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Prospects for the Development of the Service Sector and Employment in Rural Areas

offers a scientifically grounded analysis of the service sector's role in diversifying the rural economy, regulating migration, and reducing spatial inequality[3].

The study's findings also provide a theoretical and practical basis for developing new mechanisms for ensuring sustainable employment in rural areas. Developing the service sector not only improves economic efficiency but also strengthens social stability, expands youth and female employment, and enhances the investment attractiveness of regions. Therefore, the topic of this article has important scientific and practical implications for modern economic policy and regional development concepts.

Literature Review

Providing employment in the service sector leads to improved living standards not only for the state but also for individuals. Many researchers have studied the development of the service sector and the provision of employment in rural areas. In particular, S. Hashmi's article, "The Impact of Rural Non-Farm Employment on Income and Consumption" empirically analyzes how non-farm services, trade, and small businesses have a positive impact on rural household income and consumption. This research, based on the Indian example, highlights the potential for increasing employment and improving living conditions in rural areas through the service sector. The article presents scientific proposals for strengthening the service sector as a source of income in the rural economy.

R. Yuan's article, "A Study on the Impact of Internet Use on the Transition to New Employment of the Rural Labor Force" also analyzes how internet use by the rural labor force and the adoption of the digital economy influence employment levels. The researcher found a positive effect of internet use on increasing employment in the service sector, but did not conduct a comprehensive study of regional differences and social skills.

In the article called "Paths of Regional Rural Transformation" written by P. Shi presents a regional analysis of the landscape of agriculture, high-tech manufacturing, and non-farm employment, including services, in rural areas. The results show that the service sector can become the foundation for rural economic growth and employment diversification [4].

In the article "Rural Development and Tourism: Employment and Income Opportunities for Rural Youth" by E. H. d. A. Batista and A. C. Guedes, the researchers examine employment and income opportunities for youth in the service sector through rural tourism, considering the global experience of diversifying the service sector and increasing employment in rural areas [5].

The article named "Rural Employment in Russia: Current Status and Prospects for the Agricultural and Non-Agricultural Sectors" written by Yulia N. Nikulina, examines the issue of forecasting employment in rural areas of Russia in a broader theoretical and practical context and comprehensively analyzes the systemic problems that have arisen in the rural labor market. The scholar systematizes factors such as migration outflow from rural areas, limited availability of employment opportunities in non-agricultural sectors, weak institutional and economic incentives for the development of rural entrepreneurship, structural changes in labor demand in agriculture, and a decrease in the number of labor migrants as the main limiting factors. An analysis of regional stratification reveals that employment stabilization strategies across Russian regions vary significantly: some regions rely on increasing internal labor migration, while others attempt to mitigate the problem through high levels of state support for agriculture, encouraging self-employment, or preserving jobs in labor-intensive but low-productivity sectors [6].

D. Taylakova's article named "Prospects for Ensuring Employment of the Population through the Service Sector in Rural Areas" studies ways to improve living conditions in rural areas through the service sector, increasing employment through innovative approaches and digital transformation [7].

As noted in the literature cited above, many scholars are interested in and conducting research on the positive impact of the service sector on employment, income, and economic growth in rural areas. At the local level, research focuses on improving rural living standards through service sector infrastructure development and policy interventions.

Research Methodology

This study used a comprehensive approach to identifying prospects for service sector development and employment in rural areas. The research methodology relied on analytical, statistical, and comparative methods. First, existing scientific literature, regulatory documents, and official statistics were reviewed, establishing a theoretical framework. A statistical analysis of employment indicators and service sector development trends in rural areas was then conducted, identifying trends over the past years.

Analysis and Results

The development of the service sector and increasing employment in rural areas is of paramount importance in the context of modern economic development. This sector ensures economic diversification, creates new jobs for local residents, and improves living conditions in rural areas. Therefore, it provides an important basis for analyzing opportunities for increasing rural employment and expanding the service sector, identifying existing challenges, and developing effective strategies[8].

The analysis's results will help determine the role of the service sector in providing employment in rural areas and creating opportunities for the population. These findings will serve as key indicators in developing strategies to stabilize employment through the development of non-farm jobs, local entrepreneurship, and the service sector. At the same time, the analysis will identify new forms and mechanisms for providing employment for both rural and urban residents[9].

Table 1. Employment rate in the service sector in Uzbekistan (by year).

Year	General employment	Services sector	Share (%)
2020	13236.4	6622.1	50.00%
2021	13538.9	6910.2	51.10%
2022	13706.2	7142.6	52.10%
2023	14014.2	7332.1	52.30%
2024	14261.9	7931.8	55.60%

Significant employment growth in the Russian service sector is expected between 2020 and 2024. In 2020, 6,622,100 people were employed in the service sector, and by 2024, this figure is expected to reach 7,931,800. This represents an increase of 1,309,700 over the past five years. This trend demonstrates the service sector's growing importance as one of the most stable and rapidly growing segments of the economy. In particular, the "Other Services" sector grew sharply last year, contributing significantly to the overall employment increase[10].

The service sector's share of total employment in 2020 was 50 percent, and by 2024, this figure is expected to reach 55.6 percent. Thus, the service sector has become the largest segment of employment in the economy as a whole. This figure demonstrates the expansion of jobs in the service sector and its stable growth relative to other sectors. Its 55.6 percent share in the employment structure indicates a further strengthening of the service sector's economic role and underscores the need to diversify employment into agriculture and industry[11].

