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ECONOMIC AND LEGAL ASPECTS OF ORGANIZING MANAGEMENT IN UZBEKISTAN

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Abstract
The transition of Uzbekistan from a centrally planned to a market-oriented economy has necessitated comprehensive reforms in the sphere of public and corporate management. This article explores the economic and legal aspects of organizing management in Uzbekistan by examining institutional frameworks, legal foundations, and administrative practices. Particular attention is paid to the development of corporate governance mechanisms, regulatory reforms, public sector efficiency, and the alignment of national practices with international standards. The article also highlights current challenges and forward-looking strategies aimed at improving transparency, accountability, and economic competitiveness through effective management.

Keywords: Uzbekistan, management organization, legal framework, economic reforms, corporate governance, institutional development, administrative regulation, economic transition.

Introduction

Over the past three decades, Uzbekistan has undergone a profound transformation marked by structural reforms in its political, economic, and legal systems. One of the most pivotal arenas of this transformation has been the organization of management within both the public and private sectors. As the country transitioned from a Soviet-style command economy to a market-oriented system, there arose an urgent need to redesign the foundational structures of management to ensure both efficiency and accountability.

Management, in this context, is not simply an administrative activity; it is a complex interplay of legal regulation, institutional coordination, economic strategy, and human resource optimization. The development of effective management systems requires not only clear organizational structures but also robust legal norms that define authority, responsibility, and accountability. In Uzbekistan, significant attention has been given to the reform of state-owned enterprises, enhancement of private sector management, digitization of public services, and alignment with global standards such as those set by the OECD and World Bank.

This article examines the economic and legal frameworks that shape management practices in Uzbekistan. It aims to provide an analytical overview of institutional reforms, legal policies, and their impact on organizational governance and performance.

MATERIALS AND METHODS

The legal foundation for management organization in Uzbekistan is grounded in the Constitution of the Republic of Uzbekistan, the Civil Code, the Law on Enterprises, the Law on Joint-Stock Companies and Protection of Shareholders' Rights, and other sectoral regulatory acts. These laws define the types of legal entities, their internal governance structures, the responsibilities of executive bodies, and the rights of stakeholders.

The Law "On Public Administration" further provides a framework for organizing management within the public sector, emphasizing principles such as legality, transparency, subsidiarity, and service orientation. More recently, Presidential decrees and resolutions have played a major role in reforming management practices, particularly through the optimization of ministerial structures and the delegation of authority to regional administrations.

A notable legal innovation has been the introduction of public-private partnerships (PPP) as a management model that merges private sector efficiency with public sector responsibility. The Law on PPP (2019) sets out the legal parameters for risk-sharing, contract enforcement, and dispute resolution in jointly managed projects.

RESULTS AND DISCUSSION

Economically, management reform in Uzbekistan is guided by the goal of enhancing national competitiveness, improving the investment climate, and ensuring sustainable economic growth. In this regard, management structures have been revised to support strategic planning, fiscal discipline, and innovation-led development.

The restructuring of state-owned enterprises (SOEs) has been one of the central pillars of economic management reform. Many SOEs have been corporatized and partially privatized, with increased emphasis on corporate governance standards, including the formation of boards of directors, audit committees, and the adoption of international financial reporting standards (IFRS).

At the same time, management at the enterprise level is being shaped by the development of strategic management systems, including performance evaluation metrics (KPIs), cost optimization strategies, and project management tools. These practices are being increasingly adopted by private firms as well, particularly in sectors such as finance, construction, logistics, and IT.

Moreover, economic efficiency is being pursued through digitization and e-governance initiatives. The "E-Government Development Concept" of Uzbekistan promotes the automation of administrative procedures, improving both transparency and service delivery efficiency in public management.

Effective management also depends on the presence of competent and professional human resources. In recent years, Uzbekistan has prioritized the training and certification of managers, especially within the public administration system. Institutions such as the Academy of Public Administration under the President of Uzbekistan and regional centers for retraining are at the forefront of building managerial capacity.

