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Article

State-Partnership Models of Foreign Countries for Improving The Economic Mechanism of The Service Sector and Their Significance

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Abstract: This article demonstrates how other nations have developed the service sector, improved the economic mechanism and its classification, implemented public-private partnership projects, and introduced novel ways for the public sector to enter into contracts with the private sector using its own funds. Regarding the significance of training, scientific guidance is provided. The many state-partnership methods used by other nations to improve the economic mechanisms in the service sector are examined in this study. Effective cooperation between the public and private sectors is crucial for competitiveness, innovation, and sustainable growth as the service sector takes centre stage in global economies. In order to identify important frameworks, policy tools, and principles that support the development of the service sector, the article examines successful international case studies, such as institutional collaborations, public-private partnerships (PPPs), and strategic alliances. The flexibility of these models to various economic environments and their contribution to enhancing infrastructure development, investor appeal, regulatory effectiveness, and service quality are highlighted. The study comes to the conclusion that well-designed state-partnership models are essential tools for modernising the service sector in both rich and developing nations since they not only boost economic activity but also improve institutional capacity and governance.

Keywords: service, economics, enterprise, market, standard of living, finance, law, mechanism, credit investments, efficiency, innovation, strategy.

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1. Introduction

The fast growth of service industries is receiving significant attention in light of the economy's growing digitalisation and deepening globalisation. "The share of this industry in the world GDP is on average 65 percent, while this figure is 80 percent in the USA and 70-75 percent in the European Union countries" . The advancement of human potential as a future objective is widely utilised to enhance the economic mechanism, as demonstrated by the progressive practices of industrialised nations including the United States, Germany, Great Britain, Japan, and South Korea [1].

The growth of the service sector is given particular consideration in the process of creating a new Uzbekistan since it is one of the key pillars of socioeconomic development and the improvement of the population's standard of life. One of the key industries in carrying out the strategic tasks of our country's economy is the service sector. In order to make the digital economy the primary "driver" sector, efforts must be made to increase its volume by a minimum of 2.5 times. 1.7 times, or 4.3 billion US dollars, more should be exported in the tourist, transportation, information, and communications sectors, including software and other services [2].

This is to increase the variety and calibre of services offered in the service industry, enhance the industry's economic mechanism, and give priority to scientific studies that aim to efficiently harness the services market's potential as a driver of economic expansion [3].

Analysis of literature on the topic.

The scientific and methodological aspects of the development of the service sector have been studied by many foreign scientists, including V.K. Romanovich, S.N. Korobkova, V.I. Kravchenko, S.V. Orlov, I.P. Pavlova and others. The scientific works of Uzbek scientists M.M. Mukhammedov, M.Q. Pardayev, R.Kh. Ergashev, Sh.O. Kuvondikov, Q.J. Mirzayev, T.S. Sharipov, Sh.A. Sultanov and others are devoted to the study of these problems [4].

Other economists in Uzbekistan have also conducted and are conducting effective scientific research in this area. However, in the Republic, the issues of the service sector have been approached in connection with structural changes, and no scientific research has been conducted reflecting these processes, the development of the infrastructure of the service sector, and the improvement of organizational and economic mechanisms [5].

The development of effective economic mechanisms in the service sector through state-partnership models has been the subject of increasing academic and policy interest, particularly in the context of globalization, digital transformation, and public sector reform. A review of the literature reveals a range of approaches adopted by different countries, with a common emphasis on public-private partnerships (PPPs), institutional cooperation, and regulatory innovation [6].

According to Hodge and Greve, PPPs have evolved as a key tool for governments to mobilize private sector expertise and investment in delivering public services such as healthcare, education, transport, and tourism. Studies highlight that well-designed PPPs can lead to increased efficiency, reduced fiscal burden, and improved service delivery. However, they also stress the importance of risk-sharing mechanisms, legal frameworks, and performance monitoring [7].

