

Article

Ways to Support and Effectively Develop the Service Sector In the Digital Economy

Mamurjon Abdivoxidov Avaxxon o'g'li¹

1. Independent researcher of Samarkand Institute of Economy and Service.

* abdivoxidovmamurjon@gmail.com:

Abstract: The article emphasizes the role of digital technologies in effectively developing the service sector. Given the digitalization of our country's economy, the article argues that a regional approach is crucial for evaluating the development of the service sector and formulating effective management decisions. Specific recommendations and suggestions are provided for implementing a comprehensive approach to developing service sectors in the context of digital economies within different regions.

Keywords: Digital economy, service industry, digital service, economic activity, digital technology, services, market services.

1. Introduction

In the researches that are being carried out on the development and improvement of the efficiency of the service sector in the conditions of the digital economy in the world, the connection of the service sector with the quality of life of the population and the development of the regions, ensuring its mobility based on the digitization of service processes, its competitiveness while improving the quality of services issues of provision are considered as a priority. As part of the ongoing research, scientific research in areas such as expanding the geography of services based on the possibilities of the digital economy, expanding the types of services in the conditions of the digital economy, and priority development of the industry are gaining importance.

Special attention is paid to the issue of improving the organizational and economic mechanisms of the development of the service sector in the formation of the digital economy in New Uzbekistan. In the development strategy of New Uzbekistan for 2022-2026, "through the development of services and service sectors in the regions, the volume of services will be increased by 3 times in the next 5 years and a total of 3.5 million new jobs will be created in this direction. create" tasks have been defined. Accordingly, expanding the types of services in the republic on the basis of digital and innovative technologies, justifying the parameters of the organization of "digital services" and improving the indicator system for evaluating the behavior of service consumers, establishing specialized clusters, providing services it is desirable to further deepen the scientific researches in directions such as the development of the forecast parameters of the display areas.

The development of the service sector is of significant socio-economic importance and makes a significant contribution to economic growth, employment and improvement of the living standards of the population. The directions of development and state support of the service sector in Uzbekistan are determined according to the current legislation. However, only the mechanism of state support for the development of this sector is not enough. Its share in GDP was 42.2% in 2022. Also, the service sector is the main part of the employed in economically developed countries. Today,

Citation: M.Abdivoxidov Ways to support and effectively develop the service sector in the digital economy Academic Journal of Digital Economics and Stability 2024, 37(4), 87-93.

Received: 4th Sep 2024Revised: 11th Sep 2024Accepted: 28th Sep 2024Published: 23th Oct 2024

Copyright: © 2024 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license

(<https://creativecommons.org/licenses/by/4.0/>)

38% of the population employed in the economy of Uzbekistan belongs to the service sector¹. It can be seen that the importance of the service sector in the economy of our country is not sufficient. This means that it is necessary to determine the directions of effective development of the service sector.

Literature review. Sources that study the socio-economic nature of the service sector provide different interpretations of the concepts of service or service. In this regard, the Russian scientist V.I. Dal's dictionary interprets the concept of service as follows provided: service, help, privilege, support, to please, to fulfill one's desire². Shuningdek, S.I.Ojegov tahriri ostida chop etilgan rus tili gramatik lug'atida "xizmatlar" bu "naf, foyda keltiradigan harakat, boshqalarga yordam deb hisoblanadi"³ degan fikr ilgari surilgan. Mazkur lug'atlarda keltirilgan talqinlar mohiyati jihatidan, o'xshash va bir-birini to'ldiruvchi mazmuni ifoda etgan bo'lib, hozirgi raqamli iqtisodiyot elementlari va vositalari singdirilmagan.

The essence of the service concept is interpreted by the American economist F. Kotler in his book "Fundamentals of Marketing" as follows: "services are an act performed to satisfy one's own interest in the process of selling an object, to obtain a certain benefit."⁴ continuing his opinion, he believed that "services in production may or may not be dependent on material goods".

