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The Role of the Digital Economy in the Development of Entrepreneurship in a Market Economy

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ABSTRACT

This article discusses the development of entrepreneurship, which is the main link of the market economy, the role and importance of the modern digital information system, and its positive and negative aspects in the effective organization of business today.

Keywords:

Economy, the market economy, business entity, small business, digital economy, digital information technology.

In the current era, digitalization is growing rapidly, which is what we call the era of computer technology. At the same time, digitalization has entered the field of economics, and we have taken our first step towards a great future. We called this economy the digital economy. We have alleviated the burden of the population for the benefit of the people through digitalization. We have digitized banking, taxation, the Public Service Center, as well as many institutions. Citizens can use the services of the institution they need remotely. The main factor in the service is the information in the form of numbers, various types of products through the processing and analysis of large amounts of information, service, save, efficient use of the system in product delivery.

President Sh.M.Mirziyoyev in the development of the digital economy: " *Today's pandemic has once again proved the importance*

of digital technologies. It has become clear that education, public services, public administration, trade and services are all linked to the digital economy. Services that have not been provided remotely for years have been made available online in a matter of days. According to experts, in the next 3 years, 22 % of the world's jobs will be created using Internet technologies through the digitization of the economy. " [1]

So, in this article we will try to answer the questions "Market economy", "Entrepreneurship", "The role of the digital economy in the Republic of Uzbekistan."

As for the market economy, it is based on commodity-money relations, based on different property and economic freedom, and is governed by competition. economy is a system . The market economy has existed in human development eng progressive and

promising system. The basis of a market economy is commodity production, where the commodity economy dominates, not the subsistence economy. The market economy is based on economic liberalism, ie freedom, property freedom and freedom of management. While private property is predominant, there are other forms of ownership.

The backbone of a market economy is entrepreneurship, which focuses on making a profit by supplying goods and services to the market. Entrepreneurs are a special category and usually make up 7-10% of the economically active population. In a market economy, everyone is free to do what he or she wants to do, based on his or her own interests. Market demand determines what, how much to produce, where to sell it and for how much money. The market price is formed on the basis of the ratio of supply and demand based on demand.

Today, Information and Communication Technology is the fifth largest economic resources added. The role of digitalization is of great importance for the rapid development of entrepreneurship. Digitization is the introduction of digital technologies into various spheres of life, including the economy, all stages of education, culture, medicine, tourism, agriculture, services and other processes. It is argued that digital technologies will dramatically change more than 50 per cent of the economy's dependent sectors. This view is based on the fact that information technology and digital platforms are drastically changing business models, eliminating their efficiency intermediaries and optimizing processes.

According to the World Bank, a 10 percent increase in high-speed Internet users could increase annual GDP from 0.4 percent to 1.4 percent.

The growth of the digital economy's share of the country's GDP by about 20 percent annually (around 7 percent in developed countries) is also seen as a measure of its importance.

In developing economies, the IT sector employs about 1 percent of the population, creating relatively few jobs compared to others. However, the rise of IT will lead to the creation

of jobs in other areas where new technologies are being adopted (for every 1 new job created in the IT sector, there are 4.9 jobs in related industries).

The Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan and the United Nations Development Program in Uzbekistan have launched a new joint project "Expanding youth opportunities for the development of the digital economy and digital entrepreneurship." The aim of the project is to increase the skills and opportunities of young people in digital entrepreneurship. At the same time, one of the most important tasks today is to expand the opportunities for financing digital entrepreneurship.

The Covid-19 pandemic has taught the world that digitalization is very important and that digital development has become a demand. Digitization is not a new front for Uzbekistan; over the past seven years, methods have developed to use information and communication technologies to reform public administration and accelerate economic growth. Digitalization will help Uzbekistan overcome major barriers to entry into the global economy.

