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MODERN MECHANISMS FOR THE MANAGEMENT OF SPECIAL ECONOMIC ZONES: INTERNATIONAL EXPERIENCE AND PRACTICE OF UZBEKISTAN

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Abstract

Under the conditions of global economic integration and intensifying international competition, the effective utilization of regional economic potential, the attraction of foreign investment, and the fostering of innovative development have become pivotal priorities of state economic policy. In this context, Special Economic Zones (SEZs) serve as a crucial institutional mechanism for stimulating economic growth, accelerating regional development, and driving international capital flows. However, under contemporary conditions, the operational success of special economic zones is determined not merely by the provision of tax and customs incentives, but primarily by the implementation of modern governance frameworks, innovative approaches, and mechanisms grounded in international best practices.

The management system of Special Economic Zones (SEZs) represents a comprehensive framework of organizational and economic measures designed to effectively leverage favorable economic conditions, safeguard investor interests, ensure infrastructural development, and coordinate manufacturing processes within these territories. Modern governance mechanisms place vital importance on multi-stakeholder collaboration among the state, the private sector, and research institutions, as well as the deployment of digital management technologies, performance-based monitoring systems, and the implementation of the 'single-window' principle for investors.

International experience demonstrates that well-developed special economic zones operate on the foundation of highly efficient management models. For instance, in several countries, the administration of SEZs is executed through autonomous development agencies. These entities are tasked with investor attraction, the formulation of marketing strategies, infrastructure

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management, and the articulation of long-term zone development strategies. Such an approach significantly enhances administrative agility and facilitates direct, streamlined engagement with investors.

The experiences of nations such as China, Singapore, South Korea, and the United Arab Emirates demonstrate that the success of Special Economic Zones (SEZs) is largely contingent upon a comprehensive governance system. In these countries, SEZs are developed not merely as manufacturing enclaves, but as innovation hubs, technology transfer platforms, and international business ecosystems. Within this framework, digitized management, transparent project selection criteria, Public-Private Partnership (PPP) mechanisms, and state-of-the-art infrastructure are regarded as fundamental success factors.

Similarly, during the current phase of economic reform in Uzbekistan, significant emphasis is being placed on advancing the activities of special economic zones and enhancing their governance systems. The established SEZs within the country play a vital role in expanding regional production capacity, attracting foreign direct investment (FDI), boosting export potential, and facilitating job creation. Nevertheless, broadly introducing modern mechanisms aligned with international best practices, elevating managerial efficiency, and fostering an increasingly favorable environment for investors remain pressing imperatives.

In the context of Uzbekistan's practice, the primary avenues for enhancing the governance system of Special Economic Zones (SEZs) encompass the digitization of administrative workflows, the reinforcement of investment project monitoring mechanisms, the optimization of infrastructure asset management, and the streamlining of public service delivery. Concurrently, developing specialized zones that account for regional economic characteristics, fostering innovative initiatives, and expanding international cooperation carry vital strategic significance.

An analysis of modern governance mechanisms for special economic zones reveals that contemporary practice increasingly favors strategic planning, digital technology integration, and performance-based management models over traditional administrative methods. The maturity level of SEZs relies fundamentally on the scope of authority vested in their governing bodies, the sophistication of their investor engagement channels, and the mechanisms employed to coordinate economic operations.

In international practice, several effective SEZ governance paradigms have taken shape. The first is the centralized management model, wherein state authorities determine core operational directions and exercise direct regulatory oversight. While this model proves effective for fostering strategic industries, it may occasionally lead to administrative inertia and delayed decision-making processes. The second paradigm is the decentralized management model, executed via autonomous management companies or specialized development agencies, which guarantees agility, operational flexibility, and responsiveness in engaging with foreign investors.

In international practice, the 'single-window' (one-stop shop) principle is extensively operationalized within high-performing Special Economic Zones (SEZs). This framework enables investors to navigate land allocation, secure regulatory permits, access public services, and track project implementation through a unified system. Consequently, bureaucratic red tape is minimized, project execution timelines are shortened, and investor confidence in the jurisdiction is significantly enhanced.

