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DEVELOPMENT OF ENTREPRENEURIAL ACTIVITY IN THE CONEXT OF DIGITALIZATION OF THE NATIONAL ECONOMY

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ABSTRACT

This article examines the features of the digital transformation of the Russian economy, as well as the state of the business sector in the context of its individual structural components. Based on the index of experience and potential in the development of electronic digital infrastructure, indicators of the level of implementation of information and communication technologies and the provision of state online services, an analysis of the current process of digitalization of the local economy was carried out, which subsequently made it possible to formulate the main problems hindering the development of the private sector. The results obtained also formed the basis for the development of a recommendation list of methods for the development of business activities in the digital economic space of the country.

Introduction

Today, the reality of world economic development is such that almost all areas of economic activity could be accounted for subjects of digitalization processes. Without modern digital technologies, participants in global and national markets can no longer effectively compete, develop their production and commercial ties. Every day the importance of digitalization is increasing (in particular, at the state level) large-scale changes are taking place in the business sector: business models, organizational structures and management processes of companies are being transformed.

Within the framework of this study, the digitalization of the Russian economy and the specifics of the functioning of local business entities under the influence of the digital economic environment are extremely interesting for us. First of all, this interest is caused by the atypical conditions for the formation and development of the Russian business segment, as a legal category and an independent form of business. In Russia, the transition from the administrative-command type of economic activity to the market one took place at the end of the twentieth century, and today the national economy is still in a state of structural reorganization, and even in some case of "uncertainty". Local financial-economic and social institutions were completely transformed, while the other part remained the same, inappropriate to the modern needs and challenges of the market and society.

As a result, the participation of the Russian Federation in world economic processes remains moderate, and prospects are ambiguous. Nevertheless, the country is rapidly entering a qualitatively new phase of economic development. Digital transformation is taking place in parallel to the previously launched processes of institutionalization and conceptualization of approaches to the development of industrial, economic, scientific, educational and social sectors. Of course, the simultaneous imposition of many factors of different quality on the national economy gives rise to many accompanying socio-economic problems, which are often insoluble in the context of the dualism of legal regulation of the market and social relations.

The Russian business sector similarly has some institutional problems of innovative development. Due to the previously identified historical features of the formation of the national economy, modern private economy is experiencing difficulties in financing, lending, government support and legal assistance. The lack of ready-made solutions in the basic component of the business sector regulation system complicates the digitalization of business processes and the entry of Russian companies to the innovative - electronic-digital level of private management.

The above problems, which in one way or another affect most of the regional business segments of Russia, raise the issue of improving methods for developing business activities in the context of the digital transformation of the national economy.

Features of digitalization of the Russian economy

In terms of the concept of digitalization, this definition should be clarified in the context of the innovative stage of economic development. In a broad sense, digitalization is a system of economic relations that are implemented based on the use of electronic digital technologies; in a narrower sense, it is the replacement of physical business processes (functions, activities, works) with electronic analogues implemented by technological systems by converting operators' topical queries into digital signals [1], [2]. The result of the digitalization of the economic activity offers the digital economy, which, in comparison with the traditional equivalent, is a more perfect and relevant form of organizing economic activity.

The structural components of the digital transformation phenomenon are a complex of electronic technologies, among which the basic ones are: digital data arrays, digital markets and infrastructure, digital business platforms (including social, streaming networks, online commerce, electronic payment networks, information and educational platforms etc.) [3]. All of the above together could be a key resource for

the development of business and characterizes the basic level of development of digital business activities in the country. It is proposed to assess this level in the Russian Federation by analyzing the results of the following indices:

- Global Connectivity Index (GCI);
- ICT Development Index (IDI);
- E-government Development Index (EGDI);
- Online Service Index (OSI);

In relation to the leading countries (USA, Switzerland, Sweden, Singapore, Denmark, Japan, Great Britain), this indicator is rather low, which indicates a lack of activity in the implementation and development of information and communication technologies, primarily at the state level. The index also characterizes the relationship between investment in the digitalization of the economy and the growth of the country's GDP. Accordingly, the leaders of the rating have the highest gross domestic product among the rest of the participants.