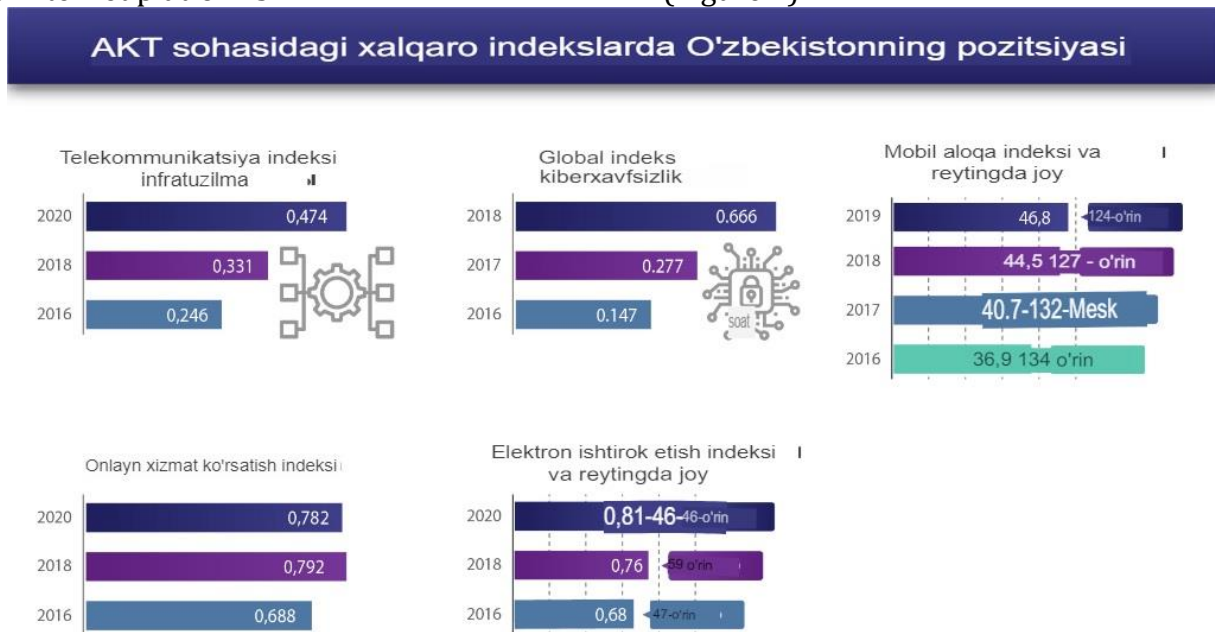
In 2010, the Boston Consulting Group estimated the digitalization scale at \$ 2.3 trillion (4.1 percent of GDP) for a group of 20 countries. If this trend continues, in 10-15 years the share of such an economy in world GDP will approach 30-40%.

The digital economy is boldly opening up new horizons for entrepreneurs and self-employed people.

The most active driver of the digital economy is the state. It is a major customer and consumer of the digital economy. China, for example, has spent about \$ 9 billion on these projects. Alibaba, an online resource with a market capitalization of more than \$ 210 billion, has proven that these investments are well-directed issue. South Korea, meanwhile, invests about 1 percent of its national budget in e-government and e-brokerage (e-commerce and public procurement), generating \$ 10-15 billion a year and earning 30 to 40 times the cost. In particular, this result achieved through the

establishment of call centers in the public and private sectors, the creation of mobile applications and the reengineering of state-owned Internet platforms.

In our country, it occupies the following place in the international indices in the field of information and communication technologies. (Figure 1)



In international indices, we can see that the ICT sector in Uzbekistan has developed by 2020 compared to 2016. According to forecasts, in the coming years, the macro-economy expected to be strongly dependent on producers based on the criteria of "lean production", additive, nanotechnology and biotechnology. In this regard, the amount of information required for good governance will increase, and the structure of production and citizen dialogue, business and government will undergo significant changes.

The following are the main conditions and factors for a gradual transition to the path of social and economic development:

- Implementation of the concepts of e-government and digital city through the integration of information and public administration and municipal services;

- Mass production of new technological generation products (such as unmanned vehicles, etc.);
- Implement ideas for building "smart" and environmentally friendly homes using unique decorative and building materials;
- Promoting alternative forms of employment through outsourcing, self-employment, etc.;
- Creating professional networks that serve to search for freelancers to perform specific tasks.

