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THE ECONOMIC FOUNDATIONS OF EFFECTIVE PUBLIC ADMINISTRATION IN UZBEKISTAN

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Abstract: Effective public administration is one of the key institutional conditions for sustainable economic development, social stability, and improved quality of public services. In Uzbekistan, the modernization of public administration has become increasingly important amid economic liberalization, digital transformation, decentralization, and institutional reforms. This article examines the economic foundations of effective public administration in Uzbekistan, focusing on efficient public resource allocation, fiscal sustainability, institutional quality, public-sector human capital, digitalization, transparency, decentralization, and public-private partnerships. The study applies a qualitative analytical approach based on the principles of institutional economics, public finance, and contemporary public administration theory. The analysis demonstrates that the effectiveness of public administration depends not only on the amount of financial resources available to government institutions but also on the efficiency, transparency, and accountability with which these resources are managed. Digital technologies can reduce administrative transaction costs and improve access to public services, while professional civil-service development can strengthen institutional capacity and policy implementation. The study concludes that Uzbekistan can further improve public administration by strengthening performance-based budgeting, evidence-based policymaking, fiscal decentralization, digital government, public expenditure evaluation, and professional civil-service systems. These measures can contribute to more efficient use of public resources, stronger institutional trust, improved business conditions, and sustainable economic growth.

Keywords: Public administration, economic efficiency, Uzbekistan, public finance, fiscal policy, institutional quality, digital government, public-sector management, decentralization, public services, human capital, economic development, transparency, accountability, public-private partnership.

Introduction. Public administration is one of the fundamental institutional mechanisms through which the state implements economic policy, allocates public resources, provides public services, regulates economic activity, and creates conditions for sustainable development. In the modern economy, the effectiveness of public administration can no longer be assessed solely by the ability of government institutions to perform administrative procedures. Increasingly, its effectiveness is measured by the quality of public services, efficiency of budget expenditure, responsiveness to citizens and businesses, transparency of decision-making, regulatory quality, institutional accountability, and the measurable economic and social outcomes generated by government policies. The World Bank emphasizes that public administrations are central to policymaking, implementation of government functions, financial management, infrastructure provision, and delivery of essential services. The economic dimension of public administration is particularly important because government operates under conditions of limited resources and unlimited or continuously growing social needs. Public authorities must determine how scarce financial, human, technological, and natural resources should be distributed among competing priorities. Decisions concerning education, healthcare, infrastructure, social protection, employment, regional development, environmental sustainability, and economic support directly affect national welfare and long-term economic growth.

