

EDUCATIONAL SERVICES AS AN ECONOMIC INDICATOR OF SOCIO-ECONOMIC DEVELOPMENT: THE ROLE OF THE HUMAN FACTOR

Mansurova Muzafarra Maksudovna

Lecturer, Samarkand Institute of Economics and Service

E-mail: mansurovam1919@gmail.com

Abstract. *This article examines educational services as an important economic indicator reflecting the level of a country's socio-economic development. The economic essence of educational services is revealed, and their impact on the formation of human capital, labor productivity, innovation activity, and the competitiveness of the national economy is analyzed. Particular attention is paid to the role of the human factor in ensuring the effectiveness of educational services. Based on statistical data from the Republic of Uzbekistan, the study considers current trends in the development of the education sector, its contribution to the country's economy, as well as existing challenges and prospects for the further improvement of educational services in the context of the digital transformation of society.*

Keywords: *educational services, human capital, human factor, socio-economic development, knowledge economy, labor productivity, innovation, digitalization of education, labor market, Republic of Uzbekistan.*

In the twenty-first century, education is no longer viewed solely as a social institution responsible for transmitting knowledge and cultural values from one generation to another. In the context of the emerging knowledge economy, educational services have acquired a fundamentally new significance, becoming one of the key factors of a country's socio-economic development. Contemporary global practice demonstrates that sustainable economic growth, high living standards, and international competitiveness increasingly depend not on the availability of natural resources but on the quality of human capital.

The rapid development of information technologies, the acceleration of innovation processes, and the globalization of the world economy have significantly enhanced the strategic importance of education. It is the education system that prepares specialists capable of adapting to rapidly changing labor market conditions, generating new knowledge, introducing innovations, and ensuring technological advancement. Consequently, educational services have evolved from being merely a social necessity into an independent economic category that directly influences macroeconomic indicators.

This issue is of particular relevance to the Republic of Uzbekistan, where large-scale modernization of the educational system has been implemented in recent years.

Within the framework of ongoing reforms, access to education has expanded, the number of higher education institutions has increased, modern educational technologies have been introduced, and both the non-state sector and international cooperation have been actively developed. These processes are aimed at forming competitive human capital capable of ensuring the achievement of the strategic goals of the New Uzbekistan.

It should be emphasized that the effectiveness of educational services is determined not only by the amount of financial investment or the number of educational institutions. The final outcomes of education are significantly influenced by various aspects of the human factor, including students' motivation, teachers' professional competence, societal values, the level of social responsibility among participants in the educational process, and psychological conditions conducive to learning. Even when material and technical resources are identical, educational outcomes may differ substantially depending on the activity and engagement of individuals involved.

Therefore, contemporary research increasingly emphasizes the need for a comprehensive approach to assessing educational services that takes into account both the quantitative and qualitative characteristics of the education system, as well as the human dimensions of its functioning. Such an approach allows for a more complete understanding of education's contribution to national economic development and the improvement of people's quality of life.

In contemporary economic science, educational services are regarded as one of the most important elements in the reproduction of human capital and the achievement of sustainable socio-economic development. The transition to a post-industrial model of economic activity has transformed perceptions of education. While education was previously viewed primarily as a social function of the state, it is now increasingly recognized as an independent sector of the economy that creates significant added value and directly influences the pace of economic growth.

Educational services can be defined as a set of activities aimed at transferring knowledge, developing professional competencies, enhancing intellectual abilities, and fostering the personal growth of learners. Unlike material goods, the outcome of educational services is the acquisition of knowledge, skills, and behavioral patterns that can subsequently be applied in professional and social life.

Educational services possess several distinctive characteristics that differentiate them from traditional goods and services.

First, they are intangible in nature. The results of education cannot be assessed immediately at the time of their provision, as their effects become apparent gradually over time.

Second, educational services are characterized by a delayed economic effect. Investments in education generate returns only in the long term, when individuals enter the labor market and apply the knowledge and competencies acquired during the learning process.

Third, the quality of educational services largely depends on human interaction between teachers and students. Even when educational institutions have identical curricula and material resources, learning outcomes may vary considerably.

Fourth, educational services are highly individualized. Each learner possesses unique abilities, motivations, levels of preparedness, and cognitive characteristics, all of which influence the effectiveness of the educational process.

The economic nature of educational services is most comprehensively explained by the theory of human capital. The founders of this approach, Theodore Schultz and Gary Becker, considered expenditures on education to be investments capable of generating economic benefits both for individuals and for society as a whole.

According to T. Schultz, investment in education represents one of the most effective means of increasing labor productivity and national income. He emphasized that the quality of human resources determines the economic potential and future development of a country.