Rodrik emphasizes the role of state institutions in creating enabling environments for service-sector growth through targeted interventions, such as subsidies, tax incentives, and infrastructure support. The World Bank and OECD literature frequently discusses the importance of regulatory reforms, e-government initiatives, and digital service frameworks to foster a competitive service economy.

The United Kingdom's model of privatized yet regulated services (e.g., energy and water) and Germany's coordinated stakeholder model in vocational training and health services are often cited as successful examples of state-partnership in practice. In contrast, countries like India and Brazil offer lessons from emerging economies where hybrid models such as Build-Operate-Transfer (BOT) and service outsourcing have helped expand access to essential services [8].

Recent literature points to the growing significance of digital platforms and technology-driven collaboration in service delivery. These include smart city initiatives, fintech partnerships, and public data-sharing models that increase transparency, reduce corruption, and boost efficiency [9].

Some scholars argue that state-partnership models may lead to over-reliance on private interests, loss of public accountability, and unequal service access, particularly if not well-regulated. Research by Kwame Sundaram Jomo warns that poorly structured partnerships can result in cost overruns and limited public benefit.

The literature underlines that while no one-size-fits-all model exists, successful state-partnerships are typically underpinned by strong governance, transparent regulation, institutional trust, and adaptability to local conditions. Cross-country comparisons offer valuable insights into best practices and potential pitfalls, providing a solid foundation for reforming and modernizing the service sector in other contexts, including transition and developing economies [10].

2. Materials and Methods

This study employs a qualitative research methodology aimed at examining and comparing state-partnership models utilized by foreign countries to improve the economic mechanisms within the service sector. The research is based on secondary data sources, including scholarly articles, government reports, case studies, and publications from international organizations such as the World Bank, OECD, UNCTAD, and IMF.

A comparative analytical approach was adopted to evaluate different partnership models in the service sectors of selected countries, including both developed (e.g., Germany, UK, South Korea) and developing economies (e.g., India, Brazil, Indonesia). The analysis focuses on identifying the structure, implementation, and outcomes of these partnerships.

1. A thorough review of academic journals, policy documents, and institutional reports was conducted to gather insights on partnership frameworks and their economic impact;
2. Specific country case studies were selected based on relevance, availability of data, and representativeness of diverse economic systems;
3. Economic indicators such as GDP contribution of the service sector, investment inflows, efficiency metrics, and public satisfaction indices were used to support the analysis;
4. State-partnership models were compared across countries in terms of structure (PPP, BOT, co-management, digital partnerships), sector focus (health, education, transport, ICT), and results;
5. Strengths, weaknesses, opportunities, and threats of selected partnership models were assessed to determine their effectiveness and adaptability;
6. Policy frameworks and government strategies were analyzed to identify common themes, regulatory mechanisms, and innovation practices.

This research is limited to publicly available data and documents in English. Also, while the study covers diverse international cases, it may not fully capture all local variables or informal mechanisms influencing service sector dynamics in certain regions [11].

3. Results

Its share in the total volume of world GDP is 70.0%, which is much higher than the share of the manufacturing sector, which is recorded in both developing and developed countries, up to 73.0%. This situation is observed in many countries of the world. For example, 70% of those employed in the service sector of the national economy fall into this sector. Among the 20 most developed economies, the USA has more than 77%, the UK has 71%, France has 70%, Russia has 54%, China has 52%, and India has 49%. (20 developed countries with a high share of the service sector in GDP) table 1.