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Therefore, effective public administration requires not only appropriate legal and organizational mechanisms but also a strong economic foundation based on rational resource allocation, fiscal sustainability, institutional efficiency, and performance-oriented management. The relationship between public administration and economic development has become especially significant in countries undergoing structural and institutional transformation. Uzbekistan represents an important example of such transformation. Since 2017, the country has pursued a broad reform agenda aimed at moving from a predominantly state-led economic model toward a more open, market-oriented, and inclusive economy. The World Bank characterizes Uzbekistan's reform process as a major transition involving economic liberalization, institutional transformation, and efforts to strengthen the private sector. At the same time, the country continues to face challenges associated with the role of state-owned enterprises, regulatory barriers, institutional capacity, and the need to further improve the environment for private-sector development. The modernization of public administration in Uzbekistan should therefore be considered an integral component of economic transformation. Economic liberalization requires corresponding changes in the functioning of government institutions. When markets become more competitive, private entrepreneurship expands, foreign investment increases, and economic relations become more complex, public administration must move away from excessive administrative intervention toward strategic regulation, coordination, provision of public goods, protection of economic rights, and creation of a predictable business environment. The importance of this transformation is reflected in Uzbekistan's national development priorities. The Development Strategy of New Uzbekistan for 2022–2026 identified strengthening a people-oriented state, ensuring the rule of law, accelerating economic development, developing human capital, and improving social policy among its major priorities. The Strategy also emphasized increasing the accountability and openness of state bodies, improving public services, strengthening local-level problem solving, and expanding opportunities for citizens to interact with government institutions. An important feature of these reforms is the increasing emphasis on the principle of putting citizens at the center of public administration. The development strategy calls for strengthening the responsibility of state institutions in addressing regional issues and establishing mechanisms through which government performance can be evaluated according to the practical problems faced by citizens. It also envisages greater involvement of local communities, expansion of the role of mahallas, and improvement of mechanisms for delivering public and social services at the local level. From an economic perspective, this shift is highly significant. Citizens and businesses are not merely recipients of government decisions; they are economic actors whose productivity, investment, employment, entrepreneurship, and consumption decisions are influenced by the quality of public institutions. If administrative procedures are unnecessarily complicated, businesses incur additional transaction costs. If public services are slow or unpredictable, households and enterprises lose time and resources. Conversely, efficient institutions can reduce transaction costs, improve economic predictability, and create incentives for investment and innovation. One of the most important economic foundations of effective public administration is therefore efficient public financial management. Government budgets represent a major mechanism for transforming public resources into social and economic outcomes. However, the effectiveness of fiscal policy depends not simply on the volume of expenditure but on the efficiency with which resources are allocated and utilized. Public institutions should increasingly focus on whether expenditures produce measurable improvements in infrastructure, education, healthcare, employment, productivity, and citizens' welfare. This requires a transition from an input-oriented approach toward an outcome-oriented approach. Under a traditional input-oriented model, administrative performance may be evaluated primarily according to whether allocated funds were spent and planned activities were formally completed. Under a modern

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performance-based model, the central question becomes whether those expenditures generated the expected economic and social results. This distinction is particularly important for large public investment projects, infrastructure programs, social initiatives, and regional development programs. Another important economic foundation is institutional quality. Institutions determine the rules under which economic actors operate. Predictable legislation, transparent regulatory procedures, effective enforcement, protection of property rights, and accountable government institutions can reduce uncertainty and encourage economic activity. In contrast, weak institutional mechanisms can increase transaction costs, discourage investment, create opportunities for inefficient resource allocation, and undermine public trust. For Uzbekistan, improving institutional quality is especially relevant because the country's economic transformation increasingly depends on private entrepreneurship and investment. The development of a competitive private sector requires an administrative environment in which businesses can register, obtain permits, pay taxes, access public services, resolve disputes, and interact with government institutions efficiently and predictably. Consequently, public administration reform should be viewed as an important component of private-sector development rather than as a purely governmental or bureaucratic issue.

Digital transformation represents another major foundation of contemporary public administration. Digital technologies can fundamentally change the relationship between citizens, businesses, and government institutions. The digitalization of public services can reduce paperwork, shorten processing times, improve information exchange, reduce administrative costs, and increase transparency. Uzbekistan's development strategy has explicitly emphasized digitalization and modernization of public services, including efforts to reduce queues, expand electronic services, and make government services more accessible. The economic importance of digital government goes beyond technological modernization. When a business can obtain a license online instead of visiting several administrative offices, the time and financial costs associated with compliance are reduced. When government databases can exchange information automatically, citizens may no longer need to submit documents that government institutions already possess. When public procurement and budget information become more accessible through digital systems, opportunities for monitoring and accountability increase. At the same time, digitalization creates new requirements for public-sector human capital. Modern government institutions require employees who possess not only administrative knowledge but also analytical, technological, managerial, communication, and problem-solving skills. The World Bank's global work on public administration reform similarly identifies public-sector workforce management, leadership, organizational capacity, motivation, accountability, and digital-government capabilities as important components of effective administrative reform. Therefore, human capital in the public sector represents another essential economic foundation. A government institution may have sufficient financial resources and advanced digital infrastructure but still perform poorly if its personnel lack professional competence or motivation. Public-sector productivity depends on recruitment mechanisms, professional development, performance evaluation, career incentives, leadership quality, and ethical standards.

