

The Need for Rapid Development of The Service Sector in Post-Industrial Society

J.R. Zaynalov ¹

Z.M. Mukhammedova ²

Abstract

The concept of the transition to a post-industrial society and the need for rapid development of the service sector in a post-industrial society are highlighted in the article with scientific grounds. It is also written about the transition of industrialized countries to the service economy, fundamental changes in the structure of social reproduction, and the dominance of the service sector economy over other sectors.

Keywords: *post-industrial society, productive and unproductive labor, primary sector, secondary sector, tertiary sector, industrialized countries.*

¹Scientific adviser

²Doctoral student, Samarkand Institute of Economics and Service

The formation of the modern economy is mainly determined by the development of the service sector and information technologies, which is reflected in the increasing role of science. In the middle of the 20th century, as a result of the scientific and technological revolution, the introduction of new technologies led to the complexity of production processes, and as a result, the expansion of service areas and the emergence of new types of activities were achieved. As a result of the rapid growth of the service sector, the economy of developed countries began to be called the service economy, which led to the analysis of its place and role in the development of the modern economy. Currently, in developed countries, the share of the service sector in the gross domestic product is 80% [1], and the share of employment belonging to this sector is more than 70% [2].

The main concept in the world economy in the last years of the 20th century was the concept of transition to a post-industrial society. It was based on the emergence of various theories and concepts promoting the socio-economic development of society. The predominance of the service sector in the structure of social production has had wide consequences not only in the economy, but also in the social sphere, and is one of the signs of the transition to the post-industrial stage of society's development. The concept of post-industrial society appeared in the 1950s and 1960s. This period is called the period of general industrialization, the main driving force that ensures the transition of civilization to a qualitatively new state is the scientific and technical revolution.

Today, as a result of increased competition in the world economy, modernization of scientific and technical progress, and increased consumer demands, new directions of service activities are being created. It should be noted that the study of the problems of the service sector by economists began relatively late - at the beginning of the 20th century. For a long time (until the end of the 19th century), the service sector was excluded from the production sector in terms of creating national wealth and was therefore not considered as an independent full-fledged sector of the economy.

The world-famous English economist Adam Smith created the concept of productive and unproductive labor in his time and assigned a secondary role to the service sector in creating social wealth. He believed that social wealth is created only through productive work (material production), and expressed his view that service is a blessing that does not have a natural essence to be included in social wealth. In his opinion, he considered priests, doctors, lawyers, writers, musicians, singers and those engaged in similar service professions to be unproductive workers [3]. In our opinion, this view of labor inefficiency in the service sector, which is fundamentally wrong and, most importantly, harmful to the industry in question, has led to a false perception of the role of this industry in the process of reproduction. It was he who later formed the basis of many economic theories and played an incomparable role in the development of this field as a full-fledged part of social production.

In Adam Smith's time, services accounted for a very small share of the total set of goods consumed by man, and only a tiny fraction of the economically active population was engaged in service provision. According to experts, in 1900, the share of people employed in the service sector from the total number of economically active population was 20%, in 1950 it reached

25.4%, and in 2000 it increased to 48.6% [4]. Consequently, ignoring or underestimating the role of the service sector in the process of reproduction during that period did not have such a serious impact on the overall value of social wealth and economic growth. In his views on productive and unproductive labor, Friedrich Engels is no less than Adam Smith: "The only value known to political economy is the value of the commodity"[5], he said. These views lead to the important conclusion that services are not productive and therefore do not create new value. However, Karl Marx's views are preferable to these views, who believe that certain types of services create value and consumer value. He thoroughly analyzes Adam Smith's concept of productive and unproductive labor and proves the illegitimacy of his ideas about the nature of service.

Marks confirms that the commodity form of the service also has a rational content, shows the qualitative difference between the primary necessary goods and services and the secondary, that is, less necessary services, and also emphasizes that services, for example, educational services, are ultimately an investment in the production of labor power. He even considers the cost of transportation to be productive. "The consumption value of goods (things) is manifested only when they are consumed, which may cause the need to relocate them and therefore require an additional production process in the transport industry. Therefore, the productive capital invested in it adds value to the product transported, partly through the transfer of the value of the vehicle, and partly through the addition of value by labor in transport. This surplus on final value is divided into compensation for wages and surplus value, just as in capitalist production [6]. According to him, there is a similarity between goods and services, and he states that a consumer buys a service to satisfy his needs. At the same time, these services are goods for their producer and have consumption value and exchange value like other goods. We agree with Marx. After all, the labor of a service provider is a type of human labor that creates material benefits, it has a dual nature (abstract labor and concrete labor), it creates exchange and consumption value, and is also a specific goal-oriented human activity aimed at creating economic benefits.

