

# Services Market Digital Transformation can Change the World

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**Abstract:** This article describes the tasks of digitalization to improve the quality of life of the population as a result of the impact of the situation on the service system in the regions, the state system, industrial enterprises, using the Internet, IT technology.

**Keywords:** digitalization, services, transformation, e-government index, artificial intelligence.

## Introduction

Digital technologies are changing the world. It is slowly shifting to artificial intelligence. Of course, the transition to these processes will be gradual. First of all, it is necessary to increase the level of literacy of the population in IT technologies. It is necessary to create motivation and conditions for the population to use IT technologies. The applied IT technology should facilitate manual labor and save time. It should not cause any nervousness. In this matter, first of all, I recall the words of the President of Uzbekistan Sh. Mirziyoyev: "The people should not serve the state bodies, but the state bodies should serve the people". With these one words of the esteemed Presidents, he emphasized the importance of the role of the people in the formation and development of the state. The people serve the development of the state, their participation should not be spent on ordinary everyday problems and hard manual labor that is harmful to their health and takes away their time. Such small problems need to be transferred to digital technologies. The quality of life of the population rises precisely by solving these problems. If we scientifically approach every aspect of a person's life, in the sense of fulfilling his dreams and aspirations, if we can make people's lives as easy as possible, and if they can devote enough time to the family climate, cultural recreation, hobbies, additional education, then the state will benefit in many ways. In fulfilling these tasks, first of all, we must introduce digital transformation into the service sector.

**Research methodology.** in the process of preparing the article, we used dialectical analysis and synthesis, induction and deduction, scientific abstraction, monographic observation, methods of systematic and comparative analysis.

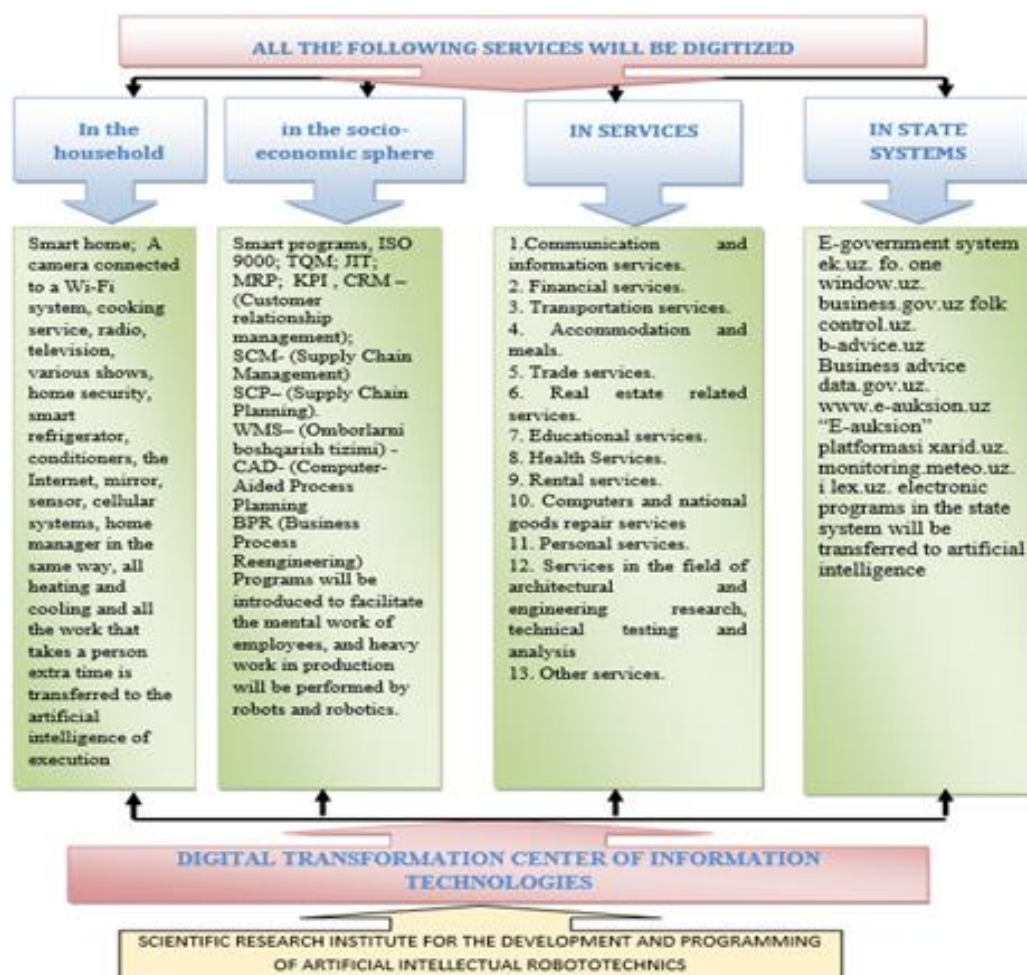
**Research results.** The use of modern methods of office work, technology and technology, IT programs, the step-by-step application of artificial intelligence in the interests of a person, improving the quality of life, working conditions and the growth rate of social status. That is why it is necessary to gradually transform services into digital. "Transformation is the reorganization of the structure, form and methods of economic activity, changing its direction"[1]. Translated from Latin, the term "transformation" means to reshape, to change. As a result of changes in the structure and order of the

