



## **THE ROLE OF THE SERVICE SECTOR IN THE DEVELOPMENT OF THE COUNTRY**

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<b>A B S T R A C T</b>	<b>K E Y W O R D S</b>
The content and essence of the service sector in the article and the socio-economic significance of its rapid development, employment of the population in the service sectors an analysis of their structural structures is presented. A comparative analysis of certain data with the regions of Uzbekistan and Samarkand was made.	national economy, post-industrial society, economic system, material production, service, paid services, unpaid services, competition, Digital Economy, Innovation, modernization, population standard of living, quality of life, pandemic, demand, consumption, Population Fund, salary, population income.

### **Introduction**

Improving the well-being of living is at the center of all the problems of any economic system, and all attempts in the field of socio-economic development are ultimately aimed at solving this general attitude. For this reason, issues regarding social welfare and the standard of living have attracted the attention of many economists since ancient times.

### **Analysis of Thematic Literature**

A. in the formation of the theory of social welfare and the standard of living of the population. Smith, W.M.Jerebin, A.N.Romanov, N.Prominent economists such as a N.A.Gorelov<sup>1</sup> have made outstanding contributions of their own. Without their theoretical approaches and theoretical views on social welfare and achievement, it is difficult to create a modern system of scientific views on the well-being and standard of living of the population.

### **Research Methodology**

In the course of the research, methods of logical analysis based on information were used. In this, techniques and approaches of cognitive theory such as induction and deduction, space and time, analysis, and synthesis have also been used.

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<sup>1</sup> smith A. Research on the nature and causes of the wealth of nations. / Translated from English by .M.Mayburda. - M., 1993. - P.572.; Zherebin V.M., Romanov A.N.The standard of living of the population. - M.: UNITY-DANA, 002.- P. 224.; Gorelov N.A. et al. Income policy and quality of life of the population: Textbook. - St. Petersburg: Peter, 2003. - From 653.

## Analysis and Results

As a result of our theoretical research in this area, the development of mankind in solving problems related to increasing the standard of living of the population has acquired three important features of the current stage, namely: First – the intensification of globalization processes.

The increasing integration of national economies, and the formation of goods, services, and labor markets on a global scale have a huge impact on the formation of the standard of living and quality of the population of each country. Secondly-the escalation of environmental problems. As a result of this, the need to comply with the concept of Sustainable Development, which ensures national and international environmental security, and equality of interests of current and future generations, in solving the problems of resource use in order to rapidly develop the economy. Third-it should be taken into account that the model of a socially oriented market economy is taking shape, the principles of social justice are gaining momentum in the distribution, and it is rational social policy that is becoming the main factor in economic development. It assumes the support of the population of the state of underprivileged strata and socially vulnerable groups (people with disabilities, youth, women) and social protection from market stigma. In turn, the rise in the standard of living of large segments of the population increases its labor and social activity, and the role and importance of the human factor in production become more and more intense, increasing the activity of participation in the processes of development of the country's economy.

The most important thing is that the need for services differs sharply from the need for material services in its essence and its importance in the development of a person as a person. Based on modernizing and re-equipping the service sector networks, improving the quality of services based on providing them with qualified personnel, expanding the range of services based on diversification of this industry, producing new types of services, increasing the volume of services at a rapid pace is an important condition for more fulfilling the needs of the population.

American scientist A. Maslow's pyramid is given the first place in terms of its importance to physiological (material) needs<sup>2</sup>. Obviously, such needs should be met at the level of the form of the social system and the development of productive forces, regardless of the level, specific, and at the first level for any society. Humans, as sentient moving living being, are primarily required to have their primary needs-that is, to eat food, dress, and have shelter. Only then will they be able to engage in education, culture, art, travel, etc? The need for various social services also played an important role in this pyramid. But an important aspect of the issue is that as production Forces develop and the income and standard of living of the population increase, its need for services develops at a faster pace than its need for material goods. One of the peculiarities of services is associated with the content and character of labor in the formation of income of the busy population in the service sector. The ever-increasing and improving needs for services are reflected in structural changes in the employment of the population, or rather, in the constant increase in the share of services in its employment.

The economically active population is a certain part of the population that satisfies the labor demand for the production and service of products. This provides a special basis for solving employment problems at the pace of economic growth. In 2021, the economically active population was 1,585. 4 thousand people, compared to 2018 0.9 on-base percentage.