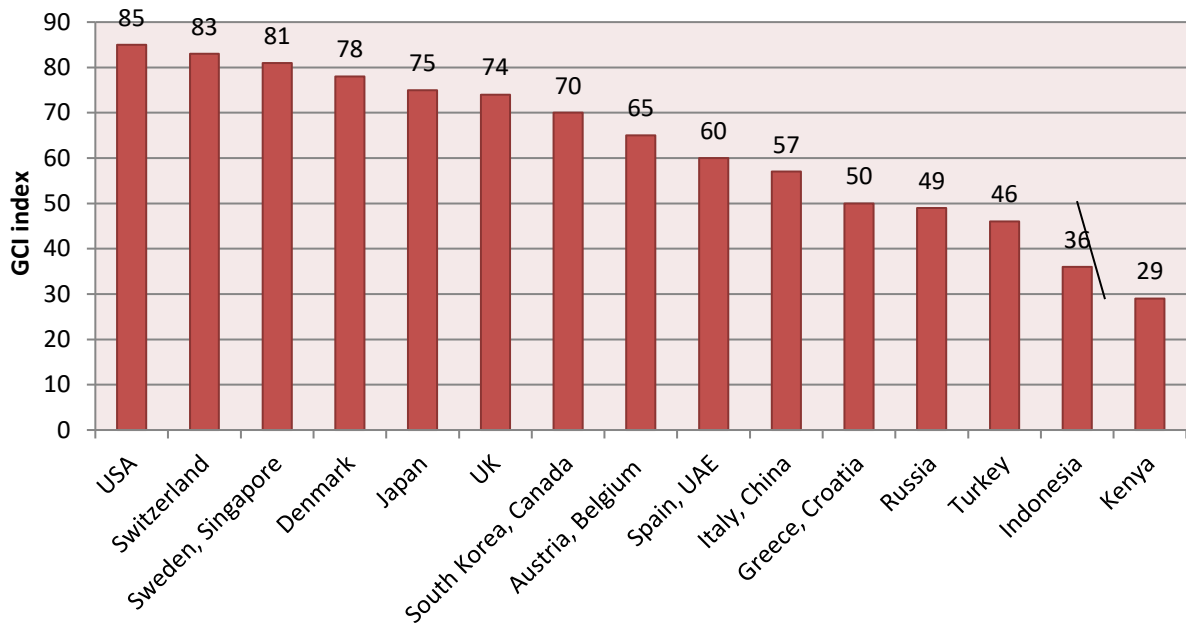


Figure: 1. Rating of countries according to the GCI index at the end of 2019 [4]

An equally important index for assessing the degree of digitalization of the economy is the indicator of the development of the set of unified communications and information technologies **IDI**, which combines 11 parameters. For example, user access to these technologies, skills in using information technologies, effective application of relevant knowledge in practice etc (Fig. 2) [5].