In other sources, service is treated as an activity. For example, V.I. Shiray: "Service is the activity of purposeful work that satisfies some need of an individual person or the whole society, the results of which are embodied in effective profit."⁵ In one of the approaches in this context, the economic essence of service activity is to find and introduce new types of services in various sectors of the national economy in order to satisfy consumer demand.⁶, it is stated that.

The famous marketer-theoretician T. Levitt: "Any industry, whether it is big or small, provides invisible services."⁷, - says. Continuing T. Levitt's opinion, F. Kotler explains it as follows: "Actually, the customer, who is considered a buyer of goods, buys a service in the form of goods offered to him. In the end, it all boils down to service," he explained. V. E. Nikolaychuk said: "Services are created in all spheres, but tangible goods are not created in all spheres (banking, transport, consulting, etc.)"⁸.

The service sector is important in the system of developing economic relations. This field is rapidly developing under the influence of globalization and the digital economy, covering all aspects of our social life. As a result, it leads to fast, cost-effective and high-quality provision of service processes in the conditions of strong competition. Therefore, many factors and problems of the development of this field are being studied. In particular, issues of effective use of resource potential in the service sector⁹, increasing the volume of service and factors influencing it¹⁰, the impact of innovation and digital transformation on the service sector and opportunities for their use¹¹, Also, the impact of market segmentation and targeting on the volume of service provision, issues of increasing market share by providing customized services for different segments were studied as research objects.¹².

It is known that scientific approaches to the effective development of economic sectors have been studied in different ways. Various methods, tools and models for ensuring effective economic growth have been developed through such approaches. Based on their study, it is possible to form methodological approaches to effective development specific to economic sectors.

¹ O'zbekiston Respublikasi Statistika Agentligi ma'lumotlari asosida muallif hisob-kitobi

² Даль В.И. Толковый словарь великорусского языка. 2-е изд. М., 1882. Т. IV. С.512

³ Ожегов С.И. и др. Грамматический словарь русского языка. –М.: Русский язык. 1991. –432стр

⁴ Kotler F. Marketing-menedjment. Ekspres-kurs. – 2-ye izd.: Per. s angl.; pod red. S.G. Vojuk. – SPb.: Piter, 2005. - S. 301

⁵ Ширай В.И. Мировая экономика и международные отношения: Учебное пособие. –М.: Дашков И. К.2003. С.226.

⁶Хайруллина Д.Р. Повышение эффективности управления развитием малых предприятий сферы услуг: дис. канд. экон. наук: 08.00.05. – , 2014. – 230 с.; Рыночное предпринимательство: Теоретические основы и практика регулирования. Учеб.пособ. – М., 1994; Закирова И. Р. Методический инструментари оценки конкурентного потенциала сервисного предпринимательства // АНИ: экономика и управление. 2016. №4 (17). URL: <https://cyberleninka.ru/article/n/metodicheskiy-instrumentariy-otsenki-konkurentnogo-potentsiala-servisnogo-predprinimatelstva> (дата обращения: 18.01.2020).

⁸ Составлено по кн.: Николайчук В.Е. Маркетинг и менеджмент услуг // Деловой сервис. СПб.: Питер, 2005. С.608.

⁹ Ережепова Б. А. Хизматлар соҳаси ресурс салоҳиятидан самарали фойдаланишда аёллар бандлигини таъминлашнинг аҳамияти //Конференка. – 2022. – С. 155-160.; Слуцкер В. И. О понятии «Эффективный экономический рост» // Промышленность: экономика, управление, технологии. 2006. №12. УРЛ: <https://kyberleninka.ru/artikle/n/o-ponyatii-efektivnyy-ekonomicheskyy-rost> (дата обращения: 23.05.2024); Парниева М. М. Ахборот технологиялари соҳасида илмий техникавий инновациядан самарали фойдаланиш хусусиятлари //Академик рессеарч ин эдукационал скиэнкес. – 2021. – Т. 2. – №. 4. – С. 985-1000.;

¹⁰ Fitzsimmons J. Service management: operations. – Irwin/McGraw-Hill, 2011.;

¹¹ Zeithaml V. A., Bitner M. J., Gremler D. D. Services marketing: Integrating customer focus across the firm. – McGraw-Hill, 2018.

