

State and Priority Directions of Development of the Tertiary Sector of the Economy in Uzbekistan

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Abstract

The current concerns of the service sector's development in Uzbekistan are considered in the context of the country's continuing large-scale reforms, the problems are disclosed, and the major directions for its future development are justified. The development of the service sector is being given a lot of attention as a foundation for solving pressing economic growth concerns. The prerequisites for the emergence and further development of the three-sector economy are investigated, its theoretical interpretations are given, the questions of the applicability of the theory of sectors in modern conditions are considered. The article analyzes the relationship between the advancement of the benefit segment in Uzbekistan with financial development, a lessening in unemployment, an increment within the wage of the populace and an increment in its standard of living. The investigation uncovers positive patterns that indicate critical changes within the structure of shopper investing of the country's populace, as a essential and vital calculate for the fruitful advancement of the benefit segment. In arrange to demonstrate to the world community the prospects of the chosen procedure of large-scale changes, Uzbekistan must plan create the service segment and accomplish a noteworthy increase within the share of the tertiary segment within the economy. The presence of a huge internal potential, the analysis and use of the best practices of developed countries, high profitability, fast payback and other undeniable advantages make the service sector a very promising direction for strengthening Uzbekistan's position in the world market. The article thoroughly proves that the restructuring of the service sector is its systemic development, which means an increase in the share of individual, the most promising sectors of it: education, tourism, the digital economy. The necessity and especially important role of measures of state influence and support of the most promising branches of the service sector is pointed out.

Keywords: services, service sector, tertiary sector, economic crisis, educational services, tourism, digital services market, standard of living, national wealth, share, agriculture

INTRODUCTION

The service sector is one of the most important areas of social life and has a significant impact on all aspects of our activities. [1] In recent years, more and more attention has been paid to the problems of development of the service sector in Uzbekistan. Within the framework of large-scale economic reforms carried out in the country in accordance with the Action Strategy and the Concept of the country's development for the period up to 2030, he set himself an ambitious and noble task to fight poverty and strives to constantly improve conditions and raise the living standards of the people.

However, the encouraging sustainable economic growth that began in the country was suddenly interrupted by the coronavirus pandemic, which subjected the entire world economy and national economies of individual countries to serious, unpredictable tests. In 2020, due to the negative effects of the pandemic, the growth rate of the world economy decreased by 4.3 percent. This is much higher than the level of recession in the world economy during the financial and economic crisis of 2008-2009. According to UN experts, the economic crisis caused by the virus was the worst in the past 90 years. (The global economy contracted 4.3% in 2020.) According to the World Bank, due to the economic crisis caused by the pandemic, the rate of GDP growth in Uzbekistan decreased from 5.6 percent in 2019 to 0.6 percent in 2020. At the same time, it is expected that economic growth in the country can quickly recover and increase to 4.3 percent as early as next 2021. A particularly important role in the recovery of the economy of Uzbekistan belongs to the service sector, which has been severely affected by the restrictive measures in connection with the pandemic. Restrictions on crowding in public transport, staying in hotels and catering establishments, as well as in places of recreation and entertainment had a very significant negative impact on the volume of services provided, with all the ensuing consequences for economic growth and employment of the population. However, the sector of the economy of Uzbekistan, associated with the provision of various types of services, is important not only and not so much from the point of view of recovery of the badly damaged national economy of Uzbekistan, but to ensure its breakthrough growth in the long term. It is from this point of view that we want to expand our research.

Theory

It is interesting that the study of the problems of the service sector by economists began relatively late - only at the beginning of the twentieth century. For a long time (until the end of the nineteenth century), the service sector was generally excluded from the sphere of production of national wealth and therefore was not considered as an independent full-fledged sphere of the economy. Services were defined in isolation from material production, as an "immaterial" good that could not (unlike material goods) create value, and therefore national wealth. The world-famous English economist Adam Smith created the concept of productive and unproductive labor in his time, assigning the service sector a secondary role in creating social wealth. He believed that the wealth of society is created only by productive labor (material production) and expressed his point of view about the service as a good that does not have a natural substance to include it in the composition of social wealth. His unproductive occupations included the services of priests, doctors, lawyers, actors, writers, musicians, singers and some other professions in the service sector.[2] In our opinion, this essentially erroneous, and most importantly, harmful point of view for the sphere under consideration about the unproductivity of labor in the service sector led to a wrong idea about the role of this sphere in the reproductive process. It was she who later formed the basis of many economic doctrines and served an

