, it can be said that the algorithmic model of the "Small Business 4.0" digital platform, which serves the development of small business in the Republic of Uzbekistan, was developed after studying the experiences of digitalization of the small business sector in a number of developed countries. In order to develop the algorithmic model of the "Small Business 4.0" digital platform, it is desirable to solve several issues. Including:
  - automation of all entities;
  - increase the speed of the Internet throughout the republic;
  - extending the life cycle of products and services developed by small business enterprises;



-- launching products and services developed by small business enterprises in the virtual system.

New technological revolutions change human working and living conditions and provide new opportunities. Such changes lead to the formation of new business models and ideas, and serious structural and innovative changes occur in companies operating in a traditional state.

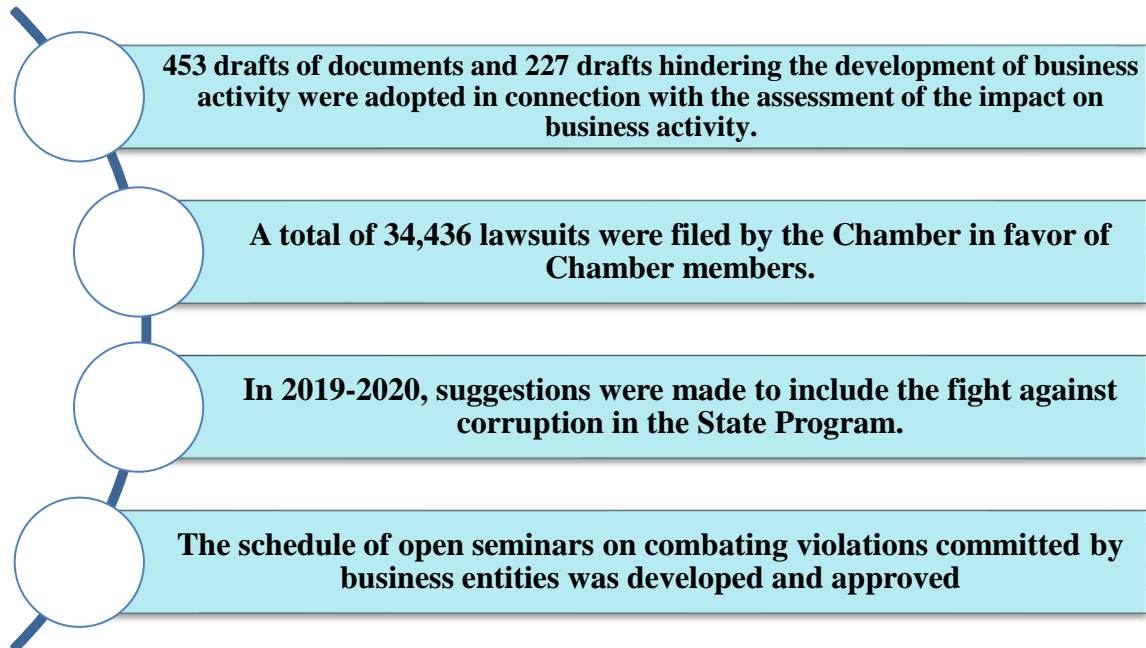
### **RESULTS AND DISCUSSION**

Today, information technology is deeply penetrating all areas of the world. In 2019, the Republic of Uzbekistan rose by 8 places according to the "International Information and Communication Technologies Development Index", but the ministries, agencies, and enterprises do not have any information about digital technologies. It is necessary to use all the necessary opportunities for the formation of the digital economy in the country's economy, and it is desirable to rebuild the infrastructures serving the small business sector. Digital technologies not only increase the quality of products and services, but also reduce excess costs. 2020 was named the "Year of Science, Enlightenment and Digital Economy Development", and large-scale scientific and practical work was carried out in this direction.

In 2020-2030, it is desirable to implement a large-scale transformation of small business entities into the world economy using digital technologies. It is necessary to establish small "IT-parks" in each region of the republic, to start the activity of "intellectual factories" that produce innovative developments based on them. Ensuring the stable economic growth of small business objects, production of competitive products related to the industry, launching these products to new international markets and expanding the scope of production of exportable products, delivering products produced by small business enterprises to new markets through convenient transit routes.

