DEVELOPMENT OF THE SOCIO-ECONOMIC ROLE OF SERVICE INDUSTRIES AND THEIR IMPACT ON THE STANDARD OF LIVING OF THE POPULATION.

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Abstract. *This article examines the service sector as an important factor in ensuring employment, sustainable economic growth, and improving living standards in the country. The study's results show that the service sector's share of GDP does not meet current global standards, and is significantly lower than in economically developed countries. However, the service sector is currently developing at a relatively rapid pace in Uzbekistan.*

Keywords: *service sector, employment, standard of living, high-tech services, business services, innovation activity.*

Annotatsiya. *Ushbu maqolada xizmat ko‘rsatish sohasi respublikada bandlikni ta’minlash, barqaror iqtisodiy o‘sish va aholi turmush darajasini oshirishning muhim omili sifatida ko‘rib chiqiladi. Tadqiqot natijalari shuni ko'rsatadiki, xizmat ko'rsatish sohasining yalpi ichki mahsulotdagi ulushi hozirgiga to'g'ri kelmaydi Jahon standartlariga ko'ra, bu ko'rsatkich iqtisodiy rivojlangan mamlakatlarga qaraganda ancha past. Biroq hozirda O‘zbekistonda xizmat ko‘rsatish sohasi ancha tez sur’atlar bilan rivojlanmoqda.*

Kalit so'zlar: *xizmat ko'rsatish sohasi, bandlik, turmush darajasi, yuqori texnologiyali xizmatlar, biznes xizmatlari, innovatsion faoliyat.*

Аннотация. *В статье рассматривается сфера услуг как важный фактор обеспечения занятости, устойчивости экономического роста и повышения уровня жизни населения в республике. Результаты исследования показывают, что доля сферы услуг в ВВП не соответствует текущим мировым стандартам, этот показатель значительно ниже, чем в экономически развитых странах. Однако развитие сферы услуг в настоящее время в Узбекистане происходит достаточно быстрыми темпами.*

Ключевые слова: *сфера услуг, занятость, уровень жизни, высокотехнологичные услуги, деловые услуги, инновационная активность.*

Introduction. InAt present, the service sector is one of most promising and rapidly growing sectors of the economy.

Not long ago, interactive services such as e-banking and online shopping were little known to consumers. Today, they are an integral part of our lives. World Bank statistics show that in economically developed countries in Europe and the United States, the service sector accounts for 60%-80% of GDP [1].

The development of the service sector makes a significant contribution to overall economic growth. This sector is one of the main sources of new added value creation, the organization of the production process, the satisfaction of the population's daily needs, and, in general, the formation

and growth of the gross domestic product.

Given the socioeconomic significance of the industry today, rapid development of the service sector is considered a priority in Uzbekistan. Reforms are being implemented and specific results achieved, aimed at improving the well-being of the population in exchange for service development, increasing the volume and types of services, improving their quality, creating new jobs in the industry, and reducing poverty. Objectives have been defined for "...the rapid development of the service sector, radically changing the structure of services provided, primarily through modern, high-tech services" [2]. In this regard, it is advisable to deepen research into the further development and improvement of the service sector in Uzbekistan.

Analysis of literature on the topic. Despite the industry's rapid development and its importance in the economy, there are still varying approaches to the concept of "service." The foundations for identifying services as a result of human activity were laid by A. Smith, who viewed a service as "the result of human activity, embodied in goods and disappearing after its useful effect has been achieved." It is worth noting the scholars who have made significant contributions to the development of the service sector as an important factor in ensuring employment, sustainable economic growth, and improving the standard of living of the population in the republic. These include M. Mukhammedov, M. Pardayev, A. Saliev, M. Sharifkhodzhaeva, Sh. Ergashkhodzhaeva, Sh. Musayev, and others.

As new forms and methods of service develop and improve, the concept of "service" is enriched, and the scope of the service sector expands. Services now encompass virtually all sectors of the national economy, regardless of the type of activity. As a result of their widespread distribution, services have become a distinct and important sector of the economy.

