



# **SERVICE PROVISION IN UZBEKISTAN THE IMPORTANCE OF APPLYING INNOVATION**

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## **Abstract**

This article highlights the importance of introducing innovations in improving socio-economic efficiency in the service sector. It also lists the areas of innovative development that allow achieving economic development.

**Keywords:** Service provision, socio-economic efficiency, social indicators, economic indicators, service quality system.

## **Introduction**

Modern world, the service sector plays an important role not only in the economies of individual countries, but also in the global economy as a whole. Over the past decade, the share of services in GDP has been steadily increasing, and the number of people employed in the service sector has also shown positive dynamic changes. International trade in services is also rapidly developing on a global scale. Innovation and innovative activity are the main drivers and factors of these positive changes. Innovation is an integral element of the growth and sustainable development of the economy, and without the innovative component, the effective development of the tangible and intangible production sectors of the economy is impossible.

The main goals of innovative activity in the 21st century are the development and introduction of innovative technologies in the production and service sector, the use of new methods of organization and management of enterprises, increasing production efficiency, which is a key factor of market competition, and improving the quality of goods and services. The role of the service sector in the modern economy



is associated with the formation and development of new scientific knowledge, intellectual capital, information technologies, financial services, consulting and other types of services, which are fundamental factors of economic growth in this area. The formation and development of a knowledge and high-tech economy is one of the important factors in the transition from an economy based on the export of raw materials to an innovative economy. This requires the creation of economic and legal conditions that stimulate educational, medical and research institutions, as well as industrial sectors that develop and introduce innovations. Currently, in the context of economic changes, it is of particular importance to improve the efficiency of continuous and sustainable development of service enterprises and improve the socio-economic mechanism for ensuring the intensity of service provision.

Currently, the socio-economic reforms being implemented in our country are creating favorable opportunities for the development of services and the service sector. The structural changes being implemented are creating conditions for the development of service enterprises, the emergence of modern forms, types and methods of service provision. Today, economic transformation is leading to the widespread distribution of digital services along with traditional services. Therefore, with the expansion of the service sector and the development of modern, innovation-based services, the criteria for evaluating the activities of economic entities and the study of socio-economic indicators are becoming increasingly important. The service sector and its structural elements are formed according to the types of innovations determined by the strategic directions for implementing the innovative development of organizations. The following groups of innovations are characteristic of the service sector:

- *technological innovations* - innovations in the field of service technologies, the introduction of new technologies that allow for the provision of new services and the production of new high-quality products;
- *service innovations* - increasing the consumer value of services, changing the composition and types of services provided, improving the quality characteristics of services;
- *organizational and management innovations* - updating business processes, introducing new methods of management, decision-making, and using new information and communication resources in the service sector;



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- *socio-economic innovations* - changing the social, economic and legal conditions of the activities of service enterprises will help improve working conditions and improve the quality of life of the population;
  - *financial innovations* - creating new financial instruments and technologies to finance the service sector and attracting investments to improve the quality of services;
- Increasing the socio-economic efficiency of the service sector through innovative development can be achieved in the following ways:
- development and implementation of socially significant projects and programs that require state support, as well as the necessary legal and infrastructural support for business entities;
  - diversification of the activities of service enterprises in order to increase their commercial activity and economic results;
  - ensuring intra-industry and inter-industry integration of service enterprises with other economic entities in the domestic market.

The introduction of such a system will allow for the introduction of innovations in education and science, healthcare, the financial sector, and other service sectors, will serve to expand the potential and capabilities of enterprises in the sector, and will also increase the efficiency of their activities.

So, socio-economic efficiency is an increase in the socio-economic standard of living of the population based on the rational use of limited resources in the process of social production.

Service quality is a set of service characteristics that determine the ability to meet the stated or expected needs of customers. A service quality system is a set of organizational structures, responsibilities, processes and resources that ensure overall quality management. Service quality depends on many factors, such as processes, technology, personnel training, etc. Technological innovations introduced in service provision, in general, by reducing costs, not only increase the efficiency of service provision, production, but also its quality, and serve to form acceptable prices for consumers. Without improving service quality, it is impossible to achieve socio-economic efficiency in service production.

When determining the criteria and indicators for the development of service enterprises in the context of technological innovation, it is necessary to describe the main characteristics of the industry. The indicators and criteria characterizing the nature and conditions of work of business entities in the service sector include:

- automation of service processes;



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- ensuring that buildings and structures meet modern requirements;
  - level of use of advanced work experience;
  - qualifications, education and professional level of employees working in the service sector;
  - level of technical and technological development, equipment and mechanisms;
  - the level of organization of training and retraining of personnel necessary for the service sector;
  - taking into account the individual characteristics of customers;
  - widespread use of electronic services;
  - the adaptability of service processes to future consumer demand.

Using all these indicators, it will be possible to comprehensively assess the socio-economic performance of service sector enterprises.

The ability to measure and improve the performance of service sector enterprises and the integration of all of the above areas of innovation will help increase efficiency in achieving economic development goals and improving the quality of life of the population. The main point in this regard is the need to develop a system of services for innovative activities based on the formation of organizational and managerial conditions and infrastructure for the implementation of innovative activities. Given the social significance and versatility of the service sector, the creation of such a system is impossible without state regulation of innovative development, which should be reflected not only in setting goals, but also in incentives.

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