

**Improving the standard of living of the population based on the socio-economic development of the service sector.**

**Usmanov Farzod Shokhrukhovich**

Head of the finance department of "Samglass" LLC

***Annotation.** The article describes how, at the current stage of society's development, the economy is evolving into a complex of industries embodying not only production but also thousands of services. The national economy, which has emerged in the Republic of Uzbekistan since independence, as the end result of consistently implemented economic reforms and new economic relations, creates favorable opportunities for the further development of the service sector. Furthermore, particular importance is attached to the fact that this sector is a key factor in improving the standard and quality of life of the population through the rapid development of the national economy.*

***Keywords:** standard of living of the population, quality of life, demand, consumption, savings of the population, wages, income of the population, free time.*

**Introduction.** Human characteristics are shaped and modified by the entire complex of life conditions. Thus, the frequency of tourist trips is, of course, directly related to socio-cultural level and correlates with other characteristics, including those reflecting a person's everyday behavior during free time, their work activity in the broad sense of the word, and in particular, the activity of retirees and other individuals equivalent to them in their free time. The proportion of free time spent by these individuals over their lifespan amounts to up to 18%. However, it would be a grave mistake to assume that encouraging or forcing people to pay to participate in tourist trips more often will automatically improve their attitude toward useful activities, such as strengthening public order or educating the

younger generation.

**Analysis of literature on the topic.** Such renowned economists as A. Smith, V. M. Zherebin, A. N. Romanov, and N. A. Gorelov made significant contributions to the development of the theory of the population's standard of living. Without their theoretical approaches and theoretical views on public well-being and its achievement, it would be difficult to develop a system of modern scientific views on population well-being and standard of living.

**Research methodology.** The study utilized data-driven logical analysis methods. It also utilized epistemological methods and concepts such as induction and deduction, space and time, and analysis and synthesis.

**Analysis and results.** When correlating the characteristics of retirement-age individuals with labor processes in education, healthcare, or culture, it is legitimate to consider the increase in their experience—that is, their knowledge or health—as the ultimate social outcomes. However, this does not mean that they are created by someone (e.g., doctors or scientists), just as, say, a pensioner can closely engage in the education of individuals beginning their careers, or disabled individuals can (given their age) actively participate in sports, at a level sufficient to allow them to choose based on their disability or ability. The ultimate social outcome is always the result not only of those in the tourism sector, now ready to provide various services, but also of consumption—or, more precisely, the selective and, as a rule, active assimilation of free material and non-material benefits.

The dependence of such results on specific types of services provided, including those occurring in the tourism sector, cannot be

Unambiguous. Accordingly, it is impossible in principle to determine, for example, the social norm for the expenditure of disabled people or pensioners to produce a "unit of health" (this does not preclude the possibility of a fruitful analysis of the

corresponding relationships, if their correlative nature is recognized). Thus, neither in terms of utility nor in terms of assessing the share of their free time and the expenditure of useful time, are the final social results analogous to the products of other economic sectors besides tourism. This precludes the possibility of their direct comparison, summation, etc. At the same time, there is an obvious need to compare, for example, the contribution of tourism to the social growth of people with more free time and the improvement of the standard of living of the population as a whole.

Alongside material goods, as a means of satisfying people's needs directly created in a given economic sector, one can also consider their activities in the service sector, as a typical activity and not as a final result embodied in a person, but as the total impact of this sphere on the individual consumer. Thus, if we're talking about tourism, the product is not the guide's work per se (which, from an economic perspective, is a labor process), nor is the cultural level they acquire during a tourist trip. The product in this case is the act of influence of tourism actors on tourists, or, more precisely, the act of their interaction.

In practical terms, this means, in particular, that when determining the volume of services provided by a tourism entity, one should proceed not from the number of tourists visiting a theater or museum (out of necessity), but from the number of visits. A travel agency operating with a half-empty venue is difficult to consider as effective (at least in an economic sense) as a team that attracts a full audience, although in terms of activity (labor costs), they may differ little.

At the same time, if we consider the guide's work itself or its useful properties to be a service, we would have to admit that it has an impact even when preparations are being made for a tour trip, or the preparatory work (before the trip) is not taken into account in the time costs.

In reality, a tourist purchasing a travel package is purchasing (even if free) not a visit to a specific place (a museum or historical site), but the services of guides, not to

mention their own cultural level or a guaranteed increase in that level by a certain amount. Tourists acquire the right to interact with the environment. This entails the activities of those who create this environment (both during the visit and in the process of preparing it for its admirers—i.e., tourists) and a certain final social outcome. The object of the economic relationship becomes the act of interaction with the environment, which showcases a specific historical monument. This is what the tourist—the consumer of the tourism product—claims, and it is guaranteed.

A service provided by social actors (intangible goods) is a process involving both the producer and the consumer. These are typical systemic phenomena that disappear from view when attention is focused entirely on one of the interacting parties. If this party is the producer, the service is replaced by its prerequisites and labor costs; if the consumer, it is replaced by mediocre and, as a rule, rather distant results of service consumption. Both approaches preclude an adequate analysis of the social sphere's performance. Conversely, if attention is focused not on the intangible production activities of the consumer as such, but on the acts of interaction, identifying social services, including those for the needs of practice (i.e., service providers), presents no particular difficulties.

Examples of natural indicators of services include the number of treatment courses provided, the number of people who have undergone short-term

Courses on a particular program, a preliminary familiarization with the site being inspected (building, structure, exhibition stand, historical monument, etc.) at a roundtable. In this case, qualitative characteristics of social services have been developed, which will be discussed below, since, first and foremost, it is necessary to finance the "quotas" of services and their inherent dimensionality. This dimensionality is always the product of a natural measure, a certain process of beneficial impact on a person free from the main working day (time), and the number of consumers (visitors)—those of retirement age or unemployed but with significant free time—who actually benefit from this impact.

**Conclusions and suggestions.** Having defined what a social service is

In this area, it's possible to confidently construct physical performance indicators for various services provided by social service providers. However, physical indicators are incompatible with each other and, as a rule, don't reflect differences in the quality of similar services. Cost indicators, which are indispensable in economic analysis, are free from these shortcomings. Developing such indicators, of course, also presupposes capturing the service's properties.

As an object of valuation. However, in this case, it's not just the physical form of the intangible product that requires attention, especially since the question of the monetary valuation of its results has been largely obscured by historical circumstances. In the course of the protracted discussion about the product of services, in the broad sense, finding a rational solution has become extremely difficult.

It has now become generally recognized that the growth of production, including material production, depends largely on the scale and structure of personal consumption of social services. Adam Smith acknowledged this to some extent, judging by his individual comments, for example, on the role of education. However, for him, the only real alternative to investment in material production was the wastefulness of the idle classes. Adam Smith's discussion of productive labor clearly reveals a situation in which economic development corresponded more to the number of people employed than to their standard and quality of life [1].

Some other researchers, speaking about the problem of labor productivity, basically adhered to its original formulation, which led to a different line of controversy, within which the debate "On the usefulness of different types of activities" began. In this regard

"Utility" fits perfectly into the category of utility in the service sector, the effectiveness of which determines the growth of the population's standard of living as

a whole. Anything that satisfies someone's need for services is useful.

Unfortunately, this debate has not found its way into modern economic literature. Over time, this debate will be perceived, in the words of J. Schumpeter, as a "dusty museum piece[2]".

Hence, the idea is repeated repeatedly: when it comes to the usefulness of services, it is not the sphere of employment that is of dominant importance, but rather the direct inclusion in the reproduction of capital accordingly.

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