



Article

Foreign Experience in the Development of the Service Sector under Economic Digitalization and Its Application in Uzbekistan

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Abstract: Sustainable tourism has become a central focus of contemporary research as destinations seek to balance economic growth, social inclusion, and environmental conservation. This study explores how the diversification of tourist products and services contributes to sustainable tourism development. Through an examination of the scientific literature and case studies, the article demonstrates that diversification enhances destination resilience, drives innovation and maximises equitable returns for host communities. The research claims that diversification is not an economic model, but a complete approach that backs the preservation of culture, ecological sustainability and long term competitiveness. The linkages between sustainable tourism development, and destination management Sustainable tourism development refers to the ongoing process of improving or innovating to make tourism more sustainable.

Keywords: Service sector, digital economy, digital transformation, digital services, digital society

1. Introduction

"In the context of digitized innovative and technological development in the economies of developed countries of the world, the qualitative development of service sectors is one of the main factors of economic growth and the rapid socialization of the sector, a comprehensive set of measures is being implemented to systematically increase the competitiveness of enterprises in the sector. In economically developed countries, the share of the service sector in the gross domestic product is 65-80%, and the share of direct investments in the service sector is 40.0%" [1].

Digital transformation in the service sector is emerging as one of the strategic priorities of the economy, and any delay in this regard will negatively affect the country's international competitiveness. In recent years, the growth rate of the digital economy has been increasing significantly worldwide. According to statistics, the global digital economy is growing at an average rate of 20 percent per year. The experience of developed countries shows that the share of this sector in GDP has reached 7-9 percent. For example, in the USA, the share of information and communication technologies (ICT) in GDP is 10.9 percent, in China it is 10.0 percent, and in India it is 5.5 percent. In particular, the USA exports more than 400 billion US dollars of digital services per year, which clearly demonstrates the priority position of digital technologies in the global trade system. In general, the digital economy is a complex system that includes the digitalization of technological processes, business models, production systems, logistics, and trade mechanisms for finished products. This economic model ensures that the economy reaches

Citation: Maratova M B Q. Foreign Experience in The Development of The Service Sector Under Economic Digitalization and its Application in Uzbekistan. American Journal of Economics and Business Management 2026, 9(1), 54-60

Received: 08th Oct 2025

Revised: 15th Nov 2025

Accepted: 24th Dec 2025

Published: 07th Jan 2026



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a new qualitative level through factors such as rapid adaptation to market conditions, effective management of information flows, economical use of resources, and the formation of competitive advantage.

Today, the digital economy in the world is estimated to be worth \$2 trillion in 20 developed countries. In the United Kingdom, the world leader in the development of the digital economy, it has already reached 12 percent of the national gross domestic product. In developed countries and newly industrialized countries, the share of the digital economy in the national gross domestic product has reached 7 percent [2].

A. Smith made a significant contribution to the creation of the initial concept of service by distinguishing between tangible and intangible production. The term "service" is used by scholars in economic literature from different perspectives and is interpreted depending on the field of economic knowledge [3]. Many foreign and domestic scholars have conducted theoretical research within the framework of this term. We believe that the concept of "service" as an economic category should not only explain human labor activity and movement, but also reflect its characteristics, how it differs from other types of labor activity, and its significance. Some economists have also considered the concept of service from the point of view of "activity", "benefit", "spiritual object", "useful action that does not bring profit". For example, F. Kotler expressed the following opinion regarding the nature of services: services are any activity or benefit that one party can offer to another, a useful action that does not allow the possession of anything [4].

One of the well-known scientists of our republic, I.S. Tukhliev, says: "Services are a special type of intangible goods" and in this approach, the scientist tries to emphasize that services represent the nature of goods, that is, they reflect labor relations in the processes of production and material production, but the result of the production process has an intangible form [5]. The definition of the concept of service given by I. Ochilov is more complete in content and essence than others and is given in the following form: "Service is understood as 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" [6].

