

THE DEVELOPMENT OF SERVICE SECTOR IS AN IMPORTANT FACTOR IN CREATING NEW JOBS AND ENSURING EMPLOYMENT

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Abstract: *the article emphasizes that employment in the country is a key factor in the formation of a post-industrial society.*

Keywords: *employment, living standards, quality of life, postindustrial society, demand, consumption, population savings, wages, income of the population.*

At the present stage of the country's development, such important tasks as raising the national economy and increasing its competitiveness in the domestic and foreign markets, accelerating innovation processes in the economy, and the full satisfaction of the population's demand for high quality goods and services are essential point. The implementation of such important tasks from the point of view of raising the living standards of the population depends on several factors, which requires the mobilization of large powers and resources, their targeted and efficient use. However, among all factors, the attitude of people to work, their dedication, and their active involvement in social production play an important role. Almost all the benefits that people need for human consumption are created through human labour and intelligence. Only those who are able to work can solve any complex task before the society, only when they have an active, productive, active involvement in social production, just as the activities, goals, and aspirations of those employed in the economy are in the interests of society. "Working for our future, our children, and for the sake of the happiness of our children," said I.A. Karimov, "is the sacred duty of all of us."¹ Thus, the selflessness and active work of the population is the main factor in the development of the country. Naturally, the new economic order, the market-based economic system, is not entirely exempt from drawbacks and shortcomings. These scientific views are widely acknowledged in the field of economics. It is worth noting that, given the nature of our research, it is important to note that the new economic system has also led to unemployment, which threatens all members of the society, their sustainability in life and work. The role of the service sector is unmatched in the prevention of unemployment. This area is particularly suitable for young people looking for a job for the first time, and for those who do not have enough work experience or high qualifications. It is important to be aware of the fact that those who are unemployed for various reasons in the production sector are able to work in the sphere of service, in addressing the daily, practical problems of unemployment, and to use that opportunity more efficiently.

At the present stage of development of Uzbekistan, it is necessary to increase the employment of the population on the basis of the development of the service sector, to develop the opportunities for the revenues from employment in various spheres and sectors of the economy to become the main source of income of the population and an important factor of its standard of living. The urgency and relevance of this problem is determined by the need to employ a working population at the current stage of the country's development, and the

¹The First President of Uzbekistan, I.A. Karimov - Our main task is to develop and advance the progress and prosperity of our motherland. T.: Uzbekistan, 2010. P. 75.

imbalance between demand and supply in the labor market. A society which can provide its every capable member with a productive ability to fully participate actively in the creation of a diverse range of social services, creating a productive mechanism for raising the population's activity, and the ability to use them effectively in solving practical problems of economic growth, is able to build a better future and to secure the wellbeing of the people.

The achievements that have been made in recent years have made it possible to strengthen the social dimensions of economic reforms, to seek ways to improve people's livelihoods, to provide them with jobs, and to reduce the number of people in need of material support, especially for the state. Especially, service sector has a positive impact on the social orientation of the economy and is becoming an important factor in shaping a socially oriented market economy in the country. The changes in the socioeconomic life of the society change the consumption patterns and the consumption of material nutritional benefits gradually increase the consumption patterns needed for human perfection. The society has a completely different system of consumerism, which has a growing role in the social, intellectual and cultural consumption, which makes it easier for people to live a lifestyle, save time for their households, read, relax, health, do sports, travel and more. The demand for high quality is increasing, and changes are taking place in the consumption system to help people improve their lifestyle and quality of life.

One of the priorities for the development of the social sector of the strategy is that in 2017, the industry (5440 projects with 131 thousand jobs), agriculture (with 8,830 projects with 55,800 jobs) and services (11,000 with 69,500 jobs). In addition, the complexity of the situation in the labor market and the creation of 46,800 new jobs in 34 regions with a high unemployment rate, including 8,700 in the service sector, 10,000 graduates have been allocated loans to start their own businesses, financial support is a proof of the above-mentioned ideas.

The main objective of the long-term socio-economic policy of the Republic of Uzbekistan is to reduce social inequality and uninterrupted raising the living standards of the entire population.