G. Becker further developed this concept by demonstrating that education contributes to the accumulation of human capital, which increases workers' earnings, reduces unemployment, and promotes sustainable economic growth. From his perspective, investment in people is comparable in importance to investment in physical capital and infrastructure.

Under modern conditions, human capital is understood as a combination of knowledge, professional skills, creative abilities, health status, and social competencies that enable individuals to generate economic value. In this context, education serves as the primary mechanism for the formation and development of human capital.

It should also be noted that educational services possess a dual nature. On the one hand, they function as a public good by promoting cultural development, social cohesion, and civic responsibility. On the other hand, they exhibit the characteristics of a private good by enabling individuals to increase their income, improve employment opportunities, and achieve professional self-realization.

The combination of public and private benefits determines the unique position of educational services within the system of economic relations. Governments are interested in expanding access to education because it enhances productivity and strengthens social stability. At the same time, individuals perceive education as an investment in their own well-being and quality of life.

The growing importance of the knowledge economy has further enhanced the role of educational services. In the industrial era, land, labor, and capital were

considered the principal factors of production. Today, however, knowledge, information, and the capacity for innovation have become the most valuable resources. Consequently, the competitive advantages of nations increasingly depend not on natural wealth but on the availability of highly qualified specialists and effective educational systems.

Therefore, education performs not only a reproductive function but also a strategic one. It provides the workforce required by priority sectors of the economy, facilitates the dissemination of innovation, fosters entrepreneurial culture, and enhances society's adaptability to technological change.

International experience demonstrates a strong relationship between the development of the education system and a country's major macroeconomic indicators. Nations that achieve high educational outcomes generally exhibit higher labor productivity, lower unemployment rates, stronger innovation capacity, and more sustainable economic growth.

According to estimates by the United Nations and the World Bank, improvements in the educational attainment of the population contribute to increases in gross domestic product, rising household incomes, and reductions in poverty. Each additional level of education enhances an individual's employment prospects and expands opportunities for participation in economic activity.

In recent decades, the concept of the knowledge economy has gained increasing importance. Its essence lies in the recognition that knowledge has become the primary productive resource, while a society's ability to generate, disseminate, and utilize information determines its economic efficiency. Within this framework, education performs several essential functions. It provides qualified specialists for various sectors of the economy, contributes to the development of innovation potential through research and creative thinking, facilitates social mobility, and promotes social stability.

Research conducted by E. Hanushek and L. Woessmann indicates that the quality of education has a more substantial impact on economic growth than merely increasing the number of students enrolled in educational institutions. The authors argue that the level of competencies acquired and the ability to apply knowledge in practice are the decisive factors in the economic effectiveness of human capital.

This conclusion is particularly relevant for developing countries striving to accelerate economic modernization. Under such conditions, expanding access to education alone is insufficient. It is equally important to ensure the high quality of educational programs, align curricula with labor market requirements, and develop competencies demanded by the digital economy.

For the Republic of Uzbekistan, enhancing the effectiveness of educational services has become a strategic priority. In recent years, the country has undertaken large-scale reforms aimed at modernizing the national education system. Key areas of

transformation include expanding access to education, improving the quality of specialist training, developing the non-governmental educational sector, and integrating the national education system into the international educational environment.

Special attention has been devoted to the development of higher education. The number of higher educational institutions, including branches of foreign universities, has increased significantly. Opportunities for obtaining education through various forms of study have expanded, while modern digital technologies and innovative teaching methods are being actively introduced.

As a result, education is gradually becoming one of the most dynamic segments of Uzbekistan's service sector. The growing volume of educational services reflects the increasing demand for quality education and the emergence of a stable tendency among citizens to invest in their own human capital.

In recent years, the educational services sector of the Republic of Uzbekistan has demonstrated steady positive growth, indicating its increasing role in the national economy. Government reforms have focused not only on expanding access to education but also on improving the quality of training to meet the requirements of the modern labor market.

One of the most significant indicators reflecting the economic importance of educational services is the volume of services provided. According to the Statistics Agency under the President of the Republic of Uzbekistan, the volume of educational services amounted to 30.4 trillion soums during January–October 2025. Compared with the corresponding period of the previous year, this represented an increase of 6.8 percent. Such dynamics indicate the expansion of the educational market and growing public demand for educational opportunities.

The significance of educational services is also reflected in their share within the country's market services sector. According to analytical sources, education accounts for approximately 3.7–4.0 percent of the total volume of services provided to the population. This allows educational activity to be regarded not merely as a social function of the state but also as an independent sector of the economy influencing the formation of gross domestic product.

Particular attention is paid to the financing of education. In recent years, public expenditure on education has remained at approximately 4 percent of gross domestic product. This figure corresponds to international practice and demonstrates the high priority assigned to human capital development within state policy.

