

Transformation of the Consumer Services Sector in Uzbekistan: Analysis of the Impact of Digitalization on Employment and Qualification of Personnel

Djulmatova Svetlana Rakhmatovna

Associate Professor of the Department of Digital Economy, Samarkand Institute of Economics and Service

Nematillaeva Khumora Fakhriddin qizi

Master's student of Samarkand institute of economics and service

Abstract

This article discusses the trends and features of digitalization in the field of consumer services in Uzbekistan. The study covers the analysis of the current state of digital integration, the identification of the main problems and challenges, as well as the assessment of the impact of digital technologies on the employment and qualification of personnel. The article emphasizes the importance of digital transformation for increasing the competitiveness of the national economy and ensuring sustainable economic growth, and It also offers recommendations for effective adaptation to new conditions.

Keywords: digitalization, consumer services, economy of Uzbekistan, labor market, personnel qualification, technological innovations, digital transformation, economic development, information technology.

Introduction

In recent decades, Uzbekistan's economy has undergone significant structural transformations, especially in the service sector. This sector, which encompasses commercial and non-commercial services, plays a crucial role in the economic growth and social development of the country. Consumer services, as an integral part of the service sector, are of particular interest for research, since they are closely related to the daily life of citizens and entrepreneurial activity.

The development of information technology and the digitalization of the economy open up new horizons for entrepreneurs in the consumer services sector. Digitalization is not just a technological upgrade, it is a complex process that changes business models, management approaches, and customer interactions. In Uzbekistan, the policy of "Digital Uzbekistan-2030" sets ambitious tasks for the transformation of the economy, which provides for the active introduction of digital technologies in all spheres of life.

In this regard, business activities in the field of consumer services face the need to adapt to new realities. Changing customer preferences, increasing requirements for speed and quality of service, as well as increased competition are forcing businesses to look for new approaches and solutions. Digitalization is one of the key factors that can not only improve the efficiency of existing enterprises, but also stimulate the emergence of new business models and offerings in the market.

The purpose of this article is to study the role and impact of digitalization on the development of entrepreneurship in the field of consumer services in Uzbekistan. Particular attention is paid to the analysis of the current state and prospects of digital transformation, its impact on the structural and functional aspects of entrepreneurial activity, as well as the identification of the main problems and challenges on this path.

Features of Entrepreneurship in Consumer Services

Entrepreneurship in the field of consumer services in Uzbekistan is characterized by a number of features determined by both the external economic context and the internal processes of the industry. These characteristics influence entrepreneurs' strategies and behaviors, as well as market opportunities and risks.

Small-scale and fragmentation

Most enterprises in the field of consumer services are represented by small and micro enterprises. Market fragmentation creates high competition, especially in urban agglomerations, where demand for household services is consistently high. However, this also means that many businesses have limited access to financial resources, making it difficult to scale and innovate.

Complexity

The consumer services sector is traditionally labour-intensive. A high share of manual labor and an individual approach to the client are characteristic features of many activities in this area. At the same time, the growth of employment in the sector demonstrates its importance as a source of jobs and livelihoods for the general population.

Local Value

Household services, as a rule, are focused on the local market, and their offer is highly dependent on the specifics and needs of the local community. This gives entrepreneurs the opportunity to deeply study their target audience and develop offers that best meet the needs of customers.

High sensitivity to changes in the economy

The consumer services sector is highly exposed to economic fluctuations. The purchasing power of the population, economic crises, changes in tax legislation can have a direct impact on the supply and demand of services.

The Role of Digital Technologies

Digital technologies are beginning to play an increasingly important role in the field of consumer services. They allow you to optimize processes, improve the quality of service, reduce costs and develop new formats of interaction with customers. The integration of online booking platforms, virtual assistants for customer support, and automated management systems improves the availability and convenience of services, which is a significant competitive advantage.