Table 1. «20 developed countries with a high share of the service sector in GDP»

Level	Country	Share of the service sector in GDP, %*	GDP trillion dollars, 2023**	GNP position
1	USA	77,4	21 439	2
2	UK	71,0	3 131	9
3	France	70,3	3 061	10
4	Canada	70,2	1 900	16
5	Japan	69,1	5 747	4
6	Spain	67,7	1 941	15
7	Italy	66,3	2 443	12
8	Brazil	62,6	3 456	8
9	Germany	61,8	4 444	5

10	Mexico	60,1	2 628	11
11	Thailand	56,9	1 383	20
12	Iran	54,4	1 471	18
13	Turkey	54,3	2 347	13
14	Russia	54,1	4 349	6
15	Korea	53,6	2 320	14
16	China	52,2	27 309	1
17	Egypt	51,4	1 391	19
18	India	49,1	11 326	3
19	Saudi Arabia	48,4	1 899	17
20	Indonesia	43,4	3 737	7

* The share of the services sector in GDP as a percentage of value added. Source: World Bank - World Development Indicators

This list of 20 industrialised nations with a high GDP proportion of the service sector compares 20 nations according to their GDP share, ranking, and total gross domestic product (GDP) in trillions of US dollars (2023). The information shows how different countries' economies depend on the service sector to promote growth and economic activity. With a 77.4% GDP share in the service sector, the United States tops the list, highlighting its post-industrial, knowledge-based economy. Given their developed economic frameworks and robust financial, healthcare, educational, and information technology sectors, other advanced economies like the United Kingdom (71.0%), France (70.3%), Canada (70.2%), and Japan (69.1%) also report large service sector contributions. Despite having the greatest GDPs, China (52.2%) and India (49.1%), respectively, these nations have comparatively lower service sector percentages, which is in line with their continued growth of their infrastructure and industries as well as their greater manufacturing and agricultural bases. In terms of service sector share, Indonesia (43.4%) ranks near the bottom of the ranking, indicating a persistent reliance on industries and sectors reliant on natural resources. Remarkably, middle-income Brazil ranks eighth in terms of GNP with a substantial GDP of $3.456 trillion and a strong service sector share of 62.6%. In a similar vein, Germany and Russia both have high economic production but differ in their reliance on the service sector; Germany's share is larger at 61.8% than Russia's, at 54.1%, suggesting that their economies are structurally different. Overall, the table shows a distinct trend: rising economies have more balanced or industrially centred compositions, whereas more developed nations typically rely more on the service sector. Additionally, the data shows that different economic structures and developmental routes mean that a high service sector share does not always translate into a higher overall GDP.

4. Discussion

Numerous international economists suggest categorising the service sector's structural structure according to its sectoral traits and level of development. We believe that categorising this industry according to economic mechanisms is appropriate. In this instance, the following must be distinguished:

These include: - commercial and informational mechanisms (such as advertising agencies, marketing centres, and centres for gathering and processing information); - legal and economic mechanisms (such as courts, legal consulting firms, and notary offices); - financial and credit mechanisms (such as commercial banks, credit, insurance, and guarantee organisations); - trade and intermediary mechanisms (such as stock exchanges, trading houses, fairs, and commercial centres).

In order to guarantee the effectiveness of the service industry, the aforementioned classifications are crucial. However, these service sectors must be further developed in order to implement changes intended to increase the proportion of services in our nation's economic policy. For instance, as a service, it benefits the sales of food and non-food items, organisations, trade houses, fairs, and the productive operations of their producers. But because services are a unique commodity, their providers must meet certain standards [12].

The Republic of Uzbekistan is presently paying particular attention to the utilisation of the public-private partnership model, which is the primary alternative to budget money in the implementation of socially significant projects in the service sector of national economies. The service sector accounts for 60–80% of the GDP structure of developed nations, while 3.0% of GDP is allocated to investments in science and innovative activities. The entrepreneurship sector receives two-thirds of all funds, and the proportion of public-private partnership projects in this sector has increased to 65.0%. It is urgently necessary to enhance the economic and organisational frameworks for the growth of public-private partnerships, which are the primary means of commercial collaboration between the public and private sectors in the service industry [13].

