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Article

The Importance of Developing Digital Services in Rural Areas of The Region

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Abstract: This article argues that the development of digital services in rural areas of the region is one of the important factors in ensuring sustainable socio-economic development of rural areas of the region. The introduction of banking and finance, trade, education, medicine, public services and agro-service systems based on digital technologies in rural areas of the region will reduce economic disparities between regions, expand the access of the rural population of the region to modern services, and provide scientific proposals to reduce transaction costs.

Keywords: Region, Digital Economy, Rural Areas, Service Sector, Employment, Standard of Living, Digital Technologies, Innovation

1. Introduction

If digital infrastructure and services are developed in rural areas of the region, the services market in rural areas of the region will expand, labor productivity and entrepreneurial activity will increase. The widespread introduction of electronic payment systems, remote banking services, online trading platforms, and "e-government" services in rural areas of the region will increase financial inclusion and reduce the share of the informal economy. As a result, the incomes of the region's rural population will be stabilized and new jobs will be created. In addition, digital services will reduce production costs in rural areas of the region by facilitating information exchange, rapid access to market prices, and improving the efficiency of logistics and resource management. Distance learning and telemedicine services also serve to improve the quality of human capital. Therefore, developing digital services infrastructure in rural areas of the region, expanding internet coverage, increasing digital literacy, and introducing innovative service models constitute an important scientific and practical basis for accelerating regional economic growth, ensuring social equality, and forming a competitive rural economy. Important tasks have been set to comprehensively develop and support digital services in rural areas of the region, provide incentives to the sector, and implement comprehensive measures to develop services in rural areas of the region and increase employment. Important tasks have been set to "develop digital services in rural areas of the region, create a sufficient number of productive jobs for them, and raise the living standards of rural residents to the level of urban residents"[1]. The Resolutions of the President of the Republic of Uzbekistan No. PQ-4752 of June 16, 2020 "On measures to support the services sector"[2], No. PQ-5113 of May 11, 2021 "On measures to accelerate the development of the services sector"[3], and No. PQ-3856 of July 14, 2018 "On measures

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to improve and increase the efficiency of work to ensure employment of the population"[4] were adopted. In order to ensure the implementation of these priority tasks, it is important to increase the employment level of the population based on the development of the service sector in rural areas and to develop them based on the full and effective use of digital technologies. The rapid development of digital services in rural areas of the region and a sharp increase in its share in the gross domestic product make it possible to solve a number of important socio-economic problems, namely, providing employment to the population, increasing people's real incomes, and improving the well-being of all segments of the rural population of the region. One of the distinctive features of the development of the national economy of Uzbekistan is that the share of services in the country's gross domestic product is growing from year to year, and while in 2020 this figure was 41.6 percent, by 2025 it reached 56.1 percent.

Today, digital service delivery processes are developing more slowly in rural areas of our country, and the needs of the population in rural areas of the region for services are not being met to a sufficient extent. This, in turn, negatively affects the formation and development of digital services in rural areas of the region, somewhat reducing its impact on the standard of living of the population. After the Republic of Uzbekistan gains independence, it will be appropriate to implement reforms in property relations, agrarian reform, financial and credit reform, social reforms, and foreign economic relations in order to comprehensively develop digital services in rural areas of the region, solve social problems of the population, and improve the living conditions of the population. The lack of a unified concept for the gradual development of the digital service delivery system in rural areas of the region in accordance with market relations and, thereby, improving the well-being of the rural population of the entire region also requires extensive scientific research in this area. **Literature analysis on the topic.** We know that in order to fully reveal the economic content of goods in the form of services and solve the problem of considering them as a source of the country's social wealth, one of the great foreign economists, Adam Smith, expressed his opinion on the concepts of "productive labor" and "unproductive labor" in his world-famous work "An Inquiry into the Nature and Causes of the Wealth of Nations" in order to ensure employment and improve living conditions of the population through the comprehensive development of digital services in rural areas of the region.

In this way, A. Smith made a significant contribution to the creation of the initial concept of service by distinguishing between tangible and intangible production. Currently, the region is a service in the context of digital service provision in rural areas, and this activity is involved in the implementation of various processes. First of all, the word "service" has two main lexical meanings: - an action that benefits someone else and - providing economic benefits to someone [5].

