



ANALYSIS OF THE USE OF HUMAN CAPITAL IN THE FIELD OF SERVICES IN THE REPUBLIC OF KARAKALPAGISTAN

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Article history:	Abstract:
Received: 25 th May 2024 Accepted: 20 th June 2024	The economy of Germany, an economically highly developed country in the West, is based on services and science, and services in the economy account for more than 78.0 percent, and services directly related to industrial production account for more than 40.0 percent. . As a conclusion, it can be said that the more efficient the economy is, the more the demand for science and services will increase.

Keywords: Economically highly developed

A distinctive feature of the development of modern civilization is turning the service sector into a priority sector of the economy. According to the World Bank, "currently, the share of the service sector in the gross domestic product of developed countries is 74.0 percent, the total number of employed persons is 70-75 percent, and the total number of enterprises is 90-95 percent¹. For example, in Luxembourg, the share of the service sector in the GDP is 86.0 percent, in the USA - 79.6 percent, in Great Britain - 74.5 percent².

The economy of Germany, an economically highly developed country in the West, is based on services and science, and services in the economy account for more than 78.0 percent, and services directly related to industrial production account for more than 40.0 percent. . As a conclusion, it can be said that the more efficient the economy is, the more the demand for science and services will increase.

The service industry, which is one of the important sectors of the economy, is of great importance and relevance. This requires stronger development of education, healthcare, information, finance, transport, insurance and other services.

Rapid development of the service sector is one of the priorities of the development strategy of New Uzbekistan for 2022-2026. In the next 5 years, the service sector in the regions of the country will increase by three times³.

Therefore, at the current stage of our country's development, the development of the service sector, turning it into the "locomotive" of our economy, will create the basis for increasing the GDP to over 100

billion dollars and eventually joining the ranks of countries with an income above the average.

Taking into account the forecasts of the main factors of the development of the service sector in the territory of the republic, it can be said that the number of people employed in the economy, investments in fixed capital, the export of services and the growth of the population's income are the forecasts for the development of the service sector until 2030 for each region. At the same time, the dynamic growth rates of the service sector are observed in regions with the lowest level of services per capita⁴.

If we pay attention to the analysis of economic development indicators in the Republic of Karakalpakstan, the volume of the gross regional product by the end of 2021 will be 25681.80 billion. amounted to 32,916.10 billion soums by the end of 2023. to soums, that is, it has increased by almost 1.3 times.

When we analyzed the composition of the gross regional product in the republic in the last three years, the share of services in its structure was 37.0 percent in 2021, 38.3 percent in 2022, and 39.3 percent in 2023, and had a higher share compared to other industries.

It should be noted that the characteristic feature of the development of service enterprises compared to the industrial sector is that labor productivity in industry tends to increase continuously, while labor productivity may not increase over time in some sectors of service enterprises. It depends on the nature of its service production.

As of April 1, 2024, the number of enterprises and organizations in the Republic of Karakalpakstan by

¹ <https://review.uz/post/sfera-uslug-v-napravleniyax-sovershenstvovaniya>

² <https://geographyofrussia.com/20-stran-mira-s-naibolshej-dolej-sfery-uslug-v-strukture-vvp/>

³ Decree of the President of the Republic of Uzbekistan dated January 28, 2022 "On the development strategy of New Uzbekistan for 2022-2026" No. PF-60, goal 34. <https://lex.uz>

⁴ The concept of socio-economic complex development of the Republic of Uzbekistan until 2030. www.uza.uz



types of economic activity (excluding farmers and farms) is 32,848, 65.9 percent of them, i.e. 21,670 are working in the field of services and services, this indicator was 132.4 percent compared to the corresponding period of 2023.

The analysis shows that the service sector in the Republic of Karakalpakstan is developing at a faster pace than the real sector of the economy. This process

depends on a number of factors, such as structural changes in the national economy, increase in population employment and income, filling the market with modern services, as well as globalization trends in the world economy. Based on the analysis of the volume of services provided by the main types of economic activity in the Republic of Karakalpakstan for 2021-2023, we can provide the following information (Table 1).

Table 1

The volume of services provided by the main types of economic activity in the Republic of Karakalpakstan⁵ (billion soums)

Indicators	2021-year	2022-year	2023-year
Services - total, incl:	8 458,4	10 595,3	12 876,6
communication and information services	448,7	555,7	688,2
financial services	1 692,1	2 232,0	2 961,6
transport services	2 303,7	2 867,0	3 170,3
car transport service	1 159,4	1 275,4	1 559,0
accommodation and food services	185,5	277,6	365,6
trade services	913,8 2	177,7 2	2 710,8
real estate services	206,4	245,6	283,4
services in the field of education	568,1	694,2	801,6
health care services	99,9	127,9	161,8
rental and leasing services	159,4	204,5	246,7
computer and household goods repair services	239,9	301,5	371,3
personal services	304,2	387,8	499,5
services in the field of architecture, engineering research, technical testing and analysis	92,5	92,5	183,8
other services	244,2	358,1	432,0

The table shows that the volume of services increased 1.5 times in 2021-2023.

