



The Role of Service Management in the Republic of Uzbekistan

Shakhzoda Rustamova

Student, Faculty of Accounting and Management, Samarkand Institute of Economics and Service, Samarkand, Uzbekistan

Abstract: Service enterprises play a critical role in the economy of the Republic of Uzbekistan, contributing substantially to its economic development and growth. The effective operation of these enterprises is vital for the overall economic prosperity of the country. Service management serves as a strategic tool for enhancing the operational efficiency, service quality, and customer satisfaction within these enterprises. This article will explore the pivotal role of service management in driving the success of service enterprises in Uzbekistan and its impact on the overall economic landscape.

Key words: management, service management, operational efficiency, customer satisfaction, human resources financial assets, technological assets, productivity, service enterprise, customer needs, service lifecycle.

INTRODUCTION

The service sector, as a component of the economy, encompasses a wide range of both commercial and non-commercial services, forming a comprehensive and overarching category that encompasses the provision of various services by enterprises, institutions, and individuals. This sector typically encompasses areas such as culture, education, healthcare, and consumer services. The service sector is frequently identified as a characteristic of post-industrial economic systems owing to its advanced modern infrastructure. Notably, in economically advanced nations, the service sector represents a substantial portion of the economy in terms of both scale and employment, with more than 60% of the workforce typically engaged in this sector. Throughout the period of independence, Uzbekistan has made substantial strides in economic progress, notably within the service sector. This sector within our nation is progressively diversifying and exhibiting considerable growth across specific service categories. Overall, Uzbekistan's service sector demonstrates promising trends, presenting abundant prospects for continued expansion and advancement. Ongoing government initiatives aimed at bolstering this segment of the economy, encompassing infrastructure investments, financial incentives, and conducive business environments, are expected to sustain and further propel its vigorous growth in the foreseeable future.

2. SERVICE MANAGEMENT: THEORETICAL ASPECTS

The term "service sector" is extensively utilized in a variety of publications, including both scientific and journalistic works. Authors tend to imbue this term with diverse meanings and interpret it with varying levels of breadth and depth. This variance largely stems from the comprehensive and systemic nature of the service sphere, which, to a greater or lesser extent, has only relatively recently matured and started to assume its role. Consequently, economic theorists began delving deeply into the study of the service sector primarily in the latter half of the 20th century. Currently, there is an ongoing expansion in the foundational aspects of providing both market and non-market services, with market services progressively claiming a significant portion of the overall service volume. This trend is attributed to the trade of goods, particularly technically intricate ones, as the sale of goods necessitates an increasingly advanced network, primarily composed of services rendered during the

sales process and in the form of post-sales service. The rising demand for diverse service types is influenced by several factors, and these services are sought after by both individuals and organizations. When services are acquired by individuals, they are termed consumer services, whereas in the case of organizations, they are labeled as industrial services.

Reasons for the upsurge in consumer services:

- The growth in people's wealth has sparked an increased inclination among consumers to seek relief from mundane tasks such as cleaning, cooking, and laundry, leading to a thriving market for service-based solutions.
- The increase in leisure time resulting from reduced working hours in numerous Western European nations and the USA has driven a heightened demand for services associated with leisure pursuits and sports. This has given rise to the issue of surplus free time, fostering the establishment of various interest clubs and engagement in different educational programs.
- The expansion and adoption of advanced technological products within households (computers, audio-visual equipment, mobile communication devices, etc.) has elevated the requirements for specialist services related to installation and maintenance.
- The evolution of market dynamics and relationships has intensified the need for consulting services among companies, covering areas such as market research, marketing strategies, and auditing.
- Heightened competitive rivalry: To sustain their competitiveness, industrial firms are forced to trim down their ongoing expenses. Economically, it makes more sense to procure a fully-fledged service rather than taking on extra costs linked to independently tackling narrow specialized tasks. Companies willingly opt to buy services, as doing so helps them circumvent supplementary capital injections into their primary assets, thereby maintaining their adaptability. For instance, this might involve services pertaining to raw material input scrutiny and intricate product quality control assessments.