The scholar M.M. Mukhammedov, who made a significant contribution to the creation of the concept of service, more fully reflects the material and immaterial view of A. Smith, who made a significant contribution to the creation of the concept of service, in his monograph "Theoretical Foundations of the Development of the Service Sector and Tourism", states that "the labor spent on the production of any good (i.e., regardless of whether it is material or immaterial) necessary for human consumption should still be considered useful, effective and productive for society and should definitely be included in the composition of social wealth"[6]. Through this, the scientist scientifically proves that, along with labor aimed at creating any benefit, the labor of those engaged in providing services is also capable of creating value and consumption value. The term "service" is used by scholars in economic literature from different perspectives and interpreted depending on the field of economic knowledge. Many foreign and local scientists have conducted theoretical research within the framework of this term. One of the famous scientists is F. Kotler, who defines service as follows: "A service is any activity that one party can offer to another." [7].

One of the famous scientists of our republic, I.S. Tukhliyev, said: "Services are a special type of invisible goods." [8] says, and in this approach, the scientist tries to emphasize that the service represents the nature of the commodity, that is, services reflect labor relations in the processes of production and material production, but the result of the production process takes on an intangible form. The definition of the concept of service given by I. Ochilov is more complete in terms of content and essence than others and is given in the following form: "When we say service, we mean the conscious activity of people related to the process of service that brings benefit, aimed at satisfying a certain need of a person, economic entities, the state, and society"[9]. According to Professor M.K. Pardayev, "The service sector refers to those areas of social production aimed at creating consumer values that do not have a material or commodified form. It includes the provision of material services (construction, transport, communications, trade, household services, etc.) and the provision of intangible services (legal advice, training, advanced training, etc.)" [10] He gives a perfect definition and brings the service sector as an important sector and area that helps human social activity develop. Through this, the scientist scientifically proves that the service sector is a sector that directly focuses on human consumption, as a material and immaterial service sector, and that it alleviates the burden of every consumer.

According to B.B. Mardonov, "Service is an economic category, a widespread type of labor activity aimed at satisfying consumer needs (making the heavy light, the distant close, the difficult easy) and ensuring their interests." [11] He justified it by defining it as an important part of consumer service. Based on the opinions of the above scholars, it can be said that the state, society, enterprises and organizations, or individual consumers, have been effectively using various forms of service provision to meet their demands and needs. Therefore, the region is focused on the use of digital services in rural areas, and their demand and need are clear evidence that digital services in rural areas of the region are the locomotive of industries and sectors in the proper development of digital services.

2. Methodology

The main features of the development of digital services in rural areas of the region are explained by the fact that they increase the socio-economic efficiency of the region, based on the formulation of strategies for ensuring employment and improving living conditions of the population through the comprehensive development of digital services in rural areas of the region. The analysis of the development of digital services in rural areas of the region used the methods of induction and deduction, comparative analysis, tables and figures, and the development of proposals and recommendations is considered one of the current problems of today.

3. Results and Discussion

The main goals of the reforms being implemented in the country are, first of all, to create decent living conditions for people in the rural areas of the region. This requires further development of digital services in rural areas of the region.

It is of great importance to clarify a number of sectoral problems in providing services to the rural population of the region. In particular, these include the aging and declining rural population of the region, the lack of public transportation in rural areas of the region, the need for new information and communication technologies, sufficient and high-quality resources for education and upbringing, healthcare, and innovative approaches. To this end, it is necessary to identify ways to provide digital services in rural areas of the region.

In accordance with the Resolution of the President of the Republic of Uzbekistan No. PQ-5113 dated May 11, 2021 "On measures for the accelerated development of the services sector", a resolution of the Cabinet of Ministers was adopted. [13]. This resolution establishes the following priority areas and tasks for the development of the service sector

in the Republic of Uzbekistan in 2021-2023. In order to increase the share of the service sector in the economy of our country, fully utilize the existing opportunities in the service sector on the ground, expand the range of services and improve their quality, solve outstanding problems, further support business entities in this area, and encourage their ideas and initiatives:

The following shall be determined as the main directions for the development of the services sector in the Republic of Uzbekistan in 2021-2023:

Making the services sector a key driver of economic growth and doubling the volume of services by 2023;

providing the population with ready-made business plans and projects, organizing the provision of "comprehensive services" covering all stages from training them in a profession to starting their own business;

To increase the efficiency of the activities of state bodies and organizations in this area and strengthen the responsibility of officials by introducing a system for assessing the development of the service sector in the republic;

eliminate unnecessary bureaucratic obstacles in the field of services, expand the range of services based on the specific characteristics of each region, and expand the coverage of transport, financial, as well as banking, tourism, and trade services in the regions, especially in rural areas [14], [15].

To increase the capacity of existing education and healthcare services in all regions of the republic, improve their quality, and create favorable economic and infrastructural conditions for attracting the private sector.