All of the above allows businesses to reduce costs using modern platforms that integrate goods and electronic services in production and management. Firstly, it concerns the integration of service orders, resource sharing, selections of contractors, e-commerce, payments and more. (Figure 2)

AKT sohasida asosiy iqtisodiy ko'rsatkichlarning o'sish dinamikasi 2016-2020 yillar.



The digital environment is an "aquarium" in which legal entities and individuals can enter into a whole new set of interactions. Information technology allows businesses to adopt completely new, more dynamic speeds of work and to diversify the range of services and products. Researchers are also talking about launching short-storage products.

When it comes to services, information technology solves many day-to-day tasks, making large-scale operations faster, cheaper, more convenient, and without intermediaries. E-commerce, Internet banking and other modern trends are developing day by day. As a result, automated network services (such as a quality website or mobile app) are replacing business intermediaries in most industries to increase revenue.

As a result, a business can significantly reduce the cost of services, and in the macroeconomic direction, the rate of individual production and underemployment will increase. Areas such as crowdfunding and crowdsourcing are also among the new economic technologies.

According to economists, at the same time, a result of such changes, the economy based on the practice of extracting value-added is shifting to an economy of cooperation and "sharing economy". This gives hope that competition in the market will actively give way to mutually beneficial cooperation and collaboration, as well as the transition from vertical communication to equal relations and complimentary services.

It is expected that this will be reflected in the increase in the number of services and the volume of e-commerce for services.

Ranking of regions and cities in the top ten in the Republic of Uzbekistan in terms of digitization in 2020 [1] (Table 1)

City and districts	Digital development rating	Telecommunication infrastructure	Digital economy	Digital social technologies	Digital education

1. The city of Navoi	89.3	29.7	23.2	19.1	17.4
2. The city of Jizzakh	88.5	31.9	21.0	17.9	17.6
3. The city of Namangan	85.8	31.7	20.2	16.0	17.9
4. Olmazor district	84.5	33.1	19.1	19.8	12.6
5. Yunusabad district	83.3	29.8	18.7	19.6	15.3
6. Yakkasaray district	82.9	30.7	20.0	19.7	12.5
7. Samarkand city	81.4	26.0	19.1	16.3	20.0
8. Andijan city	81.3	25.7	19.3	16.2	20.0
9. The city of Fergana	81.1	34.7	19.5	14.3	12.5
10. Yashnobo d district	81.0	32.4	18.6	19.0	11.1

According to the table, Navoi is one of the most industrialized cities in Uzbekistan. Navoi Mining and Metallurgical Combine, Navoi Nitrogen, Kyzylkum Cement and other industrial enterprises operate in the city. Another achievement is that the city is the leader in Uzbekistan in terms of digitalization. However, in terms of telecommunications infrastructure, Tashkent lags behind the Almazar district. Tashkent city has been built in the Almazar district for the next 2 years. Therefore, telecommunication has led to its development in the Almazar district. It also planned to digitize every aspect of the Republic of Uzbekistan. In the near future, our country will be among the top 10 countries in the world in terms of digitalization. Digitization will only increase between our country and other countries. Living

in digital life is everyone's dream and each of us has a big role to play in making it happen. Digitalization of business creates favorable opportunities not only for entrepreneurs but also for citizens.

Conclusion

Thus, the gross value added in the service sector in the field of "information and communication" since 2016 increased from 2.4 trillion sums to 8.8 trillion sums, depending on the type of economic activity "information and communication" The volume of rendered services has doubled to 6.3 trillion sums. 12.9 trillion sums grew up. The experience of foreign countries shows that the digital economy is developing in a wide range of directions at the same time and can not be built by a limited

number of companies, even if they are given special powers and resources.

Therefore, the main role of the digital economy played by private businesses with strong entrepreneurship and innovative approach, and the state should create the infrastructure and conditions for private initiatives.

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