¹² Kotler P. et al. Marketing management 14/e. – Pearson, 2014.

Recently, in the conditions of the digital economy, new theoretical views on the content of service activities are being formed. It has been scientifically proven that the digital economy is a new direction of economic theory, in particular, neo-institutional theory.¹³ Digital transformation processes or new information and communication technologies primarily lead to the reduction of transaction costs. Reducing transaction costs is the main idea of the institutional theory. Based on this approach, digital technologies play an important role in the effective development of service activities. Based on these, it is possible to give a definition of the concept of effective development suitable for service activities. According to him, effective development of the service sector in the context of the digital economy means ways to achieve the goals and sustainable results in the service sector through the optimal use of digital technologies and human resources.

Research Methodology. In researching the ways of effective development of the service sector, we first started by studying the socio-economic essence of the concept of "service". Because recently the term "service" is becoming one of the most common concepts in our social life. For this purpose, various explanations regarding the categories of "service" and "service provision" were studied in scientific sources. 121,000 sources were found using the keywords "service", "service", "digital service" from the Google search engine. The essence, definition and different aspects of the concept of "service" in the most cited sources were studied.

Analysis and results (Analysis and results).

One of the important directions of state support for the service sector is Public-Private Partnership (PPP) models, and projects implemented in this form can be effective in various fields. In this regard, international experience shows that infrastructural projects in the service sector, in particular, the construction of roads, bridges, transport systems, airports and railways, when implemented in cooperation between the public and private sectors, have brought effective results.

Projects in the field of educational services can also be developed in cooperation with private investors. Because public-private partnership projects in the field of education are very effective, and the construction and management of educational institutions through the private sector is accelerated. In these directions, the private sector directs its funds and provides modern education services with the regulatory and legal support of the state. At the same time, private capital and state resources together help the country's development.

Public-private partnership (PPP) is highly effective in the field of education. Because such a model of cooperation combines the resources of the public and private sectors to improve infrastructure and services in the field of education. In the field of education, it is possible to build new schools, universities and vocational training centers through PPP and equip them with modern technologies. In this process, if the private sector improves the quality of education through material resources and innovative approaches, the state supports it in terms of regulations and legislation. As a result, with the creation of new educational institutions, the improvement of the quality of education, the emergence of new opportunities for students, and the adaptation of education to modern requirements are ensured. In addition, through PPP models, there will be an opportunity to reduce state costs and direct state resources to other strategic tasks. The mutual benefits achieved as a result of such cooperation can be seen in the diagram below (Table 1).

According to the public-private partnership (PPP) model in the field of educational services, the public sector (funding and regulation), the private sector (investment and management expertise) and the synergistic effect achieved through this cooperation (developed infrastructure, improved modern education programs and increasing coverage with education) is represented (Table 1). It can be seen from these that it is possible to implement innovative educational models and improve the quality of educational services through cooperation between the public and private sectors in the field of educational services. Based on the same approach, it is possible to evaluate the

¹³ Тожибоева Дилором РАҚАМЛИ ИҚТИСОДИЁТ ИНСТИТУЦИОНАЛ НАЗАРИЯНИНГ ЯНГИ ЙЎНАЛИШИ СИФАТИДА // Экономика и финансы (Узбекистан). 2021. №1 (137). URL: <https://cyberleninka.ru/article/n/ra-amli-i-tisodiyot-institutsional-nazariyaning-yangi-y-nalishi-sifatida> (дата обращения: 02.10.2024).

synergistic effect in the interests of society in other sectors of the service sector. Our opinion in this regard is confirmed by a number of research results¹⁴.

