



ECONOMIC FOUNDATIONS FOR THE DEVELOPMENT OF THE PRIVATE SECTOR IN AGRICULTURE

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Annotatsiya: Ushbu maqolada qishloq xo'jaligida xususiy sektor faoliyatini rivojlantirishning iqtisodiy asoslari, uning mamlakat iqtisodiyotidagi o'rni va samaradorlik omillari yoritilgan. Xususiy sektorni kengaytirish orqali resurslardan samarali foydalanish, yangi ish o'rinlari yaratish, investitsiyalar oqimini oshirish va oziq-ovqat xavfsizligini ta'minlash imkoniyatlari tahlil qilinadi. Shuningdek, O'zbekistonda amalga oshirilayotgan islohotlar, davlat-xususiy sheriklik modeli va soliq rag'batlari orqali fermer xo'jaliklarining raqobatbardoshligini oshirish yo'llari ko'rib chiqilgan.

Kalit so'zlar: xususiy sektor, qishloq xo'jaligi, iqtisodiy samaradorlik, investitsiya, davlat-xususiy sheriklik, raqobatbardoshlik, oziq-ovqat xavfsizligi

Abstract: This article examines the economic foundations for the development of the private sector in agriculture, its role in the national economy, and factors influencing its efficiency. It analyzes how private sector expansion promotes effective resource use, job creation, investment attraction, and food security. The study also explores reforms in Uzbekistan, the public-private partnership model, and fiscal incentives that enhance the competitiveness of farms.

Keywords: private sector, agriculture, economic efficiency, investment, public-private partnership, competitiveness, food security.

Аннотация: В статье рассматриваются экономические основы развития частного сектора в сельском хозяйстве, его роль в национальной экономике и факторы эффективности. Анализируется влияние расширения частного сектора на рациональное использование ресурсов, создание рабочих мест, привлечение инвестиций и обеспечение продовольственной безопасности. Также рассмотрен опыт Узбекистана по внедрению реформ, модели ГЧП и налоговых стимулов.

Ключевые слова: частный сектор, сельское хозяйство, экономическая эффективность, инвестиции, государственно-частное партнерство, конкурентоспособность, продовольственная безопасность.

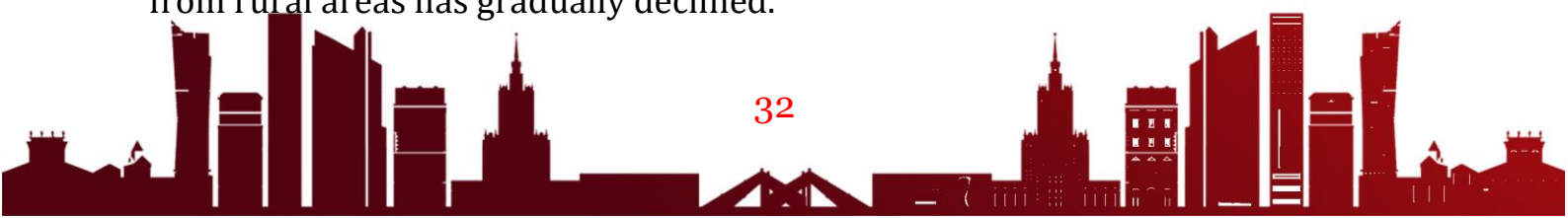


Introduction

Under the conditions of a market economy, the role of the private sector in the development of agriculture has been steadily increasing. It plays a decisive role in improving production efficiency, introducing modern technologies, attracting investment, and enhancing product quality. The expansion of private sector activity contributes significantly to the successful implementation of agrarian reforms, the formation of a competitive environment, and the achievement of sustainable economic growth. In the Republic of Uzbekistan, supporting private entrepreneurship in agriculture has been identified as one of the priority directions of state policy. The private sector in agriculture includes farms, dehkan (household) farms, agricultural enterprises, clusters, and other business entities operating in rural areas. These entities actively participate in all stages of the agricultural value chain, including crop production, processing, logistics, marketing, and export. The economic foundation for private sector development is primarily based on the free functioning of market mechanisms, the diversification of ownership forms, and the promotion of fair competition. The private sector has become one of the main driving forces of economic growth in agriculture. It increases tax revenues to the state budget, creates new employment opportunities, introduces innovative solutions, and expands export potential. As a result of the agrarian reforms implemented in Uzbekistan in recent years, private property rights have been strengthened, land relations have been gradually liberalized, and Public-Private Partnership (PPP) mechanisms have been introduced. Under the PPP model, the government finances infrastructure projects, while the private sector is responsible for production, technological modernization, and service delivery.

A stable investment climate is one of the key prerequisites for private sector development. The Government of Uzbekistan has created favorable conditions for both domestic and foreign investors by providing tax incentives, customs privileges, grants, and preferential credit programs. In particular, preferential lending schemes have been established for farmers through financial institutions such as Agrobank and Mikrokreditbank.

The development of the private sector has also contributed to improving the socio-economic conditions of rural areas. Processing enterprises, cold storage facilities, and export logistics centers established by farmers and entrepreneurs have increased employment opportunities and promoted the development of local infrastructure. Consequently, rural incomes have risen, while migration from rural areas has gradually declined.





Furthermore, the growth of the private sector is closely associated with the adoption of innovative technologies in agriculture. Farms implementing the Internet of Things (IoT), unmanned aerial vehicles (UAVs or drones), digital monitoring systems, and automated irrigation technologies have significantly improved production efficiency while reducing production costs. These technological innovations enhance the competitiveness of agricultural products and strengthen export opportunities. At the same time, the successful development of the private sector requires continuous improvement of the regulatory and legal framework, optimization of the tax system, and greater transparency in financial support mechanisms. Such measures will stimulate private initiative, reduce corruption-related barriers, and promote sustainable economic activity.

Finally, the development of the private sector plays a crucial role in ensuring national food security. The expansion of domestic agricultural production reduces dependence on imports, contributes to price stability in the domestic market, and creates favorable conditions for the diversification of agricultural exports.

Efficient Resource Utilization and Job Creation through the Expansion of the Private Sector

The development of the private sector ensures the efficient allocation and utilization of resources across various sectors of the economy. Enterprises and business entities optimize the use of financial capital, land, labor, and technological resources, thereby improving overall productivity. Moreover, the establishment of a competitive market environment encourages the modernization of production processes, reduces unnecessary costs, and enhances the quality of goods and services.

The expansion of the private sector stimulates the establishment of new enterprises while enabling existing businesses to broaden their operations. As a result, employment opportunities increase, providing jobs for young people and qualified professionals. Start-ups, as well as small and medium-sized enterprises (SMEs), not only contribute to the development of domestic markets but also strengthen the country's export capacity. Furthermore, the growth of private sector activities improves the overall efficiency of the national economy. In a competitive environment, enterprises strive to improve the quality of their products and services while minimizing production costs. At the same time, favorable conditions are created for the adoption of innovative technologies, the attraction of domestic and foreign investment, and the promotion of economic





diversification. Ultimately, these processes contribute to sustainable economic growth and enhance the long-term competitiveness of the national economy.

Conclusion

The development of the private sector in agriculture represents a crucial step toward achieving economic stability, ensuring food security, and building a competitive economy. The active participation of the private sector enhances production efficiency, accelerates the adoption of innovative technologies, and promotes the inflow of new investments into the agricultural sector. In the future, further improvement of government policies, strengthening of financial incentives, and the wider implementation of digital solutions will contribute significantly to the sustainable development of Uzbekistan's agricultural sector

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