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# Efficiency of the Region's Services and its Impact on the Formation of the Gross Regional Product

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# Efficiency of the Region's Services and its Impact on the Formation of the Gross Regional Product

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## I. INTRODUCTION

With the development of society, the growth of productive forces, the sphere of services is developing. There is an increase in employment in this sphere, an increase in the technical equipment of labor, the introduction of more and more advanced technologies. At present, the role of services, as one of the most important sectors of the economy, is very great and relevant.

This is due to the complication of production, the saturation of the market with goods both daily and individual demand, with the rapid growth of scientific and technological progress. Nowadays, there are more than 160 types of services (according to the WTO classification) - from research to repair services, from education to tourism, and industries based on the use of complex, intellectual labor [1] have come to the fore.

## II. LITERATURE REVIEW

The economy of the regions, as well as the Uzbekistan economy, faces the constant task of increasing the gross domestic product. Previously high rates were achieved mainly due to the production and sale of raw materials in the world and domestic markets.[3] But at present, production is experiencing considerable difficulties, in particular, stagnation, insufficient financing and the industries themselves are developing very slowly. I. Ansoff, T. Bush, B. R., from foreign scholars on quality management, organization of educational system management activity and professional development of various leaders, their skills development. Clark, F. A. van Vught, P. Hallinger, E. L. Horng, J. W. Valentine, R. Bolam, L. Cuban, J. Lauglo, K. Leithwood, P. Sammons, R. Webb and others.

Heads of educational institutions have been informed about some aspects of managerial activity and

problems of strategic management in educational systems from CIS scientists: Yu. A. Konarjevsky, G. A. Balyxin, V. G. Gurtov, E. A. Pituxin, L. M. Serova, T. I. Shamova, P. I. Tretyakov, E. D. Dneprov, G. I. Maltseva, T. D. Davydenko.

Issues of management, education system management, training, retraining and advanced training of managers in Uzbekistan S. Gulyamov, Sh. N. Zaynutdinov, Q. Abdurahmanov, D. N. Rahimova, M. I. Ikromov, A. Kucharov, D. S. Kosimova, LV Perugudov, M. X. Saidov, Sh. E. Gurbonov, E. A. Seytxalilov, M. Mirgosimov, R. H. Djuraev, S. Turgunov, N. Ahmedova and others.

Also, theoretical-methodological foundations for the management of education systems and institutions, heads of general secondary schools are directed at improving the efficiency of management activity, improving the quality of education, including U. I. Inoyatov, R. Sh. Ahlidinov, J. G. Yuldashev, S. A. Usmanov and others.

## Research Methods

The dissertation uses methods such as theoretical comparison, comparative analysis, statistical analysis, surveillance, modeling, experimental research, experimental testing, analysis, expert evaluation.

## III. ANALYSING AND METHODOLOGY

Gross regional product of the Republic of Uzbekistan. The development of the social sphere is of great importance for the improvement of the well-being of the country and its regions. At the same time, the effectiveness of the development of the social sphere depends on the professional capabilities of the individual and the experience of developed countries.

Analyzing the economic and social development of the Republic of Uzbekistan, we are based on certain indicators of the system of regional accounts, namely, on paid and household services, identify trends in the formation of the GRP of the republic for 2000-2011,[4] the share of services in GRP, employment in services. It is known that the rapid development of the service sector and the increase of its share in the gross national product is a characteristic feature of the country's transition to the post-industrial stage of development. Gross domestic product (GDP) is the most important

indicator of the system of national accounts (SNA). The analog of GDP at the regional level is the gross regional product (GRP), which is the value of goods and services produced for end use [5].

So, consider the GRP for the Republic of Uzbekistan for 2000-2011.[6] GRP in 2002 compared to 2001 decreased by 8425.1 million soums or by 3.52%, which was due to a fall in the production of goods in 2002 and an increase in net taxes (net of subsidies) on products. Since 2003, GRP has a positive trend [7].

Currently, there are only projected data on the volume of GRP of the Republic of Uzbekistan for 2010 and 2011, according to which the gross regional product by 2010 will be 1.1 trillion soums, and in 2011 - 1.4 trillion soums. In the province, by 2010, prerequisites were created to make significant progress in this direction, as well as to get rid of the dependence of the regional economy on one industry (extraction of non-ferrous metals).[8] The central task now facing the authorities of the Republic of Uzbekistan is to create conditions for increasing investment flows that come to the edge. The list of these conditions includes political stability in the republic. Not the least role is played by the quality of the legislative framework regulating the business sphere.