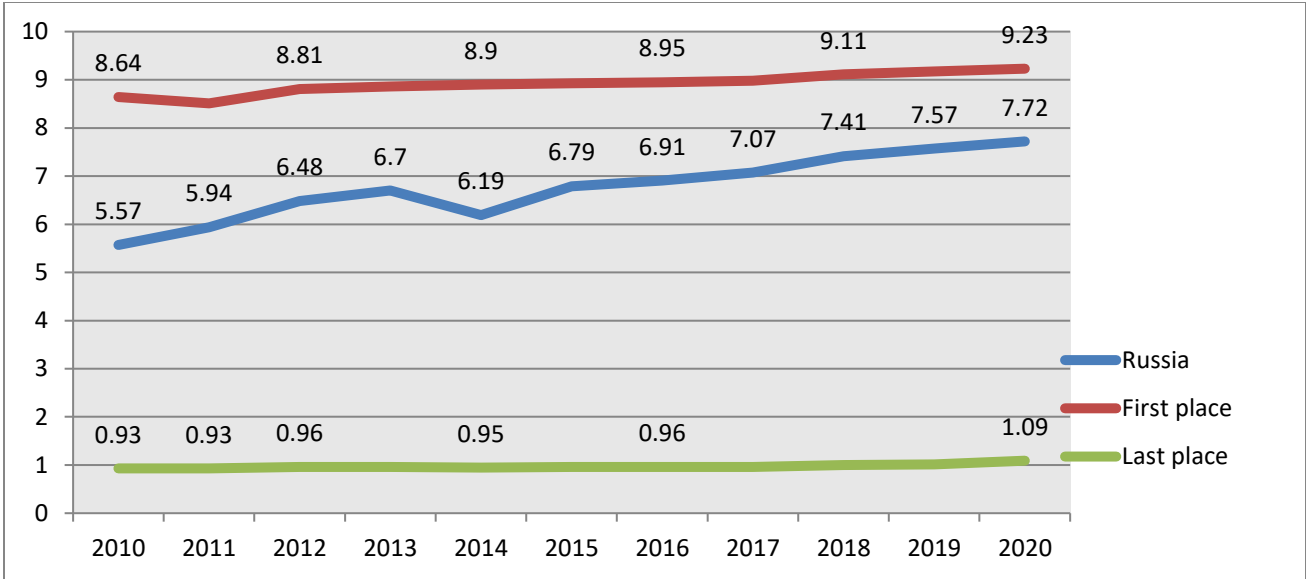


Figure: 2. Dynamics of the IDI index of Russia in comparison with the best and worst indicators of the rating [6]

Based on the data in Figure 2, we can state the fact that the Russian Federation, starting from 2015, has been gradually improving its own indicator of the development of the Institute of Information and Communication Technologies in the country. However, compared to the leading participants in the rating, this progress is not intensive enough, largely due to the presence of a number of problems related to the support of users (including representatives of the business sector) at the state and regional levels. The degree of readiness of local authorities to organize, provide and actively promote e-government services in order to support the digitalization of the national economy is also characterized by a lower level of development in comparison with other countries, despite a steady upward trend since 2016 (Fig. 3).

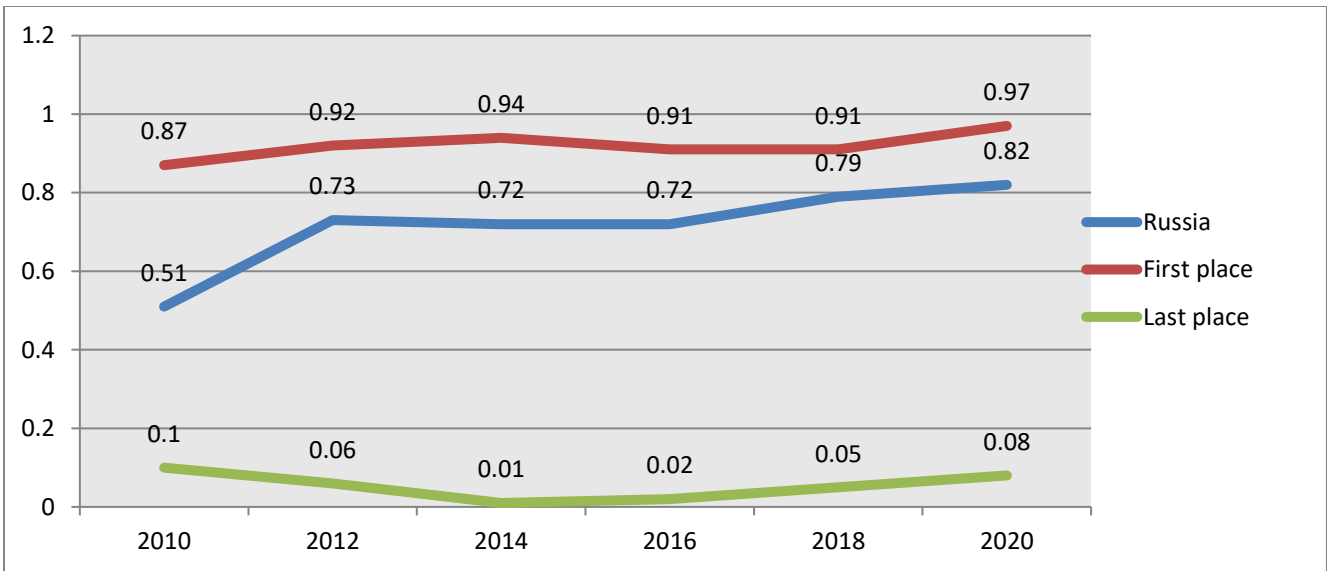


Figure: 3. Dynamics of the EGDI index of Russia in comparison with the best and worst indicators of the rating [8]