2. Materials and Methods

The methods of sample observation, logical approach, economic-statistical analysis, analytical analysis, statistical observation and comparative analysis were used in the article. The data were analyzed in a comparative manner, the prospects of the service sector, economic indicators, development of the service sector and problems in the sector were studied, and an attempt was made to cover them theoretically. In our research work, foreign experience in managing the service sector in the conditions of digitalization of the economy and their economic indicators were statistically analyzed. The service sector was studied as the object of research.

3. Results

In the context of digitized innovative and technological development in the economies of developed countries of the world, the qualitative development of service sectors is one of the main factors of economic growth and, in the context of the rapid socialization of the sector, a comprehensive set of measures is being implemented to systematically increase the competitiveness of enterprises in the sector. In economically developed countries, the share of the service sector in the gross domestic product is 65-80%, and the share of direct investments in the service sector is 40.0% [7].

Today, there is fierce competition for leadership in the digitalization of the services sector on a global scale, as neglecting this sector can often lead to lagging behind economic progress, failure to absorb technological advances, and ultimately derail macroeconomic development. Digital transformation in the service sector is emerging as one of the strategic priorities of the economy, and any delay in this regard negatively affects the

country's international competitiveness. In recent years, the growth rate of the digital economy has been increasing significantly worldwide. According to statistics, the global digital economy is growing at an average rate of 20 percent per year. The experience of developed countries shows that the share of this sector in GDP has reached 7-9 percent. For example, in the USA, the share of information and communication technologies (ICT) in GDP is 10.9 percent, in China it is 10.0 percent, and in India it is 5.5 percent. In particular, the USA exports more than 400 billion US dollars of digital services per year, which clearly demonstrates the priority position of digital technologies in the global trade system. In general, the digital economy is a complex system that includes the digitalization of technological processes, business models, production systems, logistics and trade mechanisms for finished products. This economic model ensures the transition of the economy to a new qualitative level through factors such as rapid adaptation to market conditions, effective management of information flows, economical use of resources and the formation of competitive advantages [8].

Today, the global digital economy is estimated to be worth \$2 trillion in 20 developed countries. In the United Kingdom, the world leader in digital economy development, it has already reached 12 percent of GDP. In developed countries and newly industrialized countries, the share of the digital economy in GDP has reached 7 percent [9].

When considering the classification of services, it is worth noting that, depending on the level of development of the services sector, services and classifiers differ in number and content in different countries and regions. In order to manage and regulate international trade in services, the International Monetary Fund divides them into two groups:

1. Services that are traded.
2. Services that are not traded [10].

"The experience of developed countries shows that the introduction of FTT achievements into the labor process in all types of services is not uniformly accepted, which in turn affects efficiency. A number of traditional services, in particular, subjective services related to public catering, are not very amenable to standardization and mechanization. Although such services quickly adopt FTT achievements, they depend more on the consumer's desires and the level of service. If they are at a low level, this negatively affects the growth rate of production efficiency. Therefore, information technologies do not have a significant positive effect on increasing the level of productivity in these types of services." [11].

In the context of globalization, the digitization of the service sector in foreign countries and the complexity of its organizational structure create the need for a comprehensive analysis of the structure of the service market and its grouping based on various criteria. The organizational structure of the service sector can be classified according to the following areas:

- By the methods of service provision - in this direction, financial, information and communication, technological, legal and marketing service systems are distinguished, which are formed on the basis of intermediary activities. These services in most cases do not require direct interaction between the provider and the consumer and rely mainly on platform-based intermediary mechanisms;
- According to the legal characteristics of ownership forms - the activities of the service sector are carried out by structures formed on the basis of private, collective, state, social and foreign investment. Each form of ownership determines its own management approaches, profit-making mechanisms and the level of social responsibility;
- By the level of coverage of the scope of services - based on this criterion, services can be provided at the international (cross-border services), national, interregional, regional

and local levels. This classification reflects the degree of geographical differentiation of the services market;

- By functional differences in types of services - services can also be differentiated by parameters such as consumer value, duration, technological complexity, and final level of efficiency;
- By service areas – here services are divided into the following main groups:
 - a) Financial services: financial, banking, credit, insurance and leasing services;
 - b) Distribution services: trade, catering and logistics services;
 - c) Social services: education, health care, physical education, legal advice and social protection services.