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"transformation" system, the economic system is radically changed and the old order (its separate branch) is replaced by a new one." [2]. E. Toffler used the concept of "global transformation of society: "It is the process of exchanging the structural features of one economic order for similar features of another, resulting in a radical change in the entire economic system. In some countries and countries, changes in economic order can occur for a variety of reasons: may be the result of a series of evolutionary processes (endogenous transformation) or conscious human actions (exogenous transformation)" [3].

Referring to the above scientific views, if we find the answer to the question of how the concept of transformation is in terms of digital transformation, including the digital transformation of the services market, then we can carry out a series of evolutionary processes by supplementing the structural features of the service sector. The experience of transformation is gradually being formed, and as a result, the deepening of the transformation process from year to year will ensure the rapid development of the services market.

The whole world is using digital technologies. The economy is also a way of social life. Digitization is the introduction of modern digital technologies into various areas of life and production. We should gradually introduce digitalization as a system of services; house; into production and business, the service sector itself, into the state system (see: 1- figure).



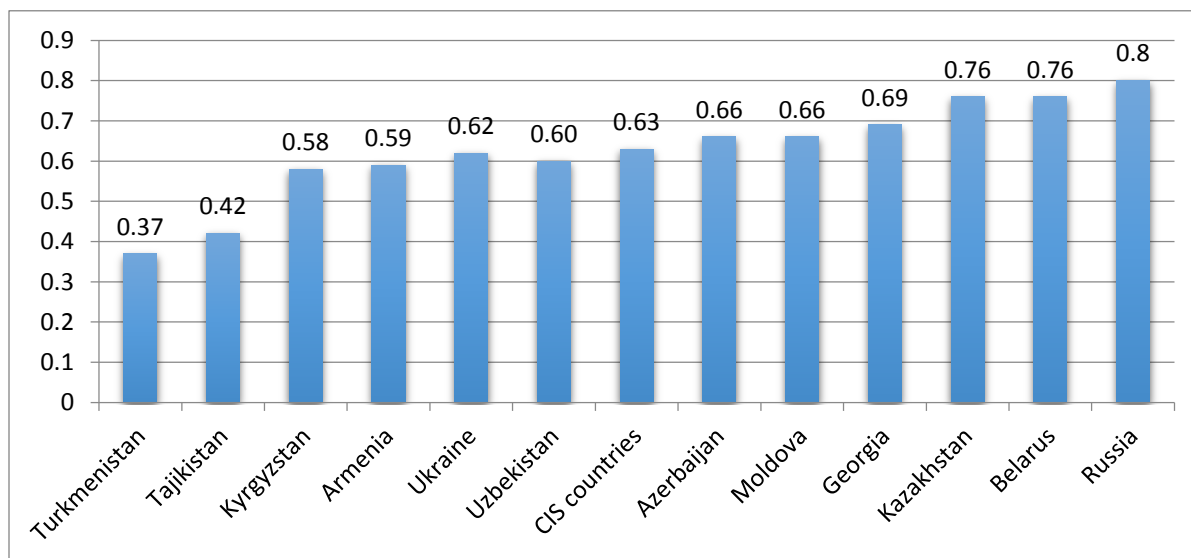
1- Picture. Author's development.

The complete transformation of these systems poses a number of challenges in today's world. This is due, firstly, to the speed of the Internet, and secondly, to the lack of professionals, programmers who can work with leading computer programs. At the same time, digital technologies in the system come from abroad. Requires high investment.

In the 21st century, the massive penetration of IT technology software into the service market, the widespread use of information and communication technologies, the Internet and mobile communications, accessibility to information and communication technologies, a global transformation is taking place.

Web Search Database Web, Netscape, Internet Explorer, Google Chrome, Mobile Web, Facebook, WhatsApp, Telegram, Imo, Big Data Technology, Blockchain Technology, Neural Networks (Artificial Intelligence), 3D Devices, Smart Sensors, virtual and augmented reality technologies, Blockchain technologies, global e-commerce marketplaces (V2V, V2C, V2V), platforms without the Uber ecosystem, Apple and Alibaba Group and other similar digital services have accelerated the digital transformation process of all network activities.

