

COMPARATIVE ANALYSIS OF THE FORMATION AND DEVELOPMENT OF THE PROPERTY-OWNING CLASS IN UZBEKISTAN AND CHINA

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Abstract . *This article compares the history, laws, and institutions of property ownership in Uzbekistan and China. Based on the experiences of both countries, it investigates the significant accomplishments and systemic issues in the growth of property relations. The conclusion and recommendations are intended to find successful techniques for the development of the property-owning class in Uzbekistan.*

Аннотация. *В данной статье проводится сравнительный анализ истории, законодательства и институтов собственности в Узбекистане и Китае. Основываясь на опыте обеих стран, исследуются значительные достижения и системные проблемы в развитии имущественных отношений. Заключение и рекомендации направлены на выявление успешных методов формирования класса собственников в Узбекистане.*

Keywords: *property ownership, property-owning class, private sector, reforms, state policy, property rights, economic growth*

In a market economy, the establishment and active participation of a property-owning class is a critical aspect in long-term development. Property owners are a significant socioeconomic force capable of boosting economic activity, creating new jobs, and fostering innovation. Since the 1990s, Uzbekistan has prioritised the development of its private sector. Similarly, with the fall of Mao's rule, economic reforms implemented in 1978 resulted in the formation of a powerful class of property owners. As a result, this article examines the obstacles and options of establishing and developing a property-owning class, drawing on the experiences of both Uzbekistan and China.

The group of property holders in China emerged as a result of Deng Xiaoping's reform and opening-up strategy, which began in 1978. The implementation of the household contract system in agriculture, the reform of state-owned companies, and the legalisation of private commercial activity provided an economic and legal climate conducive to the expansion of this class. The passage of the “Property Law” in 2007 gave legal protection for private ownership. Today, SMEs in China account for more than 60% of total economic activity.

Uzbekistan's privatisation process, which began in the 1990s, resulted in the development of an initial class of property owners. Nevertheless, this procedure was limited to major firms and hampered by poor institutional structures, slowing the class's overall development. In recent years, the “New Uzbekistan” policy has emphasised the development of the private sector. The 2022-2026 Development Strategy aims to boost the private sector's proportion of GDP to 80%. Measures include the creation of free economic zones, entrepreneurial support programs, and a simplified tax structure. However, issues remain.

- Uzbekistan: Weak judicial system, uncertainty in land ownership, and limited access to financial resources
- China: Restrictions on the political activity of property owners and the dominance of state capitalism

The state's engagement in the economy has a significant impact on the creation of a property-owning class. In China, the state initially maintained close control over the economy until progressively allowing for market mechanisms. The process was meticulously planned, phased, and closely monitored. Deng Xiaoping's policy of letting some people get rich first was crucial in establishing the property-owning class. In Uzbekistan, the state first played a strong role in the economy, which hindered the growth of property owners. However, recent reforms—such as the 2022-2026 Development Strategy and the simplification of business registration and licensing procedures through the “one-stop shop” system—have achieved significant results by establishing a more favourable environment for enterprise and economic growth of a new class of property owners.

The rise of a property-owning class not only boosts economic progress but also promotes social stability. In China, the rise of the property-owning class has coincided with the expansion of the middle class, increasing domestic demand and lowering poverty rates. China was officially recognised in 2021 as having “eradicated extreme poverty.”

In Uzbekistan, the property-owning sector is weak, particularly in rural areas, which may worsen economic inequality. Without complete legal protections for property rights, public scepticism of reforms may grow. As a result, in addition to measures aimed at developing the property-owning class, social protection and education must be strengthened. Innovation is enthusiastically embraced by small and medium-sized property owners in China. Collaboration with research institutes, technology parks, and business incubators has led to the emergence of numerous technical startups. The private sector is still expanding in advanced sectors under the “Made in China 2025” initiative. Additionally, Uzbekistan is building its infrastructure for innovation. However, to increase the activities of the private

sector, it is imperative to develop the interaction between science and industry. Property owners need to have better financial management abilities, legal literacy, and business education. In this context, organisations like the Ministry of Innovative Development and the Public Service Development Agency are essential.

Conclusion

The effective establishment of a property-owning class depends on a well-organised and consistent set of institutional, legal, and economic policies, according to a comparison of China and Uzbekistan. Dynamic private enterprise emerged in China as a result of long-term strategic planning, gradual liberalisation, and strong legal protection of private property. Despite early institutional limitations, Uzbekistan is currently making significant strides thanks to specific changes implemented as part of the "New Uzbekistan" plan. The Chinese experience shows that promoting private initiative and ownership requires establishing legal security, extending economic liberties, and fostering confidence in state institutions. By strengthening judicial reforms, increasing court independence, developing business support infrastructure, and encouraging equitable economic involvement across sectors and regions, Uzbekistan can gain from this model. In the end, creating a robust and accountable property-owning class in Uzbekistan necessitates an integrated strategy that strikes a balance between social justice and growth, entrepreneurship and responsibility, and innovation and equity. This goes beyond economic liberalisation.

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