

Main Directions of Modernization of Services in Uzbekistan

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Abstract. The essence of the notion of modernization and the specifics of service sector modernization are described in this article. The essential directions for Uzbekistan's service sector modernization are also proposed.

Keywords: service sector, modernization, development, strategy, innovative technologies.

1. Introduction

Nowadays, the service sector as an important part of the economy of the Republic of Uzbekistan, shares in GDP, as well as the growing demand for it by categories of consumers make it an objective necessity for intensive development of this sector based on the widespread introduction of digital technologies.

However, the research results show that the current level of the material and technical base of the service sector, both quantitatively and qualitatively does not fully meet modern requirements for the implementation of the digital economy. For these reasons, in our opinion, the modernization of not only the service sector and the market, but also the activities of enterprises providing various services to all categories of consumers, is one of the priorities of the future.

2. Literature review

Analysis of economic literature and research results shows that among scientists there are still different views on the essence of the concept of modernization. Lexically, the word "modernization" comes from French and means "moderne" - "modern". [1]

According to S. Black, one of the founders of the theory of modernization, "modernization is the process of adaptation of a traditional society to the new conditions created by the scientific and technological revolution, which makes it possible to control the environment" [2].

R. Bendix emphasizes that the concept of modernization should be understood as a complex of political and social changes associated with the processes of industrialization [3]. According to W. Zapf, "modernization is a complex process that combines the industrial revolution, the desire of backward countries to raise the level of their development and the attitude of developed societies to new challenges [4].

According to I.A. Ashmarov, a Russian economist who systematically analyzed this process: "In the case of modernization of the sectors of the economy in this sector, social problems may arise. Consequently, modernization should create new jobs in various sectors of the economy. Modernization - leads to the loss of jobs in one industry and the creation of new jobs in another. Modernization is illogical if it does not change the economy and does not create new jobs"[5].

Also, experts in this field - economists A. Auzan, K. Kelimbetov noted that "... in the context of globalization, the implementation of modernization is not only important, but also a necessary condition for development to raise relations between sectors of the economy to a new level" [6].

Well-known economists of our country have also conducted a number of noteworthy research works in this area. In particular, one of the experts in this field, Professor MK Pardaev, showed that there are four types of modernization of the economy: modernization of means of production, modernization of technological processes, modernization of economic management methods and modernization of staff skills [7].

Professor M. Muhammedov said "... the policy of modernization of the service sector, firstly, will increase employment, and secondly, provides for the productive use of the potential of each labor resource for the development of the country" [8].

So, based on the above views and concepts, in our opinion, modernization of the sphere of services is a process that involves all its directions (economic, organizational, financial, social, management, personnel supply, etc.) and the activities of its constituent entities with a purposeful and targeted attraction of all investment resources and sources, including intensive development processes and measures on the basis of modern innovative technologies, scientific-methodological developments and methods, the priority strategy that never loses its importance in ensuring economic development.

3. Results and Analysis

The development of the services sector creates favorable conditions for the rapid development of the republic's economy. Growth in services is an important factor in reducing unemployment and poverty. This is because the establishment of service enterprises usually requires much less money and resources than the production of goods. This, in turn, encourages an increase in the number of service businesses. The creation of business entities means the creation of new jobs and an increase in employment [9].

The Republic of Uzbekistan's transition to a market-driven development path, particularly the objective need for intensive implementation of digital economy tools, innovative techniques, and technologies, necessitates modernization of the service sector and its components, as well as all real industries. The study's findings reveal that, on the basis of modernization measures, taken in recent years, stable growth rates are being ensured in all sectors and industries of the national economy.

In particular, the total volume of services in Uzbekistan in 2019 increased by 113.2% compared to the previous year. Or in the context of the coronavirus pandemic in 2020, the figure was 102.3 percent higher than in 2019 [10].

It is known that each country has its own modernization policy. After all, the policy of modernization is the sum of all methods and support for the modernization of the country's economy, its structural sectors and industries, which has a positive impact on the social life of the population, changing people's social consciousness and worldview and shaping their new demand for products and services.

At the same time, as a result of modernization policy, the type, form, quality of services provided in the sectors of the economy, as well as the methods and intensity of services will change. In this regard, the country will be able to overcome obstacles to the implementation of this policy, including through the modernization of services. In this context, the following specific advantages and features of modernization related to the service sector are important:

- Create opportunities for intensive development of the industry, taking into account current and future modern requirements;
- To create conditions for development on the basis of innovations and digital technologies, which are widely used in the world today, instead of today's outdated management tools and methods as a service-related expression of the law of denial;
- To make it an objective necessity to develop measures and road maps to modernize the activities of service entities for the modern development of the industry on the basis of the digital economy and innovative technologies;
- Encourage service providers to modernize their activities in order to increase the range of modern services, improve their quality and reduce costs, prioritize the formation and development of a system aimed at ensuring competitiveness in the services market, etc.

Therefore, in our opinion, it is expedient to modernize the service sector in the following areas. Including:

1. Comprehensive modernization of service enterprises and achieving its highest level (M_{CS}).
2. Modernization of fixed and circulating assets (M_A) used in service activities and processes.
3. Modernization of technological processes of service (M_{TP}).
4. Modernization of scientific organization and management of labor of service personnel (M_{ML}).
5. Modernization of financial relations between service entities and their customers (M_F).

However, the main goal is, firstly, to reduce the costs associated with modernization based on the use of innovative technologies and methods, and, secondly, to increase the company's revenue from the costs incurred. In this regard, the determination of costs and the total achieved result, that is, the amount of profit received in each direction of modernization, as well as in all areas of modernization, is important when assessing the effectiveness of modernization measures.

In this case, the cost of modernization in all areas is determined as the sum of costs incurred for the implementation of measures in each of its areas according to the following formula, that is:

$$M_{SC} = M_{CS} + M_A + M_{TP} + M_{ML} + M_F,$$

If we express the total income from modernization measures implemented in all areas in one year or in the period selected for comparison, in the form I_M , to determine the efficiency of complex modernization of the enterprise (E_M), the income should be divided by the total costs (M_{TC}) and multiplied by 100, ie:

$$E_M = (I_M : M_{TC}) \times 100$$

It should also be noted that it is important to determine the efficiency in each area of modernization, and in this case, the relevant calculation operations are performed in each area.

4. Conclusion

In short, the modernization of the service sector creates the following opportunities that are important for the development of the economy of the republic. Including: 1). Creates the basis for quality service in the industry and the increase of its innovative types; 2). The cost of services provided through the use of resource-saving technologies and methods will be saved, the cost of services will be reduced based on the efficient use of available resources, the amount of income (volume) and the level of profitability will increase; 3). The time for the provision of services for the production of goods will be reduced and labor productivity will increase; 4). As

a result of sufficient saturation of the services market in the country, the opportunities to increase exports of services will be further expanded; 5). Modernization of the service sector, along with the provision of employment, will lead to a reduction in poverty on the basis of increasing wages and living standards of the population; 6). In the process of modernization of the service sector, the financial and economic potential of enterprises will increase, which will ultimately increase the efficiency of services through the introduction of innovative technologies.

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