Including:

- 1.9 times growth of communication and information services,
- growth of financial services by 2.8 times,
- a 2.3-fold increase in transport services (including a 1.8-fold increase in motor transport services),
- 2.1 times increase in accommodation and catering services,
- growth of trade services by 2.1 times,
- 1.8 times increase in real estate related services,
- 2.1 times the growth of services in the field of education,
- 2.8 times increase in healthcare services,
- 2.0 times increase in rent and leasing services,
- 2.1 times increase in computer and household goods repair services,
- growth of personal services by 2.2 times,

- 1.8-fold increase in services in the field of architecture, engineering research, technical testing and analysis,

- growth of other services increased by 2.3 times.

Over the past 3 years, the volume of services in the region has increased almost 2.2 times. In particular, in 2023, 12,876.6 bln. provided services worth soums. Services have the largest share of total services, transport services (28.6% in 2021, 27.2% in 2023), trade services (25.4% in 2021, 22.6% in 2023), financial services (10.1% in 2021, 20.0% in 2023).

From the data of Table 1, we can see an uneven share of transport services, a decrease in trade services, and an increase in financial services. These processes require the improvement of the mechanism of effective use of human capital in the service sector.

In addition, the lowest growth rate was observed in the services provided in the field of rental and leasing services, 98.3%.

In 2022, the total volume of services provided by the cities and districts of the Republic of

⁵ www.qrstat.uz – It was developed by the author based on the data of the Statistics Department of the Republic of Karakalpakstan.



Karakalpakstan will be 10,595.3 billion soums amounted to 12,876.6 billion soums in 2023. amounting to soums, the volume of provided services has increased by 2.2 times across the republic. The highest growth rate of

the services provided in the section of cities and districts corresponds to Buzatau district (in 2021 - 44.6 billion soums, in 2023 - 79.9 billion soums, i.e. 1.8 times) (Table 2 see).

Table 2

The volume of services provided by region in the Republic of Karakalpakstan (in billion soums)⁶

Areas	2021-year	2022-year	2023-year
Republic of Karakalpakstan	8 458,4	10 595,3	12 876,6
The city of Nukus	3 537,2	4 574,3	5 523,1
<i>districts:</i>			
Amudarya	429,5	543,7	665,5
Beruny	433,3	524,9	642,1
Buzatau	44,6	55,9	79,9
Karauzak	144,0	167,7	63,9
Kegeyli	159,7	194,4	241,5
Kungrad	1 191,9	1 564,3	1 838,5
Kanlykul	118,0	144,6	177,8
Muynak	105,7	120,4	147,3
Nukus d.	180,2	216,4	266,2
Takhiatash	192,3	246,3	324,4
Takhtakupir	127,6	150,3	183,1
Turtkul	674,5	760,6	943,1
Khojeyli	372,5	448,6	552,1
Chimbay	256,4	308,9	376,7
Shumanay	119,1	119,1	171,6
Ellikkala	371,9	437,1	534,8

In 2022, the total volume of services provided by the cities and districts of the Republic of Karakalpakstan will be 10,595.3 billion. amounted to 12,876.6 billion soums in 2023. amounting to soums, the volume of provided services has increased by 2.2 times across the republic. The highest growth rate of the services provided in the section of cities and districts corresponds to Buzatau district (in 2021 - 44.6 billion

soums, in 2023 - 79.9 billion soums, i.e. 1.8 times) (see Table 2 see).

From the data of Table 2, it can be said that the highest share of services provided in the Republic of Karakalpakstan is Nukus city (in 2023 - 42.8 percent), Kungrad district (in 2023 - 14.2 percent), Amudarya district (in 2023 - 5.1 percent) and Beruny (in 2023 -

⁶ www.qrstat.uz – It was developed by the author based on the data of the Statistics Department of the Republic of Karakalpakstan.



4.9 percent) districts, a lower share is contributed by Kanlykul (in 2023 - 1.4 percent) districts.

In 2023, this indicator ranges from 16,394.0 thousand soums in the city of Nukus to 3,650.4 thousand soums in the Bozatov district. In the section of cities and districts, the volume of services per capita in the city of Nukus and Kungirov district is higher than in other regions (see Table 3).

In the economy of our republic, the activity of service enterprises is becoming economically more efficient than production, because the turnover of financial funds in service enterprises is faster and, most importantly, they require less investment to start their initial activity. One of the important areas is the development of the service sector, which is a component of it, the improvement of the quality of service to the population, and the satisfaction of its various requirements.

Indeed, it is impossible to achieve innovative progress without developing human capital. According to prominent economists, neglecting investment in human capital can drastically reduce the country's competitiveness. It is necessary to educate talented people for the economic development of the country.

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