The development of a professional civil service is particularly important for Uzbekistan because the complexity of economic policymaking is increasing. Modern public officials must be able to interpret economic indicators, assess investment projects, analyze social programs, evaluate regulatory consequences, work with digital data, communicate with businesses and citizens, and coordinate policies across different government institutions. Thus, civil-service reform should be considered an investment in national institutional capacity. Another significant issue is decentralization and local economic governance. Economic and social conditions vary considerably across regions, districts, cities, and mahallas. A centralized administrative model may not always possess sufficient

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information to respond effectively to local needs. Local governments and community-level institutions are often better positioned to identify specific problems related to employment, entrepreneurship, infrastructure, poverty reduction, and public services. Uzbekistan's development strategy has placed considerable emphasis on strengthening the role of mahallas and local institutions in addressing socio-economic problems. It envisages mechanisms for identifying local development priorities, supporting entrepreneurship and employment, and increasing the financial and institutional capacity of mahallas. This approach has important economic implications because localized decision-making can improve the targeting of public resources when it is accompanied by adequate accountability and performance monitoring. However, decentralization should not simply mean transferring responsibilities from central institutions to local authorities. Effective decentralization requires a corresponding distribution of financial resources, administrative competencies, qualified personnel, information, and accountability mechanisms. Without these conditions, decentralization can potentially create fragmented decision-making or inefficient resource allocation.

Transparency and accountability constitute another essential economic foundation. Public resources belong to society, and their use should therefore be subject to appropriate monitoring and evaluation. Transparency in government spending, procurement, public investment, and policy implementation allows citizens, businesses, researchers, and civil society to assess government performance. Accountability is particularly important because public institutions do not operate under exactly the same market incentives as private firms. A private company that consistently wastes resources may lose customers or exit the market, while public institutions require alternative mechanisms to ensure performance. These mechanisms include performance indicators, audits, parliamentary oversight, public reporting, citizen feedback, digital monitoring, and independent evaluation. The importance of accountability is also reflected in Uzbekistan's reform framework. The Development Strategy emphasizes greater openness and accountability of state institutions and envisages public monitoring and reporting concerning the implementation of government programs. Furthermore, the effectiveness of public administration is closely related to the development of public-private partnerships (PPPs). As the economy becomes more complex, governments cannot necessarily finance and manage every infrastructure and service project independently. Cooperation with the private sector can mobilize additional capital, technology, managerial expertise, and innovation.

Against this background, the economic foundations of effective public administration can be conceptualized as an interconnected system:

Fiscal efficiency → Institutional quality → Human capital → Digital transformation → Transparency → Decentralization → Better public services → Higher economic productivity.

These elements reinforce one another. Efficient fiscal management provides resources for institutional development. Strong institutions improve the effectiveness of public spending. Professional civil servants increase administrative productivity. Digital technologies reduce transaction costs and improve transparency. Decentralization can improve responsiveness to local economic conditions. Together, these factors can strengthen public trust and create a more favorable environment for sustainable economic development. Despite the progress achieved through ongoing reforms, several challenges remain. These include improving the efficiency of public expenditure, strengthening coordination among government institutions, reducing unnecessary regulatory barriers, increasing the professional capacity of public servants, improving regional administrative capacity, strengthening evidence-based policymaking, and ensuring that digital transformation produces measurable improvements in service quality. The World Bank also notes that Uzbekistan's transition toward an inclusive and sustainable market economy requires continued institutional reforms, including addressing regulatory advantages enjoyed by state-owned enterprises and strengthening

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private-sector development. The practical significance of the research is associated with the possibility of applying its findings to the improvement of public-sector management in Uzbekistan. The identified priorities—performance-based budgeting, digital government, professional civil service, fiscal decentralization, transparency, evidence-based policymaking, and effective public-private cooperation—can serve as important directions for strengthening administrative effectiveness and improving the economic outcomes of public-sector reforms.

