



## THE DEVELOPMENT OF THE SERVICE SECTOR - DEMAND TIME

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**Annotation:** This article provides information about the law of demand and its significance. Additionally, it presents data on the development of the service sector over the years and statistically in Uzbekistan.

**Keywords:** service provision, demand, supply, statistics, law, development, regulation, opposition.

Transition time is not a transition time. As is well known, thanks to a well-thought-out and consistently implemented economic policy, Uzbekistan has succeeded in formulating a market-based economic system based on a free market economy in a short period of time. The transition period is a very complex process, whether in nature or in any part of societal life, but it is difficult and painful. Even a young tree is planted in one place and sown somewhere else. The seedlings are adapted to the new environment, and their fate is at risk until the roots are established and natural development slows down. The time of adjustment to the new conditions requires the farmer to have great experience, knowledge, responsibility, and attention to strict adherence to care rules. Once the seedlings are adapted to the new conditions, they naturally grow faster, grow, grow, and become stronger than ever before.

When assessing the difficulty of a major cognitive transition period, he says, "He should save me from the transition period." Uzbekistan has experienced two transitions in one. First, the former Soviet state dissociated itself from the Red Empire and gained political and economic independence. However, it escaped the planned economic crises and replaced them with roots instead of creating mechanisms for the free market. It is difficult to objectively and adequately evaluate the extent of the country's political, social, and economic reforms and the significance of the country's historical path for the development and prosperity of the country without fully understanding the complexity of both transitions.



The transition period is not just a transition period. From a historical perspective, it is very short, but its essence is crucial to its significance. In the economic sphere, for example, the transition is a transition from one economic system to another economic system that fundamentally differs in its goals and objectives, the ways of achieving them, the economic order, laws, and mechanisms instead of establishing a new relationship system. Describing it vividly, the transition involves creating and establishing a new economic foundation. The deeper the foundation, the stronger and more robust it is, the more reliable it becomes, the stronger the future, the better for the future of the economy and the longevity of the people for the welfare of the people. It is obvious that the transition from a single economic system, i.e., from a planned economy to another economic system, i.e., free market relations, through major economic reforms, will affect the interests of all population groups, their economic status, and their standard of living. If so, the new economic order creates the conditions for economic growth in the production, ownership, exchange, and new relationships that are formed in the distribution area to the vast majority of the population, the general population, and to each member of society, to every household. The natural question of what a future person will do for their children will be repeated and repeated in all its splendor. This question will not lose its relevance and significance until the positive changes occur in the lives of all populations and groups of society and the exact causes and consequences of the transition to a new economic system occur.

Therefore, regardless of the transition period, it is a creative approach to the transition period to determine the effectiveness of the path, to make scientifically based, objective assessments, to thoroughly and scientifically analyze the accompanying errors and omissions, and to draw appropriate lessons and conclusions of theoretical and practical significance.

The development of the service sector is an important factor in forming a socially oriented market economy. As with all complex socio-economic processes, there are priorities in the transition phase, and the achievement of the goals and results of market reforms largely depends on them. One of these priorities for Uzbekistan, which has a relative surplus of labor and a difficult past, is a social sphere. Significant changes in economic policy have led to unlimited opportunities and real prospects for socio-economic development as a result of independence from the transition to political life and market relations in the country. At the same time, the new economic order brings a certain risk to the general welfare of society and its sustainability of life and work, leading to significant changes in life and uncertainties.



The market economy fundamentally differs from the administrative and command system and opens up opportunities for strong, energetic, entrepreneurial individuals. At the same time, it is unfortunate, diligent, and leads to financial difficulties and hardships for the disadvantaged. In this situation, a solid social security system and a whole range of social services are of particular importance.

Because the transition to a free market economy and the shaping of market relations in Uzbekistan are not limited to the broad opportunities and possibilities for strong, energetic, and wealthy individuals, as well as the creation of a rich, affluent, and prosperous lifestyle. All strata of the population, including other vulnerable children and youth, elderly people, sick people, and the need for external assistance, but other people have the right as humans to participate in the material and spiritual wealth created in the community, cannot be ignored by society. A system that meets these requirements is a system of socially oriented market economy, which is a modern modification of the market economy based on market demand. It helps to solve a range of problems adapted to the market system and ensures existence and life under the usual conditions of uncertainty and survival.

For Uzbekistan's current stage of development, the general priority of services, including social services, is demanded by life itself and corresponds to the long-term interests of the people. The First President of the Republic of Uzbekistan, I.A. Karimov, emphasized the necessity of a socially oriented market economy: "The path taken by Uzbekistan aims to create a market economy oriented towards the social sphere, which best corresponds to the interests, conditions, and characteristics of the country." Indeed, this marked the beginning of a significant and challenging process to establish a socially oriented market economy in the Republic.