Within the framework of the study of the digitalization of the national economy of Russia, the OSI online services index is also could be interesting. OSI makes possible to assess the level of technological development of electronic digital infrastructure and the degree of involvement in electronic communications with the authorities of local citizens as a whole state and its individual municipalities (LOSI). According to UN studies on e-government, in 2020 the Russian Federation ranks 36th out of 193 countries in the OSI index and 6th out of 84 large cities in the LOSI index (based on a study of data from Moscow) [10]. The results of Russia in these ratings are assessed by experts positively, pointing to the fact that digitalization in the country, in comparison with the leading participants, began quite late: the first package of documents regulating digital socio-economic development was developed only in 2008, and its practical implementation started later - in 2009 [9].

The business sector in the economy of the Russian Federation

As in most developed countries, the private economic sector in Russia has a significant impact on the national economy of the state. Nevertheless, analyzing the structure of the Russian business sector, one can argue about contradictory trends in the development of categories of economic units. Thus, the number of small and medium-sized businesses in the country continues to decrease under the influence of the following factors (Figure 4):

- low efficiency of state (regional and, in particular, municipal) support for entrepreneurs;
- lingering consequences of the economic crisis as a result of the introduction of several foreign sanctions in 2014;
- lack of trust between public authorities and SMEs and, as a consequence, the impossibility of implementing effective partnerships to support the development of the national economy [11];
- dominance of big business over the SME sector in almost all spheres of socio-economic and political activity;
- underdeveloped institutions of financial, economic and credit support for private business executives;
- new challenges for entrepreneurship at the global level (for example, restriction of the activities of entities as a result of a virus outbreak and the introduction of a quarantine regime).

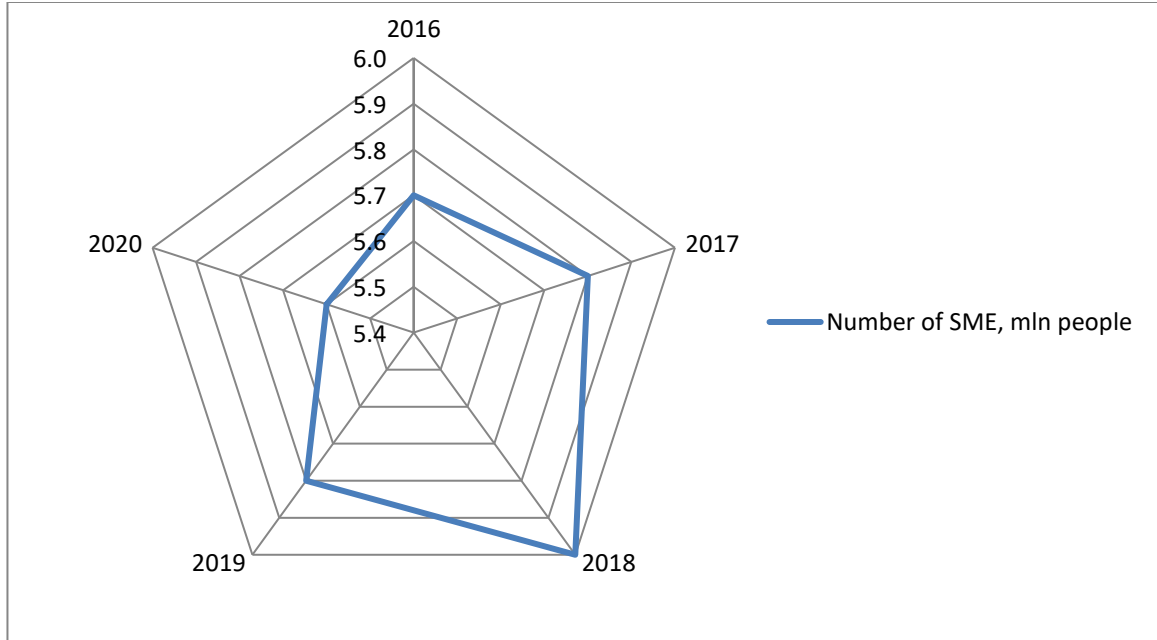


Figure: 4. Dynamics of the number of small and medium-sized businesses in Russia

It should be noted that the following patterns are present in the structure and activities of Russian entrepreneurship:

