



DEVELOPMENT OF THE SERVICE SECTOR IN THE DIGITAL ECONOMY: THEORETICAL AND METHODOLOGICAL ISSUES

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-----ABSTRACT-----

The article analyzes the role and place of the service sector in the transformation of economic systems in the direction of their digitalization. Particular emphasis is placed on the development of information services, the use of modern digital technologies as a condition for a qualitative change in socio-economic systems. The article examines the backbone role of the service sector in the development of science and in the economic life of society at different levels of economic management.

KEYWORDS: *servicing of economic systems, service sector, information services, digital economy, human capital.*

INTRODUCTION

Scientific and practical research in the field of the digital economy is carried out on an ongoing basis and is necessary for the deepening and development of technologies, as well as for increasing the efficiency of the economy of the Republic of Uzbekistan. The problem of the development of the digital economy and the introduction of technologies remains actively discussed, since a unified theoretical and methodological base for the study of this area is only being formed and has not been fully worked out.

In the message of the President of the Republic of Uzbekistan Sh. Mirziyoyev to the Oliy Majlis dated December 28, 2018, it was noted: "... we should start developing in 2019 the National Concept of the Digital Economy, which provides for the renewal of all spheres of the economy based on digital technologies, and on this basis, implement the program "Digital Uzbekistan-2030".

In modern conditions of economic development, the service sector is becoming a key element at all levels of economic policy. Today, this area can rightfully be called a hypersector of the economy, which includes all types of services provided both on a commercial and social basis.

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The final result of such activities is not a finished product, but the provision of services that can be provided not only to enterprises, but also to individuals - end consumers.

The priority directions and tasks in the development of the service sector in the Republic of Uzbekistan for 2016-2020 [1] were the following:

- increasing the gross domestic product due to the development of the service sector, bringing its share in the republic's economy to 48.7 percent;
- growth of services in rural areas by 2020 by 1.8 times;
- creating conditions for the accelerated development of the service sector, structural transformations through the development of engineering and communication, road transport infrastructure, the introduction of modern information and communication technologies in the industries;
- forming a competitive environment, promoting the development of small and private businesses;
- expansion of various innovative services, new means of communication;



-providing the technical capabilities of the population's accessibility to the telecommunications network, providing high-quality services on their basis, a complete transition to digital telephone and television systems, bringing the share of communication and informatization services in the republic's economy to 2.5 percent by 2020;

-development of financial services with the introduction of the latest electronic, payment technologies;

- further development of high-tech services in the health sector.

As of January 1, 2020, the total number of operating enterprises and organizations in the republic reached 427.2 thousand units.

In total, 281.1 thousand units were involved in the service sector. Compared to the same period in 2019, their growth increased by 22.7%. As of January 1, 2020, the share of enterprises and organizations operating in the service sector amounted to 65.8%. The share of functioning enterprises and organizations engaged in information activities and providing communication services is 3.0%.

As part of the implementation of the Program for the Development of the Service Sector, business entities were provided with significant amounts of soft loans for technological equipment of newly created service enterprises. In the total number of enterprises and organizations providing services, small businesses took 76.2%.

Currently, the activities of small businesses contribute to sustainable economic growth, job creation, income growth and ensuring the well-being of the population.

They have become an integral and important part of the national economy, transformed into a leading force for solving many economic and social issues, developing the service sector, and ensuring a prosperous life for people. In the total number of operating small businesses, the share of those employed in the service sector reached 59.6% [2].

In the economic policy of the state, particular importance is attached to the development of modern types of services, for example, such as information and communication types of services (cellular communications, Internet, digital television, etc.).

The increasing complexity of technologies and the sectoral structure of the service sector, improving the quality and variety of the product, as well as the advanced development of science-intensive service industries will further contribute to the efficiency and competitiveness of enterprises, organizations and farms, as well as raise the living standards of the population.

MAIN PART

The digital economy is a global socio-economic phenomenon of a systemic nature. Therefore, business entities of almost all sectors of the economy cannot avoid digitalization of not only technological processes, but also business processes [3].

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The modern economy is a set of functioning economic systems of various types and levels, interconnected in one way or another, interacting with each other. Such interactions take the form of services and, mainly, information services.

Thus, economic systems function in the economic environment and, mainly, in its main structural component - in the service sector. The service has different forms of manifestation, which correspond to different definitions and forms of their interpretation. A service is often viewed, on the one hand, from the perspective of a process approach, especially in management and marketing; on the other hand, in the economic activity of business entities as a type of economic benefit: as a resource and as a result of labor activity in an intangible form. In turn, this result can be the final - consumed by the end user, and intermediate - used as an intermediate product, as well as a resource necessary for further use in the production process [4].

In any economic system, the production relations between economic agents regarding production, distribution, exchange and consumption play a key, fundamental role. In all economic systems, production requires the use of economic resources in the form of services, and the results of economic activity in the form of produced services are consumed as final products.

Economic systems differ from each other in economic relations between business entities, which are determined by a number of elements - relations to property, economic mechanism, socio-economic relations, organizational and legal forms of management, a system of incentives and motivations for economic agents. The



links between economic agents take the form of certain material and non-material services. In the context of the digitalization of the economy, the processes of production and consumption of services operate on the basis of the use of digital technologies, and the services themselves, in most cases, are informational.