Today, a socially oriented market economy is no longer just a motto or purpose but a system of active relationships between all state bodies and their structures, as well as a growing number of practical results for the practically practiced population and the vast majority of the population. Its main distinguishing feature is the substantial strengthening of the principles of social justice in the distribution of national income generated in the country by focusing on further development of productive forces and eliminating some of the shortcomings and deficiencies of the market economy. The transition to a market economy sets a number of fundamental new tasks on the agenda. The most important of these is the creation of a comprehensive concept for addressing new socio-economic problems and setting priorities for achieving the ultimate goal. The implementation of the idea of a socially oriented market requires, first of all, the creation of the methodological and



theoretical foundations of this issue, as well as the establishment of clear and uncomplicated, scientifically based approaches.

Formation of market-oriented social orientation The most significant structural changes in the economy, the rapid development of individual sectors and industries, and consequently their growing role in the socio-economic life of the country and in other sectors, conversely, the decline in the position of society. From a methodological perspective, the new system in Uzbekistan has two important aspects. Firstly, the new system can respond better and more accurately to the main problems of the economy, such as what, how many, and who needs to produce products and services, thereby ensuring the intensification of extended reproduction. This completely new system, unlike all previously known economic systems, aims to accelerate the growth of gross domestic product and other macroeconomic indicators in the country, generally economic growth, rarer and at the same time better quality products and services. Secondly, unlike other systems, it should create the conditions for comprehensive and effective social protection of the population, for prosperity and well-being. In this regard, the new system is oriented towards the social sphere and tends to solve many of the social problems in people's daily lives in society. Most notably, strong, energetic, self-willed, thrifty, entrepreneurial-minded individuals have a wide range of production capacities, an increase in the economy, and the benefit they create for their active participation in the economy. social welfare of the people, social protection of disadvantaged and marginalized population groups. Therefore, market opportunities in a socially oriented market economy are not only a part of the population that is either capable or active in the economy but also the rest of the stakeholders. Hence, the perfection of the new system surpasses all other socio-economic forms.

In summary, the goals and objectives of a socially oriented market economy cannot be achieved without accelerating the economic growth rate. The acceleration of economic growth, the rational and scarce use of limited resources, is determined by the fundamental nature of the market-based economy and ensured by market mechanisms (market competition, price mechanisms, etc.).

Service sector and employment. With the dissolution of market relations, there are some problems that cannot be solved by the planned economy, and the issue of rational resource utilization is also addressed. The most valuable resources of a society - labor resources are no exception. The efficient use of these resources inevitably leads to a decrease in the number of employees in the financial sector, thus increasing the number of unemployed. The problem of unemployment, caused by the



relative shortage of people employed in the labor market due to market mechanisms and their effective functioning, is solved through the development of other sectors and industries. In a socially oriented market economy, such a sector is a complex of all non-material industries, especially for the population, providing both free and paid services (social security, social insurance, trade, public catering, tourism, healthcare, transportation, communication, etc.). The experience of countries around the world, especially industrialized economies, also suggests that the role of the service sector in the social and economic life of society should be high. Japan has 59% of the world's highest human potential, 63% in the United States, 66% in Sweden, and 71% in Canada. Currently, 47.3% of all employed persons in Uzbekistan are engaged in the service sector. Given that this figure was 33.4 percent a decade ago, we are confident that this sector will continue to play an important role in addressing the employment problem.

As a result, the problem of employment in the market economy is exacerbated, however, excluded from the material industry, as well as the employment of youth. As a result of the combination of market relations and the effects of factors such as the use of new techniques and technologies in production, the establishment of labor on a scientific basis, and the link between labor productivity and wages, labor-intensive use and productivity increase. Employment with employment based on market relations therefore becomes an integral part of this activity, and it is so important that it is at the forefront of the attention of heads of state, economists, and the public. Without serious problem-solving, it is logical to say that the socially oriented market economy, financial well-being of the people, and quality of life are rational and politically meaningless. Labor and wage income are the main source of income for the population, most of which is used to sustain livelihoods and remains in the market economy. Currently, salaries in Uzbekistan account for 56% of total income. The government's consistent and consistent minimum wage policy and the policy of raising salaries of state-owned enterprises and institutions are also effective means of maintaining their leadership position in the population's income and further strengthening their role in the future.

Development of the service sector and the economy. In the context of a socially oriented market economy, the role of the service sector is not limited to creating additional jobs and employment, reducing unemployment, and preventing social unrest. It is the main source of gross domestic product (the share of the service sector in GDP is 43.2%), which is an important factor in accelerating its growth, maintaining sustainable economic growth, and intensifying production processes.





Therefore, comprehensive development of the service sector, increasing its variety, and improving its quality should become an integral part of the state's economic policy and its priority.

According to estimates by the World Bank, the share of services in GDP is expected to be 49-51 percent. As the World Bank approaches its justification, their role and significance for the socio-economic life of the country will continue to increase.