On the example of developed Western countries, one can observe the formation of a post-industrial society. (It should be noted here that post-industrial society is still in the process of formation). The transition from an industrial society to a post-industrial society includes the following three continuous stages of the development of service activities.

1. The development of industry leads to the widespread use of transport services and services related to the movement of goods in general.
2. In the conditions of mass consumption of goods, the growth of the distribution sector begins (wholesale and retail trade), financial services, real estate transactions, insurance.
3. “The share of family income spent on food decreases. The population spends the freed up funds first on the purchase of durable goods (clothes, cars) and real estate, and then on the purchase of expensive goods and recreation. Thus, personal services expand. These include restaurants, hotels, car repair shops, the travel, recreation and sports industry, etc. There is a sharp increase in interest in the main areas of the service sector, such as healthcare, education, tourism, etc. All this leads to the formation and development of new types of services [12].

Effective development of the digital economy requires, first of all, clarification of its theoretical and methodological foundations, and, in practical terms, the formation of an appropriate regulatory and legal framework taking into account its specific features. After all, like any economic model, the digital economy can only embark on a comprehensive and consistent path of development if there is a stable legal framework and a strategic approach.

The conceptual basis of the digital economy is characterized by the fact that information in digital format is considered the main factor of production. This economic model is aimed at satisfying the needs of citizens and society for high-quality, reliable and fast information, which creates the need to form a modern information space and its sustainable development.

In this sense, the digital economy is expressed in the following priority areas:

- development of national information infrastructure,
- development and introduction of information and telecommunication technologies,
- organization of effective economic activities based on digital technologies in socio-economic spheres,
- and formation of a digital culture, along with ensuring information security.

This approach, based on the conceptual framework of the digital economy strategy, serves to accelerate digital transformation in all structural sectors of the national economy (see Figure 1).

In foreign countries, the concepts of a digital society are supported both in research programs in each sector and in the management practice of the most developed countries. In this regard, the Association of Dutch Universities (in 2014) brought together scientists from more than a dozen educational institutions to study the problems arising from the emergence of a digital society within the framework of the “Digital Society” research initiative. In 2016, the Japanese government also adopted the “Digital Society 5.0” strategy. This strategy is seen as the next stage in the development of society. The main goal of the

strategy is to improve the quality of human life by maximally integrating the digital environment with the physical space.

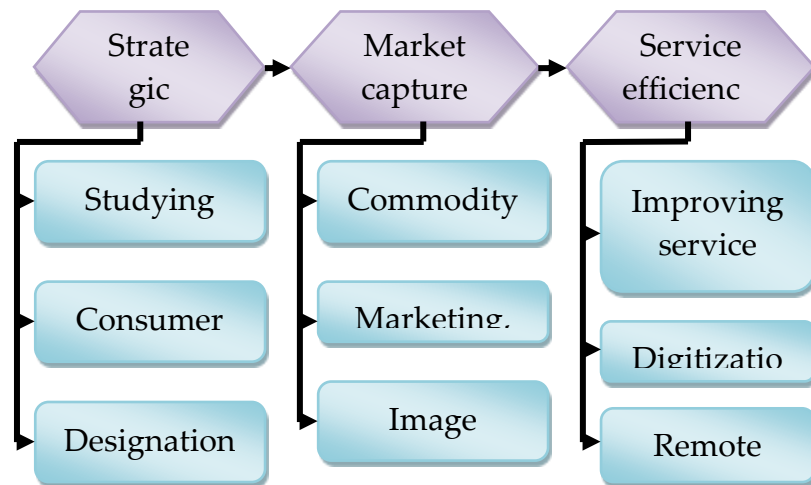


Figure 1. Factors influencing the effectiveness of a digitalization strategy in service delivery

The authors of the Trends and Technologies 2030 study [13] conducted by the Digital Leader Networking platform concluded that by 2030, more than 50% of company employees will be working remotely, and up to 50% of company employees will be replaced by artificial intelligence.