unseemly role in the development of this sphere as a full-fledged part of social production. Even in Soviet times, the presence of a material form in the result of labor became the main criterion for evaluating its usefulness. As a result of this approach, health services, science and education, culture and art, sports and tourism, and some other types of services were attributed to the results of unproductive labor, and for this reason these most important social benefits were not subject to accounting as material goods in GDP. At the same time, other services, such as trade, public catering, procurement, transport, communications and other services that are invested in public production in a material form, were taken into account in the GDP as material goods. It seems to us that these services, similar to the services of the social sphere, are the result of the same service activity of people, which is fundamentally different from the production and represent a useful effect of labor aimed at satisfying certain non-materialized needs of the individual. Of course, in the era of Adam Smith, services occupied a very small share in the total population of goods consumed by a person, and only a small part of the economically active population was engaged in services. According to experts, in 1900 the proportion of those employed in the service sector in the total aggregate of the economically active population was 20%, in 1950 it reached 25.4%, and in 2000 it increased to 48.6%. Consequently, ignoring or underestimating the role of the service sector in the reproduction process at that time did not have such a significant impact on the total value of social wealth and economic growth.

In their views on productive and unproductive labor, they do not lag behind Smith and Friedrich Engels: "The only value that political economy knows is the value of goods." [3] new value. Much preferable are the judgments of Karl Marx, who believed that certain types of services create value and use value. He, deeply analyzing the concept of Adam Smith about productive and unproductive labor, proves the illegality of his ideas about the essence of services.

Marx argues that the commodity form of a service also has a rational content, gives a qualitative difference between essential goods and services that are less necessary, and emphasizes that services, for example, education, are ultimately investments in the production of labor. He also referred to the productive costs of transport for the movement of goods. Marx argued that "The use value of objects is realized only in their consumption, and this latter can make it necessary to move them, therefore, make an additional production process of the transport industry necessary. Therefore, the productive capital invested in it adds value to the transported product, partly due to the transfer of the value of the means of transport, partly due to the fact that value is added by labor on transport. This last surplus of value is divided, as in general under capitalist production, into compensation for wages and into surplus value." [4]

Drawing a parallel between goods and services, he points out that the consumer buys a service to meet his needs, i.e. for consumption. At the same time, for the producer of these services, they are goods that, like any other commodity, have both a use value and an exchange value. We agree with this opinion of Marx. For, the work of a service producer is just a kind of human labor that produces material goods, it also has a dual character (abstract labor and concrete labor), it creates exchange and use values, it is also a purposeful human activity aimed at creating economic goods.

A great contribution to the development of the theory of services was made by the English economist Alfred Marshall. He put forward a more fair, in our opinion, point of view, according to which the service sector, although it does not directly produce material goods, still creates the necessary conditions for material production. From our point of view, his merit to the service sector lies in the fact that he was the first in the history of economic science to divide all benefits

into tangible and intangible. The latter are divided into a person's own qualities and abilities for action and enjoyment, professional skills. A. Marshall called them internal. External goods that are beneficial for a person and other people — labor duties and household services [5]. He referred to such conditions: civil and military security of people, the right to free education, the right to judicial protection, the possibility of using state property, and some others. Although the division of goods into internal (a person's own qualities and abilities for action and enjoyment, professional skills) and external (labor duties and household services that are beneficial for a person) does not seem convincing enough to us, nevertheless, A. Marshall's views were a noticeable step forward compared to the restrictive interpretation of social production and unproductivity of labor in the service sector that existed for many years. Therefore, they have had a plausible role for the formation of the modern theory of services.