In the last decade, services have begun to play an important role in the economic structure of industrialized countries. The boundaries between the industrial and service sectors are becoming fluid, with mutual penetration of one sector into the other [10]. For example, according to World Bank estimates, the share of the service sector in GDP in 2023 was 72.8% in the UK, 72.5% in Singapore, 71.9% in Switzerland, 69.2% in France, 67.6% in Greece, 68.5% in Spain, and 64.9% in Italy [11]. As the economic potential of this sector and its role in satisfying human needs and improving living standards grows, so does the attention paid to it.

Research methodology. The study used a systematic approach, marketing analysis, benchmarking, and digital metrics. Mass surveillance methods were used to collect and analyze data from social media platforms.

Analysis and results. Economic transformations and market reforms aimed at creating a favorable business environment, improving the legislative and legal framework for entrepreneurial activity, developing market infrastructure, and liberalizing the economy have ensured not only an increase in the rate of economic growth, but also important qualitative changes in the structure of the economy, in particular, the formation and development of a modern service sector in Uzbekistan.

If in 2005 the service sector accounted for 38.7% of GDP, then in 2023 its share increased by 4.7 percentage points and amounted to 43.4% (Table 1).

Table 1

Key indicators of service sector development in Uzbekistan in 2005–2024.

Name of the indicator	2005	2010	2015	2020	2024	In 2024 by 2005
The share of the service sector in the country's GDP, %	38.7	41.1	39.7	36.3	43.4	+ 4.7
Paid services to the population, trillion soums	1.2	27.1	78.5	218.9	470.3	391.9
Services per capita, million soums	0.062	0.9	2.5	6.4	12.9	208.1

Source: Compiled by the author based on statistical data from the State Statistics Committee of the Republic of Uzbekistan.

An analysis of the country's GDP structure by industry shows that the service sector remains the largest contributor. Significant changes in the country's economic structure have been observed thanks to measures taken to develop industrial production. While the share of industry in the country's GDP increased from 16.8% in 2005 to 26.1% in 2024, the share of agriculture, forestry, and fisheries decreased from 45.3% to 24.3% over the period 2005-2024 [12].

It should be noted that the service sector's share of GDP in the country does not meet current global standards, being significantly lower than in economically developed countries. However, the service sector in Uzbekistan is developing at a relatively rapid pace. Specifically, from 2005 to 2024, the value of paid services to the population increased 391.9-fold, reaching 470.3 trillion soums. Recently, new technologies have been actively introduced, infrastructure and education are being developed, and significant attention is being paid to supporting businesses in this area, all contributing to the rapid growth of the service sector in the country.

The growing volume of paid services in the country during the study period influenced the growth of this indicator per capita. The volume of market services provided per capita in 2024 amounted to 12.9 million soums, a 208.1-fold increase compared to 2005. Ultimately, this increase contributed to the improvement of the population's standard of living and the development of the country's service market infrastructure.

At the same time, the industry classification of the services sector shows that trade services account for the largest share in the structure of services provided by type of economic activity. In 2024, the volume of trade services amounted to 110.7 trillion soums, or 23.5%. High figures were also recorded in the sphere of transport services (108.5 trillion soums, or 23.1%) and financial services (106.4 trillion soums, or 22.6%). As of January 1, 2024, in the structure of operating enterprises and organizations related to the service sector, the share engaged in trade activities predominates (46.6%, or 182.9 thousand units) [12]. Accordingly, they occupy high positions in the structure of employment in the service sector.

Conclusion:

The results of the analysis of the development of the service sector in Uzbekistan indicate

that traditional types of services, such as trade and transportation services, dominate in the republic, while in developed and some developing countries, a large share is occupied by high-tech, knowledge-intensive services - information and communication, business, insurance, consulting, financial and others.

Therefore, it would be advisable to further develop and improve various forms of state support, stimulate the development of new types of services, and increase the innovative activity of enterprises in the service sector.

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