

## WAYS TO DEVELOP THE SERVICE SECTOR AND INCREASE ITS ROLE IN PROVIDING EMPLOYMENT OF THE POPULATION

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**Abstract:** *In this article, based on the rapid development of the service sector in the economy, the increase of population employment, the development of the national economy of the service sector, the solution of social problems, the research of the interrelationship between macroeconomic indicators, material and non-material production areas are considered.*

**Keywords:** *economy, service, population employment, production, development.*

### INTRODUCTION

The service sector in Uzbekistan is developing at a rapid pace, and its role in improving the national economy, creating new jobs, providing employment to the country's population, improving the well-being of the population, and as a driving factor in solving other social problems is increasingly increasing. The share of people employed in the service sector in the economy in the number of people employed in the economy is growing. But it is still far less than the level reached by developed countries. Based on the above, rapid development of this industry is planned in Uzbekistan. In the adopted Action Strategy for the further development of the Republic of Uzbekistan, important tasks for the development of the service sector and ensuring the employment of the population are defined.

In the world economy, the role of the service sector in providing employment is increasing. 70% of the population employed in the economy in highly developed Western countries work in the service sector. As a result of the rapid growth of labor productivity in the conditions of the innovative economy, the urgency of the problems of ensuring employment of the population in the service sector increases even more. From this point of view, issues of rapid development of the service sector based on foreign experiences and increasing its role in creating new jobs are among the urgent issues of today.

**Analysis of literature on the topic** A number of scientific and practical works have been conducted by economists about the field of izmat, its essence, its role in socio-economic development, and the issues of development of this field. A. Smith, J. B. Say, A. Marshall, Y. Schumpeter, J. M. Keynes and others' researches are among them. S.S. Gulomov, N.T. Tukhliev, Yo.A. Abdullaev, M.M. Mukhammedov, M.Q. Pardaev, G'H. Qudratov, I.S. Gulomov, N.T. Tukhliev, Yo.A. Abdullaev, M.Q. Pardaev, G.H. Qudratov, I. S. Tukhliev, K. J. Mirzaev, B. A. Abdukarimov, E. S. Fayziev, T. T. Tashmurotov can be mentioned. In their scientific research, they studied the theoretical and methodological problems of the development of the service sector in our country.

### Research methodology

Systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, selective observation methods were used in the research process.

### **Analysis and results**

It consists in the development of scientific and methodological recommendations and practical suggestions for increasing the employment of the population based on the rapid development of the service sector in the national economy of Uzbekistan.

- justifying the role and importance of the service sector in the development of the national economy and solving social problems;

-research of interrelation between the service sector and macroeconomic indicators, tangible and intangible production spheres;

- aggravation of employment problems due to the increase of labor productivity in material production and to justify the role and tasks of the service sector in solving these problems;

- researching the state and development trends of the service sector;

-scientific analysis and assessment of external and internal factors affecting the state and development of the service sector;

- development of priorities for the development of specific sectors of the service sector from the point of view of meeting the needs of the population;

- proposals and recommendations on comprehensive development of the service sector and increasing its role in ensuring employment of the population

It was theoretically and practically justified that one of the important factors of increasing the employment of the population, improving its living standards and quality is the rapid development of the service sector. Therefore, further development of the service sector, setting priority directions for achieving this, is one of the promising directions for solving the important socio-economic problem of providing employment to the working population in the country. In our opinion, the service sector has its influence on the national economy through the following directions.

Determining the impact of the service sector on the economy is important in developing the priority directions of the sector's development.