In the first half of the last century, the theory of sectors, or structural changes, was developed, which served as an important aid in the development of a modern theory of services. Colin Clark was at the origin of this theory. In his well-known work "Conditions of Economic Progress", [6] he made a very important conclusion that production in each of the three sectors identified by him obeys the laws of development characteristic of any socio-political and economic system. He believed that each country passes through three stages in its development: the first is agrarian (productivity in the country is growing slowly), the second is industrial (productivity growth reaches a maximum) and the third is the stage of preferential growth in the service sector (the rate of productivity growth is slowing down again). In the sectoral structure of employment, the share of agriculture is steadily decreasing, the share of industry is growing at first, but in the long term it is decreasing, the share of the service sector is constantly increasing.[7] According to K. Clark, the primary sector (agriculture and mining) develops in accordance with the law of decreasing profitability, the secondary sector (industrial production and construction) meets the requirements of the law on increasing profitability. As for the tertiary sector (all branches of the service sector), it complies with both these laws at the same time, i.e. both the law on decreasing profitability and the law on increasing profitability. In the development of the theory of the three-sector economy, the Fisher-Clark theory of structural changes was developed. Its essence was that as society develops, there is a gradual shift in the emphasis of development from one sector of the economy to another: from the primary sector to the secondary, and then to the tertiary. The researchers believed that such a transition from one sector of the economy to another is primarily due to a change in the nature of consumer demand: as per capita income increases, the demand for agricultural products gradually decreases, for industrial products - first increases, and then begins to fall, and for services it is constantly growing. However, as world practice shows, there are exceptions when the development of society and economic growth occurs with the leading role of the primary sector. It is the primary sector (oil production) that, contrary to the postulates of the theory of sectoral economy, is the basis of the economy of the rich countries of the Persian Gulf (for example, Saudi Arabia, Qatar).[8]

Analyzing the history of the creation and development of the theory of the three-sector economy, we came to the conclusion that a great merit in the development of this theory belongs to J. Furastier, who creatively developed the ideas of Colin Clark and brought it to its logical conclusion. In his book "The Great Hope of the XX Century", he pointed out the connection of the country's economic development with three sectors and put forward the idea that a state with an underdeveloped economy depends on the primary sector, with medium development - on the secondary, and with a developed one - on the tertiary.[9] Furastier believed that in order for the country's economy to become developed, 70% of the working-age population should be

employed in the tertiary sector, -20% in the secondary, and -10% in the primary. At the same time, it should be noted that the designated Zh. The structuring of the employed by economic sectors is far from the limit, and many developed countries, for which the service sector undoubtedly plays the role of the driver of the economy, have successfully crossed this threshold. Thus, according to data for 2019, the share of people employed in the service sector reached 79.07% in Canada, 80.44% in Sweden, 81.09% in the UK, 83.80% in Singapore, and 88.14% in Luxembourg. Thus, for many countries of the world, the service sector has long become a leading sector of the economy of primary importance, which successfully solves important problems of economic and social development, takes an active part and plays a decisive role in the formation of public wealth and the level of well-being of the population. The transition of industrial countries to the service economy occurred already in the 50-70s of the last century, when fundamental changes took place in the structure of social reproduction and the service sector began to dominate over other sectors of the economy. At the same time, we note that these fundamental changes have occurred in the service sector of developed countries for a long time. In this regard, from the point of view of adopting and disseminating useful best practices of developed countries, it is extremely important to find out the reasons for the ongoing shifts in the structure of their national economies by sector. Researcher D. S. Kvasova, carefully analyzing the development of the tertiary sector in developed countries on the example of Great Britain, Germany and France, comes to a reasonable conclusion, in our opinion, that the development of the tertiary sector of the economies of these countries was influenced by the lifestyle of the population, its mentality, features of historical development, the state of other sectors, and of course the actions of the government.[10] From a scientific point of view, the author's conclusion about the continuing role of innovative development of the secondary sector of the economy for the growth of the service sector deserves special attention. This can be explained by the fact that industry and construction are the material basis for the accelerated development of the tertiary sector.