Standard of living and quality of life. In a socially oriented market economy, it is important to provide the population with an adequate standard of living, to provide services to people worldwide, and to save their time spent on cultural leisure and leisure. To address these issues, it is necessary to accelerate the development of the service sector, increase investment in this sector, to ensure diversity and high quality of services.

The service sector encompasses areas such as healthcare, mood, attitude towards work, employee productivity, satisfaction, and significantly influences the lives and development of productive forces. The development of production capacities, in turn, accelerates economic processes and fosters economic growth. Experience from industrialized countries has shown that under favorable social conditions and personal attention, increased interest in work, improvement in work quality, and consequently, labor productivity, decline in labor costs, and increased output, production time, and productivity are enhanced.

In designing a socially oriented market economy, it is not sufficient to justify or rationalize the respective place, significance, and relevance of the service sector. The rapid development of the service sector allows for the utilization of tools and methods to strengthen its role in the socio-economic life of the country, generate gross domestic product, create new jobs and positions, and improve the quality of life of the population. Mechanisms for implementation need to be developed.

The solution to the aforementioned issues should be in line with the concept of socially oriented market relations in the country. The formation of a socially oriented market economy, which is in the best interest of the population and thus enables rapid ascent in the country, makes the priority theme of developing the service sector a current issue.

The multidisciplinary and comprehensive nature of the service industry. How should the service sector be structured in a socially oriented market economy, which advanced sectors will most effectively ensure that it meets its rational and societal needs, and what mechanisms exist to achieve this goal?



It is in place. Uzbekistan has overcome the difficulties of the transition period, encountered a qualitatively new level of sustainable social growth, and an improvement in living standards. To ensure the social and economic development of the country, the state shapes its own economic policy, starting from the essence and characteristics of each stage. This policy should reflect the priorities of progress and, in turn, ensure sustainable economic growth and competitiveness of the economy in the global market. At the current stage of socio-economic development for Uzbekistan, the rapid development of the service sector and all its sectors, especially education, science, culture, and health, which ultimately promotes the well-being of the population and the socio-economic development of the country, is considered a priority of state policy. In particular, according to the decree of the President of the Republic of Uzbekistan No. PP-3815 dated June 28, 2018, the International Tourism International University "Ipak Yoli" was established to organize the system of vocational training in the field of international tourism and further develop the field of science and service development in our country. Special attention is paid to the development of the service sector, modernization, and diversification of the sector, thereby increasing the competitiveness and quality of services provided by them. It is important that Cabinet Resolution No. 55 of the Republic of Uzbekistan dated February 26, 2016, "On the Program for the Development of Services 2016-2020" was adopted to achieve the goals set forth in this regard.

The consideration of the development of the service sector and its role in the socio-economic life of the country should be regarded as a priority direction of the country's economic policy and as justification for the need to elevate this area to a new level, from the activities of every company, institution, organization to an entire network, and the adoption of the program is very important. However, the practical application of these measures, achieving the results and outcomes, is of great importance considering the science, economists, and all responsible in this field. A thorough examination of the theoretical and methodological foundations of the country's service sector at present; development of criteria and indicators for measuring the social and economic efficiency of the sector in each industry, each company, and each organization; effective utilization of state regulatory mechanisms and market mechanisms for the rapid development of the service sector, especially to ensure a balance between these mechanisms, the interconnectivity between services and material production, and the optimal proportions of their development; identification of relationships and connections between a range of macroeconomic indicators such as the service sector and economic growth, living standards,



employment; elaboration of ways to strengthen the impact of the service sector on reducing socio-economic disparities between urban and rural areas, the problems of radical improvement of employment and life in rural areas; determination of rational and scientifically practical relationships of services, especially between paid and free services in education, science, health, and culture; expansion of establishment activities due to the development and introduction of new types of services; effective utilization of scientific advances in the field of service provision and justification of the development of innovation activities of companies and other enterprises. It is not wrong to say that the economic process is the most complex process in all known processes. The reason is that a significant portion of a person's life (about 60 percent) is dedicated to the economic sphere: economic activity, production, distribution, consumption, etc. Since humans began to live consciously, they have been dealing with economic problems. Everyone in this economy is connected in some way, at any age or in any industry. Life, lifestyle, way of life, and the fate of everyone end up in the economy. Therefore, economic processes become the most complex process. It is difficult to analyze complicated economic processes and make accurate statements about their occurrence, cause, and consequences. Even worse is making the right decisions or making decisions based on published conclusions. It is right to search for the lost needle in the depths of the river. If a country has clear and accurate scientific results of its complicated economic processes and has drawn the right scientific conclusions and found the right way to develop the economy, it means that the country is developing economically and internationally. Its position in the division of labor is strengthened, thousands, millions of people live happily and happily. If the mechanisms and priorities of economic development are not properly chosen, the country will indeed face a crisis.

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