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The Role and Importance of the Service Sector in the Economy of the Republic of Uzbekistan

S. Bultakova

Doctoral student of SamISI

Abstract: The article examines the service sector, its role and importance in the economy of the Republic of Uzbekistan. At the same time, the contribution and advantages of the service sector to the economy and the development of other sectors were listed. The relevant conclusions and recommendations for the further development of the service sector are also presented.

Key words: service sector, trade policy, export of services, digital marketing services, primary sector, secondary sector, digital transformation, communication services.

Introduction. The service sector is understood as the repeated provision of various types of services provided by service providers (organizations, enterprises, individuals). It is the economic sector of the country, specializing in the provision of professional, commercial and consumer services.

Currently, the world service sector has come to the fore. In the last decade, the services sector has passed on its great influence in the provision of production and employment. Also in international trade and retail services, the bank is also leading in attracting investments due to the growing business activity of insurance companies. Its share of international trade in the world is 50%. In Transport and logistics, there has been a rise in international freight services and an improvement in services. Due to the development of the IT industry, various technoparks and a number of startups were formed. The rich cultural heritage and tourist attraction of Uzbekistan also contribute to the development of this sphere. Considering that the services sector is the sector that creates the most new jobs, Uzbekistan continues to reform in this regard, placing a lot of importance on this sector.

Analysis of thematic literature. Many scientists have conducted their research on the importance of the field of services and its role in the life of the country. Scottish economist and philosopher Adam Smith, in his work “a study on the nature and causes of the wealth of Nations”, cited the definition that “services are activities that satisfy human needs, but they do not produce material goods and are therefore not included in the wealth of society”. Stating his opinion on productive and unproductive labor, through which material and intangible production and between them, based on the difference, formed the basis for the introduction of the concept of initial service. Among other prominent scholars, the American economist and marketer Philip Kotler gave his definition to the concept of service as “service is any activity that one party may offer to the other”. Korean economist Lee Jong-Un, and has studied the service sector of the Chinese and Korean States and its impact on Economics, citing aspects to be studied from these states in this regard. Of the outstanding scientists of our republic, I.S.Tukhliyev described” services are a kind of invisible commodity " and stressed that through this, services reflect Labor Relations in the processes of material production, but the result of the production process will look intangible. A. Murodov also studied and analyzed the impact of the khzimat sphere on economic growth. It studied the direct and indirect effects of the sector on the economy.

Research methodology. The study analyzed indicators in the cross section of years using the example of the Samarkand region, used methods of comparison, generalization and comparative analysis through innovative methods.

Analysis and results. The importance of the service sector is great in its role in the country's economy, making them several positive aspects for the development of the state, society, which we list;

- One of the branches of the service sector-trade makes a significant contribution to the development of the economy. This in turn also strengthens the policy of the state. Trade will not only strengthen ties with direct States, but also bring investment, increase the share of exports. Trade in services is important not only within the state, but also in the world economy[1].
- Develops trade policy. Given that the development of the state, the development of entrepreneurship also depends on the sphere of trade, it is significant in the development of the economy. Diversification contribution to the field of services is considered an important tool in politics, economics, contributes to the development of the private sector, the creation of a healthy business environment.
- Sales of services develop trade diversification. At the same time, the export of products, the penetration of new markets and the related industries; also contribute to the development of such services as logistics, transport, education. The development of payment services makes it possible to export communication services.
- Strengthens long-term relationships. Strengthens strong and long-term relationships with customers, giving them the opportunity to stay in constant contact with new customers abroad and in their own state. Such types of strategy are a type of economic diversification, allowing states to develop further, using the experience they have, to engage in new types of activities.
- Promotes the development of infrastructure. The service sector also influences the development of services such as direct transport, communication, banking, electricity, so that products and services can be reached to the consumer.
- Maintenance and non-maintenance of the service. The developed type of Service is not stored in the warehouse, does not look, does not wear out, and there is no need to create a reserve again. The product created and created depends on the experience, knowledge, skills of the creator and does not require a large intentarization reserve, sufficient only if there is the necessary equipment for the provision of such services.
- Ease of starting work. Starting a job in the service sector is easier than in other types of business, since it does not require very large funds, and mainly requires experience, qualifications from the head of work.
- Flexible hours. The customer and service provider can set their time according to hoxishi and be served on this.
- Activity is not limited even in times of economic crisis. During a period of economic decline, even when people reduce their costs, even in quarantine, the service sector can maintain its activities and income from it.
- Promotes market growth. Promotes the supply of both the primary, secondary sector, agriculture and industry, and, together with this, the market of raw materials and semi-finished goods.
- Helps to improve the quality of living. The service sector provides quality service by serving the people of the country through such types as banking, education, health care, transport, and thus leads to an increase in the Human Development Index.