In France, a “Single Ministerial Delegation for Digital Health” was established in 2019 under the Ministry of Health, whose main task is to implement the e-health strategy. In February 2020, this agency published a technical concept for the provision of services and the development of platforms envisaged in the new legislative documents. It is noteworthy that in this country, the Digital Health Council launched the first thematic platform for stakeholder cooperation, which includes the following working groups, including medico-social issues, training and advanced training of personnel, the benefits of e-services, health, digital inequality issues and ethical issues in e-health.

At the same time, the experience of Austria in this regard can also be widely studied, in this country a system called Elga was put into practice in 2012, in which the system ensures the continuity of continuous medical care, starting from the provision of inpatient medical care at the first stage, and represents the results of medical laboratory and visual examinations, electronic mapping of recommendations (prescription and non-prescription) prescribed to patients. During the operation of the system, the necessary experience has been accumulated for its continuous technical optimization, it is considered as a module for monitoring the quality of medicines, telemonitoring reports of services in the field, and medical wills.

From the point of view of the availability and convenience of medical services, the Lithuanian experience is also effective, which since 2019 has been storing medical information of patients in a system that has been established and performs the functions of sending and receiving documents, as well as records for general practitioners and specialists. Before the creation of the Electronic Portal, patients had the opportunity to use several different recording systems, as well as outpatient meetings with specialists from various health services. Importantly, this portal combines the cooperation of more than four hundred clinics, large medical universities, regional treatment institutions, and private clinics that receive funds from state health insurance funds [14].

“As our President Sh.M. Mirziyoyev has specifically indicated, we need to implement the “Digital Uzbekistan – 2030” program, which will allow us to increase GDP by at least 30 percent and sharply reduce corruption,” noting that today the digital

economy is playing an important role in the socio-economic development of countries around the world [15]. In this regard, one of our future strategic tasks is to increase the share of the digital economy based on information and communication and Internet technologies to 10% (currently 2%) in the country's gross domestic product by 2030. The active transition to the digital economy being developed on this basis will fully serve the effective implementation of our top priority tasks in the next 5 years and will serve as a legal basis for a fundamental shift in the development of the digital economy.

The digitalization of the service sector is one of the key factors in the transformation of the modern economy, which creates opportunities for improving the quality of services, optimizing production processes, enhancing the functional efficiency of enterprises and organizations, and fully automating business processes. This process, through the comprehensive implementation of digital technologies, serves to increase the efficiency of human resource use, reduce time and financial costs, and simplify the management system.

4. Conclusion

There is a greater need for a service development strategy in our country today than ever before. The goal is to increase the sector's share in GDP to at least 80 percent within the framework of the strategy being developed, and we believe that a roadmap should be developed to achieve this, focusing on the following:

Recognizing that the existing legal framework for the development of services has not justified itself, the Strategy envisages as an urgent task:

- to study the normative work of the most advanced countries in this area;
- to critically review this section of our national legislation;
- to create a comprehensive framework for sectoral legislation that is directly applicable and fully meets the requirements of international standards, including the development of a draft Service Code of the Republic of Uzbekistan.

Establishing the Scientific and Practical Consulting Center, aimed at completely abandoning the administrative method in the development of the service sector, introducing market mechanisms and "smart management" into the activity. The main attention should be paid to the development of theoretical and practical application of information and knowledge creation in the service sector, the creation and implementation of the foundations of practical skills. These tasks are one of the decisive factors in strengthening the institutional and technological foundations of the digital economy, increasing the openness and efficiency of the public administration system, and ensuring socio-economic stability.

In our opinion, based on the goals of digitization in service provision, it is also appropriate to develop criteria for evaluating various aspects of the use of a digital service system aimed at determining the tasks to be performed, choosing the type of service, and determining economic efficiency in solving organizational and economic issues.

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