In the developed countries of the world, the role of the service sector in the formation of the main macroeconomic indicator – gross domestic product is great. At the same time, the global economy is experiencing a steady increase in the share of the service sector in total GDP. Now it is about 75% of its total volume, significantly exceeding the share of the sphere of material production. This share in Luxembourg is 86.0%, in the USA – 79.6%, in France-77.6%, in Belgium-76.1%.

It goes without saying that Uzbekistan cannot compete with the rich countries of the world with a developed economy and pursue the development of the tertiary sector, to the detriment of the development of the primary and especially secondary sectors of the economy. At the same time, it cannot and should not remain aloof from the objective processes of building a service economy taking place all over the world. The logic of priority and mainly intensive development of the tertiary sector of the economy, strengthening its positive impact on the pace of economic growth and improving the standard of living of the population is that without increasing the quantitative and qualitative parameters of this sector and bringing its share in the reproduction process to reasonable limits, it is impossible to transition to a modern post-industrial society.

A developed sphere, high quality of services provided are the key to sustainable economic growth and prosperity of society. The growth factor of the service sector is the changes taking place in the system of social needs, in the growth of real incomes of the population, in improving the level and quality of his life, as well as the improvement of the person himself, as a result of increasing his educational and cultural level. It has in the field of ensuring employment of the

population and reducing poverty. The International Labour Organization estimates that a 1 percent increase in the service industry will reduce the number of poor people by 1.5 percent. For Uzbekistan, where large-scale work has been launched to reduce poverty in the country, the accelerated development of the tertiary sector is extremely important.

At the same time, the accelerated development of the tertiary sector and a noticeable increase in its share in the reproduction process in the country are fraught with great difficulties, which, in our opinion, are primarily due to the unfavorable structure inherited from the administrative-command economy in three sectors (an excessively high share of the agricultural sector). The underdevelopment of the tertiary sector in Uzbekistan is largely explained by the lack of investment resources to finance very promising sectors of the service sector (for example, such as education, tourism, digital economy, etc.). In our opinion, the current education system in the country and the low level of personnel training had a very negative impact and still continues to have it.

Currently, the issues of the development of the service sector and the tertiary sector have become the subject of research by many scientists, the number of publications devoted to the actual problems of the transition to a post-industrial society is constantly growing. Their study shows that the existing literature analyzes mainly the prerequisites for the transition to a post-industrial society, the role and significance of the development of the tertiary sector in the growth of the economy (Kiseleva I. A., Iskajyan S. O.[11], Makarevich A. N.[12], Volkova A. A.[13], etc.). There are many works devoted to the theoretical aspects of the functioning and development of the tertiary sector in modern conditions (Petrov A. N., Karpova G. A., Khoreva L. V.[14], Botashev A. Yu. [15], Kvasova D. S.[16], etc.). Savlov M. E. [17], Bulatova A. S. [18] and Balaeva O. N. and Predvoditeleva M. D. [19] focused their main attention on the study of the problems of the service sector on a global scale.

A great contribution to the development of the theory of the three-sector economy and the transition to a post-industrial society was made by the famous American scientist D. Bell[20] In his book entitled " The Future post-industrial Society. The experience of social forecasting " he provides the results of an in-depth analysis of the main trends of structural changes in the sectors of the economy during the transition to a post-industrial society. An important role in the development of the theory of the service sector was played by other American scientists James E. Donovan[21], Donald A. Ferguson[22] and Joseph H. Spigelman[23], who in their scientific works emphasize the importance of the service sector.

At the same time, the specific features of the formation of a three-sector economy characteristic of modern Uzbekistan, which we discussed above, have no analogues in the world economy, which is what actualizes our research.

