

**METHODOLOGICAL FOUNDATIONS AND EVALUATION
CRITERIA FOR STUDYING THE ORGANIZATIONAL AND
ECONOMIC MECHANISM OF THE SERVICES SECTOR****YO‘LDOSHEV SHUXRATMIRZA TURSUNBOY O‘G‘LI**

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INTRODUCTION: The services sector is one of the most dynamic and structurally significant components of the modern economy. Its development contributes not only to the growth of gross domestic product and regional economic output but also to employment generation, income growth, improvement of living standards, and diversification of economic activity. Under conditions of globalization, digital transformation, increasing competition, and changing consumer demand, the role of services is expanding beyond traditional service provision. Consequently, the formation of an effective organizational and economic mechanism for the development of the services sector has become an important methodological and practical issue. The organizational and economic mechanism of the services sector represents a system of interconnected organizational, economic, institutional, financial, infrastructural, and technological instruments aimed at creating favorable conditions for the production and delivery of services. The effectiveness of this mechanism depends on the degree of coordination between its individual components, the availability of resources, the quality of management, the competitive environment, and the ability of service providers to respond rapidly to changes in market demand. The methodological study of this mechanism requires a comprehensive approach to identifying its structural elements, principles, functions, and interrelationships. In particular, the assessment of the services sector cannot be limited to the analysis of service volumes alone. It is

necessary to consider a broader set of indicators, including the growth rate of services, labor productivity, investment activity, employment, profitability, infrastructure provision, service accessibility, quality, innovation, and the level of digitalization. Such an approach makes it possible to obtain a more objective assessment of the actual development and efficiency of the sector. An important methodological issue is the selection of appropriate evaluation criteria and indicators. These criteria should reflect both the quantitative and qualitative characteristics of services-sector development. Quantitative indicators characterize the scale and dynamics of the sector, while qualitative indicators reflect efficiency, competitiveness, accessibility, innovation, and the quality of services provided. Therefore, a system of integrated indicators can provide a more comprehensive basis for evaluating the organizational and economic mechanism. From a regional perspective, the methodological assessment of the services sector becomes particularly important because territorial differences in population, income, infrastructure, investment, entrepreneurship, and economic specialization directly influence the structure and scale of service activities. Differences between regions may result in unequal access to services and different levels of sectoral efficiency. Therefore, evaluation criteria should take into account the specific socio-economic characteristics and development potential of individual territories. The methodological foundations of studying the organizational and economic mechanism should also incorporate modern analytical tools. Statistical, comparative, structural, index, correlation-regression, and econometric methods can be used to identify the relationships between service-sector development and its determining factors. The application of such methods allows researchers to move from a descriptive assessment of the sector toward a quantitative determination of the factors influencing its development and efficiency. In addition, the increasing role of digitalization requires the methodological framework to include indicators characterizing the adoption of digital technologies, electronic commerce,

online services, digital payment systems, and information infrastructure. Digital transformation changes the traditional organization of service delivery and creates new opportunities for expanding the geographical coverage of services, reducing transaction costs, and improving customer interaction. Thus, the study of the methodological foundations and evaluation criteria of the organizational and economic mechanism of the services sector is aimed at establishing a scientifically justified system for assessing its current condition, efficiency, structural characteristics, and development potential. A comprehensive methodological approach makes it possible to identify existing problems, determine the main factors affecting sectoral performance, and substantiate appropriate directions for improving the organizational and economic mechanism. The purpose of this section is therefore to substantiate the methodological foundations for researching the organizational and economic mechanism of the services sector and to systematize the main criteria and indicators for its evaluation. This methodological basis can subsequently be used for the empirical assessment of services-sector development at the regional level and for developing scientifically grounded recommendations aimed at improving its efficiency and sustainability.

MAIN PART

The organizational and economic mechanism of the services sector can be considered as a comprehensive system of principles, methods, instruments, and institutional arrangements designed to ensure the effective functioning and sustainable development of service activities. Unlike material production, services are characterized by a high degree of interaction between the provider and the consumer, dependence on human capital, variability in quality, and the importance of territorial accessibility. Therefore, the mechanism for managing the services sector should reflect both economic efficiency and organizational conditions. From a methodological perspective, the organizational and economic mechanism should be based on the principle of systemic

interdependence. Investment resources, infrastructure, labor resources, entrepreneurial activity, technological development, consumer demand, and institutional regulation form interconnected elements. A change in one element may influence the performance of other components and ultimately affect the volume and quality of services. The general structure of the mechanism can be represented as follows:

Resources → Organizational conditions → Economic instruments → Service production → Service quality and efficiency → Sustainable sectoral development

Within this structure, resources include financial capital, labor, infrastructure, information, and technological resources. Organizational conditions encompass institutional regulation, market organization, management systems, and interaction between government and business. Economic instruments include investment incentives, credit mechanisms, taxation, subsidies, public-private partnerships, and competition policy. A scientifically grounded evaluation of the services sector should be based on several methodological principles. The first is the comprehensiveness principle, according to which sectoral development should be evaluated using a combination of quantitative and qualitative indicators. The second is the comparability principle, which makes it possible to compare service-sector development across different territories and time periods. The third is the dynamic assessment principle, which focuses on changes in indicators over time rather than evaluating only their absolute values. The fourth principle is the territorial differentiation principle. Since regions differ in population, income, infrastructure, investment potential, and economic specialization, identical evaluation criteria may produce distorted conclusions. Therefore, regional characteristics should be incorporated into the assessment methodology. The fifth principle is the efficiency principle, which requires the relationship between resources used and economic results obtained to be

evaluated. This is particularly important when assessing investment and labor productivity in the services sector.