**Analyses.** Let's compare the level of use of digital technologies in government systems with the e-government index of neighboring countries. (see: 2- figure) The level of development of the digital economy is e-government. The following table shows the e-government index of countries:



**2-Picture. Electronic government index [4]**

At the same time, Uzbekistan has enough opportunities and conditions for the development of the digital economy. The question arises: "What is the state of the Internet connection of enterprises and organizations?" The share of enterprises and organizations connected to the Internet in the Republic of Uzbekistan in 2015 was 21.6%, and in 2020 this figure was 21.1% (see Table 1). In the city of Tashkent, which had the highest rate in 2015, in 2015 it was 37.7%, and in 2020 the figure was 30.7%. The lowest rate is in Surkhandarya region. But in general, in the Republic of Uzbekistan, these figures are much lower than even 50%. We must keep in mind that if companies and organizations are not equipped with modern computer technology, our next steps in the digital transformation of services will be very difficult. The experience of foreign countries shows that the main problem hindering the introduction of digital technologies in the economy is an underdeveloped telecommunications

infrastructure and communications. The reason for this is the very low investment in digital technology. As a result of low investment, the quality of Internet and mobile services has deteriorated.

**1-Table Share of enterprises and organizations connected to the Internet [5]**

№	Regions	In% at the end of the year					
		2015	2016	2017	2018	2019	2020
1	Republic of Uzbekistan	21,6	25,9	27,2	27,5	26,2	21,1
2	Tashkent city	37,7	42,8	44,5	43,2	39,5	30,7
3	Navoi	30,7	34,1	33,0	42,5	35,3	31,9
4	Khorezm	20,5	23,8	25,5	27,2	27,4	24,9
5	Bukhara	26,1	30,7	30,0	29,7	27,5	21,7
6	Namangan	12,3	17,9	19,0	23,2	23,3	20,0
7	The Republic of Karakalpakstan	22,2	23,9	25,0	24,9	24,7	19,7
8	Tashkent	18,9	24,2	25,4	25,8	25,4	19,4
9	Sirdaryo	17,7	19,6	20,2	19,8	19,7	19,1
10	Samarkand	16,2	21,7	22,3	22,3	20,8	17,9
11	Fergana	17,4	21,8	20,6	20,8	19,2	16,5
12	Andijon	11,0	12,8	18,4	18,1	21,5	16,1
13	Jizzax	19,2	23,0	20,8	19,2	19,2	15,1
14	Qashqadaryo	13,1	20,1	20,5	20,1	18,7	14,9
15	Surxondaryo	17,7	17,9	17,2	16,9	13,3	8,5

Of course, the total bandwidth of the Internet connection in Uzbekistan is 1,200 Gbit / s, access to the Internet at a speed of 750 Gbit / s through the switching center, and the network load rate is 76.6%. From January 1, 2020, the tariff for Internet services for operators and providers will be reduced by 34% compared to 2021 and will amount to 56.0 thousand soums per 1 Mbit / s. The number of Internet users today is 22 million. The number of mobile Internet users has reached 19 million. Trunk telecommunication networks have been expanded at 237 facilities across the country, telecommunication equipment has been modernized, and the capacity of trunk telecommunication networks has been increased to 200 Gbit / s at the interregional level and 40 Gbit / s at the inter-district level. There are positive results, but that doesn't mean enough.

**2-table Number of people connected to the data network**

№	Indicators	2015	2017	2019	2020
1	Number of subscribers connected to the data transmission network, including the Internet, thousand units	18339.7	20607.8	22457.7	26437.4
2	Not connected to the ternet	10000.6	9439.8	6071.5	6456.4
3	Connected to the ternet	8339.1	11168.0	16386.2	19981.0
4	Individuals	8073.6	10764.3	15750.8	19241.3
5	Legal entities	265.5	403.7	635.4	739.7
6	number of subscribers connected to broadband internet	466.3	498.5	725.4	1080.0
7	Number of subscribers connected to the Internet via mobile communications	7793.7	10258.8	15651.2	15651.2

If you look at the statistics on the number of people connected to data networks (see: 2-table), you can see that the use of the Internet has a growing dynamics between legal entities and individuals. Both the population and the organizations are trying to use the global Internet as much as possible.

The volume of services in Uzbekistan increased 2.3 times in 2016-2020. Including: the volume of communication and information services 2 times, financial services 4.6 times, transport services 1.8 times (including road transport services 1.5 times), accommodation and catering services 1.9 times, trade services 2.1 times. times and other services increased 2.5 times. In 2016-2019, the volume of services had a high growth rate. In 2020, the growth rates of many types of services will slow due to the impact of pandemic conditions. Only sustainable growth in communication and information services, financial services and education can be seen. (see: 3-table).