Regulatory Framework

The industry is regulated by a number of laws and by-laws that define the framework for doing business, set standards for the quality and safety of services. Improving the regulatory framework, adapting it to the modern requirements of the digital economy, as well as simplifying administrative procedures can become important factors in the development of the sector.

This section provides a brief overview of the key features of consumer services entrepreneurship that should be taken into account when considering digitalization and industry development.

Development Challenges

The development of entrepreneurship in the field of consumer services in Uzbekistan faces a number of challenges that may slow down its progress and adaptation to digital changes.

1. **Limited access to finance:** Small and medium-sized businesses often face difficulties in obtaining the loans and investments they need to innovate and expand their operations.
2. **Lack of skilled workforce:** Rapid digitalization requires highly skilled professionals who are able to work in the new environment.
3. **Competition with foreign services:** Local businesses compete not only with each other, but also with foreign online platforms and services, which often offer a wider range of services and a better quality of service.
4. **Regulatory barriers:** Despite the government's efforts to improve the business climate, many entrepreneurs still face bureaucratic hurdles and difficulties in licensing and certifying services.
5. **Technological infrastructure:** Not all regions of Uzbekistan have a sufficiently developed technological infrastructure, which is an obstacle to digitalization and further development of the service sector.

Prospects for development

However, there are also promising opportunities for consumer services entrepreneurship to foster growth and innovation.

1. **Digital transformation:** Digitalization opens up new opportunities to automate processes, reduce costs, and improve the customer experience.
2. **Government support:** Initiatives and programs to support small and medium-sized businesses, including digital skills training and infrastructure development grants, can significantly help entrepreneurs.
3. **Market expansion:** The increase in demand for quality household services due to rising incomes and urbanization can lead to the expansion of the market and the emergence of new niches.
4. **Collaboration with technology startups:** Partnerships with IT companies and startups can contribute to the development of innovative solutions and services for the consumer services sector.
5. **International experience:** Studying and adapting successful international practices and business models can be the key to renewing the domestic consumer services sector.

*The Current State of Digitalization in Uzbekistan***Digitalization of services and its impact on entrepreneurship**

Digitalization in Uzbekistan is part of a large-scale strategic initiative aimed at transforming the country's economy and improving the quality of life of its citizens. In the context of consumer services, digital innovations are beginning to permeate an increasingly wide range of services, which allows us to assert the beginning of the digital era in this area. There is a gradual transition from the usual analogue methods of work to integrated digital systems, which include automated management of the customer base, electronic payment systems and the use of mobile applications.

Digitalization has a complex impact on business processes in the field of consumer services, transforming traditional approaches to doing business. The introduction of digital technologies contributes to increasing operational efficiency, which entails optimizing costs and improving the quality of services provided. Among the significant changes caused by digital transformation, it is worth highlighting the improvement of customer service through the use of interactive platforms and intelligent request processing systems.

In addition to the direct impact on individual enterprises, digitalization creates a new market environment in which the competitiveness of those businesses that effectively master digital tools is strengthened. This influences the dynamics of market processes, stimulating innovative activity and contributing to the development of the entrepreneurial ecosystem.

The potential for digitalization in the field of consumer services in Uzbekistan seems significant, given the active state stimulation of innovation and support for entrepreneurship. Further development of digital infrastructure and increased access to digital skills are expected to accelerate the integration of advanced technologies into the daily practice of household services. This, in turn, can contribute to economic growth, create new jobs and improve the quality of life of the population.

Thus, digitalization appears as a key factor that can stimulate innovative development and strengthening the entrepreneurial sector in Uzbekistan, opening up new horizons for small and medium-sized businesses in the field of consumer services.

Digitalization policy and its impact on the development of business structures

The digitalization policy in Uzbekistan, based on the Digital Uzbekistan 2030 strategic plan, has a profound impact on the economic environment and, in particular, on the entrepreneurship sector. This policy is aimed at creating conditions for the transition to a digital economy, in which business entities will be able to realize their potential more efficiently.

