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## Improving the Structural Structure of the Service Industry by Sectors

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**Abstract:** the article considers the structure of the service sector by industry and the issues of improving these industries. The influence of social and scientific and technological progress in society on the formation of a modern service sector was also studied.

**Key words:** services, industry and sectors, structural structure, financial services, insurance and pensions, transport.

## INTRODUCTION

The level of development, scale and structural structure of the service sector today play an important role in accelerating the socio-economic development of the country. Therefore, in our republic, "rapid development of the service sector, increasing the share of services in the formation of the gross domestic product, and fundamentally changing the composition of the services provided, first of all, at the expense of their modern high-tech types" is an urgent issue.

Several scientists have implemented methodological approaches to the structure of the service sector and the issues of improving the structural structure of the service sector by sectors. These include I.V. Mekhalev, Yu.P. Sviridenko, N. Pankrateva, K. Khaksever, B. Render, R. Russell, R. We can bring Merdik.

Different spheres and branches of the economy develop in interdependence and under the strong influence of each other. In due time, the large-scale production of products in agriculture and industry required its exchange, and this process, in turn, gave a great impetus to the development of trade, that is, the network of trade services. The social and scientific-technical development in society had a decisive influence on the formation of the modern service sector, that is, the development of the service sector was realized as a result of the development of material production and in a manner closely related to it. The exchange of products is related to their direct movement from one place to another. For this, it was necessary to develop transport and transport services.

Trade is related to monetary settlements, which helped in the development of financial and banking services. The production of a large number of equipment required the establishment of their repair on a wide basis, and this field was developing rapidly. Car repair services appeared and developed under the strong influence of a number of endogenous factors. The development of science and the complexity of knowledge about the world around us led to the development of education. Due to the development of mechanical engineering and the increase in labor productivity, people's well-being increased. Their free time increased, which served to develop services in the field of recreation and tourism. In addition, the rapid development of mechanical engineering under the influence of scientific and technical progress has caused a significant deterioration of the environment and air atmosphere, causing negative consequences for human health. Accordingly, the volume of services for improving the environment, cleaning air and water resources, providing

medical services to the population, etc., has increased. Under the influence of all of the above, the types of services and the number of service enterprises in this area have been constantly increasing, and the volume of their economic activity has also grown at a high rate. As a result of all this, the service sector itself has overtaken material production in terms of product costs, and the country has made significant progress in its efforts towards a post-industrial society.

Currently, the economy of our country cannot match the indicators of the developed countries of the world in the development of the tertiary sector. Because, in order to develop the tertiary sector, the state cannot harm the development of the primary and especially the secondary sector of the economy. However, the strategy for the superior development of the tertiary sector of the economy has been developed and its implementation is one of the main tasks of our state. The reason for this is that it cannot be excluded from the objective processes of building a post-industrial society in the world. In the post-industrial society, the service sector has a direct impact on the population's health, mood, attitude to work, productivity of workers, level of satisfaction with their life and development.

In recent years, the increase in the share of the tertiary sector in the country's gross value added has led to a slight decrease in the share of the primary sector of the economy. At the same time, the share of employees in the service sector in the total number of people employed in the economy increased from 36.0 percent (2017) to 50.5 percent (in 2022) (Table 1).

Table 1. Economics of GDP and employment in Uzbekistan distribution by sectors, %<sup>1</sup>.

	Years			
Sectors	2017		2022	
	GDP	Employment	GDP	Employment
Primary	34,0	44,0	25,1	26,1
Secondary	27,9	20,0	33,4	23,4
Tertiary	38,1	36,0	41,5	50,5
Total	100,0	100,0	100,0	100,0
in economics				

As can be seen from the table, in 2022, compared to 2017, the share of the third sector in GDP in Uzbekistan increased by 3.4 points.

But this indicator is much lower than the indicator of developed countries, and this indicates that there are still opportunities for further development of the sector. It should be noted that in our country, a number of laws and decisions are being adopted in order to increase the share of this sector in the economy, to fully utilize the local opportunities, to expand the types of services and to increase their quality, and most importantly, to make this system an important driver of the economy. In particular, the decision of the President of the Republic of Uzbekistan on May 11, 2021 "On measures for the rapid development of the service sector" was an impetus for the development of this sector<sup>2</sup>.

Today, the growth of the non-manufacturing sector and structural changes in the service sector are taking place in the modern economy of many countries. This sector is becoming one of the main

<sup>&</sup>lt;sup>1</sup> Source: Compiled by the author based on the information of the State Statistics Committee of the Republic of Uzbekistan.

<sup>&</sup>lt;sup>2</sup>"Uzmilliybank" announced its plans for the development of the service sector.// https://www.khabar.uz/iqtisodiyot/ozmilliybank-khizmatlar-sohasini-rivojlandan.

sources of GDP growth and population income. In recent years, in the field of services in our country, trade services have become the most rapidly developing industry.

Trade is the link between production and consumption and contributes to the circulation of goods and money. The effectiveness of the trade sector largely depends on the level of satisfaction of the population's needs, because the sale of goods is the final stage of the population's circulation of goods<sup>3</sup>.

The development of the education system in our country has risen to the level of state policy. The task of reforming this most important sector, where the future of the state is concentrated, is being solved step by step. Development of human capital is one of the seven priorities of the strategy for the development of New Uzbekistan in 2022-2026. Goals 43 and 44 of the strategy include, among other tasks, improving the quality of education in schools, raising the knowledge and skills of pedagogues to the international level<sup>4</sup>.

Another of the main sectors of the service sector is transport, which provides the needs of transportation of people and goods, ensures the connection between producers and consumers of goods, products, services. Recently, the demand for transportation issues is increasing. The reason for this is that transport is one of the main systems of the socio-economic sphere of any country.

The financial services structure is dominated by insurance and pension services. In January-December 2022, their share was 87.9%<sup>5</sup>. In recent years, the volume and types of online banking services through remote services and mobile applications have been significantly expanding in the financial services market of our country. The processes in the financial services market were affected by the post-pandemic fluctuations in the world markets, recession observations in the financial markets, turbulent and conflicting processes.

At the same time, the rapid development of the tertiary sector and the significant increase of its share in the process of reproduction in the country will cause great difficulties, which, in our opinion, is primarily due to the unfavorable structure inherited from the administrative-territorial structures, managerial economics in three sectors. The underdevelopment of the tertiary sector in Uzbekistan is largely due to the lack of investment resources for financing very promising sectors of the service sector (for example, education, tourism, healthcare, digital economy, etc.). In our opinion, the developed education system in our country, the low level of personnel training had a very negative effect and is still causing it.

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<sup>&</sup>lt;sup>3</sup> Pykhanov D.A. Teoreticheskie aspekty razvitiya optovoy torgovli // Rossiyskoe predprinimatelstvo. 2008. No. 12, vyp. 2 (125). S. 109-113.

<sup>&</sup>lt;sup>4</sup> National Strategy for Increasing Popularity of Financial Services for 2021-2023.

<sup>&</sup>lt;sup>5</sup> Preliminary data of the State Statistics Committee of the Republic of Uzbekistan "Development of the service sector in the Republic of Uzbekistan January-December 2022".