3. SERVICE SECTOR ACTIVITY IN UZBEKISTAN

In Uzbekistan, where demographic factors heavily impact the labor market, the significance of the service sector is rapidly growing. Following independence, the service sector in Uzbekistan underwent swift expansion. Notably, within Uzbekistan's GDP structure from 1990 to 2023, the service sector's share increased from 33.8 to 40.1 percent. Moreover, the portion of the population employed in the service sector, compared to the total workforce, rose from 35.6 to 51.3 percent. The production of goods contributes 42% to the overall value created, while the service sector contributes 63%. This means that for the same amount of total production, the service sector generates 1.5 times more value than the production of goods. As a result, the rapid development of the service sector significantly contributes to maintaining consistently high growth rates of the gross domestic product (GDP).

Over the past few years, extensive efforts aimed at establishing favorable living conditions for the population, enhancing the business environment, and promoting employment through the support of the country's socio-economic development, active entrepreneurial endeavors, innovative concepts, and creative potential have resulted in a rise in the number of businesses operating within the service sector. During the implementation of the primary objectives and strategies for advancing the realm of services in the republic, the market services volume surged by 1.9 times from 2017 to 2023, reaching 357.6 trillion sum (29,7 billion USD). Furthermore, the per capita volume of rendered services during this period witnessed a 1.7-fold increase, amounting to 10.0 million sum (813.40 USD). These endeavors have notably contributed to the expansion of the service industry, showcasing a positive impact on the overall well-being of the populace, while fostering a conducive environment for economic growth.

Uzbekistan has solid reserves for the development of ICT. Currently, there are 228 public internet access points for every 10,000 people in the country (compared to 5200 in Iceland, 4300 in Norway,

4000 in the USA, and 3600 in Canada). The coverage of digital telecommunication networks in the republic is at 86% in cities, 33% in district centers, and 71.9% in rural areas, with digital telecommunication networks covering 0.5% of rural settlements. This indicates a potential for further expansion and improvement of digital infrastructure to ensure greater access to ICT across different regions and demographics in Uzbekistan.

The Republic has implemented the “Digital Uzbekistan - 2030” strategy, enabling the digital transformation programs to reach regions and industries within the years of 2020-2030. According to the results first half of 2023 volume of services provided in the digital economy amounted to seven trillion 200 billion sums, exports of computer programming services – 17,5 million USD. And the introduction of a payment system for 360 types of state duties through the Unified Billing System saved 24 billion sums. Meanwhile, in 65 organizations, 116 districts and cities, the digitalization process is stalled.

4. CONCLUSIONS

The service sector is becoming an increasingly important part in economy of Uzbekistan and in 2023 it accounted for almost half Country's GDP. Various types of services, such as transport, financial and ICT services are growing rapidly due to significant investments and government support. Since our country continues to diversify the national economy and investing the development of the service sector, there are many opportunities for its further growth and expansion.

REFERENCES

1. Kotler Ph., Keller K. Marketing – Management. – 14th Ed. – NJ: Prentice Hall, 2012.
2. Антонова, О.В. Экономика предприятия (организации, предприятия): учебник / О.В. Антонова, В.Я. Горфинкель, И.Н. Васильевой. - М.: Университетский учебник, 2019
3. -- 126 в. Bell D. The coming of post-industrial society: A venture of social forecasting. – NY: Basic Books, 1973.
4. Чернышев Б. Менеджмент в сервисной экономике: сущность и содержание [retrieved from] URL: http://vasilieva.narod.ru/ptpu/16_1_04.htm
5. Maier D., Olaru M., Maier A., Eidenmüller T. (2016 a) Importance of innovation in the context of changes arising from economic globalization, International Business Information Management Association (IBIMA) 27th IBIMA Conference 4 – 5 May 2016.
6. Website of the Statistics Agency under the President of the Republic of Uzbekistan: <https://stat.uz/>
7. National database of legislative information of the Republic Uzbekistan: <https://lex.uz/>