- due to high interregional differentiation in the country, SME segments are at different stages of their development (for example, in some regions the problem of municipal support for small business is especially acute, in others - the monopolization of large business is a key barrier to development);
- the entrepreneurial activity of Russian business executives is more often concentrated in the areas of trade than in production (the contribution to the country's GDP remains low compared to the contribution of large manufacturing enterprises);
- the number of micro-organizations prevails over the number of other forms of business activity;
- only a small proportion of SMEs enter into economic relations with the large business sector, often this interaction is one-sided and big business prevails in rights and obligations;
- against the background of excessive administrative and legal influence from local authorities, small and medium-sized entrepreneurs are forced to transfer their activities (partially or completely) to the shadow economic sector.

Thus, the state of the Russian business segment can be assessed as satisfactory, taking into account the fact that, despite the above difficulties, local private business entities are active participants in the development of digital culture and digital thinking of society, which, of course, has a positive effect on the rate of digitalization of the economy at the national level. It is small and medium-sized organizations that most effectively implement and develop electronic digital technologies due to their mobility and the possibility of rapid transformation under the influence of new economic and information technology trends. Business activity in the context of digitalization is, first of all, the development of personal competencies of an

economic executive, thanks to which it becomes possible to build the most effective entrepreneurial strategy based on the use of digital tools.

To assess the digital “saturation” of the Russian business sector in the current economic conditions, it is advisable to use the BDI business digitalization index, which includes both quantitative and qualitative indicators (the degree of technology implementation in business processes, the level of integration with digital information transmission channels, the level the readiness of entrepreneurs for online training, including in the field of cybersecurity, etc.). According to the BDI, in the range from 0 to 100, the Russian business sector is assigned a value of 50 points. The share of organizations actively using web resources in 2020 compared to 2019 increased by 2% and amounted to 96% [12]. At the same time, about 60% of companies use mobile devices to organize their business processes. The rate of development and implementation of such a web tool as the company's official website in business processes also increased: compared to 2019, in 2020 the number of business entities using personal websites increased by 10% (Figure 5).

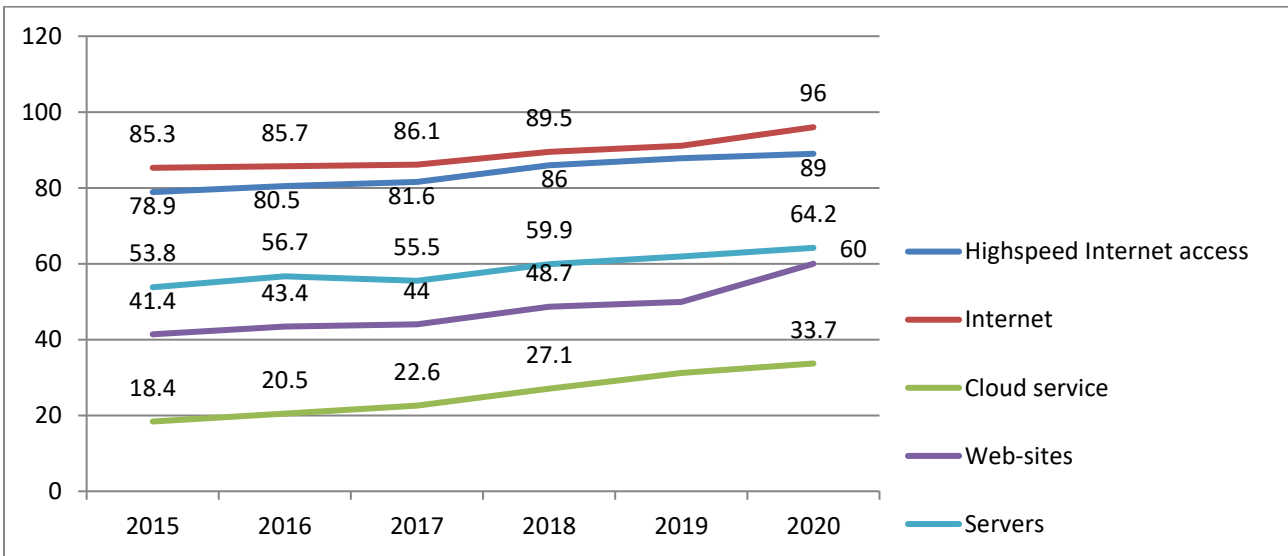


Figure: 5. Application of electronic digital technologies in the business sector of the Russian Federation [13]