- Helps to keep the imbalance in the country in balance. Communication, health, education, and service sectors contribute to the development of each city, village, remote area through its continuous provision.
- Expands the possibilities of employment and job creation: the biggest role of the service sector is that it creates jobs. Various service sectors, such as education, hospitality, health care, meet the demand for work, which helps to provide employment to the population, increase the well-being of living.
- Adds a share to GDP. It can be assessed as the key to the country's economic growth, it contributes to the gross domestic product through the services sector.
- Helps to improve the quality of life. As a result of the quality of service provided, people have an increased level of satisfaction, which contributes to an improvement in quality of life.
- Ensures the penetration of technology and innovation into the life of society. The service sector in itself requires new techniques-technologies, innovations, through the application of which the quality of Service is improved, customers increase and, of course, bring income behind it.
- Increases competitiveness. At the local and global level, it helps to hold its place and position in the market.

The service sector has the following advantages:

1. Meets daily requirements and needs. The satisfaction of the needs of legal entities and individuals of all types of the service sector is aimed at increasing the feeling of satisfaction in them.

2. Leads a relationship. Service businesses also strive to be sincere in relationships through their daily interactions with people. For a service enterprise, boron provides a warm sincerity for the customer and a feeling of disappointment in the service, if it is aimed at keeping the customer, trying to get a permanent pick-up and expanding the customer base.

3. Leads to the personalization of services. As a result of the constant use of the services of a tailor, jurist, Tutor, Doctor, the services are personalized, that is, always using one doctor's xzimati to remain a family doctor, always using the services of a teacher to remain a personal teacher. Such a type of Service is of interest to both parties.

4. Contributes to the preservation of local culture. Folklore, national events, games, trips promoting nationalism, services that first arouse interest in guests, on the second hand, make it possible to preserve culture, preserve respect, bring it to the future-generation.

5. Enhances propaganda. The promotion of services encourages the improvement of society and lifestyle, the increase in the type of quality services, the improvement of the quality of life, being done for the satisfaction of people.

The economy is divided into three parts, which are: the production of raw materials, the production and distribution of products[2].

1. Primary sector. Directly related to natural resources, it includes mining, farming, fishing, forestry.

2. Secondary sector. From its word it is known that raw materials, that is, after the primary sector, turn that raw material into a product. Examples include making bread from wheat, making machine details from metal. It adds value by processing the product and prepares it for consumption.

3. Sector three. Finished products and services are the sector of the consumer's reach, in which the service is the main one, which includes the state, the use of medical services, catering in catering establishments.

Currently, in the conditions of a market economy, the demand for the services sector is high, and this opens the way for the prospect of business. The service sector, in turn, requires the application of technologies that increase the quality and efficiency of work and, most importantly, expand the audience of customers. If we list its advantages;

Automation. It is the same provision for service enterprises with a large number of customers, which increases the efficiency of Service and work for more customers. Not only accelerates the process, but also serves to satisfy more needs. For example: an automated quick response system, bots receive large volumes of interrogations, and the work leads to an acceleration of the process and quality.

Digital transformation. Currently, everyday life has become closely associated with the likes of online trading, mobile banking, online payment, taxi calling. It also saves time, is easy and convenient. For service providers, however, expanding the customer base allows customers in remote locations to be served as well.

Communication services. Social media, messengers, video conferences, messaging applications, among others, facilitate customer service and are important in solving geogragic problems. Communication with people from different regions, cooperation with them, continuous communication, consultation with specialists and other issues will help a lot in an instant.

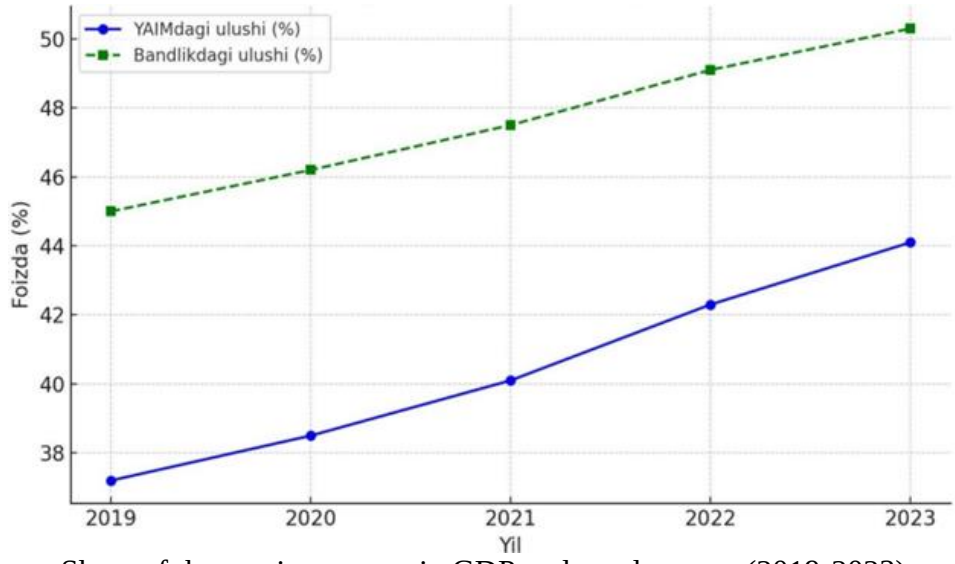
Digital marketing services. The use of social networks by enterprises is to their advantage, which also increases the possibility of advertising and expanding sales of their products.