**3-table The growth of the service sector in the Republic of Uzbekistan for the years 2016-2020**  
(as a percentage)

Indicators	2016	2017	2018	2019	2020
Services - total	114,7	110,7	108,9	113,2	102,3
By main types:					
Information and communication services	114,6	121,3	115,9	108,3	115,3
Financial services	119,8	136,5	121,5	147,0	125,6
Transportation services	107,8	109,9	104,5	106,7	91,6
Motor transport service	117,2	102,1	101,6	105,1	103,5
Accommodation and meals	121,1	112,1	107,0	107,3	86,5
Trade services	120,5	100,3	104,9	107,4	101,7
Real Estate Services	117,5	106,6	107,9	104,7	91,1
Educational services	107,8	125,6	110,5	109,5	107,4
Health services	122,2	116,9	113,4	114,7	89,9
Rental and leasing services	117,6	102,1	110,4	98,3	98,9
Computer, personal belongings and household goods repair services	115,6	102,6	104,2	107,1	96,1
Personal services	113,8	100,7	102,2	105,4	92,1
Services in the field of architecture, engineering research, technical testing and analysis	115,3	124,7	118,1	115,5	93,7
Other services	114,9	111,8	121,2	116,3	98,3

Base. [www.stat.uz](http://www.stat.uz)

According to the results of services provided per capita in 2020 (see: 1-figure), services in Namangan, Kashkadarya, Surkhandarya regions and the Republic of Karakalpakstan show much lower rates. This indicates that there are untapped reserves for the introduction of services in the field of services in the country. We believe that these reserves are primarily due to the fact that services are not fully digitized and services provided to the population are not transformed.

Decree of the President of the Republic of Uzbekistan No. PF-5984 of April 22, 2020 "On measures to reform the procedure for permanent registration and registration at the place of residence" and the Decree of the President of the Republic of Uzbekistan "On digital economy and electronic In order to ensure the implementation of the tasks set out in the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated April 28, 2020 No. PP-4699 "On measures for the widespread introduction of government" (Face-ID, etc.) for the use of artificial intelligence technologies and the

creation of opportunities for registration based on other data, as well as registration, identification, authentication and authorization on the basis of other data. digitization of electronic services provided by government agencies, banks, financial and other entities, organization of services through remote identification (authentication) of individuals and legal entities. Identification (authentication) services through the identification system are provided free of charge to public organizations, including local public authorities, to other business entities on a paid basis in accordance with the contract concluded in the prescribed manner. As part of the services provided to the population, thanks to the portal MY.GOV.UZ - "E-government" our population has access to 265 types of public services online. While 143 (55%) of these services are provided free of charge, 131 (50%) use EDS is not required. The portal provides more than 2.3 million services to more than 18 billion people. more than UZS were saved.

President of the Republic of Uzbekistan Sh.M. Mirziyoyev at a meeting on the development of information technology (IT) on February 13 to maximize the strengthening of the IT sector; In 2020, IT parks will be built in Nukus, Bukhara, Samarkand, Gulistan and Urgench, all e-government systems will be built, organizational and institutional issues will be resolved, full digitalization of construction, energy, agriculture, transport, geology, cadastre, healthcare will begin, education, archives, as well as all villages and mahallas, issues of high-speed Internet access were raised in the next two years.

In this regard, the Decree of the President of the Republic of Uzbekistan No. PF-6079 "On approval of the Strategy" Digital Uzbekistan-2030 "and measures for its implementation" was adopted. Accordingly, in the framework of digital transformation of regions and networks in 2020-2022: the level of Internet connection of settlements, including broadband ports will be increased to 2.5 million, the construction of 20,000 kilometers of fiber-optic lines and mobile through the development of communication networks from 78% to 95%; more than 400 information systems, electronic services and other software products will be introduced in various areas of socio-economic development of the regions; 587,000 people, including 500,000 young people, will be trained in the basics of computer programming under the One Million Programmers project; more than 280 information systems and software products for automation of management, production and logistics processes will be introduced in enterprises of the real sector of the economy; Relevant higher education institutions will be attached to the regions to improve the digital literacy and skills of governors, government officials and employees, and train them in information technology and information security, and 12,000 of their employees will be trained in information technology.

**Conclusions and suggestions.** I The ultimate goal of the complete digitalization of the economic and social system is to facilitate human labor and improve the quality of life of the population. In this regard, in order to increase the speed of the Internet, it is necessary to expand the supply of fiber-optic Internet connections in urban and rural areas; in the service sector, make it convenient and accessible to everyone to use high-speed Internet (trade, payment systems, families on the outskirts of the area, healthcare, government services, delivery services, household and other services). Gradually introduce digital technology in all industries. Development of a national Internet security system. This will require the creation of specialized centers for digital transformation in the field. To provide schools with computers of the last generation, professional IT specialists.

It is no secret that digital technologies serve only to improve the standard of living of the population and its citizens, save their time and make their work easier. Only digital technology and the transformation of digital services will enable the country's economy to develop at an accelerated pace. Create additional jobs. Therefore, research in this area will remain relevant.

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