The use of information and electronic digital tools by Russian entrepreneurs in organizing and conducting business activities is due to their desire to compete in the global market for goods and services. Attempts by public authorities to create an appropriate infrastructure and a support system for private business during the period of active digitalization of the local economy only partially meet the ever-increasing demands and needs of the business sector. Given the previously mentioned problems on the way of progress in the field of business development, the SME sector remains vulnerable and dependent, first of all, on internal factors: from large companies, municipal authorities and regional peculiarities in terms of resource provision.

Methods for the development of business activities in the context of digitalization of the national economy

It should be noted that an important role in the development of the business sector is assigned to public authorities, which can act as an accelerator of various business initiatives and private innovation projects. Earlier, the author has already stated the fact of the digital transformation of the Russian economy, but the willingness of the authorities to provide support to entrepreneurs in the digital ecosystem being developed is characterized rather by contradictions and is based mainly on the use of ineffective means of support. At this stage, the following methods of developing business activities in the context of digitalization of the national economy can be proposed:

- organization of events at the regional and municipal levels to assist business entities in raising the level of digital culture and education on the example of already operating electronic digital systems. This recommendation involves training entrepreneurs in the use of implemented support tools - official state websites, forums and portals, which are often multifunctional, but not adapted to the knowledge base of ordinary citizens employed in the business sphere;
- organization of equally effective, both for local authorities and for entrepreneurs, public-private partnership projects aimed at the joint development of digital infrastructure;
- improving the regulatory framework in the field of electronic digital business activities, including in the areas of cybersecurity and innovative cooperation [14];
- development and implementation of measures to stimulate small and medium-sized businesses to actively use existing web tools and other digital technologies that simplify the processes of obtaining state support in all its forms of presentation; similar implementation of programs to stimulate the use of innovative web products;
- development of institutional structures and mechanisms in the electronic digital economy of the country with timely replenishment of the institutional vacuum (the process of digitalization makes it possible to get rid of existing institutional traps) [15];
- organization of a stock system of direct and venture capital investments to financially support entrepreneurs and the local digital economy as a whole.

From the point of view of private business entities, one should also take into account the need to involve entrepreneurs in ongoing economic processes at various levels of government. The digital level of development involves the transformation of all possible areas of business activity. Consequently, in the application, adjustment, improvement of methods of economic development during the period of active digital transformation, the participation of both the state and entrepreneurs is required.

Conclusion

The study examined the process of digitalization of the Russian economy. Based on the analysis of the features of this process, it was concluded that today the local digital economy is developing with restraint, although it concentrates in itself a great potential for renewal and self-improvement, including with the help of the private sector. The latter, in turn, is characterized by a high degree of vulnerability for a number of reasons, mainly based on internal circumstances. The real economic conditions in the country determine the first step towards the development of the

business sector - the organization of effective government support. To achieve qualitative improvements in the socio-economic space, the authorities should take into account the importance of partnership with small and medium-sized businesses and promote their development by developing appropriate measures based on the proposed methods.

The significance of the study, from a theoretical point of view, lies in the identification of the main indicators of the digital transformation of the Russian economy. Considering the number of relevant indices, we can come to conclusion that today our country occupies the average indicators, balancing between economic recession and progress. Main reasons of instability were identified during the subsequent analysis. They are the following: irrelevance of socio-economic institutions, lack of trust between authorities and entrepreneurs, high interregional differentiation and, consequently, a significant gap in skills, experience, and the level of interaction.

The practical significance of the study contains in the results of the analysis described above: proposed methods for developing business activities in the context of digitalization can be used in the development of state strategic programs in the process of the current electronic-digital transformation of the economic environment.

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