

# Specific Characteristics of the Development of the Service Industry in our Country

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**Abstract:** This article examines the development of the service sector, which occupies a significant share in the national economy of our republic, employment in this area and an analysis of factors that contribute to improving the wellbeing of the population.

**Key words:** service sector, tourism, employment, information and communication technologies, GDP, industry, GDP per capita

## INTRODUCTION

The development of the service sector is considered one of the important qualitative factors of ensuring the stable growth of the national economy, increasing the employment and well-being of the population. As a result of the implementation of step-by-step measures on the reform of the service sector by the state, the improvement of the quality of economic growth in the sector is characterized by significant changes in structural quality and the uniqueness of the development trends of the sector. In the period of transition to the digital economy, the formation of a new technological base in the service sector is becoming one of the main factors of the development of the sector, therefore, the President of the Republic of Uzbekistan Sh.M. Mirziyoyev said, "Of course, we will completely change the new system and put it before us. It is still too early to say that we have fully achieved our goal. I repeat, we are in search every day. We are just taking the first steps on this path," he said. As a result of the transition to a digital economy in Uzbekistan, economic processes are more deeply integrated, and as a result of the development of digitalization processes in the service sector, the country makes a significant positive contribution to the GDP and the growth of population employment. In today's economy, mutual cooperation and connections between economic sectors are growing very quickly. The service sector is not only an active consumer of the products of the material production sector, but also its main supplier. To carry out its activities, it purchases machines and equipment from the fields of material production and, at the same time, provides professional, business, scientific, technical, educational, health care, transport, trade, financial, ICT and other types of services. Y.Brynjolfsson and Y.Makafee expressed serious concerns about the negative impact of digital technologies on employment in their scientific research. According to them, humanity is entering the second machine age, and while the development of digital technologies will open up opportunities for people to increase the production of more and more goods and services, at the same time, this will create certain dangers and threats for them.

There are even more fantastic predictions of the future. Proponents of the idea of "technological identity" and transhumanism, in particular, V. Vindzhi and R. Kursweil, believe that in the near future (2030-2045) very rapid development of technology and self-programming artificial It is believed that with the exponential growth of intelligence, human labor can be almost completely replaced. Replacing human intelligence with artificial intelligence, unlimited introduction of machines into a person's personal life, copying the human brain and controlling it remotely, neural interfaces creation can bring great disaster to mankind. In this regard, there is a possibility and danger of not fully controlling the

mind, which is superior to human intelligence, and using it for the interests of narrow groups for military and other inhumane purposes. Based on the same Kursweil's predictions, it can be concluded that for the majority of the population, there is no need to consciously create and maintain self-programmed robots, only the richest 1% of the population will have unlimited conveniences and technologies for life. Isa is considered sufficient. Therefore, among such limiting factors, in our opinion, the following can be included: Cyclical description of economic development, in the years after the global economic crisis, GDP growth and labor productivity decrease are observed in various countries; Despite the continuous introduction of digital technologies, their use among company employees cases of lack of skills are observed very often. On average, 25% of employees in enterprises use ordinary office software, and 40% do not have the skills to use it effectively. The supply of ICT specialists in the labor market is increasing, but at the same time, the demand for them is growing faster; the relatively high cost of robots and the need to attract significant investments for their use, the rapid improvement of robotization processes, the development of robots will lead to the cheapening of production. For example, a robot welder cost \$182,000 in 2005, \$133,000 in 2014, and according to predictions in 2025, its value may be \$103,000; The fact that some technologies are not viable. The ability to develop a particular technology may not always be seamless and the same as its ability to operate. In this regard, it can be assumed that some technologies will be abolished; Social rejection. Humans need social life, not every individual wants to be surrounded only by robots and computers, which is why they can be a threat to certain segments of society. According to the Russian scientist R. Kapelyushnikov, there is no need to talk about mass unemployment in the long term. He stated: "due to the cooperative action of various market mechanisms, new technologies can partially and completely compensate for the labor-saving effect of the initial period, or even greatly strengthen it, so that the total number of jobs in the economy compared to the situation of the initial period the number will not decrease, but may even increase<sup>10</sup>. Based on these trends, the role of high technologies in the service sector, which is based on knowledge and science and is its source, will increase for a long time, that is, for a long time, it will be one of the main directions of employment due to the concentration of highly skilled labor in them. especially in the fields of industrial, professional, scientific, business, technical, informational, educational and medical services.

The highly skilled service industry has the potential to create even more new jobs under the influence of new technologies. At the same time, the growth of labor productivity in a number of service sectors has a positive effect on the dynamics of employment in other sectors of the economy. According to M. Porter and J. Happelman, under the influence of smart technologies, "... new networks, new services and new tasks will appear, and this will help more people find their place in the economy." These and other transformations of social development spurred the expansion of service industries, which, due to their high differentiation and diversity, covered almost all sectors of society.

