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**SECTION 31. Economic research, finance,
innovation, risk management.**

SOME THEORITICAL PROBLEMS OF SERVICE SECTOR

Abstract: *There is given in this article some theoretical problems of the service sector, which are waiting to be solved and shown the ways of solving these problems, analyzed the definitions of which are given in the category "service". Also, the role of the service sector in the socio-economic life of the country has been thoroughly studied and new aspects of this sphere are shown.*

Key words: *income, employment, service, demand, consumer, offer, market economy.*

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Introduction

In the highly economically developed countries of the West service sector has become a superior advanced, primary sector of the national economy. In Uzbekistan, the service sector has also grown rapidly, with its share of the gross domestic product more than 50 percent over a short period of time. In the Movement Strategy adopted for the further development of Uzbekistan a particular attention is paid to this issue.

Theoretical aspects of the service sector play an important role in determining the potential in the development of the country's socio-economic life. However, many issues related to the functioning and development of the service sector, including its role in the information society, the leadership role of it in the key activities of human economic activity have not been thoroughly studied. But up until now in the research works the essence of the concept of "service", its definition recognized by many, the role of the service sector in the socio-economic development of the country has not been fully covered. Therefore, there are some theoretical issues in the service sector that are waiting for the solution.

F. Kotler considers that "services are any activities or blessings that can be offered from one side to the other side, a useful action that does not allow any party to own something" [1]. R.Normann - gives the definition "Service – is a benefit offered to the customer" [2]. T.A.Agapova, S.F.Seregina believe that "services are related to the non-material sector and are different kind of activities of a person

who does not create material goods" [3]. K. Lavlok, in contrast to the above-mentioned scientists' definitions, "includes to the concept of services all kinds of activities which manufacture resources for industrial and agricultural purposes" [4]. Similar definitions can be found in the works of foreign scientists such as Z.I.Belikina[5], E. A. Razomasova[6], T.D.Burmenko[7], O.V.Koneva[8], L. Demidova[9], V.N Solovyova[10] and others. However, they did not fully explain the role of the sphere of services in socio-economic development of the country. In the current literature and in scientific research, the role of service sector in shaping the country's GDP, providing employment to the population and a number of its other aspects has been recognized.

Main part

In current economic literature, which contain theoretical studies shows that there are a series of definitions of different content on service and service sectors. Consequently, since there is no unity in interpretation of the concept of "service" and in revealing its socio-economic significance, there are various, often contradictory scientific views and approaches on a number of important issues.

While a group of economists consider service and service concepts as independent considerations, many scientists see them as synonymous. For example, some economists in their works have acknowledged that, the sphere of services has an important socio-economic value in the national



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economy complex. Some economic schools' representatives (Kronrod Ya.A, Skarjinsky M.I and etc.) have suggested that the material production should be expanded by reducing service sector [11]. The scientific debates about the division of the economy into production and non-production sectors, recognition some of its network as transportation and communication according to what kind of type they are, has not come to an end and there is no points in these important issues. For example, G.A. Dremina, N.M. Lisovaya and others added light vehicles to the sphere of services, as well as trucks to manufacturing industry [12].

In our opinion, it is impossible to achieve exact results when calculating the scale of the sphere of services, its status and dynamics of development, unless there is a consensus among economical scientists. We found it necessary to explain some of our considerations and approaches in these important issues. In our view, if we look at the "transport and communication" sectors of the economy from a consumer point of view, whether it is a cargo carrier transport or a passenger carrier transport, it will be a part of the service industry. Because it ends with the activity of bringing the consumer to his destination and with solving his problems. If we look at it from an enterprise perspective, it is a means of production for the enterprise. Because in the formation of the value of the goods, transportation costs are reflected as an expense incurred therein, and they are included in the cost of the product. The services, their essence and importance, can be further extended. The views about services, their essence and importance, can be further extended. Recognizing the theoretical significance of scientifically grounded comments in these economic views, we consider that it is not appropriate to look to it from the consumer point of view. Because in the market economy, consumer is a royalty, and his desires, appear to be the driving force of all market participants. Economic activity of all business entities is based on the interests of the consumer and serves to satisfy it. Looking at the service sector from a consumer point of view gives an opportunity to clarify the views on the nature of this industry, its socio-economic role and place. It is noteworthy that in the evaluation of the essence of the concept of "service sector", in giving the definition to it, in evaluating the position of the service sector in the national economy, based on the interests of the consumer, acknowledging the importance of its primary importance, will make it easier to clarify many debates and controversy on the subject. However, in none of the above-mentioned economists' findings on the definition of "service" the interests of consumers have been reflected. From that point of view, the following description can be given to the category of "service": "Service" - is a general category and it considered to be an activity, aimed at satisfying the needs of consumers (to