Table 1.

Synergistic effect of public and private sector cooperation in the field of educational services in the digital economy¹⁵

Public sector	Synergistic effects (common benefits)	Private sector
Sources of state funding	developed infrastructure	Private investment
Regulation (development of legal norms)	extended educational programs advanced teaching methods and innovative models	Modern management system
State educational institutions	increasing coverage with education through distance learning	private educational institutions

Based on this, special attention is being paid to ensuring effective cooperation between the public and private sectors in our country in the following years. In particular, PQ-5071 of the President of the Republic of Uzbekistan dated April 12, 2021 "On additional measures to develop public-private partnership in the field of preschool education" and "Preschool education" dated September 27, 2023 "On additional measures to further support public-private partnership in the field of construction" became important in the implementation of PPP projects in this field.

The analysis of the volume of services provided by the main types of economic activity in our country in 2014-2023 shows that if the volume of communication and information services increased during the years 2014-2019, then during the years 2020-2023, the volume of services in the field of education will increase. an increasing trend was observed in the volume of services. We think that the observation of such regularity is connected with the characteristics of the economic period. Because in 2014-2019, special attention was paid to the development of computerization and information technologies in the economy of our republic. As a result, the period of growth in the volume of communication and information services (2014-2019) began to be observed. We can see that such a development impulse had a direct impact on the development of educational services in 2020-2023 and had a multiplier effect (Picture 1).

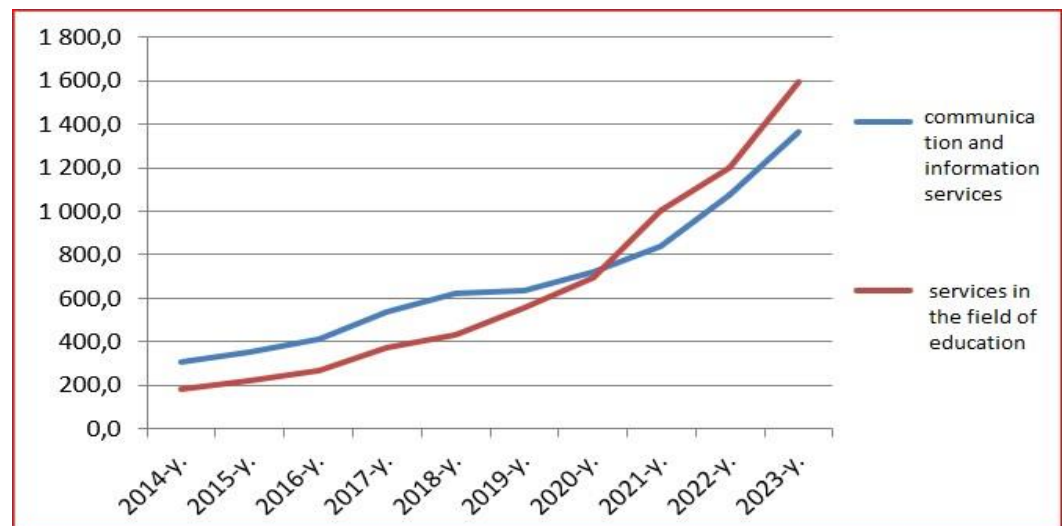


Figure 1. The volume of services provided in the field of communication and information and education in Uzbekistan in 2014-2023 (billion soums).

Such a specific development trend observed in the service sector confirms that the digitalization of the economy is directly manifested in the development of communication and

¹⁴ Утемуратова Г. Х. Хизмат кўрсатиш соҳасида давлат-хусусий шерикчилигининг шакллари, моделлари ва механизмлари // Экономика и финансы (Узбекистан). 2021. №10 (146). URL: <https://cyberleninka.ru/article/n/hizmat-k-rsatissh-so-asida-davlat-hususiy-sherikchiligining-shakllari-modellari-va-mehanizmlari> (дата обращения: 11.10.2024); Омонов Ш.Б. Хизмат кўрсатиш соҳасида давлат – хусусий шерикчилиқни ривожлантиришнинг ташкилий – иқтисодий механизмлари. Иқтисод фанлари бўйича фалсафа доктори (PhD) диссертацияси автореферати. Самарқанд, 2024 й, 32 б.