As the market relations are resolved, there are problems that for some reason cannot be resolved by a planned economy, and therefore, the problem of rational use of resources is solved by itself. The most valuable resources of any society - labor resources are no exception. Efficient utilization of these resources will inevitably lead to a decline in the number of people employed in the financial sector, thus increasing the number of unemployed. The problem of unemployment, which has emerged as a result of the relative shortage of people employed in the labor market due to market mechanisms and their effective functioning, is being resolved by the development of other sectors. In the context of a socially oriented market economy, such a sphere is a complex of all non-material industries, in particular, for the population, free and paid services (social security, social insurance, trade, catering, tourism, health, transport, communications, etc.). The experience of the countries of the world, especially the economies of the developed western countries, suggests that the role of the service sector in the social and economic life of the country should be high. In countries with high human capacities, 70 percent are employed in labor force services. Currently, employers in Uzbekistan account for almost half of all the workforce, which is 49.6%.

In general, in the conditions of market economy, the problem of employment of workforce that are capable but excluded from the material production sector, as well as the employment of adolescents who have reached the age of working age, emerges. As a result of the combination of market relations and the impact of factors such as the use of new techniques and technologies in production, the establishment of work on a scientific basis, and the link between labor productivity and wages, labor-intensive use and productivity increases. Thus, the problem of employment is the result of the market-based economy, as an integral part of it, and is of great importance, because it is always at the center of attention. Without solving this serious problem, it is logically

false to talk about the social-oriented market economy, people's financial well-being, and high quality of life and it is politically foolish. Labor and wage earnings are the main source of income for the population, the majority of which is a means of living and remain the same in the market economy.

In recent years, the development of services in Uzbekistan, including Samarkand region, has been recognized as an important factor in improving the welfare and income of the population and ensuring employment. However, changes in the structure of the economy to achieve sustainable economic growth, high employment, additional income, and the improvement of the living standards of the population depend primarily on the issues of territorial development and structural improvement of the service sector. The key to solving these issues is to increase the competitiveness of high-quality services in residential areas. Communication, information, financial and banking sectors should be developed at the fastest pace. It is no coincidence that a targeted program has been adopted, which provides a number of benefits and incentives for the implementation of positive steps in this area. The development of the sphere of services requires the improvement of the living standards of the population, and the development of their performance indicators. This will allow us to use the conceptual directions and programs of service sector in our country. This, in turn, requires the development of opportunities to increase employment through the development of the service sector. In previous chapters, we have analyzed the factors affecting employment in the service sector. We have found out that the monetary income of the population, the average salary in the sphere of services, the gross output in the industry are an important factor in increasing employment. Therefore, it is important to estimate the proportion of these factors in the population employment. It is well known that at the current stage of economic reforms, wide opportunities for the development of the service sector are being created to address the issues of employment and the well-being of the population. These opportunities, in turn, require that this sector become an increasingly important part of the economy. In particular, in the speech of the President of the Republic of Uzbekistan Sh.M. Mirziyoev (January 16, 2016), this sphere was one of the most important priorities of deepening economic reforms. Based on these objectives, the goals and objectives of the chosen topic, as well as ways of transforming the service sector into one of the conceptual directions of addressing the crucial socio-economic problems such as employment, thereby achieving the successes and failures in providing employment in Samarkand region, the role of the services sector is crucial. Increasing the labor activity of those who are employed - not only encourage them to work efficiently with different factors and means (salary, rewards, etc.), but also to create the necessary conditions for such work and to attract more productive workforce is to do so. After all, only those who have the ability and the potential to work effectively can work effectively. The measures to increase the employment level of the employed are based on a comprehensive approach and, if coupled, will have a great positive effect.

To improve the quality of life of the population, to create favorable conditions for the welfare and prosperity of the population in Uzbekistan, first of all, the development of mechanisms in the country of well-thought-out directions and mechanisms of its implementation in the workforce creation, the creation of new jobs and sharp reduction in the number of unemployed are necessary to exist.

In our opinion, there are two major trends in Uzbekistan, such as unemployment and employment, and coordination of demand and supply in the labor market,

- The first direction - based on the rapid development of the material industries, especially in the field of industry and construction, and the second direction - the rapid development of the service sector. The first step is to fully cover the needs of finished

products in the country, which is able to process 1 million 400 thousand tons of cotton fiber produced in Uzbekistan (cotton and others)¹.

In 2017, about 40 billion soums will be allocated from the priorities of the strategy of action to deepen structural reforms, modernization and diversification of the leading sectors. It is planned to implement 649 investment projects on deep processing of mineral resources.