To expand the types of consumer products produced by small business enterprises, to provide opportunities for private companies to engage in market finding and sales. In order to deliver the products produced by the above enterprises to domestic and foreign markets, to reduce their cost, it will be necessary to establish regional and international transport-logistics complexes in each region. With this, a number of practical measures were implemented to legally protect small business enterprises (Figure 2).

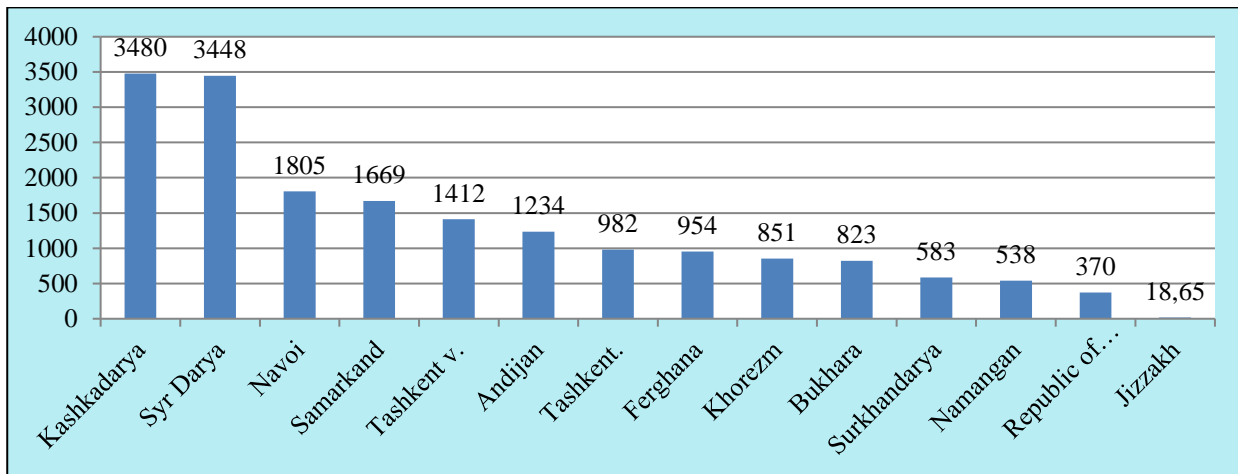
<b>200</b>	<b>ISSN 2319-2836 (online), Published by ASIA PACIFIC JOURNAL OF MARKETING &amp; MANAGEMENT REVIEW., under Volume: 11 Issue: 12 in December-2022 <a href="https://www.gejournal.net/index.php/APJMMR">https://www.gejournal.net/index.php/APJMMR</a></b>
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**Figure 2. Measures taken to protect business activity**

Most of the services provided are business fundamentals and operations consulting, registration, assistance in obtaining services of public services and market infrastructure entities. 1 unitary enterprise, 5 training centers and 1 training center branch are operating under the Chamber of Commerce and Industry. During the reporting period, a total of 531 working entrepreneurs and citizens who want to start entrepreneurship were trained in training courses organized under these educational centers.

A total of 4,414 citizens and business entities who wanted to start their own business were given training courses on the basis of vocational colleges. The practical assistance provided by the Chamber consists of small business enterprises concluding export contracts, finding foreign partners as buyers for the products of small business enterprises, preparing specific proposals for the development of small business enterprises, ensuring their participation in exhibitions and fairs, and preparing proposals for issuing documents for exporting their products.



**Figure 3. Purchase of mini-technologies and equipment in the region, thousand dollars <sup>1</sup>**

Figure 3 shows the Russian Federation, China, Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, Afghanistan, Belarus, Korea, Iran, Estonia, Ukraine, Moldavia, Romania, Slovenia, Georgia, India, Pakistan, Azerbaijan, Bulgaria, Turkey as export markets in the regional section. , UAE, corresponds to Great Britain. In the direction of attracting domestic and foreign investments, as well as modern technologies, assistance was provided in the establishment of 96 joint and private manufacturing enterprises.