Sustained employment growth in the services sector from 2020 to 2024 increased economic stability and the potential for job creation. The service sector's share of total employment increased from 50% to 55.6%, making it a key driver of economic development and opening up new opportunities in the labor market. At the same time, low employment growth in the agricultural and manufacturing sectors highlights the importance of resource and policy support for the success of the services sector. Overall, sustainable growth in the services sector contributes to labor market diversification and enables the effective implementation of government policies to increase employment[12].

The results were achieved thanks to the development of the service sector and employment in rural areas. (Figure 1)

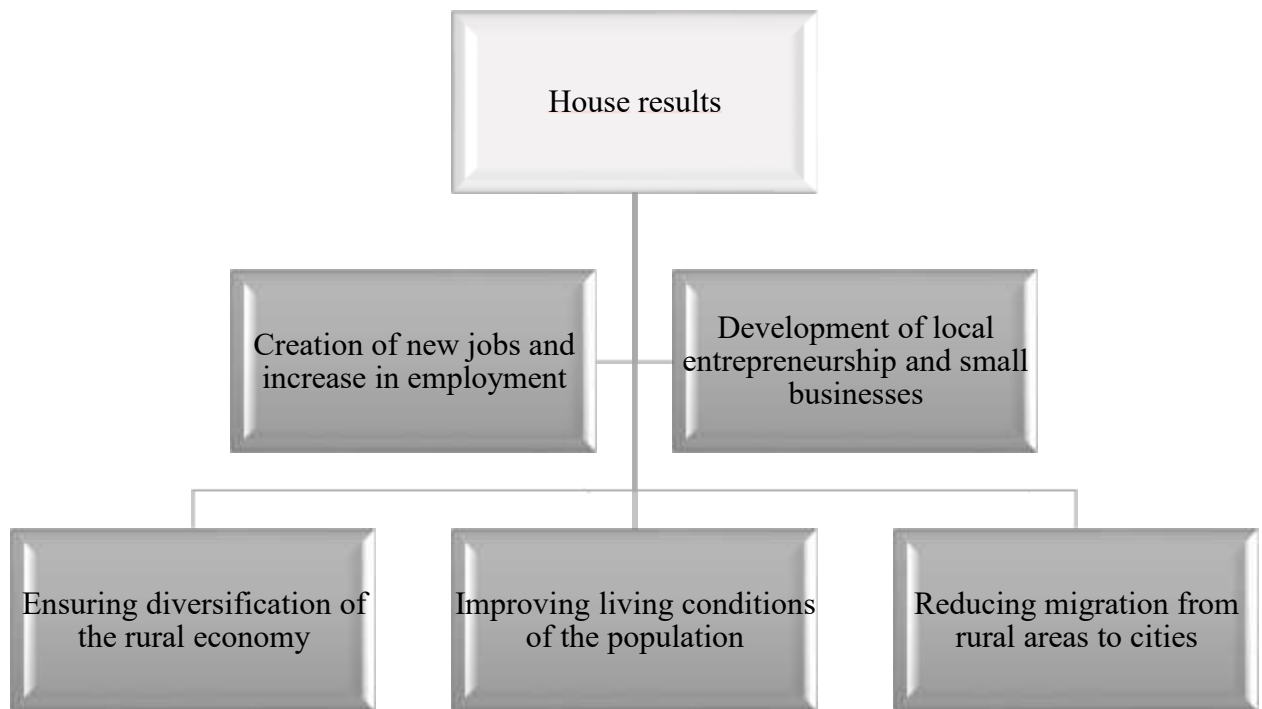


Figure 1. Socio-Economic Outcomes of Household Development.

Developing the service sector in rural areas primarily increases employment and diversifies income sources. Traditionally, rural employment relied primarily on agriculture, but the expansion of the service sector creates new jobs in areas such as trade, transportation, consumer services, education, healthcare, and tourism[13]. This reduces the population's reliance on seasonal income, increases youth and female employment, and stimulates the development of small businesses and family entrepreneurship. As a result, the rural economy becomes more stable and diversified[14].

At the same time, the development of the service sector leads to improved social infrastructure and a higher quality of life for the population. Expanding local services reduces migration from rural areas to cities, as people have the opportunity to work and earn money locally. This ensures demographic stability, reduces regional disparities, and transforms rural areas into attractive locations. Overall, the development of the service sector is an important factor not only in economic growth but also in social stability and regional development[15].

Conclusion

Developing the rural service sector and ensuring employment is a priority for modern economic policy. Research findings demonstrate that the service sector is an important factor in increasing economic activity in rural areas, expanding income sources, and

stabilizing the labor market. Developing this sector reduces dependence on agriculture and creates opportunities for economic diversification.

The expansion of the service sector will also lead to improved social infrastructure, higher living standards, and a reduction in migration flows. The development of trade, transportation, household, educational, and healthcare services in rural areas will help meet the needs of the population at the local level. This will help reduce regional inequality and ensure sustainable development.

Overall, developing the service sector in rural areas not only improves economic efficiency but also strengthens social stability. Comprehensive rural development is possible through the introduction of new forms of employment and support for small businesses and private entrepreneurship. Therefore, developing systemic and long-term strategies in this area is of utmost importance.

As a result of the analysis, the following proposals were developed:

First, expand the system of providing preferential loans and subsidies for the development of small businesses and family entrepreneurship in rural areas.

Secondly, training personnel suitable for work in the service sector through the creation of vocational training centers and short-term advanced training programs.

Thirdly, the creation of new types of services through the development of digital infrastructure, expansion of internet coverage and the introduction of electronic services.

Fourth, it is necessary to modernize rural infrastructure by strengthening public-private partnership mechanisms and supporting local initiatives.

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