An important indicator of educational effectiveness is the level of educational attainment among the population. Official statistics indicate that the literacy rate in the Republic of Uzbekistan has reached 99 percent, one of the highest levels in the region.

Such a high literacy rate creates favorable conditions for the further development of professional education and workforce qualification enhancement.

Significant transformations have also occurred in higher education. Currently, more than 210 higher educational institutions operate throughout the country, including public and private institutions as well as branches of foreign universities. The expansion of the higher education network contributes to greater accessibility and satisfies the growing demand for professional knowledge and qualifications.

The structure of household expenditures on education also reflects changing societal attitudes toward learning. According to various estimates, nearly half of all educational expenditures are directed toward higher education. This demonstrates the willingness of citizens to invest in their professional development and strengthen their competitiveness in the labor market.

Positive trends are also evident in the growth rates of educational services. At the beginning of 2025, educational services recorded a growth rate of 8.9 percent and subsequently maintained leading positions among the fastest-growing service sectors. This fact confirms the increasing economic potential of the educational industry.

Nevertheless, quantitative expansion does not always guarantee improvements in educational quality. In the context of digital transformation, ensuring that educational programs correspond to labor market requirements remains an important challenge. Many graduates continue to require additional training and practical skills demanded by contemporary employers.

Furthermore, disparities in access to high-quality educational services persist across regions of the country. Factors such as the material and technical capacity of educational institutions, the availability of qualified teaching staff, and access to modern information and communication technologies continue to influence educational outcomes.

Despite these challenges, current trends suggest that educational services are gradually becoming one of the drivers of economic growth in Uzbekistan. Investment in education contributes to the formation of a skilled workforce, enhances innovation activity, reduces social tensions, and strengthens human capital.

The findings of this study indicate that educational services have evolved beyond their traditional role as a component of social policy and have become an important economic indicator reflecting the level and prospects of socio-economic development. In the context of the knowledge economy, education contributes not only to the transmission of knowledge and skills but also to the formation of human capital, which serves as one of the key drivers of economic growth.

The study revealed that the economic significance of educational services is manifested through their contribution to labor productivity, innovation development, employment growth, and the enhancement of national competitiveness. Investments in

education generate long-term benefits for both individuals and society by improving professional competencies, increasing incomes, and expanding opportunities for social mobility.

Particular attention should be paid to the role of the human factor in ensuring the effectiveness of educational services. Students' motivation, teachers' professional competence, social values, and the overall learning environment significantly influence educational outcomes. Therefore, the assessment of educational effectiveness should encompass not only quantitative indicators but also qualitative characteristics related to human potential.

The analysis of statistical data from the Republic of Uzbekistan demonstrated a steady increase in the volume of educational services, the expansion of educational institutions, and sustained government support for the development of the education sector. These trends indicate the formation of favorable conditions for strengthening human capital and facilitating the country's transition toward a knowledge-based economy.

At the same time, several challenges remain, including the need to improve the quality of specialist training, enhance the practical orientation of educational programs, reduce regional disparities in access to quality education, and strengthen the integration between the education system and labor market demands.

In conclusion, educational services should be regarded as a unique form of investment—an investment in people. The future of society and the state largely depends on the level of education, individuals' capacity for lifelong learning, and their ability to effectively apply acquired knowledge. Consequently, the further development and improvement of educational services should remain one of the priorities of the socio-economic policy of the Republic of Uzbekistan, ensuring sustainable development, improving the quality of life, and strengthening the country's position within the global community.

References

1. Schultz, T.W. Investment in Human Capital. The American Economic Review, 1961.
2. Becker, G.S. Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education. Chicago: The University of Chicago Press, 1993.
3. Hanushek, E.A., & Woessmann, L. The Knowledge Capital of Nations: Education and the Economics of Growth. Cambridge, MA: MIT Press, 2015.
4. Samuelson, P.A., & Nordhaus, W.D. Economics (20th ed.). New York: McGraw-Hill Education, 2019.
5. United Nations Development Programme (UNDP). Human Development Report 2025. New York: UNDP, 2025.

6. Decree of the President of the Republic of Uzbekistan No. PF-60 dated January 28, 2022.
7. Statistics Agency under the President of the Republic of Uzbekistan. Educational Services Volume, January–October 2025.
8. Kursiv Uzbekistan. Analytical Materials on Education Expenditures.
9. Invest Uzbekistan. Indicators of the Education System of the Republic of Uzbekistan.
10. Ministry of Higher Education, Science and Innovation of the Republic of Uzbekistan.
11. One.uz; Podrobno.uz. Dynamics of Educational Services Growth in 2025–2026.