The main task of the Chamber of Commerce and Industry of the Republic of Uzbekistan is to ensure the connection between our local entrepreneurs and foreign entrepreneurs and the markets of foreign countries. In this direction, a number of diplomatic contacts and meetings were held by the Republic of Uzbekistan in cooperation with foreign countries. 94 meetings and 42 international level events were organized with diplomatic corps, ministries and agencies of foreign countries, and enterprises (Table 4).

<sup>1</sup> It was developed by the author based on the data of the Statistical Committee of the Republic of Uzbekistan

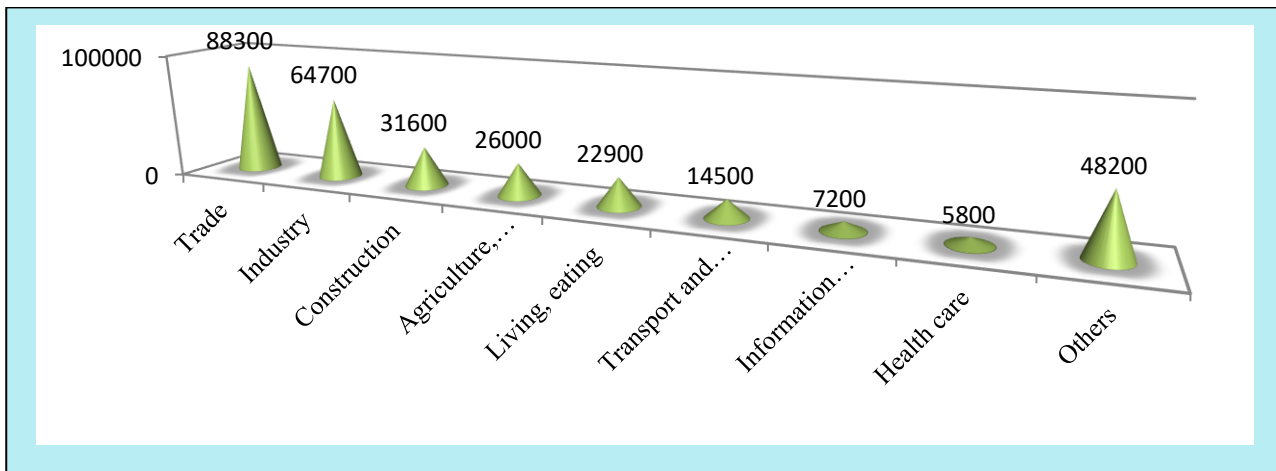


Figure 4. Composition of small business entities by economic sectors <sup>2</sup>

From the information in the above picture, it can be seen that out of 54,259 newly established small business entities, 35,166 (64.8%) are LLCs, 12,281 (22.6%) are private enterprises, 6,654 (12.3%) are family enterprises, and 158 (0.3%) are unitary enterprises. . During the years of independence of the Republic of Uzbekistan, a strong legal framework was created that ensures the protection of the rights and legitimate interests of private owners, modern interactive forms of public service provision without direct communication were introduced, a systematic dialogue was established between the state and businessmen, the formation of the middle class of small businesses and private entrepreneurship, the country's economy reliable legal guarantees were created for the rapid development of small business as the most important factor for sustainable development, creation of new jobs and increase of income of the population.

## CONCLUSION

To sum up, in order to improve the organizational and economic mechanisms of small business entities, in order to develop the activities of small business entities and define their prospects, it is necessary to pay attention to the following:

- first, it is necessary to identify the existing problems in the organizational and economic mechanisms of small business entities and to systematize them;

- secondly, to look at the existing problems in this field as a single complex, to follow the "top-down" principles of problem solving;

<sup>2</sup> It was developed by the author based on the data of the Statistical Committee of the Republic of Uzbekistan.

- thirdly, by applying digital technologies to the organizational and economic mechanisms of the sector, to improve them, to ensure the coordination of the activities of digital infrastructures;

- fourthly, at the same time, it consists in applying uniform principles in the state support of all areas of development of small entities. Due to the practical application of the above digital platform and systematic mechanisms, the activity of small business enterprises will be stabilized, the door of additional opportunities will be opened to achieve high efficiency. The scientific conclusions and proposals developed as a result of these proposed and researched activities, in turn, offer new directions to small business enterprises and allow to achieve a high level of development of the industry.

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