Government support for the development of digital infrastructure includes investments in broadband internet, mobile communications and other key technologies. This sets the stage for seamless access to digital services and platforms that businesses can use to run their business.

Increasing digital literacy among the population and entrepreneurs is another important aspect of digitalization policy. State-initiated training and skills development programs help prepare a workforce capable of operating effectively in the new digital economy.

Through grants, subsidies and tax breaks, the state stimulates business structures to innovate. Such measures help to reduce financial barriers to the adoption of new technologies and the development of digital products and services.

The adoption of new laws and regulations governing the digital sphere creates a legal framework for data protection, e-commerce, intellectual property and other key aspects of the digital economy. This provides legal clarity and protects both businesses and consumers.

The digitalization policy is also aimed at attracting foreign investment in high-tech sectors of the economy, which contributes to the transfer of knowledge and technology, as well as the integration of local business structures into global value chains.

These measures, in general, create a favorable environment for the development and growth of entrepreneurship. Businesses that adapt to the new digital environment can expand their business, increase their competitiveness and effectively interact with customers and partners nationally and internationally. However, it is worth noting that the digitalization process also requires continuous

adaptation and learning, and may also entail certain challenges related to data security and changing traditional business models.

The Impact of Digitalization on the Employment and Qualification of Personnel in the Consumer Services Sector

Digital integration in the field of consumer services in Uzbekistan is manifested through the introduction of innovative information systems that transform both the interaction of enterprises with consumers and internal operational processes. The use of such technologies contributes to the creation of new economic value and strengthens competitive positions in the market.

The penetration of digital technologies into the service sector is having a noticeable impact on the business models of enterprises, forcing them to rethink traditional approaches to management, marketing and customer service. In particular, the increasing role of digital marketing and online sales opens up new opportunities for entrepreneurs to scale their business and deepen customer relationships.

An equally important aspect of digitalization is to improve the quality and availability of services by reducing the time to provide them and increasing the level of personalization. Information technology allows for a more accurate analysis of customer needs and preferences, which in turn leads to the development of more targeted and effective service offerings.

Digital innovations in consumer services are also contributing to business resilience by providing tools to quickly adapt to changing market conditions and external shocks such as pandemic restrictions. The integration of online services and automated management systems allows enterprises to respond effectively to crisis situations, minimizing losses and keeping in touch with customers.

Thus, digitalization in the field of consumer services is becoming not just a tool for improving efficiency, but also a strategic resource that contributes to the dynamic development and innovative transformation of the economy of Uzbekistan.

Conclusion

The digitalization of the consumer services sector in Uzbekistan represents an important step towards modernizing the national economy and integrating the country into the global digital context. This process opens up broad prospects for improving the quality and accessibility of services, increasing the efficiency of enterprises and developing innovative activities.

However, as the analysis shows, the transition to the digital economy is associated with a number of problems and challenges, including the need to adapt legislation, develop infrastructure and increase the digital literacy of the population. The impact of digitalization on the labor market and the requirements for the qualification of employees requires careful consideration and development of strategies for retraining and improving the skills of personnel.

Successful digital transformation will require concerted action and collaboration between government agencies, the business community, and educational institutions. A balanced approach, taking into account both the interests of economic development and the social aspects of change, will allow Uzbekistan to maximize the potential of digitalization and ensure the sustainable development of the national economy in the new conditions.