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<sup>2</sup> <http://www.ctntrforum.ru/Macro/Stat2.5.htm>

In 2018, 50.6% of the economy-occupied population, 740.5 thousand people, were employed in the manufacturing sector, while 49.4%, 722.9 thousand people, were employed in the services sector. In 2021, 51.2% of the economy-employed population, 722,000 people, were employed in the manufacturing sector, while 48.8%, 688.9 thousand people, were employed in the services sector. We can only say that the reduction in the share of the busy population in the service sector in the economy of the region is due to pandemic. We can say that such changes in the structure of population employment are a natural state. Because it did not correspond to the essence of the macroeconomic policy that is being pursued in the country in order to increase the role of the service sector in socioeconomic development.

In order to assess the opportunities and prospects for increasing employment of the population in the Samarkand region by industry and sectors, we found it necessary to compare it with the indicators of the Republic. By comparison, the Samarkand region showed that lower levels of employment of the service sector were achieved compared to the Republic.

Alternatively, the proportion of the occupied population in agriculture in the region is 0.9 points higher than the national average. It is worth noting that as the material and technical base of Agriculture is strengthened and labor productivity increases in it, the number of busy residents in this network will continue to decrease even further. If we bring the share of those employed in agriculture in the Samarkand region (27.8 percent) to the national average level (26.9 percent), 3.5 thousand people in these networks will be able to quit. Those who quit are employed in service sector networks.

The employment of the working and economically active population at the present stage of the development of society is one of the most pressing, acute socio-economic problems for all countries. For Uzbekistan, which is very rich in labor resources and has enormous labor potential, it has become a rather acute problem to provide employment for the population, to give an opportunity to participate in social production of each individual who has a desire to work.

In the context of a market economy, on the basis of an entrepreneurial initiative, achievements of scientific and technological progress are widely introduced into production and legally lead to a deepening of the division of Labor and a rapid increase in productivity. The current production, adapted to the economical use of resources in general and development on an intensive basis, cannot be realized and developed without a continuous increase in labor productivity.

In addition, employment problems have become much more acute in Uzbekistan at the expense of workers who are over-employed in production (especially in agriculture), but are gradually laying off as market relations strengthen. In the context of a planned economy, the problem of unemployment has been solved by unreasonably increasing the number of unproductive, ill-productive jobs, involving the labor force in social production, whatever it may be. In the case of a market economy, however, as we have already noted, the need to make the most of all resources, including labor resources, increases. In such conditions, unjustified in previous periods, the abolition of officially created jobs and the reduction of working employees who are "busy" in them, and as a result, their unemployment, are inevitable.

Summarizing the above, we have identified the main reasons for the imbalance between the supply of labor in the labor market in Uzbekistan and the demand for it. In our eyes, these are: firstly – the continuous increase in social labor productivity as a result of scientific and technological progress; secondly-the unharmed finding of jobs created in excess of what is needed in social production; and

thirdly – the complex demographic situation that has arisen in the country and continues to a certain extent.

It is necessary to scientifically substantiate the existence of enormous opportunities of the service sector in ensuring employment of the population, solving the problem of unemployment, to determine the prospects.

The service sector is also an area that is actively involved in solving the problem of increasing the monetary income of the population. While the view that the number of people employed in the service sector and their income are much lower in relation to the sphere of material production until recently dominated, in later years, from the times when the number and income of those employed in this sector increased at a relatively faster pace, there have also been dramatic changes in these views. The correct assessment of the place and importance of the service sector in the socio-economic development of the country, in the formation of indicators of the income of the population and its standard of living, enhances the focus on the industry, accelerates the need and processes to find a solution to the problems that arise in it.

It is important to include clarifications in the components of the formation of the income of the population of the service sector and the sources of their organization. In the current conditions, the following can be included in the structure of the income of the service sector and those who are employed in it:

- the income of all economic entities and individual entrepreneurs (individuals) operating in the service sector from entrepreneurial activity;
- the amount of wages received in accordance with the results and capabilities of the personal labor of hired workers employed in the service sector;
- salaries of employees of state bodies and formations engaged in the management and regulation of the service sector;
- material assistance provided by the state in relation to workers-employees who are employed in the service sector but need social protection;
- savings in the income of the population as a result of the use of services and a decrease in costs (a decrease in the cost of the population means an increase in its profitability by such an amount).

It plays an important role in the implementation of current tasks such as increasing the volume of services offered to the population for consumption at a rapid pace, raising their quality and Per Capita to the level of World templates, raising a harmonious generation that is considered as priorities in Uzbekistan, improving the lifestyle of the population<sup>3</sup>, creating suitable conditions for a comfortable. The idea of raising a harmonious generation, mature, civilized, enlightened in all respects, in addition to more fully satisfying the need of the population for material and spiritual favors and services, assumes an increase in its free time and its effective use.