Digital governance mechanisms likewise constitute a defining attribute of contemporary SEZs. Harnessing digital platforms for investment project registration, continuous monitoring, reporting, and analytic data generation substantially improves managerial efficiency. Digitization not only streamlines administrative pipelines but also reinforces institutional transparency across SEZ operations.

An analysis of Uzbekistan's practice indicates that significant institutional reforms are underway to advance the operation of special economic zones. The provision of tax and customs incentives to investors, the execution of infrastructure projects, and the establishment of investment support mechanisms have collectively heightened the nation's investment appeal. Nevertheless, several dimensions of the governance framework still warrant structural refinement.

Specifically, project selection and evaluation criteria in certain zones require qualitative upgrading. Project appraisals must extend beyond capital commitments to systematically account for export potential, technological sophistication, job creation capacity, and broader regional economic impact. This multidimensional approach will ensure the long-term economic sustainability of SEZs.

Furthermore, expanding the application of Public-Private Partnership (PPP) mechanisms in SEZ management across Uzbekistan is highly advisable. Leveraging private management expertise, adhering to international management standards, and engaging professional development operators will substantially elevate the governance quality of these zones.

Based on this analytical synthesis, modern SEZ governance mechanisms must encompasses the following core dimensions: strategic planning, digital transformation, proactive investor engagement, performance-based monitoring, innovation support, and global integration. The harmonious integration of these mechanisms will drive the economic productivity of SEZs and transform them into internationally competitive hubs.

The findings of this study indicate that the effective governance of Special Economic Zones (SEZs) constitutes a fundamental prerequisite for national economic development. Under contemporary conditions, SEZs are viewed not merely as preferential tax jurisdictions, but as comprehensive development platforms that drive investment, foster innovation, and stimulate regional economic growth. Consequently, deploying modern managerial approaches in their administration carries vital strategic significance.

The analysis of international best practices conducted during this research reveals that flourishing special economic zones are anchored in robust governance frameworks, autonomous development institutions, sophisticated infrastructure, and investor-centric service mechanisms. In particular, digitized administration, the 'single-window' system, Public-Private Partnerships (PPPs), and performance-based monitoring frameworks emerge as key catalysts for enhancing operational efficiency.

Furthermore, the appraisal of Uzbekistan's trajectory demonstrates that ongoing reforms targeting SEZ development are yielding positive outcomes. SEZs continue to create substantial opportunities for attracting regional investment, expanding manufacturing capabilities, and augmenting national export potential. Nevertheless, there remains a pressing need to further refine the governance architecture, leverage international experience more effectively, and evaluate zone performance against rigorous output-driven metrics.

To elevate SEZ management efficiency in Uzbekistan moving forward, strategic priority should be accorded to several key vectors: First, it is essential to clearly delineate the mandates and operational responsibilities of SEZ governing bodies while systematically integrating professional management standards into their operations. Second, administrative agility and transparency can be maximized by comprehensively digitizing management processes and deploying unified information platforms. Third, upgrading the investment project assessment system is of paramount importance. In this regard, project evaluations must systematically incorporate environmental sustainability, innovation potential, export readiness, and regional spillover effects alongside direct financial returns. Fourth, SEZs can be effectively transformed into dynamic innovation hubs by expanding collaborative synergies among research institutes, higher education institutions, and industrial enterprises.

Overall, the implementation of modern mechanisms in the management of Special Economic Zones (SEZs) enhances the nation's investment appeal, accelerates industrial development, and facilitates the efficient utilization of regional economic potential. A governance model synthesized from the harmonization of international best practices with Uzbekistan's empirical realities serves as a core guarantee for the long-term, sustainable development of SEZs.

In conclusion, refining the management framework of Special Economic Zones (SEZs) emerges as a strategic imperative that serves not only to enhance the economic efficiency of individual regions, but also to bolster the overall competitiveness of the national economy. Through the comprehensive application of modern governance mechanisms, Uzbekistan possesses the requisite potential to transform its SEZs into internationally compliant, highly innovative, and investment-attractive economic hubs.