Table 1. Target Parameters for the development of the services sector in the Republic of Uzbekistan in 2023 - 2025

S/N	Services name	2023-year		Forecast (growth rate, percent)			
		volume, billion soums	growth rate, percentage	2023-year	2024-year	2025-year	In 2025, compared to 2023, twice
	Total Services:	**10 109,2**	**103,9**	**120,1**	**127,1**	**133,9**	**2,0**
	including the main types:						
I	Communication and information services	494,5	111,2	119,8	131,1	136,1	2,1
II	Financial services	1 593,8	129,4	122,8	133,7	139,2	2,3
III	Transport services	2 240,9	101,6	120,2	126,3	131,7	2,0
3.1.	*including car transport service*	2 178,6	104,7	120,6	126,7	132,1	2,0
IV	Accommodation and catering services	276,8	92,0	128,4	135,9	139,9	2,4
V	Trading services	3 310,4	99,4	119,9	124,5	132,3	2,0
VI	Real estate services	267,6	91,7	119,5	125,5	134,4	2,0
VII	Educational services	369,6	120,2	116,3	127,7	134,6	2,0
VIII	Healthcare services	123,1	93,0	125,4	132,5	139,4	2,3
IX	Rental services	256,5	97,9	117,2	124,7	131,6	1,9
X	Computer and household goods repair services	345,1	98,2	115,7	123,9	132,8	1,9
XI	Personal services	331,0	93,3	115,6	123,6	132,1	1,9
XII	Services in the field of architecture, engineering research, technical testing and analysis	127,9	86,4	117,0	124,2	131,1	1,9
XIII	Other services	371,9	93,1	118,4	124,5	132,4	2,0

Source: Data from the State Statistics Committee of the Republic of Uzbekistan.

In the course of our research, we believe it is appropriate to focus on the following aspects to develop digital services in rural areas of the region:

- Deepening digital transformation;
- Modernizing infrastructure;
- building human resources;
- Supporting small and medium-sized businesses;
- Ensuring equality of interregional services;
- introducing innovative service models;
- Improving the quality and competitiveness of services;
- developing sustainable and environmentally friendly services, etc.

Population income - the income of the population in rural areas of the region affects the development of digital services. As real incomes of the population in rural areas of the region increase, their demand for goods and services also increases. There is a significant gap between the incomes of rural and urban residents in the region. The income of urban residents is 3-4 times higher than that of rural residents. The level of use of services by urban residents is 3-4 times higher than that of rural residents in the region. Therefore, the provision of services and their types in cities are developing rapidly. The low income of the region's rural population is due to seasonal work, wages in kind, and low wages paid by businesses. Research shows that there is a great need for banking services in rural areas of the region, but residents are forced to turn to banking services located in urban areas to receive remittances sent from abroad. This, in turn, causes additional travel costs for residents, waste of time, and a number of inconveniences. Today, the dramatic increase in the availability of sophisticated household appliances, computers, and personal vehicles to families has led to an expansion of the services provided to them. However, the development of these services in rural areas is not as promising. Considering the high level of household appliances available to each family, there is a lack of repair shops to repair these appliances or to fix faulty appliances. When consumers purchase modern home appliances from brands such as Artel, Samsung, Roison, etc., they are guaranteed free service for 3-5 years. However, their service centers are only located in urban areas, which creates a demand for the cost and time involved in transporting household appliances purchased by citizens living in rural areas that have malfunctioned. Therefore, it is necessary to further intensify the work carried out to develop the service sector in rural areas. The main element that develops the service sector in rural areas is entrepreneurship. The adoption of uniform digital service development programs for rural areas of the region may result in excessive financial costs. If the government adopts a separate development strategy for each region, district, and city in developing the services sector, the level of accuracy of financial investments will increase and, in turn, excessive spending will be prevented.

4. Conclusion

Despite the fact that it is convenient to provide digital services to the population in rural areas of the region and create various business infrastructure, many low-income families live in rural areas of the region. This is due to the unsatisfactory level of various digital service networks in rural areas of the region, the low wages paid by entrepreneurs, and the fact that the population works in seasonal jobs. This results in an increase in poverty levels and the number of people in need of social protection in rural areas.

Since the population living in rural areas of the region is diverse, it is important to understand how macroeconomic changes can affect the population. Therefore, based on our scientific research, we have identified three main methods of influencing the rural population, which allows us to provide a scientific theoretical basis. The study, based on analytical conclusions, of the labor potential of digital service and manufacturing workers

in rural areas of the region, divided into two parts, will allow for an accurate assessment and analysis of the factors that will affect the future employment of the population in these sectors.

In solving the problems of improving the living standards of the population in rural areas of the region, serious attention should be paid to identifying and continuously reducing the number of segments of the population living in need. Given the significant differences between the segments of the population and their social groups in rural areas of each region, it is necessary to analyze the income of the population and the satisfaction of its demand for certain services.

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