As a result of these projects, we need to accelerate the development of the industry in order to fill the domestic market with domestic goods and services. As a result, new jobs will arise in the network. Production of competitive, export-oriented products from the precious and high quality agricultural products in the foreign market also creates enormous opportunities for the development of industry and creation of new jobs. It should be noted that at least 8-10 years will be required for full processing of agricultural products grown in the country. In addition, social policy in Uzbekistan aimed at providing the population, especially in rural areas, of new, modern housing, will contribute to the development of the construction industry and the creation of many new jobs in this sector. Along with the construction industry, many industries that are related to it will also develop and new jobs will be created. In the production of material goods, the material services develop (the material services account for 33%), which means that new job opportunities are created. Nevertheless, the sectors of the material production sector are unable to resolve the problem of employment. There are some factors that have a negative impact on the growth of new jobs in this area. First of all, it is a widespread introduction of modern, up-to-date techniques and technologies, which will save the above-mentioned livelihoods. At the same time, the number of employed in agriculture is still very high. Currently, the number of employed in agriculture and forestry in Uzbekistan is 26.2% of the economically active population. In developed countries, the UK has 2.6%, in the US - 3.3%, in Spain - 4%, in Germany - 5.5%². Due to the strengthening of the material and technical base of agricultural entities (farms and dehqan farms), the need for manual labor decreases and the number of employed in the sector will decrease in the future. The second direction - the introduction of science and technology achievements in the service sector (as in the field of material production), the rapid increase in the role of intensive factors in economic growth, resulting in the increase in labor productivity. Obviously, the rapid development of the service sector and the growth of the volume of services, including the growth of the gross domestic product, will not only be achieved through the creation of new jobs (the extensive factor).

The world practice shows that at present, in the information society and in the globalization environment, no form of communication can substitute cellular communication. For example, "according to the European Commission, 40 percent of the European Union's GDP and labor productivity have been utilized by using telecommunications services."³ The analysis shows that economic growth rates of developed countries are largely determined by the level of investment in the telecommunications sector and its competitiveness.

However, from the current point of view, it can be argued that in the post-industrial information society, service sector can create new jobs and create great opportunities for solving the problem of unemployment.

In the long term, the number of employed population in the service sector is growing faster than in the sphere of material production and the share of this sector in the total number of employed in the economy (according to the results of this research, this indicator in Samarkand region is 52.9% according to 2018 statistical data) may go. In order to increase the number of people employed in the future in the Samarkand region and to have a

¹The President of Uzbekistan Sh. Mirziyoyev "The Year 2018 – the year of proactive Entrepreneurship, Innovative Ideas and Technologies". People's word, 2017-y, December 23.

²Kushnir I.V. World Economy// <http://www.be5.Biz/ekonomika/mo13/tech.htm>.

³Mahkamov Sh.B. "Development of telecommunications services under globalization and modernization of economy". Autoreferat. C., 2016, p. 29..

positive impact on reducing the number of unemployed in the provinces, towns, and cities, it is extremely important to draw attention to the following and to take them as a scientific recommendation from the service sector:

First, the development of business services, expansion of their activities, introduction of new types of services, improvement of quality of services and creation of new jobs. Secondly, it is necessary to send the enterprises and organizations of the sphere of services to the training centers for retraining and advanced training (in 2010 the level of education in the sphere is 33,6 percent, secondary special - 39,3 percent, 1 percent, and 35.9 per cent in 2016, 41.9 per cent and 22.2 per cent respectively), it is important to achieve a radical reform of the system of retraining and advanced training. The modernization of the economy, technical re-equipment of production, and the gradual decline in the labor surplus of agricultural labor force in Uzbekistan accelerate the relative deceleration of the number of employed in the material production. Therefore, short-term (2018-2021s) demand from the enterprises of the material production sectors, especially those who are unemployed and unemployed, to create opportunities for employment in rapidly growing industries and thousands of new jobs. Additionally, young men and women who are now part of the labor force and are making their way to the labor market have a solid foundation for their work. The most important thing is to avoid the negative impact on the quality and effectiveness of service providers by eliminating any unaccustomizable employees in the service sector.

Third, improving the employment services of the region, city and district. The integrity of these systems is focused on identifying and addressing employment problems and developing and implementing social programs. These include: forming a database of vacancies (vacancies), informing the unemployed about their employment opportunities, assisting in the selection of the job seeker's qualifications and wishes, assisting the employer in choosing a worker, organizing vacancy fairs making, etc.

Consideration should be given to the effectiveness of the activities of the population and employment of the economic entities, as well as the analysis of practical results.

Fourthly, there is a sharp reduction in the unemployment rate in the service sector, and on the contrary, to raise the level of official employment¹. Our observations have resulted in the number and structure of staff at the enterprises of the material production, the significant stabilization in their registration, and the organization of labor relations within the current legislation. One of the main reasons for this is the production process. For example, workers and professionals of industrial enterprises should be well aware of the complex techniques and technologies used in production. This feature of the enterprise is related to the formation of the staff and their dependence on their work. Considering the complexity of the human resources situation in the service sector, especially in sales offices and public catering establishments, it is necessary to organize training on short-term courses at their own expense.