Table 1.

Main methodological principles for evaluating the services sector¹

Principle	Main content	Practical significance
Systemic approach	Assessment of interconnected sectoral factors	Identifies relationships between determinants
Comprehensiveness	Combination of quantitative and qualitative indicators	Provides a complete assessment
Comparability	Comparison across regions and periods	Identifies territorial differences
Dynamism	Assessment of changes over time	Determines development trends
Territorial differentiation	Consideration of regional characteristics	Supports targeted regional policy
Efficiency	Relationship between resources and results	Measures economic performance
Sustainability	Assessment of long-term development potential	Supports stable sectoral growth
Innovation	Consideration of technological transformation	Evaluates modernization potential

The principles presented in Table 1 demonstrate that the evaluation of the services sector should not be limited to one indicator. A multidimensional approach provides a more reliable understanding of the actual condition of the

¹ Developed by the author.

sector and its future development potential. The development of the services sector can be assessed through several groups of indicators. The first group consists of scale and dynamics indicators, such as total service output, growth rates, and the share of services in gross regional product. These indicators characterize the overall economic significance of the sector. The second group consists of economic efficiency indicators, including labor productivity, profitability, investment efficiency, and value added per employee. These indicators demonstrate whether the expansion of service activities is accompanied by improvements in economic efficiency. The third group includes social indicators, particularly employment, wages, household access to services, and the availability of socially important services. Since the services sector is highly labor-intensive, employment and human capital are important elements of its development. The fourth group includes infrastructure indicators, such as transport accessibility, communication infrastructure, internet penetration, and the availability of modern service facilities. Infrastructure determines the ability of enterprises to provide services efficiently and the ability of consumers to access them. The fifth group consists of innovation and digitalization indicators. These include the use of digital platforms, electronic payments, online service delivery, e-commerce, information systems, and other technological solutions.

CONCLUSION

The study demonstrates that the organizational and economic mechanism of the services sector should be viewed as an integrated system of institutional, organizational, financial, infrastructural, technological, and human-resource instruments aimed at ensuring sustainable and efficient sectoral development. The analysis confirms that evaluating the services sector solely through the volume of services provided is insufficient. A comprehensive assessment should also consider growth dynamics, labor productivity, investment activity,

employment, infrastructure provision, service accessibility, quality, innovation, and digitalization.

The methodological approach developed in the study makes it possible to assess the services sector from both quantitative and qualitative perspectives. The application of statistical, comparative, structural, integrated-index, and econometric methods provides a more comprehensive understanding of the factors determining sectoral development. In particular, the use of relative indicators such as services per capita improves the comparability of different territories by reducing the influence of differences in population size. The study also establishes that investment, household income, entrepreneurial activity, employment, infrastructure, innovation, and digitalization represent the key determinants of services-sector development. Their combined influence determines the scale, efficiency, competitiveness, and accessibility of services. Therefore, the organizational and economic mechanism should be designed in a way that ensures coordination between these factors rather than treating them as independent components. For regional development, particular attention should be given to territorial differentiation. Differences in economic potential, infrastructure, population, income levels, and entrepreneurial activity require differentiated approaches to services-sector policy. Regions with insufficient infrastructure should receive greater support for transport, communication, and digital connectivity, while territories with stronger entrepreneurial potential should be encouraged to develop competitive and innovative service activities. Digital transformation should become one of the strategic components of the organizational and economic mechanism. The expansion of electronic commerce, digital payments, online platforms, and remote service delivery can reduce transaction costs, improve accessibility, and create new opportunities for service providers. At the same time, digital transformation should be accompanied by investments in human capital and professional training. Thus,

improving the organizational and economic mechanism of the services sector requires a combination of institutional support, investment stimulation, infrastructure development, entrepreneurship promotion, digitalization, innovation, and human-capital development. The implementation of these measures can contribute to higher labor productivity, improved service quality, expanded employment, greater territorial accessibility, and increased competitiveness. Overall, the proposed methodological framework provides a scientific basis for evaluating the current condition and efficiency of the services sector, identifying its key development determinants, and substantiating evidence-based regional policy. Its application can support the formation of a more flexible, efficient, innovative, and sustainable services sector capable of making a stronger contribution to long-term regional economic development.

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