Literature Review. The economic foundations of effective public administration have been examined extensively within the fields of institutional economics, public finance, governance, development economics, and public management. The existing literature generally demonstrates that the quality of government institutions is not simply a political or administrative issue; it has a direct influence on economic growth, resource allocation, investment, private-sector development, public-service quality, and social welfare. In the context of Uzbekistan, this relationship has become particularly important because the country has undertaken a broad transformation of its economic and administrative institutions since 2017.

Theoretical Foundations of Public Administration and Economic Development. One of the fundamental theoretical approaches to understanding the economic role of public administration is institutional economics. North (1990) argues that institutions establish the rules and incentives within which economic actors make decisions. From this perspective, effective government institutions reduce uncertainty, establish predictable rules, protect property rights, and lower transaction costs. Consequently, institutional quality can influence investment decisions, entrepreneurship, productivity, and long-term economic development. The relevance of North's institutional approach to Uzbekistan is particularly evident in the country's transition from a strongly state-dominated economic model toward a more market-oriented system. The success of economic liberalization depends not only on changes in prices, taxes, trade regulations, or ownership structures but also on whether public institutions can effectively implement and enforce new economic rules. Acemoglu and Robinson (2012) develop a related argument by distinguishing between inclusive and extractive institutions. According to their approach, sustainable economic development is more likely when institutions provide broad economic opportunities, protect individual rights, constrain arbitrary political power, and encourage innovation and investment. This theoretical perspective suggests that public administration should create an institutional environment in which citizens and businesses can participate productively in economic activity.

From this perspective, public administration has several economic functions:

- establishing predictable regulatory frameworks;
- protecting economic and property rights;
- providing public goods;
- correcting market failures;
- redistributing resources;
- maintaining macroeconomic stability;
- supporting human-capital development;
- facilitating investment and entrepreneurship.

Thus, the literature establishes a theoretical connection between institutional effectiveness and economic performance.

Public Administration as an Economic Institution. Traditional approaches to public administration primarily focused on hierarchy, formal rules, administrative procedures, and bureaucratic control. Weberian bureaucracy emphasized rational-legal authority, specialization, hierarchy, formal rules, and professional administration. These principles remain important for

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ensuring consistency and predictability, but contemporary economic conditions require additional dimensions of public-sector effectiveness. Hood (1991), through the concept of New Public Management (NPM), emphasized efficiency, performance measurement, managerial responsibility, competition, and the application of selected private-sector management techniques to public institutions. This perspective shifted attention from merely following administrative procedures toward achieving measurable results. Osborne and Gaebler (1992) further promoted the idea of entrepreneurial government, emphasizing customer orientation, innovation, decentralization, competition, and performance. Although later research identified limitations in applying market-based approaches directly to public administration, the literature on NPM made an important contribution by emphasizing that public institutions should be evaluated according to the results they generate. For Uzbekistan, this perspective is particularly relevant because contemporary administrative reform increasingly focuses on the effectiveness of government agencies, quality of public services, strategic planning, digitalization, and performance management. The recent OECD assessment of Uzbekistan explicitly emphasizes the need for a more modern, effective, strategic, accountable, and citizen-centered public administration. It identifies strategic planning, policy coordination, civil-service capacity, public integrity, regulatory quality, and evidence-informed policymaking as major areas for reform. This represents an important evolution from a purely procedural understanding of administration toward an outcome-oriented model.

Public Finance and the Economic Efficiency of Government. Public finance constitutes one of the most important economic foundations of effective administration. Musgrave and Musgrave (1989) identify three major functions of government finance: allocation, distribution, and stabilization. The allocation function is particularly relevant to public administration because governments must determine how limited resources are distributed among competing public needs. Education, healthcare, infrastructure, social protection, environmental programs, security, and economic development all require financial resources. The effectiveness of public administration therefore depends not only on the size of the government budget but also on the efficiency with which public funds are allocated and managed. The World Bank's *Uzbekistan Public Expenditure Review* emphasizes the importance of fiscal institutions and the composition and effectiveness of government spending during the country's economic transformation. The review examines public investment management, public employment and wages, state-owned enterprises, intergovernmental relations, education, and health, demonstrating that the quality of expenditure management is directly connected with the effectiveness of government and inclusive growth. This literature suggests that Uzbekistan's public administration should increasingly move from an input-based budget model toward performance-oriented public financial management.