In the current period, a number of state programs have been developed in order to ensure the development of service sector networks in our country. In particular, "Service industry development program in 2016-2026" include these. According to the program, the following are the priority directions and tasks for the development of the service sector in our country in 2016-2026:

- increasing the gross domestic product due to the development of the services sector, increasing its share in the republic's economy to 48.7%;

- Increase services in rural areas by 2.8 times by 2029;

- development of engineering-communication, road transport infrastructure, creation of conditions for the rapid development of the service sector, structural changes due to the introduction of modern information and communication technologies in networks;

- formation of competition and business environment, and at the same time support for the development of small business and private business entities;

- expansion of various innovative services, new means of communication;

- the use of public telecommunication networks is technical—provide opportunities, provide quality services based on them, complete transition to digital systems of telephone communication and television, increase the share of communication and information in the republic's economy to 2.8% by 2026;

- finance with the introduction of the latest electronic payment technologies—development of services;
- more high-tech services in the health sector—development.

The idea of rapid development of the service sector is also reflected in the directions of the Action Strategy for the further development of Uzbekistan in 2017-2021. At the moment, the issues of ensuring employment of the population of the Strategy of Actions are given a lot of attention. The conducted studies have shown that there are many problems related to the development of the service sector that have not yet been resolved. In our opinion, the problems that negatively affect the development of the service industry include:

- lack of working capital in the service sector;
- a decrease in the share of investments in the service sector;
- that entrepreneurs engaged in service activities are not fully focused on a specific goal;
- the impact of the globalization process on the service sector;
- high risk of economic risk in the implementation of innovative activities;
- the presence of shortcomings in the implementation of the policy of state support of the service sector and its branches;
- lack of highly qualified workers in the field.

Based on the analysis of the above problems, we believe that the following should be defined as the priority directions for the development of the service sector:

1. Formation of a competitive environment in industries on the basis of diversification of the service sector, deep structural changes and modernization;
2. Increasing labor productivity in the service sector;
3. Development of an effective mechanism for managing the service sector, updating its material and technical base and increasing working capital;
4. To strengthen the state's attention in science and education, culture, healthcare, banking and finance and credit sectors of the service sector;
5. Development of neglected types of services based on customs, values and traditions of our people in some regions of our country;
6. Maintaining a preferential tax policy in the field of services and services;
7. Providing the service sector with qualified and young personnel;
8. Development of services and services in rural areas.

Diversification and modernization of industry sectors is of great importance in the development of the service sector and its efficiency improvement. For this, it is appropriate to create a healthy competitive environment in the service sector. The issue of creating a competitive and entrepreneurial environment, and at the same time supporting the development of small business and private entrepreneurship entities is also put in parallel. After all, the service sector is developing mainly thanks to small business and private entrepreneurship. With the growth of these services, a number of problems can be solved. In particular, along with the creation of new jobs in our country, the problem of employment will be solved, the need for services of the production process will be satisfied, and finally, the standard and quality of life of the population will be increased. As a result of diversification, economic sectors and industries, service infrastructure will develop widely. A solid foundation will be created for the organization and development of export of products and services. It also enables the creation of new jobs based on the balanced and systematic development of economic sectors. The lack of modern networks in the economy is

considered the main obstacle to development. The issue of expansion of various innovative services and new means of communication also requires the development of the service sector in our country based on global requirements. We can ensure the stable development of the economy only if we export services in our country on a large scale, as well as goods. From this point of view, it is important to bring the service sector to the level of international standards.

Another priority for the development of the service sector is the creation of a favorable investment environment in this sector. Stimulation of investment processes allows updating the material and technical base of the industry. The renewal of the material and technical base in the service sector is closely related to the progress of science and technology. It is possible to increase its working capital on the basis of meeting the needs of this industry for a modern technical base.

The next priority direction of the development of the service sector is to further strengthen state cooperation in the field of education, culture, art, science and scientific services, healthcare and social security, as well as banking, finance and credit sectors. "At the same time, taking into account that the financial and economic stability of our country largely depends on the efficient operation of banks, deepening and expanding the work in this regard, further development of the multifaceted financial services market in order to support the real sector of the economy is considered a priority task." During the transition to the market economy, the state, as the main reformer, must take responsibility for the implementation of reforms in the financial and monetary credit system and its further development.