alleviate their difficulties, to bring closer to their destination, to solve their problems) and maintaining their interests.

Conclusion

The role of the sphere of services in the socio-economic life of the country has not yet been thoroughly and comprehensively investigated. Theoretical research shows that there have been formed many different, often controversial views on the role of the service industry in the national economy. D.M.Dalagatova, a Russian economist, in explaining the role of the sphere of services in the country's economy, from our point of view, based on some of the less important aspects of service sector. In her opinion, this sector will, firstly, reduce the amount of government financing, and secondly, it will increase competition between business entities, and, thirdly, will result in creating new types of services[13]. In our perspectives, the opinions expressed by the author are not sufficient to explain the role of the service sector in the national economy and in the life of society. While the sector of services participates in the strengthening of inter-sectoral competition, it is illogical to justify the valuation of its position in the economy based only on this. Today, when the sphere of services is becoming a leading, primary sector of the national economy, its role will not only be reflected in the strengthening of competition between economic entities or, say, the reduction of government funding. The sphere of services today is primarily a means of satisfying the needs of the population, the main means of its survival and development, and secondly, the primary sector in the formation of the gross domestic product, thirdly it has a great potential to address the problem of employment of the population. Recognizing the important role of the service sector in the life of the community and in the national economy, a Russian economist A.N. Guseva in her scientific work called "Improvement of the mechanism of management of service organizations in the market" emphasized that the development of the services sector has allowed women to reduce their "housework" and to increase their leisure time. As a result, numbers shows that in Russian Federation, the share of women in the economy is 51 percent, in education - 70 percent, in health and social services - 80 percent, and in trade and public catering - over 40 percent [14]. N. V. Vaselenko and I.V. Vengerova in their research, describe the role of the services sector in the national economy in the following way:

- technological changes will take place in the economy of the country;
- there will be an increase in productivity of social production;
- national economy will be provided with qualified labor resources;



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- centers for maintenance of complex types of technologies will be opened[15].

In most of the investigated researches the role of the sphere of services in the creation of new job places, increasing the GDP of the country, increasing incomes of the population and in improving the living standards of the population have been recognized. Some textbooks in evaluating the role of the services sector in the economy its economic and social functions were taken as a basis. The views of scientists about the role of the sphere of services in the economy are remarkable. In their works, they have covered in detail the role of the sphere of services in the economy. However, in our opinion, the social and economic significance of the service sector is not limited with those factors. As a proof of our this theoretical conclusion we can give these consideration:

Firstly, the sphere of services participates in meeting the requirements of a number of economic laws. For example, the law of time saving.

Secondly, the service sector plays an important role in addressing such issues as implementation of

the policy of modernization of the economy, the development of scientific and technical and innovative processes in the economy, the introduction of advanced techniques and technologies.

Thirdly, the service sector plays an important role in reducing inflation rates in the economy and establishing healthy monetary circulation. At the same time, it is possible to reduce the inflation rates by providing excess money in circulation with services.

Fourthly, the service sector plays an important role in increasing the revenues of the state budget and forming its revenues.

Fifthly, the service industry improves market infrastructure.

Sixth, the services sector has wide opportunities for the formation of population incomes.

Seventh, the role of the services sector in the spending allocation of gross income of consumers to consumption expenditures and savings is of great importance.

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