Under an input-based approach, an institution may be evaluated according to how much money it receives and spends. Under a performance-based approach, evaluation focuses on what outcomes are achieved with those resources.

For example:

Budget allocation → Program implementation → Measurable output → Economic/social outcome → Evaluation

Such a framework allows policymakers to identify inefficient programs and redirect resources toward areas generating greater public value.

Government Expenditure and Administrative Capacity in Uzbekistan. The literature concerning Uzbekistan indicates that public expenditure has expanded as the state has taken responsibility for a broad range of economic and social priorities. The OECD's 2024 review reports that general government expenditure in Uzbekistan represented approximately 35% of GDP in 2022, compared

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with an OECD average of 46.3%. The report also notes that government expenditure increased substantially from 22.4% of GDP in 2017, reflecting expanding state priorities, including employment and support for small and medium-sized enterprises. These findings are important for understanding the economic foundations of public administration. An increase in public expenditure can support development when resources are allocated efficiently; however, larger government expenditure also increases the need for effective financial management, monitoring, transparency, and performance evaluation. Therefore, the central issue is not necessarily whether government expenditure should increase or decrease, but whether public expenditure generates sufficient economic and social returns.

This leads to an important analytical relationship:

Public expenditure → Administrative capacity → Quality of implementation → Public outcomes

Weak administrative capacity can reduce the effectiveness of otherwise well-designed fiscal programs.

The Role of the State in a Market Economy. Another important strand of literature concerns the appropriate role of the state in economic development. Traditional development models often assigned governments a significant role in production, investment, infrastructure, and industrial policy. However, contemporary market-oriented approaches emphasize a transition from direct state participation toward a more enabling and regulatory role. The World Bank's research on Uzbekistan highlights the country's transition since 2017 from a predominantly state-led and relatively isolated economic model toward a more sustainable and inclusive market economy. It also identifies continued state dominance, particularly through state-owned enterprises, as an important challenge for private-sector development. The World Bank's 2022 Systematic Country Diagnostic similarly recommends strengthening the state's market-enabling role, reducing unnecessary state involvement in economic activity, improving governance, decentralizing selected government functions, and increasing public accountability.

Although the existing literature provides substantial theoretical and empirical evidence concerning public administration and economic development, several limitations can be identified. First, much of the classical literature focuses on general institutional principles and does not fully capture the specific characteristics of Uzbekistan's transition from a state-dominated economic system toward a market-oriented economy. Second, international reports provide extensive assessments of institutional quality but often emphasize governance indicators and policy recommendations rather than developing detailed economic models of administrative efficiency. Third, existing studies frequently analyze public finance, digital government, civil service, decentralization, or regulatory reform separately. There is a need for a more integrated framework that explains how these dimensions interact.

Fourth, there remains a need for greater empirical research connecting administrative reforms with measurable economic outcomes such as:

- investment;
- productivity;
- employment;
- business formation;
- public-service costs;
- regional development;
- citizen satisfaction;
- fiscal efficiency.

The recent OECD review itself emphasizes that Uzbekistan's reforms require stronger strategic coordination, performance management, civil-service capacity, evidence-informed policy, integrity,

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and regulatory quality. Therefore, the literature suggests a research gap concerning the integrated economic foundations of effective public administration in Uzbekistan.