The fact is that it is important to increase the free time of the population, to provide services, covering the non-productive time spent by them, however, by other service areas. But in solving such a task, an increase in the wages of the working population is associated with the amount of expenses incurred on non-working from various social resources and their growth. In the current conditions, the population is left with a busy layer of free time, which is largely ineffective.

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<sup>3</sup> Scientific and methodological brochure on the study of the state program on the implementation of the strategy of action on the five priority areas of development of the Republic of Uzbekistan in the "year of dialogue with the people and human interests «in 2017-2021.- Tashkent: Spirituality, 2017. - P. 156

According to our opinion, if such networks as trade, catering, communication, household Service, transport create conditions for reducing the consumption costs of the population, freeing it from domestic labor, ending vain efforts, and thus provide an increase in the leisure of the population, sports and tourism, sanatoriums and resorts, theaters and art palaces serve to spend free time in a profitable, interesting way.

It is known that from the first years of our independence, the attention that young people have to grow up as perfect people, acquire full-fledged and perfect knowledge has risen to the level of Public Policy. Especially in the last five to six years of independence, the declaration of the years in our country as the "Year of the perfect generation", the "year of the healthy child" also brought these noble works to a high level.

Raising a harmonious generation<sup>4</sup> and improving the quality of Labor is one of the most pressing problems in the socio-economic development of our country. Uzbekistan's role in the international division of Labor, the competitiveness of goods and services produced in the country in the domestic and foreign markets are determined by the quality of labor in the first Gal. It is observed that the role of educational services in improving the quality of the workforce is increasing. It is also not for nothing that in later times a lot of attention has been paid to the problems of human capital, the quality of Labor and the search for their effective solutions (including by redirecting large financial resources) by the whole world, especially economically developed countries.

Educational effectiveness in developed countries, development 16 percent depends on the material and technical base, 20 percent - on information resources, and 64 percent - on the human factor<sup>5</sup>. These issues are also recognized in the economic literature. Globalization processes and extremely fierce competition in the world market demand an increase in the quality of labor in all companies and firms, and a higher level of personal competence. At present, highly skilled workers in the United States account for 45% of the total and in Germany for 55%<sup>6</sup>. Nevertheless, companies and firms do not weaken their focus on improving the quality of Labor and improving the system of training.

## Conclusions and Suggestions

Our theoretical studies, carried out with the aim of studying the impact of the system of service sector networks on the standard of living of the population, gave the opportunity to define a number of important tasks in this area:

-in-depth and comprehensive research should be carried out to reveal the relationship between the service sector, some of its sectors and the standard of living and quality of the population. The implementation of this task significantly increases the chances of raising the standard of living of the population by macroeconomic influence on the service sector and some of its sectors;

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<sup>4</sup> Note: it is a complex of educational processes aimed at spiritual and moral formation of the individual, strengthening the independence of the motherland, raising intellectual potential, free-minded individuals who serve the interests of society and the state. The goal of raising a harmonious generation is to bring up intellectual personnel serving the state and society.

<sup>5</sup> Scientific and methodological brochure on the study of the state program on the implementation of the strategy of action on the five priority areas of development of the Republic of Uzbekistan in the "year of dialogue with the people and human interests" in 2017-2021.- Tashkent: Spirituality, 2017. -190 P.

<sup>6</sup> Kushnir I.V. World Economy <http://www.be5.Biz/ekonomika/mo13/tech.htm>

- ensuring proportionality between the areas of Service and material production. In the process of completing this task, the share of services in the country's gross domestic product and population employment is increasingly approaching developed countries;
- reduce the cost of services to low-income families, in which the development of state market regulation mechanisms;
- establish ways to improve strict control measures over the quality of free services;
- increase and development of types of services aimed at the effective use of free time for the population;
- in some branches of the service sector (domestic service, tourism and sports, etc.), physically and spiritually outdated equipment is still preserved, and this negatively affects the efficiency of service activities and the quality of services. Therefore, strengthening modernization and technical renewal in industry networks;
- to organize the provision of services to the population, first of all, the financial and economic status of the population of the region in which the service is provided, purchasing power, demand for service services and a number of other factors are studied, the size and types of services provided are also determined based on this;
- determination of the size and types of services, taking into account the demand of the population for services;
- to change the types of services and offer the necessary services according to their needs, based on the wishes of the population;
- taking into account the capabilities of the population when setting an assessment for the services provided by the state.

In order to carry out the above-mentioned tasks, to find solutions to the problems facing the field in this regard, it is necessary to carry out Applied Research, assess the current state of affairs in practice, identify achievements and shortcomings in it.

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