The purpose of this recommendation is that the average age of those serving in such services is no more than 26 years. Most of them (as a result of conducted surveys) are funded from the parents' budget. This approach can be used to mobilize non-cash family budget. If the parent's temporarily free funds are kept in the bank of bank deposit, the term of storage is 10 years and average accumulated funds will be 10,0 mln. It is desirable for them to retrain temporary temporary retraining courses for short-term courses and to finance their new occupation in the event of not less than KGS. This, on the one hand, stimulates the family budget, on the other hand, allows the number of customers to increase in the banks. Increasing the banks' service operations will also give them the opportunity to open up new jobs in the future, and any social benefits will continue to grow in the future. It is important to note that the relatively simpler technological processes in these networks and the inability to use highly sophisticated techniques and equipment are relatively lightweight for employees and workers, with a relatively new job-related costs being retarded. The high

¹Note: Identifying non-formal norms that utilize the income given by the government to poverty-stricken families.

level of staffing in these sectors is the reason for the high level of informal employment compared to the material production sectors.

In Uzbekistan, the number of unemployed in 2016 is 724,000, unemployment rate - 5.2%¹. But the real unemployment rate is different.² Thus, the majority of the unemployed who want to find a job need to apply for employment services, register the unemployed, and use employment services. In the study of the existing problem there were two main reasons. The first reason. The weaknesses of the registry of these unemployed and the low salaries for unemployment, and the lack of adequate information and understanding about the employment of most unemployed. The fact that the job-seeker does not apply to employment services and the fact that the unemployed are not included in the list of unemployed have a major negative impact on the activities of employment services, solving the problems of unemployment in the region, and the correlation between labor force demand and supply. Therefore, improving the order of registration of the unemployed in the region and officially recognizing them as unemployed according to the relevant procedures will enable to formulate theoretical and practical solutions to the problem of paying (differentiated) payments from the above mentioned sources.

Fifth, the use of new methodological approaches to assessing the labor market demand and forecasting its prospects, taking into account the increasing role of intensive factors as a result of the strengthening of market relations in the economy of Uzbekistan and its regions. In addition to the full understanding of the processes in the labor market, it is necessary to use the following indicators:

- The level of satisfaction of the labor force in the labor market. It can be calculated using the following formula:

$$T_{qd} = \frac{\Sigma B + \Sigma I}{\Sigma B} \times 100 \quad (1)$$

In this:

T_{qd} - the level of satisfaction of the demand for labor force;

ΣB - the number of people engaged in the economy;

ΣI - Total number of the unemployed.

This figure shows the competitiveness of the labor market. The higher the value, the higher the supply of labor, the higher the competition between the unemployed and the unemployed.

- The level of saturation of the labor market. You can use the following formula to calculate it:

$$MBtd = \frac{\Sigma B}{\Sigma I} \quad (2)$$

$MBtd$ - degree of saturation of the labor market

ΣB - Number of jobs in total economy.

ΣI - Total number of the unemployed.

This indicator shows how many economies are employed per unemployed. Everyone looking for a job is more likely to be employed if there are more people employed in the economy.

¹Labour and employment in Uzbekistan. The Reports by Statistics Committee of Uzbekistan.:T. 2017, p. 114.

²Note: The survey was carried out in the makhalla "Farovon" of the city of Samarkand in 2016. (Appendix 6).

Result: The number of the unemployed is 48. The 28 of them appealed to Employment assistance service.

It is desirable to calculate the above-mentioned indicators in the Samarkand region and its cities and districts and compare them with the national average. Such comparisons would be the basis for the regulation of labor market regulation, employment management and the reduction of unemployment, including the development of service delivery, and the development of scientifically sound measures.

Sixth, to improve the system of support for small and private businesses in service sector. Although there is an effective system of support and financial support for all sectors of the economy, including in the sphere of service, small and private entrepreneurship, there are specific challenges for this category of market entities. They are constantly threatened with a loss of competition and the risk of bankruptcy. Small and private entrepreneurship, especially in rural areas, is steadily rising. However, problems of population employment and raising living standards in rural areas are relatively recent. Therefore, it is desirable to increase the living standards of those employed by further stimulating the benefits and financial support provided to small and private businesses in rural areas.

Therefore, at present stage of economic reforms, it is necessary to create a wide range of opportunities for the population to increase monetary income and thereby improve their livelihoods, expand and expand the range of services.

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