Model

With a reasonable approach, the intensive development of the tertiary sector can give a strong impetus to economic growth, ensure the most efficient use of limited investment resources in the production of tangible and intangible types of services compared to other sectors of the economy. Therefore, the intensive development of the service sector and an increase in its contribution to the gross domestic product of the country is not an end in itself, but a means to achieve the goal – it is sustainable economic growth for the sake of the future prosperity of the nation. With this approach, the development of the entire national economy and the growth of absolute and relative production volumes should be put at the forefront, and an increase in the

share of the tertiary sector in GDP and in employment should be considered as a reliable, long-term tool for increasing its economic and social efficiency. If we pay attention to the experience of developed countries, it is not difficult to notice that the countries that initiated the mainly intensive development of the service sector and ensuring its dominant position in the economy initially pursued the goal of radically improving the efficiency of the national economy. They assumed the risk and full responsibility of the structural adjustment of the economy in favor of the tertiary sector and as a result achieved stunning success in economic development, took a worthy place in the list of developed countries of the world, provided a high standard of living for their people.

The particularly important and increased attention to the service sector at this stage of economic development is far from accidental. At a time when our country sets its main goal of industrialization, the industrialized countries have long since (the second half of the last century) moved to the next stage of their development - building an economy of information and services. As a result, by the end of the twentieth century, in countries with developed market economies, an extensive industrial society was replaced by an information and service society of an intensive type of development. And in order to take a worthy place among the countries with advanced economies and ensure a radical improvement in the quality and standard of living of the population, Uzbekistan today must accelerate the development of the service sector, i.e. the tertiary sector of the economy at an accelerated pace and achieve a noticeable increase in its role in the formation of GDP and the level of employment of the able-bodied part of the population.

The study and the accompanying results of an empirical analysis of trends in the development of the service sector in recent years show both positive and negative trends that have manifested themselves in the development of the service sector. Among the negative ones, it should be noted, first of all, the insufficiently high rates of development of the service sector for all the past years of independent development, and in recent years even some of their slowdown.

The analysis of GDP statistics shows that the share of services provided to the population in the total gross national product in Uzbekistan has increased by only 3 percentage points over all the years of independent development, so if in 1990 it was 32.6%, and now it has grown to 35.6%. Such growth rates of the service sector in the economy should be recognized as extremely insufficient, not corresponding to the global trends of structural changes in the economy, nor to the increased requirements for the tertiary sector in a civilized country with a transition economy. For comparison, in Kazakhstan over the years, the share of services in GDP increased from 34.1% (1990) to 53.9% (2019).

In recent years the service sector has become even lose his position and the share of the tertiary sector in the gross value added of the country began to decline somewhat due to the increasing of the proportion of the secondary sector of the economy (table 1). At the same time, during this period, the share of workers employed in the service sector in the total number of employed people in the economy has significantly increased: from 36.0 % in 2017, to 50.5 % in 2019.

Table 1 Distribution of GDP and employment of the population by sectors of the economy in Uzbekistan, in%

Sector the economy	Years					
	2017		2018		2019	
	GDP	employment	GDP	employment	GDP	employment
Primary	34,0	44,0	32,4	26,6	28,1	26,2
Secondary (industry and construction)	27,9	20,0	32,6	22,2	36,4	23,3
Tertiary	38,1	36,0	35,9	51,2	35,5	50,5
Overall in economics	100,0	100,0	100,0	100,0	100,0	100,0

Source: Compiled according to the data of the State Statistics Committee of the Republic of Uzbekistan.

The data shown in the table shows that over the past three years, the share of the tertiary sector in Uzbekistan's GDP has decreased by 2.6 percentage points and in 2019 amounted to 35.5 %. All this is evidence of the fact that the market of the service sector and its branches is clearly undervalued in Uzbekistan. This strongly sets the task of increasing the growth rate of the volume of services at a higher rate in the future.

The most important indicator that characterizes the state and development of the tertiary sector and, together with it, the level of income and life activity of the population of the country is the distribution of disposable income in the areas of its use. A high share of service costs corresponds to a high level of real income and solvency of the population. With the growth of disposable income, accompanied by an increase in the level and quality of life, the population spends an increasing part of its income on the purchase of non-food goods and services. It is no coincidence that the UN has now approved international standards of living standards: a country where the share of food costs in the total expenditure structure is 60 percent or more is considered extremely poor; 50-60 percent refers to a state with a low standard of living; 40-50 percent is below average; 30-40 percent is average; 20-30 percent is above average and less than 20 percent is high (a rich society).