The share of the service sector in the economy of developed countries is 70% or more. In the USA, France and Great Britain, this indicator is more than 78%. Germany is a country with a developed industrial production and service system. As for the economy of developing countries, more diverse processes can be observed. For example, the share of the service sector in Brazil is 71.2%, which is close to the importance of developed countries, and China and Korea are distinguished by a significant share of industrial production. Thus, the share of the service sector in China increased by 48%, and in Korea by 60%. In this period, the share of the service sector in the economy of the Republic of Uzbekistan is 38.6% and has a steady growth trend. High-tech service industries (ICT, professional, scientific and technical services, education and healthcare) have the most important influence on the economic growth of developed countries, contributing to their GDP growth. Its contribution ranged from 34% to 44%

during the period. The education and healthcare sector takes the leading place in this indicator in developed countries. In most developing countries, the largest contribution to GDP is made by traditional service industries. At the moment, the share of the service sector in the gross domestic product in developed countries exceeds 80%, and the share of this sector in the corresponding employment exceeds 70%.

The rapid development of the service sector in the Republic of Uzbekistan depends on various trends characteristic of developed countries. First of all, technological changes in production should be noted as a factor in the development of service industries. The introduction of information and communication technologies (ICT) has led to the complexity of business processes in the industry, as a result, it has created the need for high-tech production to provide new high-quality services. caused the emergence of new types of services, changes in organizational and management models, and widespread introduction of new methods of service delivery. Competition in the economy and the need to reduce production costs in enterprises have motivated the separation of some types of activities into separate sectors, which is manifested in the widespread use of outsourcing practices by large vertically integrated companies in order to save resources and increase the efficiency of production in enterprises. Professional financiers, lawyers, accountants. , marketers, advertisers, designers, engineers and other specialists increasingly act as external agents of production and contribute to increasing the competitiveness of companies by developing strategies and directions for their development by rationally managing their assets and protecting the company's property and know-how depending on the market situation. adding A distinctive feature of the dynamics of the development of the service sector in the Republic of Uzbekistan is that the share of the service sector in GDP has decreased from 49.0% in 2010 to 38.6% by 2021.

This is the result of the transition of the State Statistics Committee of the Republic of Uzbekistan to a new methodology for calculating GDP in 2018. It can be seen from the picture that structural changes are taking place in three areas of the national economy during the research period. In it, the share of agriculture is decreasing, and the share of industry and service sectors is increasing. However, in this growth, the service sector is taking place at a high level, which corresponds to the global trend. With the adoption of the decree of the President of the Republic of Uzbekistan on October 5, 2020 on the strategy "Digital Uzbekistan - 2030", the next two implementation of more than 280 projects on digitization of management, production and logistics processes in the regions of our country and enterprises in the real sector of the economy and about 2.5 billion. it is planned to attract dollar investment. As a result, households in each settlement will have access to the Internet at a speed of at least 10 Mbit/s<sup>14</sup>. As a result of the priority development of the "information and communication" sector in Uzbekistan, the gross added value created in the sector has doubled since 2016, from 4.4 to 8.8 trillion. up to soums, the volume of services rendered in the "information and communication" economic activity increased by 2 times, from 6.3 to 12.9 trillion. increased to soums.

In 2021, the share of the service sector in the gross investments spent on fixed capital is 30.7%, i.e. 50314.7 billion. amounted to soums. As part of the implementation of targeted network programs, a large volume of investments was directed to the reconstruction of road transport and telecommunication infrastructure, as well as housing construction. Housing construction occupies an important place in the structural structure of investment in fixed capital in the service sector. The share of this sector increased from 14.7% to 16.2% in 2010-2021. Modern model houses being built for residents in the regions of our country make up the main share. To this, the President of the Republic of Uzbekistan dated January 11, 2012 No. PQ-1683 "About the first measures to implement the multi-tranche financing program of the

project "Development of housing construction in rural areas" with the participation of the Asian Development Bank 16. The share of investments in transport and communication, which is the lifeblood of the economy in the service sector, is 13.2% on average in 2021. The main part of these investments was directed to the construction and electrification of railways, the modernization of the Uzbek national highway, as well as the development of modern communication networks. Today, in the economies of developed countries, consumer demand is becoming more and more individualized. The growing needs of the society and the requirements for the quality of the services provided to it will lead to an increase in the number of qualified and well-skilled personnel, the differentiation of services, and at the same time, health care and in the fields of education, culture and entertainment, such as film production, museums, theaters, mass media, etc., is encouraging the introduction of high-capacity information and computing technologies. Today, science and innovation have gained great importance in the development of the service sector, especially in high science-intensive industries, and are becoming an integral part of it.

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