Changing the appearance of the village, raising the standard of living of the population and providing employment is largely related to the service sector. For this reason, we found it appropriate to set the development of the service sector in rural areas as a priority. Rapid development of services and services in the regions of the country, especially in rural areas, in particular, services provided to rural residents: first of all, utilities, home repair and construction, water use, veterinary services, preparation, packaging and sale of agricultural products, and other services. Increasing the size, types and quality is one of the urgent tasks of today.

In order to further strengthen business activity in the service sector, preferential tax policy should be considered as a priority for the development of this sector.

At the heart of any economic reforms lies the human factor. The creator of these economic reforms is also a human being. Therefore, human potential is the force that embodies the laws of nature and society that govern economic processes. The role of skilled, educated personnel in the development of any economic sector is very high. For this reason, the issue of personnel and their qualifications, knowledge and experience is always in focus. In particular, the personnel who will develop the service sector and bring it to a modern level should have modern knowledge and experience in this regard. Currently, the types of services have increased and new ones are appearing. But the issue of training the personnel who will organize and manage this sector is also in an unsatisfactory state, as the President noted. In this regard, the President of the Republic of Uzbekistan Sh.M. ". For this reason, it is necessary to consider providing the service sector with qualified and young personnel as a priority.

Researches on setting priorities for the development of the service industry have shown that setting priorities in this area is more complicated than setting priorities for the development of material production industries. Because it requires paying special attention to the social, economic and demographic aspects of regional factors. In this regard, Ya.J. Isakov's candidate's thesis on "Econometric modeling of service sector efficiency and its development" also shows:

- functional-economic description of the region;
- the socio-economic description of the region (the level of urbanization, the structure of the population in the field of professional skills, the development prospects of the population's residences);
- the social demographic structure of the region (gender, age and educational structure of the population);
- a description of the material and technical base of service sector institutions.

Therefore, when determining the priority tasks of the development of the service sector, we found it appropriate to develop it according to the regions in the following order based on the above-mentioned factors:

First, appropriate placement of service enterprises and organizations;

Secondly, bringing them closer to the places of work, study and living, recreation and cultural entertainment of the population;

Thirdly, to ensure the operation of these enterprises and organizations at times convenient for the population.

### **Conclusions and suggestions**

As a result of the research on increasing the employment of the population in the service sector, the following conclusions were reached and scientifically based recommendations were developed.

1. The service sector plays an important role in all stages of the historical development of humanity, especially in the transition from one form of economic management to another (from natural economy to commodity production) or from one stage of social development to another (from industrial society to post-industrial society). At a certain stage of development, the deepening of the division of labor between communities, the specialization of social production, the emergence and development of private property cannot be realized without mutual exchange between the members of the natural economy, i.e. without trade and services.

2. In the economic literature, there are controversial opinions about the field of services, the essence of services, their evaluation methodology, the status and the quantitative and qualitative indicators that represent the dynamics of development. In the process of research, their systematization and critical study made it possible to clarify some theoretical issues. In explaining the essence of the concepts of "service" and "service provision", it was argued that, in addition to views from the point of view of the labor process, from the point of view of GDP production, from the state's point of view, from the owner's point of view, first of all, it is highly effective to look at it from the consumer's point of view.

3. In the post-industrial society, the service sector plays an important role in the country's socio-economic development, employment, real income, standard of living and quality of the country's gross domestic product and plays an important role in the formation of other macroeconomic indicators. In the existing literature, the role and importance of the service sector in the socio-economic development of the country is recognized mainly through its participation in the formation of the size of the GDP and in ensuring the employment of the population. However, in our opinion, the service sector also plays an important role in the fulfillment of the requirements of the "Population" law.

4. In order to determine the role and opportunities of the service sector in providing employment to the population, it is necessary to develop improved methods of determining the



state of development and prospects of its individual sectors, which have good practical results. For this purpose, a system of indicators representing the provision of services to the population was developed. It was scientifically justified that the following should be included in such indicators: availability of services; that the population is provided with services in a specific branch of the service sector; provision of quality services to the population.

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