The results of the analysis showed that over the past twenty years there have been positive changes in the structure of expenditures of the population of Uzbekistan (Fig. 1).

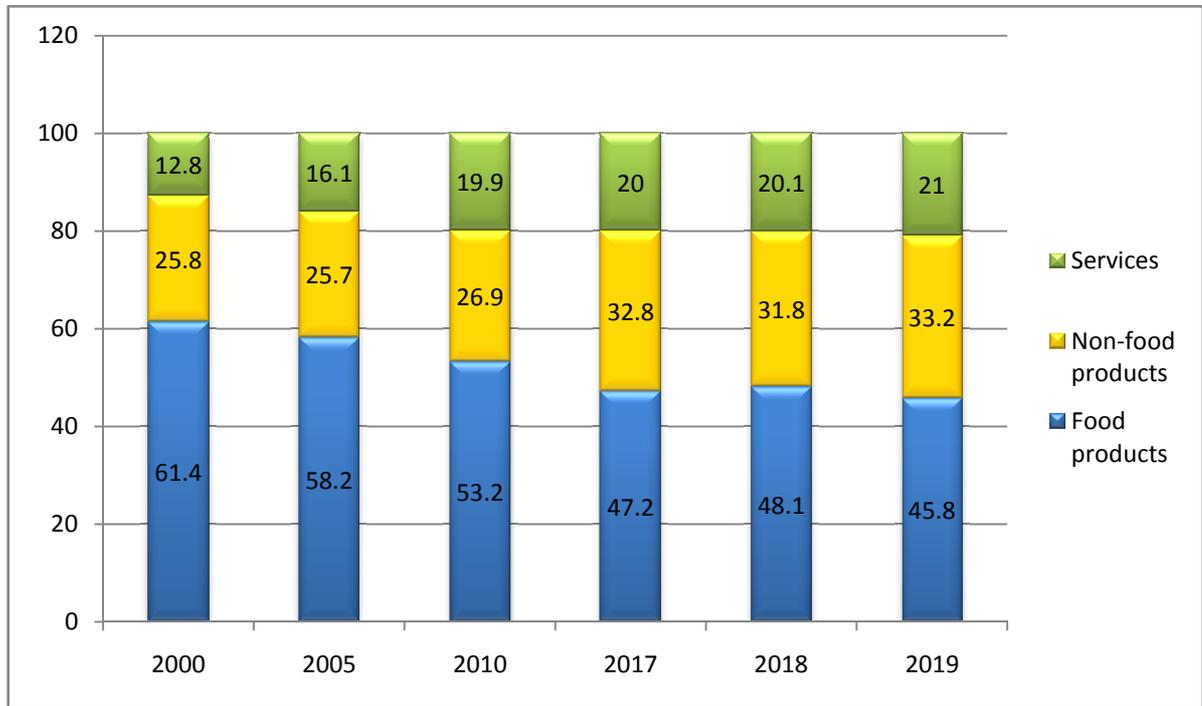


Fig 1 Structural changes in consumer spending in the Republic of Uzbekistan for 2000-2019

Source: Compiled according to the data of the State Statistics Committee of the Republic of Uzbekistan.

Results:

Based on the results of the conducted empirical research, it should be noted that in the economy of Uzbekistan for 2000-2019, a positive trend of increasing the share of public expenditures on services has been established. It is gratifying that all this happened due to a reduction in the family budget funds for the purchase of food products. The data shown in Figure 1 shows that the share of service costs increased from 12.8% in 2000 to 21.0% in 2019. This means that over all these years, the cost of paying for services has grown faster compared to the cost of purchasing food and non-food products. As a result of the outstripping growth in the cost of paying for services relative to the cost of purchasing goods, their share in consumer spending for the analyzed period decreased by 8.2 percentage points due to a corresponding reduction in the share of costs for the purchase of material goods. The incident can be assessed as a result of the growth of real disposable incomes of the population of the country, improvement of conditions and improvement of the quality of their life.