In economics, there are many definitions of the concept of "service". In economic activity, in contrast to managerial activity, a "service" is a type of product and therefore is not a process, but a result of labor activity, which is created in an intangible-material form. This also explains the fact that the financial and economic assessment of a service is not an assessment of the process of its production and consumption, but an assessment of the result of the activities of the relevant entities producing and consuming services.

A service can be a public and private good, act as an economic resource and result of activity, be an independent product and act as an integral part of it, stimulate and restrain the production and consumption of something, be an object and subject of management of socio-economic systems and processes, be a commercial and non-profit.

Conducting a financial and economic assessment of a service as a result of an entity's activities is often a very difficult task. First, the process of providing services often precedes their financial and economic assessment. Secondly, the close technological interconnection of the structural elements of the reproduction of a product in material and material form, which includes services as components, complicates or makes impossible this assessment.

Services play a qualitatively different role in shaping the macroeconomic indicators of national economies. This is due to the fact that a service can act as an independent resource and product and therefore be able to be taken into account by economic statistics, or it may not be such - to play a supporting role in the process of consumption of the main factors of production or the creation and delivery of a product to the consumer.

Thus, the organized accounting of services is not absolutely continuous and comprehensive. This means that, acting as an object in some economic processes, and as a subject of management in others, services "dissolve", partially falling into the "shadow" economy. This fact is objective and logical: services are not always completely independent in relation to other elements of socio-economic processes and, as a consequence, have an independent substance. In the latter case, they cannot be researched in isolation from the main resource or product.

The concept of "economic system" is determined depending on the representatives of which economic school it is given. It is well known that, in accordance with neoclassical economic theory, the main problem of the economy is the scarcity of resources from the perspective of the individual as a consumer, and the main elements of the economic system are households, enterprises, and the state.

In order to consider the role and place of the service sector in the three-level scheme "socio-economic system - service sector - individual", the person and the service sector are artificially identified as the first and second levels, which are essentially elements of the socio-economic system. They interact with each other, as well as with other elements of the system.

The role of the service sector in the development of human capital is very significant. The service sector functions at all levels of economic management. It has a direct and indirect impact on economic systems and, in particular, on the development of individual and total human capital.

Within the framework of the functioning and transformation of socio-economic systems and, in particular, their special element - the household sector, a special place and role belongs to the service sector.

In all types of economic systems, economic agents interact with the service sector, thanks to and through services, and in the digital economy, mainly information services.

The economic theory of post-industrial society, based on the theory of technological structures, assigns a special role to the sphere of non-material production. The service sector in economic systems is considered as their main structural component.

In the information economy, the production of a service and its consumption may not coincide in time. The processes of servicing the economy begin to function not only in real time, but also in a virtual way on a remote basis. The well-known property of a service "the inseparability of production and consumption" is deformed and becomes a non-absolute property characteristic of services in general.

The service sector plays a coordinating role, linking the elements of the economic system with each other. In an economic system of this or that type and level, it plays a system-forming role, carrying out the movement of the economic system in the direction of its development. The latest conclusions provide grounds for determining one of the most important characteristics of the economic system - its servization, which is characteristic of any type of modern society and any economy, regardless of national characteristics [5].

The service sector acts as a central link in solving the problem of public choice, mitigating and overcoming global economic problems, determining (from the point of view of socio-economic development) the optimal relationship between the plan and the market, achieving the goals of increasing the quality of life.



The development of economic systems has always had and will have a material basis. Material production is the economic basis for the development of the economic organization of society. At the same time, the service sector plays an intellectual and organizational-coordinating role [6].

In the conditions of a modern market economy of a mixed type, including that characteristic of the Republic of Uzbekistan, the state should effectively regulate the economy. The effectiveness of the country's economic model largely depends on this. It should be emphasized that the processes of state regulation of the economy take place in the service sector and through the corresponding services. Moreover, the main features of a mixed market economic system: strengthening of intersectoral, intersectoral, interregional ties, preserving the role of the state in the social sphere, accelerated development of industrial and social infrastructure, humanization of the economy, growth in investment in human capital, development of creativity in labor activity, informatization processes and etc. manifest themselves in the service sector and through related services.

There are several models of state support for small and medium-sized enterprises, including innovative entrepreneurship. The main ones are two models: liberal, which is based on the insignificant influence of the state in the activities of small business, and socially oriented, with a significant degree of state regulation.

The main and most significant measure of state support for small and medium-sized businesses is financial support, which includes: subventions and subsidies (to budgets of all levels); budget credits, loans, loans; state and municipal guarantees; special taxation regime.

One of the important criteria for assessing the effectiveness of state support for small and medium-sized innovative businesses is to determine the speed of obtaining the necessary permits (certificates) for high-tech products manufactured by small businesses, as well as the amount of funds released, directed to direct subsidizing of these costs. Also, one of the criteria for assessing the effectiveness of state support should be such an indicator as the dynamics of the share of export earnings of small and medium-sized businesses in the earnings of small businesses as a whole. This criterion will indirectly assess the growth of innovation in small businesses.

CONCLUSIONS

In general, to assess the effectiveness of state support for small and medium-sized innovative entrepreneurship, it is possible to recommend supplementing simple quantitative criteria (number of employees, revenue, etc.) with relative ones, such as: revenue per employee; share of export earnings; the average share of consumers of small and medium-sized businesses from other regions; share of R&D costs in total revenue.

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