Based on the reviewed literature, the economic foundations of effective public administration in Uzbekistan can be conceptualized as a multidimensional system:

Economic and institutional factor	Main mechanism	Expected outcome
Fiscal efficiency	Better allocation of public resources	Higher public-sector productivity
Institutional quality	Lower uncertainty and transaction costs	Increased investment and entrepreneurship
Human capital	Higher administrative competence	Better policy implementation
Digitalization	Automation and information integration	Faster and cheaper public services
Decentralization	Better alignment with local needs	Improved regional governance
Transparency	Greater public oversight	Reduced inefficiency and corruption risks
Evidence-based policy	Better decision-making	More effective public programs
Regulatory quality	Reduced administrative burden	Stronger private-sector development
Public-private partnerships	Mobilization of capital and expertise	Improved infrastructure and services
Performance management	Linking resources to outcomes	Greater administrative accountability

The literature therefore supports the following conceptual relationship:

Economic resources → Institutional capacity → Administrative processes → Public-service outcomes → Economic development

This relationship also demonstrates that financial resources alone are insufficient. The same amount of public expenditure can produce significantly different outcomes depending on institutional quality, human capital, transparency, technological capacity, and management systems.

Consequently, the literature supports the conclusion that effective public administration in Uzbekistan should be based on an integrated combination of fiscal efficiency, institutional quality, professional human capital, digital transformation, strategic planning, evidence-based policymaking, decentralization, transparency, and accountability. The key research gap is that these elements are often examined separately. The present study therefore approaches them as interconnected components of a single economic and institutional framework. Such an approach makes it possible to examine how improvements in public administration can reduce transaction costs, increase the efficiency of public expenditure, improve the business environment, strengthen public services, and ultimately contribute to sustainable and inclusive economic growth in Uzbekistan.

Discussion. The findings of this study demonstrate that the effectiveness of public administration in Uzbekistan is fundamentally connected with the quality of economic institutions, the efficiency of public resource management, the professional capacity of civil servants, digital transformation, decentralization, transparency, and the ability of government institutions to generate measurable public value. The discussion below interprets these findings in relation to the theoretical

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approaches and previous studies reviewed above and considers their implications for Uzbekistan's ongoing economic and administrative transformation.

Public Administration as an Economic Driver of Development. The findings support the institutional-economic perspective that public administration should not be regarded merely as a mechanism for implementing political decisions. It should also be understood as an economic institution that determines the environment in which households, enterprises, investors, and public organizations make decisions. North's (1990) institutional theory provides an important explanation for this relationship. Institutions influence economic incentives and reduce uncertainty by establishing rules governing economic interactions. In Uzbekistan, this relationship is particularly important because the transition toward a market-oriented economy requires institutions capable of supporting competition, entrepreneurship, investment, and innovation. An effective administration can reduce uncertainty by ensuring that regulations are predictable, public services are accessible, and government decisions are implemented consistently. Conversely, inefficient administration may increase transaction costs and discourage private economic activity.

Therefore, the economic impact of public administration can be represented as:

Institutional quality → Lower uncertainty → Lower transaction costs → Higher investment and entrepreneurship → Economic growth.

This suggests that administrative reform should be considered an important component of economic policy rather than an independent bureaucratic process.

Fiscal Efficiency and the Productivity of Public Expenditure. The study confirms that fiscal efficiency is one of the central economic foundations of effective public administration. Government budgets are limited, whereas public demands are extensive. Therefore, the challenge is not simply to increase government spending but to maximize the social and economic value generated from available resources. The World Bank's Public Expenditure Review of Uzbekistan demonstrates the importance of strengthening public investment management, public employment and wage systems, intergovernmental fiscal relations, and expenditure effectiveness.

This finding has several implications.

First, public expenditure should be connected to clearly defined objectives.

Second, large public investment projects should undergo systematic cost-benefit analysis.

Third, government programs should be evaluated after implementation.

Fourth, inefficient programs should be modified, consolidated, or discontinued.

The principle can be summarized as:

Public resources → Efficient allocation → Effective implementation → Measurable outcomes.

The absence of any one of these stages may reduce overall fiscal efficiency.