E-commerce and its impact on the development of logistics. Currently, restaurants, catering establishments from service corcones offer their own food, a service for the maturation of sellers ' products. As online shopping develops, so too are transportation services. This in itself is developing a chain from the development of one field to the other[3].

Tibiiyot texnologiyasi. Sog`liqni saqlash sohasida so`ngi tekshiruv va davolash texnologiyalarini qo`llanilishi mijozlar uchun ham xizmat ko`rsatish korxonalari uchun ham manfaatlidir.

**Ta`limda texnologiya.** Online o`qitish tizimi, platformalar rivojlangan bo`lib, masofadan turib o`qish, o`qitish, til o`rganish, biron bir kasb egallash imkoniyatini taqdim etib, foydalanuvchi vaqtiga moslab o`rganishini va masofa jihatidan yutish imkoniyatini beradi.

Mijozlar mamnunligini oshiradi. Xizmat ko`rsatish sohasi mijozlar ehtiyojini qondirish, ularda mamnunlik hissini uyg`otish va mijozlar sodiqligiga erishish maqsadida ko`proq qulayliklar va xizmat turlarini taqdim etishmoqda. Masalan: uyiga borib bemorni tekshirish xizmati, ko`chib yuruvchi kutubxona, uzoq hududlarga avtobusli bolalar bog`chasining borishi kabilardir.



Share of the services sector in GDP and employment (2019-2023)

Graph- 1

In Graph 1, it can be seen that the share of the services sector in gross domestic product and employment has grown from year to year. The 2023 share in employment was yuori, out of 50%, while the share in GDP was 44%.

Table 1.

Samarkand region cross section	Years				
	2019	2020	2021	2022	2023
Employment level	65,3	63,2	63,7	64,7	65,0
Economic activity level of the population	72,1	70,9	70,7	71,4	69,7
Economic inactive population	512,9	532,3	522,3	532,5	556,6
Number of items in the public sector of the economy	218,0	217,5	221,6	235,6	234,8
Working population	2108,2	2120,4	2115,5	2155,6	2155,8
Number of items in the non-governmental sector	1237,8	1200,8	1219,7	1244,2	1269,4
Number of officially registered unemployed	5,1	2,7	8,5	4,2	4,2

Developed by the author stat.uz based on data from

In Schedule 1, Samarkand region had almost no major change in employment level in the 2019-2023 cut. The employment rate was 65.3% in 2019, compared to 65.0% after 5 years. According to the level of economic activity, this figure can be seen as falling from 72.1% to 69.0%. The economic inactive population has increased over the years, naturally can be represented by an increase in the number of graduate students and an increase in the number of people qualified for work. It is noteworthy that over the years of a significant increase in the number of people employed in public work, the number of working-age residents increased by 2155.8% by 2023, while the number of working-age residents was also 2108.2% in 2019. Entrepreneurship and the self-employed population also saw a further increase in the 2020 decline. Joylessly, the number of unemployed was 5.1%, and after 1 year these figures fell sharply to 2.7%, while 2021 rose to 8.5%, while 2022-2023 showed the same 4.2%.

In conclusion, it can be said; the services sector is one of the fastest growing and most diversified sectors of the modern economy. The importance of this sector in the economy of Uzbekistan is increasing from year to year, since it plays an important role not only in increasing the volume of gross domestic product, but also in creating new jobs, improving the well-being of the population and developing socio-economic infrastructure. With these in mind, the following can be proposed:

Offers. Having studied the above, these can be summarized:

- Attention should be paid to the development of digital services-IT, e-commerce and mobile payment systems;
- Taking into account the fact that the work of the population is constantly falling on financial services; it is advisable to establish the provision of banking and insurance services with a more population-friendly level and increase the types of preferential loans.
- It will be necessary to improve the professional training of specialist personnel working in the field of services, train them, improve their skills, organize training and courses.
- With respect to tourism kata, it is advisable to further develop infrastructure, create conditions for tourists, further develop transport and hotel services and infrastructure.
- It is necessary to reduce taxes, allocate preferential loans for private entrepreneurship and small businesses, while supporting self-employment, activities in the field of entrepreneurship.

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