References:

1. Садыки М.Р. Особенности предпринимательской деятельности в сфере услуг // Региональные проблемы преобразования экономики. 2013. №4 (38). С. 315-317.
2. Ташпулатов А. Особенности самозанятости населения в Республике Узбекистан // Устойчивое развитие: анализ тенденций российской и мировой экономики. 2023. С. 267-271.
3. Бекмирзаев М.А., Холиков Ж.Т. Важность развития сферы услуг в Республике Узбекистан // Коллоквиум-журнал. 2022. №4 (127). URL: <https://cyberleninka.ru/article/n/vazhnost-razvitiya-sfery-uslug-v-respublike-uzbekistan> (дата обращения: 05.11.2023).
4. Абдурахманова Г. К. Малый бизнес в обеспечении занятости населения в Узбекистане // Вестник Российского экономического университета им. Г. В. Плеханова. – 2014. – №. 12 (78). – С. 128-135.
5. Государственный комитет Республики Узбекистан по статистике. Официальный сайт. – Доступ с: <http://stat.uz>.
6. Международный валютный фонд. Официальный сайт. – Доступ с: <http://imf.org>.
7. Всемирный банк. Официальный сайт. – Доступ с: <http://worldbank.org>.
8. Kamilova N. A., Sodirovich U. B. PRIORITY ISSUES OF INTERNATIONALIZATION OF HIGHER EDUCATION IN THE MODERN WORLD //Gospodarka i Innowacje. – 2022. – Т. 23. – С. 559-562.
9. Djulmatova S. R. et al. Features Of Reforming The Digital Economy In Uzbekistan //European Scholar Journal. – 2022. – Т. 3. – №. 2. – С. 15-18.
10. Djulmatova S. R. Innovative System of Supporting Light Industrial Enterprises //Mathematical Statistician and Engineering Applications. – 2022. – Т. 71. – №. 4. – С. 7516-7527.
11. Djulmatova S. R. The Role and Necessity of the Development of Small Business and Entrepreneurship Based on Foreign Investments //Mathematical Statistician and Engineering Applications. – 2022. – Т. 71. – №. 4. – С. 8750-8755.
12. Джульматова С. Р. ПУТИ РАЗВИТИЯ МАЛОГО БИЗНЕСА И ПРЕДПРИНИМАТЕЛЬСТВА НА ОСНОВЕ ИНОСТРАННЫХ ИНВЕСТИЦИЙ //Gospodarka i Innowacje. – 2022. – Т. 29. – С. 313-317.
13. Джульматова С. Р., Журакулов Ш. Б. ИННОВАЦИИ-ПУТЬ К БУДУЩЕМУ //Gospodarka i Innowacje. – 2023. – Т. 36. – С. 259-262.
14. Джульматова С. Р. РОЛЬ ОБРАЗОВАНИЯ В РАЗВИТИИ ЧЕЛОВЕЧЕСКОГО КАПИТАЛА В УЗБЕКИСТАНЕ //BARQARORLIK VA YETAKSHI TADQIQOTLAR ONLAYN ILMIY JURNALI. – 2022. – Т. 2. – №. 6. – С. 117-121.
15. Джульматова С. Р. СФЕРА УСЛУГ В ОБЪЕКТИВЕ СОВРЕМЕННЫХ ИННОВАЦИЙ //Central Asian Journal of Innovations on Tourism Management and Finance. – 2023. – Т. 4. – №. 6. – С. 81-83.

16. Джульматова С. Р., Ахмеджонов Ф. Р. РАЗВИТИЕ ОРГАНИЗАЦИОННО-ЭКОНОМИЧЕСКИХ МЕХАНИЗМОВ ПРЕДПРИЯТИЙ СФЕРЫ УСЛУГ //Экономика и социум. – 2022. – №. 6-2 (97). – С. 390-394.
17. Джульматова С. Р. Роль местных советов в социально-экономическом развитии регионов. – 1990.
18. Джульматова С. МАМЛАКАТДА ЕНГИЛ САНОАТ КОРХОНАЛАРИНИ ҚЎЛЛАБ-ҚУВВАТЛАШНИНГ ИННОВАЦИОН ТИЗИМИНИ РИВОЖЛАНТИРИШ: https://doi.org/10.55439/ECED/vol123_iss3/a38 //Iqtisodiyot va ta'lim. – 2022. – Т. 23. – №. 3. – С. 253-258.