Fiscal Sustainability and Administrative Effectiveness. Fiscal sustainability represents another important dimension of the relationship between public finance and public administration. A government may temporarily increase expenditure to accelerate infrastructure development or provide social support. However, long-term administrative effectiveness requires that fiscal commitments remain consistent with sustainable revenue and debt-management capacity. This is particularly important when governments use large-scale public investment programs or public-private partnership arrangements. Therefore, public administration should incorporate fiscal-risk assessment into strategic decision-making.

Before implementing a major public project, government institutions should consider:

1. total project cost;
2. expected economic return;
3. long-term operating costs;

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4. financing sources;
5. fiscal risks;
6. alternative investment options;
7. expected social benefits.

Such an approach would help Uzbekistan ensure that economic development programs generate sustainable rather than temporary improvements.

Overall, the discussion confirms that the economic foundations of effective public administration in Uzbekistan are multidimensional and mutually reinforcing. Fiscal efficiency without institutional quality may result in ineffective expenditure. Digitalization without qualified personnel may fail to improve service quality. Decentralization without accountability may create inefficiency. Transparency without meaningful performance evaluation may provide information without improving outcomes. Private-sector development without regulatory reform may remain constrained. Therefore, the reforms should be implemented as an integrated system rather than as separate initiatives.

The most appropriate conceptual model is:

Fiscal efficiency + Institutional quality + Human capital + Digitalization + Transparency + Decentralization + Evidence-based policymaking = Effective public administration.

In turn:

Effective public administration → Better public services → Lower transaction costs → Stronger private sector → Higher productivity → Sustainable and inclusive economic growth.

The broader implication is that Uzbekistan's economic modernization cannot be separated from public administration reform. A competitive and inclusive market economy requires institutions that are capable, transparent, responsive, professional, and economically efficient. The country's ongoing reforms provide an important institutional foundation, but their long-term success will depend increasingly on the ability of public institutions to translate policy objectives into measurable improvements in citizens' welfare and economic productivity.

Conclusion. The study demonstrates that effective public administration is one of the fundamental institutional conditions for sustainable economic development in Uzbekistan. In the context of ongoing economic liberalization, digital transformation, institutional modernization, and the expansion of private-sector activity, the quality of public administration has become increasingly important. Effective administration should therefore be understood not simply as the ability of government institutions to perform administrative functions, but as their capacity to use limited public resources efficiently, provide high-quality public services, support economic activity, and generate measurable social and economic outcomes. The analysis shows that fiscal efficiency constitutes one of the primary economic foundations of effective public administration. The availability of financial resources alone does not guarantee successful development. The key issue is the efficiency with which public revenues are transformed into infrastructure, education, healthcare, social protection, and other public goods. Therefore, Uzbekistan should continue strengthening performance-based budgeting, public investment appraisal, expenditure monitoring, and post-implementation evaluation. Public institutions should increasingly be assessed according to the results achieved rather than merely the amount of funds utilized. The second important foundation is institutional quality. Transparent, predictable, accountable, and professionally managed institutions can reduce uncertainty and transaction costs for citizens and businesses. The improvement of regulatory quality, simplification of administrative procedures, protection of economic rights, and strengthening of institutional accountability can create a more favorable environment for entrepreneurship, investment, and innovation. In this regard, public administration reform should be closely integrated with private-

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sector development and economic liberalization. The third foundation is human capital and professional civil service. Modern public administration requires employees with strong analytical, managerial, economic, technological, and communication skills. Consequently, merit-based recruitment, continuous professional development, objective performance evaluation, leadership training, and appropriate incentive systems should remain important priorities. A professional civil service is essential for ensuring that government policies are effectively translated into practical results. In conclusion, Uzbekistan's economic transformation and public administration reform are mutually dependent processes. A modern, professional, transparent, and economically efficient public administration can create the institutional conditions necessary for investment, entrepreneurship, employment, innovation, and sustainable economic growth. At the same time, successful economic modernization can provide additional resources and incentives for strengthening public institutions. Therefore, continued improvement of public administration should remain a central component of Uzbekistan's long-term strategy for building a competitive, inclusive, and sustainable economy.

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