Alfred Marshall, an English economist, also made a great contribution to the development of the theory of services. In our opinion, he put forward a more fair point of view, according to which the service sector, although it does not directly create material goods, creates the necessary conditions for material production. In our opinion, his service to this field is that he is the first in the history of economics to divide all benefits into tangible and intangible. The latter, i.e. intangible goods, are divided into human qualities and abilities to act and enjoy, as well as professional skills. A. Marshall called these inner blessings. And he divides external blessings into labor duties and domestic services that are useful to man and others [7]. These conditions include civil and military security of people, right to free education, right to legal protection, access to state property, etc. Although we are not convinced enough about the division of goods into internal and external goods, A. Marshall's views were a significant step forward compared to the limiting interpretation of social production and labor productivity in the service sector that existed for many years. Therefore, they played a reliable role in the formation of the modern theory of services.

In the first half of the last century, the theory of networks with structural changes was developed, and it was considered an important support for the development of the theory of

modern services. The founder of this theory was Colin Clark, who in his well-known work "Conditions of Economic Development"[8] came to a very important conclusion that production in each of the three sectors he defined is subject to the laws of development characteristic of any socio-political and economic system. According to him, every country goes through three stages in its development: the first is agrarian (the country's production grows slowly), the second is industrial (the growth of production reaches its maximum level) and the third is the dominant growth stage of the service sector (the growth rate of production is again slows down). In the network structure of employment, the weight of agriculture is constantly decreasing, the weight of industry is increasing at first and then decreasing in the long-term perspective, and the share of the service sector is constantly increasing [9]. According to K. Clark, the primary sector (agriculture and extractive industry) develops according to the law of diminishing returns, while the secondary sector (industrial production and construction) meets the requirements of the law of increasing profitability. As for the tertiary sector (all branches of the service industry), it follows both of these laws at the same time, that is, both the law of diminishing returns and the law of increasing returns [10].

The role of the theory of structural changes developed by Fisher-Clark in the development of the three-sector economy theory is also incomparable. Its essence was that as society develops, the direction of development gradually moves from one sector of the economy to another: from the primary sector to the secondary sector, then to the tertiary sector. According to researchers, this transition from one branch 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, while the demand for industrial products first increases, then decreases. and the service industry is a constantly growing industry.

Analyzing the history of the creation and development of the theory of the three-sector economy, we came to the conclusion that the service of J. Furaste, who creatively developed the ideas of Colin Clark and brought it to its logical end, was great. In his work "The great hope of the 20th century", he showed that the country's economic development is related to three sectors, i.e., the economically underdeveloped country depends on the primary sector, moderately developing countries - on the secondary sector, and developed countries on the tertiary sector [11]. Furaste believed that for the country's economy to be developed, 70% of the working population should be employed in the tertiary sector, 20% in the secondary sector, and 10% in the primary sector. At the same time, it should be noted that the structural division of employees by economic sectors indicated by J. Furaste is far from the limit, and in many developed countries, the service sector, which undoubtedly plays the role of the driver of the economy, has successfully crossed this line.

The transition of industrialized countries to the service economy took place in the 50s and 70s of the last century, when fundamental changes took place in the structure of social reproduction, and the service sector began to dominate other sectors of the economy. It should be noted that these fundamental changes in the service sector of developed countries did not happen easily. It is extremely important to study the advanced experience of developed countries and to put it into practice, first of all, to determine the reasons for changes in the sectors that are taking

place in the structure of their economy. Researcher D.S. Kvasova has carefully analyzed the development of the tertiary sector in developed countries on the example of Great Britain, Germany and France, and the specificity of the development of the tertiary sector in the economy of these countries is influenced by the lifestyle of the population, its mentality, historical development characteristics, the state of other industries and, of course, the actions of the government. In our opinion, a reasonable conclusion has been reached that it shows [12].

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 (excessively high share of agriculture). 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.

References:

1. OECD Statistics/Labour Force Statistics. URL: <http://stats.oecd.org/>
2. OECD Statistics/National Accounts. URL: <http://stats.oecd.org/>
3. Smith Adam. Research on the nature and causes of the wealth of nations. Vol. 1. M., 1935., P. 279.
4. Engels Friedrich. Anti-Dühring, K. Marx and F. Engels. Compositions. 2nd edition, T.20, P. 318.
5. K. Marx "Capital" V.2, K. Marx and F. Engels, Works. 2nd edition, T. 24, P. 169-170.
6. Marshall A. Principles of Political Economy. T. M., 1983.
7. Clark K. Conditions of economic progress. – London: Macmillan, 1940. Breslavtseva N.A. (2006). Accounting at service enterprises. Rostov n / a: Phoenix, 441 p. (In Russ.).
8. Three sectors theory // Economic encyclopedia. Political Economy. - M.: Soviet Encyclopedia, 1980. - T. 4. - S. 176-178.
9. https://spravochnick.ru/ekonomika/struktura_sektorov_ekonomiki/teoriya_sektorov_ekonomiki/
10. Fourastié J. Le Grand Espoir du XXe siècle: Progrès technique, progrès économique, progrès social. - Paris: Presses Universitaires de France, 1949.
11. D.S. Kvasova. Development of the tertiary sector of the economy in developed countries. Proceedings of BSTU Series 5, No. 2, 2018, P. 86.