¹⁵ Муаллиф томонидан ишлаб чиқилган

information services, and has led to the growth of services in the field of education. It can be concluded that a similar situation can be observed in the development of other industries. This aspect of the matter can be considered as a task for other studies.

Conclusions and recommendations (Заклучение и предложения Conclusion/Recommendations). Based on the research of the role of digital technologies, strategies and foreign models in the effective development of the service sector, the following conclusions were reached:

- the digital economy changes the traditional methods of providing services, making them more efficient, convenient and customer-oriented. Accordingly, the digitization of the economy has a significant impact on the development of the service sector, which is evident in the rapid introduction of innovations into the sector, the acquisition of effective business partners and customers, and the strengthening of the competitive environment;

- aspects of the impact of the acceleration of the digital economy on the service sector in the following forms were studied:

- the emergence of digital platforms and online services provides consumers with convenient ways to use services. Restaurants, hotels, taxis, food delivery services and many other businesses will now have convenient ordering and payment options through mobile apps or websites;

- analysis of consumer data allows companies to achieve priority in providing individual services. In this case, the previous purchase of services or the preferences of customers is considered as an important criterion;

- mobile applications and chatbots facilitate communication between service providers and customers. They can provide 24/7 service to process orders, provide information and resolve issues;

- in the digital economy, the needs for payments, virtual cards, and the use of innovative technologies that increase security and convenience will increase;

- with the help of a large database (analysis) to improve the quality of services, enterprises can manage their resources more effectively, optimize service processes and provide high-quality services;

- the use of artificial intelligence makes it possible to automate a number of service tasks, for example, chatbots to manage customer inquiries or reservation systems to optimize planning, etc.

REFERENCES

O'zbekiston Respublikasi Prezidentining 2019 yil 17 yanvardagi 2017 — 2021 yillarda O'zbekiston respublikasini rivojlantirishning beshta ustuvor yo'nalishi bo'yicha harakatlar strategiyasini «Faol investitsiyalar va ijtimoiy rivojlanish yili»da amalga oshirishga oid davlat dasturi to'g'risidagi PF-5635-son Farmoni.

O'zbekiston Respublikasi Prezidentining 2022 yil 27 yanvarda "Xizmatlar sohasini rivojlantirishga oid qo'shimcha chora-tadbirlar to'g'risida"gi PQ-104-son Qarori.

O'zbekiston Respublikasi Prezidentining "2022-2026 yillarga mo'ljallangan yangi O'zbekistonning Taraqqiyot strategiyasi to'g'risida"gi 2022 yil 28 yanvardagi PF-60-son Farmoni - www.lex.uz.

Fitzsimmons J. Service management: operations. – Irwin/McGraw-Hill, 2011.;

Zeithaml V. A., Bitner M. J., Gremler D. D. Services marketing: Integrating customer focus across the firm. – McGraw-Hill, 2018.

Kotler P. et al. Marketing management 14/e. – Pearson, 2014. Ширай В.И. Мировая экономика и международные отношения: Учебное пособие. М.: Дашков И. К.2003. С.226.

Составлено по кн.: Николайчук В.Е. Маркетинг и менеджмент услуг // Деловой сервис. Спб.: Питер, 2005. С.608.

Ўзбек тилининг изоҳли луғати: 80000 ортиқ сўз ва сўз бирикмаси. Ж. III. // Таҳрир ҳайъати: Т.Мирзаев (раҳбар) ва бошқ. ЎзР ФА Тил ва адабиёт ин-ти. - Т.: "Ўзбекистон миллий энциклопедияси" Давлат илмий нашриёти, 2006. - 434-бет.