Growth in the share of household services in the gross regional product of the Republic of Uzbekistan.[9]

Consider the volume of paid and personal services rendered to the population of the Republic of Uzbekistan for 2000-2010. in billions of soums.[10]

Analyzing we can note that the production of services has a positive trend, and the growth rate of services by 2010 are increasing. The dynamics of the pronounced growth in the volume of paid services, including household services, is determined by the development of business processes in the region. The state regulation of prices (tariffs) and compulsory payments also plays an important role, for example, transport services are declining (in 2000, 38.4% of the total volume of services, in 2010 - 15.5%), with the increase in services Housing and communal services

(in 2000 - 14.1%, in 2010 - 37.5%), communications (in 2000 - 10.5%, in 2010 - 20.3%).

In the Republic of Uzbekistan, more than half of the gross added value falls to the share of industrial organizations that carry out activities in the sphere of extractive, processing industries, production and distribution of electricity, gas and water, for example, 60.4% of GRP in 2007. The industry is gaining momentum and crowding the services market. Such a state of the republic's economy is characteristic until 2008. In 2008, the share of the services market is increasing, for example, the share of transport and communications increased to 10.8%.[11]

The share of employed in the service sector in the total number of the employed population of the Republic of Uzbekistan is increasing every year. This suggests that the demand for services in the region is growing. This is also connected with the fact that the regional target program for supporting small and medium-sized businesses "Development of small and medium-sized businesses in the Republic of Uzbekistan for 2008-2010" works, which in turn leads to an increase in firms that provide certain services [12].

Growth in labor productivity in services A feature of the service sector is the territorial nature of the effect of most of the factors of increasing efficiency, which is determined by the specifics of the formation of demand and supply of services.[14]

Economic efficiency is measured by two types of indicators: one characterizes the results of production per capita, the other - the ratio of results and costs. The most important indicators of the first type are: gross national product per capita and national income per capita, at the regional level, the gross regional product. Performance indicators, comparing the results of production with its costs, are: the productivity of social labor.[15] Calculate the productivity of labor in the service sector of the Republic of Uzbekistan. The volume of paid services must be cleared of the influence of inflation and taken for calculation in real terms (see Table).

*Table 1:* Labor productivity in the service sector of the Republic of Uzbekistan

| No. | Indicators  | 2000   | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  |
|-----|---|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1   | The volume of paid and personal services (in the current set of prices. | 14,1   | 18,1  | 25,1  | 33,2  | 39,8  | 47,6  | 57,5  | 68,7  | 79,6  | 84,6  | 87,2  |
| 2   | CPI for paid services (by the prior year)%                              | 126,1  | 155,2 | 135,5 | 150,5 | 112,8 | 118,2 | 115,8 | 111,1 | 115,6 | 108,6 | 109,1 |
| 3   | The volume of paid and personal services (in real terms, billion soums) | 11,2   | 11,7  | 18,5  | 22,1  | 35,2  | 40,3  | 49,7  | 61,8  | 68,9  | 77,9  | 79,9  |
| 4   | Employed in the provision of services, thousand people                  | 776,6  | 787,3 | 814,8 | 831,5 | 845,2 | 893,3 | 901,5 | 905,0 | 913,0 | 921,8 | 921,8 |
| 5   | Productivity of labor sum / person                                      | 14 422 | 14861 | 22705 | 26578 | 41647 | 45114 | 55130 | 68287 | 75465 | 84509 | 86678 |

The table shows that labor productivity tends to increase over the entire period under review. This suggests that the rate of growth in the volume of paid and personal services in real terms exceeds the growth rate of personnel engaged in the provision of services.

Factors affecting the efficiency of the service sector:[16]

- The policy of the state, both at the level of the region and the country as a whole;
- Labor efficiency in organizations providing services;
- Strategic management of the organization;
- The right choice of the market segment.

Activities that may affect the effectiveness of services:

- Various targeted programs, such as the regional target program to support small and medium-sized businesses "Development of small and medium-sized businesses";[17]
- Holding regional economic forums with the involvement of young people;
- Use of scientific and technical developments;
- Flexible price and tariff policy (transport, communication).[18]

#### IV. CONCLUSION

Summarizing, we can conclude that the share of paid and personal services is very significant in the gross regional product of the Uzbekistan Territory. Also, the share of employed in the service sector in the total number of employed people tends to increase. The research was carried out according to the types of activity of the service industry. But among the employed in the service sector are not only those who work directly in this industry (household, transport, medical, etc.), but also workers in other sectors of the economy.

In the extractive, processing and agricultural sectors, there is a hidden sector of services. They can be called "internal services" potentially involving a wide variety of activities. If you transfer these activities to organizations that have the status of a legal entity, then the services they perform would become part of the competitive market and be included in statistics in the regional gross regional product in the "services" section. And this is new results and an increase in the share of services [6].

Thus, the sphere of services occupies an increasingly important place in the creation of the GRP of the Uzbekistan Territory and the GDP of RUz. The efficiency of labor in the sphere of services in the region is increasing, contributing to the increase in the efficiency of the economy of the region.

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