The solution of urgent problems of accelerated development of the service sector and ensuring its faster growth rates in comparison with other sectors of the economy is inextricably linked, first of all, with an increase in the volume of investment resources directed to the development of this sphere. What are the real, acceptable ways to solve this complex problem? According to official statistics, currently out of the total amount of investments in fixed assets – 195,823.7 billion. sums (2019), if they are taken as 100%, then its main part – 57.9% is accounted for by the tertiary sector. Compared to 2017, the share of the tertiary sector in investments increased by as much as 5 percentage points (in 2017, it was 52.9%). While the share of the extractive

industry has decreased by 9.5 percentage points over these years – from 19.7% in 2017 to 10.2% in 2019.

A significant increase in the size of investments in the tertiary sector of the economy due to an increase in its share in the total amount of investment costs is not possible. Because a mechanical increase in the share of the service sector in the total amount of total investment expenditures in order to accelerate the pace of its development would mean, all other things being equal, a reduction in investment in other sectors of the economy that are no less important in their importance. The interests of the primary (agriculture) and secondary (mining and manufacturing) sectors of the economy could be severely affected by the implementation of such a policy. Both the primary and secondary sectors of the economy of Uzbekistan have huge economic potential and are in urgent need of increasing investment resources.

Agriculture is one of the leading basic sectors of the national economy, which has traditionally made and continues to make a great contribution to the production of the country's gross domestic product (30.0% in 2019). Uzbekistan has favorable natural and climatic conditions and has undeniable competitive advantages for increasing the production of agricultural products. The country has good prerequisites for the accelerated development of the entire agricultural sector, and it occupies a leading place in the CIS in the production of cotton, many types of fruit and vegetable products, fruits and grapes, cocoons, karakul and wool. Moreover, the Concept of Integrated socio-economic development of the Republic of Uzbekistan until 2030 provides for the creation of an effective system of economic relations in the industry based on market mechanisms and aimed at ensuring the country's food security, the introduction of effective land use mechanisms. How can we cut some of the already scarce investment resources directed to the development of this industry in favor of the tertiary sector? (Today, it accounts for 6.4% of the total investment in fixed assets or 745387.8 billion soums.). After all, it is precisely because of the lack of investment resources for all these past years of independent development that the huge economic potential and opportunities for the development of the agricultural sector in Uzbekistan remain unrealized, and producers of very necessary and valuable agricultural products cannot get out of the debt pit. For example, the value of exports of agricultural and food products of Uzbekistan, including cotton fiber, is only \$ 1.3 billion, or \$ 330 per hectare of arable land. For comparison, Vietnam exported agricultural products worth \$ 40 billion over the year. The export revenue of this country was equal to \$ 6,100 per hectare of arable land. According to the World Bank estimates, the reduction of cotton and wheat areas in Uzbekistan, for example, to 50% of the sown area, will lead to an increase in gross agricultural output by 51%, employment in agriculture will grow by 16%, and water savings by 11%. Here it is important not just to calculate how much investment resources would be needed in order to extract this impressive and much-needed economic benefit for the agricultural economy, but it is important to find sources of financing.

The problems of the development of agriculture and industry, the urgent need to meet their growing needs for investment resources are the subject of a separate conversation. And here we just note that in the current conditions, the country has practically no opportunities for intensive development and expansion of the volume of economic activity of enterprises and organizations of the tertiary sector due to a reduction in the share of the total investment resources of material production industries. Therefore, we need to look for other possible ways to solve this important problem.

It seems to us that in order to solve the urgent problems of intensive development and expansion of the volume of economic activity of enterprises and organizations of the tertiary sector, to increase its role in economic growth, it is necessary to pursue an active policy of its internal sectoral restructuring. In our understanding, the restructuring of the service sector is a transformation of its industry structure, carried out with the aim of identifying the most promising branches of the service sector and ensuring their priority development on the basis of modern and environmentally friendly new and latest production technologies and having a great demand on the domestic and world markets. The strengthening of the position of the tertiary sector in the economy and its increased role in the reproduction process are directly related to the intensive development of education, science and research, information and communication technologies, banking and financial services and some other modern types of services. However, taking into account the current situation and the strategic goals of social and economic development of Uzbekistan, we propose to accelerate the development of the three most promising, from our point of view, industries that can put the tertiary sector of Uzbekistan on a smooth path of accelerated growth: the first is science and education, the second is tourism and the third is the digital services market.