Legal and economic reforms have been accompanied by the adoption of merit-based recruitment and promotion, civil service codes of conduct, and anti-corruption compliance systems. These initiatives aim to professionalize the management cadre and ensure that managerial roles are filled by qualified individuals with strategic thinking and ethical integrity.

An important legal development has been the Law "On Civil Service", which establishes clear criteria for selection, promotion, and evaluation of public sector managers. The establishment of an Open Data Portal, digital management platforms, and performance dashboards also reflects the country's commitment to evidence-based management.

One of the defining features of modern Uzbekistan's management reform has been the progressive strengthening of local self-governance (mahalliy boshqaruv) institutions, both from legal and economic standpoints. The empowerment of regional and district administrations, particularly through fiscal decentralization and delegated budgetary authority, represents a strategic move toward participatory and context-sensitive management. Local hokimiyats are increasingly tasked with formulating development plans, managing municipal assets, and engaging in public service delivery in alignment with national development goals. However, for these functions to be executed effectively, a coherent legal environment is essential — one that clearly delineates the scope of authority, allocates resources proportionately, and establishes accountability mechanisms.

In this regard, the Law "On Local Government" provides the legal backbone for subnational management structures. Recent amendments to this law have introduced provisions for community consultation, local development budgets, and participatory decision-making processes. Economically, this has enabled a more responsive allocation of public expenditure, closer monitoring of project outcomes, and enhanced citizen trust. Moreover, local management entities have begun experimenting with public hearings, civil budgeting practices, and citizen feedback platforms, demonstrating an encouraging shift toward inclusive governance.

A complementary dimension of effective management lies in increased private sector involvement in public administration, especially in infrastructure development, health care, education, and utilities. Through outsourcing models, joint ventures, and service contracts, government bodies are increasingly relying on private companies to deliver traditionally state-managed services. This has not only introduced cost-efficiency and technical expertise into administrative practices but has also spurred intersectoral partnerships, where managerial innovation is driven by competitive market logic rather than bureaucratic inertia.

However, integrating private entities into public service domains requires strong legal safeguards to ensure fairness, prevent monopolistic behavior, and guarantee the public interest. Uzbekistan's legal framework has responded by enhancing tendering transparency, contract enforcement mechanisms, and establishing independent regulatory bodies to oversee service standards and pricing models. These developments reflect an evolving management philosophy wherein the public sector serves as an enabler and regulator, while the private sector assumes roles in execution and service innovation.

An equally crucial aspect of management reform is the fight against corruption, which directly impacts the efficiency, credibility, and ethical standing of governance structures. Uzbekistan has taken notable steps to institutionalize anti-corruption measures within management practices. The adoption of the National Anti-Corruption Strategy (2021–2025) outlines a series of legal and administrative actions aimed at preventing abuse of office, improving procurement procedures, and cultivating a culture of integrity among civil servants. From a management standpoint, anti-corruption is not merely a compliance issue but a structural principle that underpins transparency, meritocracy, and ethical leadership.

To this end, government bodies are increasingly required to publish asset declarations, public procurement results, and performance evaluations through open-access portals. These digital tools not only empower civil society to monitor managerial conduct but also create a deterrent environment for potential malpractice. Moreover, specialized training programs on ethics and compliance are being integrated into public administration curricula, thereby embedding integrity as a core managerial competency.

CONCLUSION

The organization of management in Uzbekistan reflects the broader goals of national modernization and global integration. As the country moves toward a more dynamic and open economy, its success will increasingly depend on the efficiency, legality, and adaptability of its management structures. The interplay between legal reform and economic strategy is central to this transformation.

By embedding principles of transparency, professionalism, and accountability into the framework of organizational governance, Uzbekistan is laying the groundwork for a more responsive and resilient management system. Nevertheless, this requires sustained commitment to legal development, institutional capacity-building, and the cultivation of a managerial culture grounded in ethics and innovation.

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