SCIENTIFIC AND THEORETICAL VIEWS ON ENSURING THE ECONOMIC STABILITY OF SERVICE SECTOR ENTITIES.

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Annotation: The article analyzes the main factors influencing the economic sustainability of service sector entities in modern market conditions. It emphasizes the importance of financial stability, innovation, and digital transformation in maintaining competitiveness. The study identifies challenges faced by service enterprises and suggests ways to enhance their operational efficiency. The role of government regulation and public-private partnerships in ensuring sustainable growth is discussed. Particular attention is paid to resource optimization and human capital development. The research uses comparative and analytical methods to evaluate performance indicators. Empirical data show the necessity of improving management mechanisms and digital infrastructure. The paper highlights the importance of adapting global standards for sustainable development. Recommendations are provided to strengthen the resilience of service enterprises. The results contribute to improving the theoretical and practical basis of economic sustainability.

Keywords: Economic sustainability. Service sector. Financial stability. Innovation. Digital transformation. Competitiveness. Efficiency.improvement. Resource optimization. Sustainable development. Public-private partnership.

Introduction. In the context of global economic transformations, ensuring the economic sustainability of service sector entities has become one of the most urgent issues. The service sector plays a crucial role in supporting economic growth, employment, and social welfare. Sustainable functioning of service enterprises requires financial stability, efficient resource management, and continuous innovation. In Uzbekistan, the rapid digitalization and modernization of the economy create new opportunities and challenges for this sector.

According to the Resolution of the President of the Republic of Uzbekistan No. PP–4477 dated October 4, 2019, "On measures to further develop the service sector and expand modern types of services," special attention is paid to strengthening the economic stability of service enterprises and improving their competitiveness.[1] This legal framework serves as a foundation for enhancing management mechanisms, expanding financial support, and introducing modern technologies in the field.

The government's policy in this direction aims to ensure sustainable development through innovation, digital transformation, and effective institutional regulation. This research, based on theoretical and practical analysis, explores ways to improve the resilience of service enterprises. The results will help to strengthen the scientific and methodological basis for ensuring the economic sustainability of the service sector.

Literature Review.Many scholars have studied the issue of economic sustainability in the service sector from both theoretical and practical perspectives. Uzbek economists such as L.A. Talimova, Sh. G‘ulomov, and M. Mamatqulov emphasize the importance of innovation, digital transformation, and government support in ensuring the stability of service enterprises.[2] Their research highlights the need to modernize management mechanisms and financial infrastructure. Foreign researchers like J. Stiglitz, P. Drucker, and M. Porter argue that competitiveness and sustainable growth depend on strategic management, efficiency, and technological adaptation.[3] According to these scholars, service enterprises must adopt flexible business models to respond to global market changes. Comparative studies show that integration of digital tools and sustainability principles enhances the long-term resilience of the service sector.

Analysis and Results.The economic sustainability of service sector entities largely depends on the efficiency of financial management, digital transformation, and state regulation. In recent years, Uzbekistan has paid special attention to the modernization of regional service infrastructures. Kashkadarya region, as one of the developing industrial and service hubs, has demonstrated dynamic growth in financial indicators.

According to official data, from 2020 to 2024, the number of registered service enterprises in Kashkadarya increased by 28%, while their total turnover grew by 36%. This positive trend was supported by government incentives, tax reforms, and improvements in the business environment. However, challenges remain in ensuring long-term sustainability, especially among offshore zones operating within the region.[4]

Analytical results confirm that offshore zones have become an important tool for attracting foreign investment and diversifying the service structure. Nevertheless, to achieve higher efficiency, it is necessary to enhance transparency, fiscal control, and compliance with international standards. Strengthening digital infrastructure and adopting innovative management practices will further support the economic resilience of the service sector in the region.

The data show that the turnover of offshore entities in Kashkadarya increased by 92.2% between 2020 and 2024, indicating stable growth despite external economic fluctuations. Their contribution to the regional GDP rose from 2.1% to 3.0%, reflecting a gradual strengthening of financial performance.

Following table presents a comparative analysis of the economic performance of offshore zones in Kashkadarya region for 2020–2024. Table 1.[5]

Year	Number of Offshore Entities	Total Turnover (billion UZS)	Growth Rate (%)	Share in Regional GDP (%)
2020	18	120.5	—	2.1
2021	21	142.8	18.5	2.3
2022	24	167.9	17.6	2.5
2023	27	198.4	18.2	2.8
2024	29	231.7	16.8	3.0

The data in *Table 1* clearly demonstrate a steady upward trend in the economic performance of offshore zones in the Kashkadarya region during 2020–2024. The number of registered entities increased from 18 to 29, reflecting a 61% rise in business activity. Total turnover grew from 120.5 to 231.7 billion UZS, showing a 92.2% expansion, which indicates improved financial sustainability and investment attractiveness. The annual growth rate remained stable, averaging around 17–18%, which highlights the region's strong adaptive capacity. The share of offshore entities in regional GDP increased from 2.1% to 3.0%, confirming their growing contribution to the local economy.These dynamics suggest that state incentives, fiscal reforms, and digital modernization have positively influenced business performance. However, the relatively modest GDP share implies potential for further growth through improved transparency and strategic diversification. Overall, the data confirm the gradual strengthening of economic sustainability in Kashkadarya's service sector. The data in Table 1 reveal a consistent improvement in the economic indicators of offshore zones in the Kashkadarya region between 2020 and 2024. [6]The number of active entities rose from 18 to 29, while total turnover almost doubled, reaching 231.7 billion UZS. This indicates the strengthening of financial capacity and the effectiveness of state support programs. According to Talimova L.A. (2022), enhancing financial transparency and innovation is key to maintaining economic stability in service-oriented regions. The steady annual growth rate of around 17–18% also confirms the positive impact of fiscal incentives and infrastructure modernization.[7]

Moreover, as noted by M. Porter (2020), regional competitiveness increases when local enterprises adopt digital tools and strategic management approaches. The rise in the share of offshore zones in regional GDP—from 2.1% to 3.0%—demonstrates their expanding contribution to sustainable development. Overall, the observed trends align with national economic policies and global research emphasizing innovation, efficiency, and sustainability as the main drivers of growth.

Conclusion and Recommendations.The conducted research shows that ensuring the economic sustainability of service sector entities in Uzbekistan, particularly in regions such as Kashkadarya, remains a key priority in the country's transition to an innovative and digital economy. The analysis confirms that financial stability, innovation, and institutional support play decisive roles in strengthening regional competitiveness. Offshore zones have contributed significantly to regional economic growth, yet their efficiency can be further enhanced through transparent management and digital integration.

In the current period of global economic uncertainty, sustainable development requires adaptive strategies, efficient resource use, and continuous modernization of service infrastructures. The government's policies on investment support, fiscal incentives, and digital transformation are effective but need more targeted implementation at the regional level.

It is recommended to expand public-private partnerships, strengthen financial literacy among entrepreneurs, and introduce digital monitoring systems to ensure transparency. Moreover, developing innovation clusters, improving access to credit resources, and aligning regional strategies with the "Uzbekistan–2030" Development Strategy will ensure long-term resilience. Future efforts should focus on integrating international standards of corporate governance and sustainability to maintain economic stability and global competitiveness.

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