The key direction of the priority development of the service sector in Uzbekistan is education. In modern conditions, the basis for the development and prosperity of the economy of any nation is highly qualified and well-trained personnel. The education system operating in the country and the vicious practice of training professional personnel for several decades has left its indelible imprint on the quality and effectiveness of not only educational services, but also all other sectors of the tertiary sector and the economic development of the country as a whole. A radical improvement in the quality of education is "That super-powerful weapon, using which the country can produce competitive products, solving the acute problems of employment of the working-age population and increasing their real incomes." [24]

Tourism is also a promising direction for the development of the service sector. The rich historical and cultural heritage and the huge tourist potential of the country, with certain efforts, can turn into a powerful factor in increasing the income of the population and economic development, make a great contribution to solving acute problems of unemployment. The peculiarities of the lifestyle and mentality of the people, the commitment to centuries – old customs, order and traditions and the hospitality of people, the unique national cuisine, vegetables and fruits of excellent quality rich in trace elements are not a complete list of conditions that should be successfully used to attract foreign tourists and develop tourism. However, today tourism in Uzbekistan suffers greatly from the lack of qualified professional personnel, due to the factors of the lack of a comprehensive multi-level system of continuing education in the field of tourism, the use of outdated curricula and programs. In the field of tourism, the level of methodological support for training significantly lags behind world standards and negatively affects the quality of knowledge of trained specialists.

Special attention should be paid to the accelerated development of the digital services market. Over the past three years, we have begun to pay due attention to the development of the digital economy and increasing the potential of the domestic IT market. In the field of ICT and telecommunications, accelerated development of the national digital economy, further development of the E-Government system, the formation of conditions for the accelerated development of e-commerce, the introduction of blockchain and other modern Internet technologies in the sectors of the economy and everyday life with the expansion of the types of

services provided, improving the conditions for the development of programming and outsourcing services. The importance and expediency of further digitalization of the economy of Uzbekistan was noted in the January Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. The Head of our state has designated the active transition to the digital economy as one of the main priorities for the next five years. On April 28, the Presidential decree "On measures for the widespread introduction of the digital economy and e-government" was adopted. According to the document, it is planned to accelerate the formation of the digital economy and increase its share in the country's gross domestic product by 2 times by 2023. Nevertheless, the draft presidential decree "On approval of the Concept of the National strategy "Digital Uzbekistan 2030" provides figures according to which the share of ICT specialists among the employed population of Uzbekistan in 2019 was 0.5 percent, which is almost seven times less than, for example, the average for the EU countries (3.7 percent). At the same time, we should not lose sight of the important fact that the demand for specialists in the field of ICT in the republic is rapidly increasing in all sectors of the economy and the life of society. It is enough to note that out of 780 types of public services, so far only 185 are available in electronic form. Moreover, the need to digitalize the activities of enterprises and organizations in all sectors of the economy will require the widespread introduction of electronic document management.

Conclusion

In conclusion, I would like to draw consideration to the social variables of the arrangement of a not too bad human life on the premise of the quickened advancement of the tertiary segment of the economy of Uzbekistan. In common, the worldwide slant of reorientation of generation from the creation of fabric merchandise to the arrangement of administrations, in our conclusion, is due to their tall liquidity related with a brief period of receipt of stores to the producer, generally moo fabric utilization (counting the so-called fabric administrations), which increments the volume of esteem included, and thus, national income [25]. The service sector allows us to successfully solve not only the problems associated with increasing the pace and achieving sustainable economic growth, but also solving acute problems of social development of society. The service sector makes it possible to equalize living conditions and standards, increases people's free time and improves their quality of life. Moreover, it actively involves free labor in production, significantly increases the level of employment of the population, and the efficiency of the use of labor resources, creates new jobs, brings huge incomes to both its employees and the population of the country as a whole.

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