

**DIRECTIONS FOR IMPROVING THE EFFECTIVE MANAGEMENT OF
THE DEVELOPMENT OF SMALL INDUSTRIAL ZONES**

Shodmonkulov Kamoliddin Murodillayevich

TSUE docent department of “Trade business”

shodmonqulovkamoliddin@gmail.com +99893532-2211

Abstract. This article analyzes the directions for improving the effective management of the development of small industrial zones. The study highlights the economic importance of small industrial zones, their role in regional development, and existing management challenges. It also substantiates key directions for their development, including strengthening the legal and institutional framework, modernizing infrastructure, improving the investment climate, introducing digital management systems, and expanding public-private partnerships. The results of the study contribute to increasing the efficiency of small industrial zones and ensuring regional economic growth.

Keywords: small industrial zones, management system, regional development, investment climate, infrastructure, public-private partnership, digital management, economic efficiency, innovations, industrial policy

Introduction. Today, small industrial zones (SIZs) play an important role in diversifying Uzbekistan’s economy, increasing industrial potential in regions, and creating new jobs. Small industrial zones provide convenient production areas for small and medium-sized business entities and help solve their infrastructural problems. At the same time, these zones are considered one of the main mechanisms that accelerate regional economic development.

The relevance of the topic lies in the fact that ineffective management of small industrial zones may hinder the full realization of their economic potential. Therefore, improving the management system of small industrial zones, attracting investments, and increasing production efficiency are considered among the most pressing issues.

Small industrial zones are an important institution in modern economics that accelerates regional industrial development. They provide ready-made production

infrastructure for small and medium-sized business entities, significantly facilitating the process of starting and expanding entrepreneurial activities.

Research methods. This study analyzes the factors influencing the investment potential of small industrial zones in the Kashkadarya region and explores opportunities for improving their efficiency. The research is based on the analysis of academic literature, statistical data, and practical case studies.

Main part. Small industrial zones perform several important functions in the economy. First, they create a favorable infrastructure for the development of small businesses and private entrepreneurship. Second, they ensure the concentration of industrial production in regions and help reduce economic disparities. Third, they increase employment by creating new job opportunities.

Improving the effective management of small industrial zones plays an important role in accelerating regional economic development and increasing industrial potential. The main objective in this direction is to make full and efficient use of the existing opportunities of SIZs, enhance investment attractiveness, and modernize production processes.

From a regional development perspective, small industrial zones (SIZs) form centers of economic activity and help reduce economic disparities between central and peripheral areas. This, in turn, has a positive impact on the country's sustainable economic development.

In addition, SIZs contribute to the development of innovative activities, the reduction of production costs, and the increase of export potential. This further strengthens their role in the national economy.

Practical experience shows that there are several problems in the management of small industrial zones. These include:

- insufficient development of infrastructure;
- difficulties in attracting investments;

- a high level of centralization in the management system;
- limited powers of regional governing bodies;
- weak monitoring and control systems.

These problems hinder the full capacity operation of SIZs and reduce their economic efficiency.

For the development of small industrial zones and the improvement of the management system, the following key directions can be identified.

The first direction is improving the legal and institutional framework. It is necessary to simplify legislation regulating the activities of small industrial zones, bring management powers closer to regional levels, and create favorable conditions for investors.

The second direction is infrastructure development. Providing full access to electricity, gas, water, road, and logistics systems increases the attractiveness of small industrial zones.

The third direction is improving investment attraction mechanisms. Local and foreign investors can be attracted through tax incentives, subsidies, and state guarantees.

The fourth direction is introducing digital management systems. Electronic monitoring of SIZ activities, expanding the “single window” system, and implementing digital platforms improve management efficiency.

The fifth direction is supporting innovative activities. It is necessary to strengthen integration with technoparks, business incubators, and research centers.

The experience of developed countries shows that the public-private partnership (PPP) model is the most effective in managing small industrial zones. In the experience of China, South Korea, and Turkey, SIZs serve as one of the main drivers of economic growth. Adapting this experience to the conditions of Uzbekistan is of great importance.

In recent years, Uzbekistan has been implementing large-scale reforms in the development of small industrial zones. New SIZs are being established in regions, the

infrastructure of existing zones is being improved, and favorable conditions are being created for entrepreneurs.

In the future, integrating SIZs with cluster systems, expanding export-oriented production, and introducing innovative technologies will be important tasks.

Conclusion and recommendations:

Improving the effective management of small industrial zones is crucial for accelerating regional economic development, attracting investments, and ensuring employment. SIZs create conditions for the stable operation of small and medium-sized businesses by improving production infrastructure.

The analysis shows that improving the legal framework, infrastructure, investment climate, digital management, and public-private partnership mechanisms are the most important directions in developing these zones. The combination of these factors increases the efficiency of SIZs.

In general, managing small industrial zones based on a comprehensive approach serves to strengthen the country's industrial potential and ensure sustainable economic growth.

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