Only in 2019 was the idea of a public-private partnership formally incorporated into our nation's laws. Up until that point, there was no unified legal interpretation of the nature and limits of this phenomena, despite the fact that it had existed for a considerable amount of time. Numerous expert perspectives and assessments were made possible by this, and they vary greatly from one another.

The management of important facilities started to be progressively moved to the private sector as new economic ties developed in Uzbekistan, greatly diminishing the role of the state in this regard. Additionally, one of the most urgent concerns at the moment is enhancing future collaboration with the private sector and guaranteeing its best alignment with the tools and strategies used to control competition [14].

Consequently, the Republic of Uzbekistan's Law No. O'RQ-537 "On Public-Private Partnership" was adopted on May 10, 2019, and it outlines the development and regulation of relationships between public and private business organisations in a number of our nation's economic sectors. This law's primary goal is to control public-private partnership relationships, including concessions.

More than 100 countries use PPP: North and South America (Mexico, Argentina, Brazil, etc.); Asia and Australia (China, the Republic of Korea, Taiwan, OPEC countries, etc.); Eastern Europe; the CIS (Russian Federation, Ukraine, Kazakhstan, Uzbekistan, Moldova, Armenia); Africa (Madagascar, Cameroon, Zambia); and developed nations (USA, Great Britain, Germany, France, Italy, Canada, Japan, etc.).

There are numerous definitions and scientific techniques to elucidate the essence of PPP as a category, depending on the unique features of nations and the national peculiarities of legislation. The key point here is that PPP is viewed in some nations as a substitute for direct budgetary funding of infrastructure projects, while in others it is viewed as a means of establishing a partnership between the government and private sector to carry out a variety of projects.

5. Conclusion

According to the findings of our study, in order to improve the economic mechanism of the service sector, it is crucial to examine how other nations have implemented creative strategies used by the public sector to carry out PPP projects and enter into agreements with the private sector using their own funds. This process has a significant impact on economic development and raises the standard of living for the populace [15]. The following are, in our opinion, examples of international public-private partnership models that enhance the economic mechanism of the service sector in industrialised nations:

1. The operator model, which is quite common in the waste processing industry and is demonstrated by the example of providing services while preserving the state's control functions and clearly defining the roles of the private partner and the state.
2. Cooperation model (used when taxable objects and depreciation deductions can not clearly characterise specific services).
3. The concession model (used in industries and service sectors with lengthy project implementation periods, as well as when the state refuses to transfer property rights to a private partner for legal or political reasons).
4. The contractual model, which is mainly used to investments meant to lower the service industry's present expenses.
5. The leasing approach is best suited for creating public (social) structures. Many years of expertise have been gained in the field of leasing, which is a type of collaboration between private companies and local government.

Following an investigation into international experience in the creation and enhancement of the service sector's economic mechanism, the following conclusions were reached:

1. A critical study and analysis of the definitions of the term "economic mechanism of the service sector" in various economic literatures, based on foreign experience, led to the significant conclusion that it should be viewed as a collection of different production methods and tools, as well as tools for commodities and trade, finance and credit, and the social and information spheres. When creating the "economic mechanism of the service sector," this method enables us to consider not only the economic components of the problem but also the financial, administrative, legal, and other issues.
2. A number of international economists suggest categorising the service sector's structural framework according to its sectoral traits and advancement. We believe that categorising this industry from an economic perspective is appropriate. The economic and legal mechanism, the financial and credit mechanism, the trade and intermediate mechanism, the information and commercial mechanism, and so on.
3. The application of successful public-private partnership models to enhance the global service industry's economic mechanism opens up a wide range of prospects for the growth of the service sector in our nation and produces positive outcomes.

To sum up, state-partnership models are now essential to modernising and changing the service industry, especially in nations moving towards increased market liberalisation and privatisation. These collaborations will probably continue to be a key component of policies meant to enhance the delivery of public services, stimulate innovation, and promote equitable economic growth as nations continue to adjust to the intricacies of the global economy.

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