SOCIAL AND INSTITUTIONAL EFFICIENCY OF SPECIAL ECONOMIC ZONES

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ABSTRACT

This thesis analyzes the social and institutional efficiency of special economic zones based on international experience. The study highlights the role of SEZs in increasing employment, accelerating regional development, and improving the quality of management institutions. It also identifies institutional factors affecting efficiency and areas for their improvement.

Main part.

In the context of accelerating globalization processes and increasing international competition, special economic zones (SEZs) have become an important tool for many countries to stimulate economic growth, attract investment, and reduce regional disparities [1]. Initially focused mainly on developing exports and expanding industrial production, SEZs are now becoming increasingly important as a factor of social and institutional development [2]. In particular, their contribution to creating new jobs, increasing incomes, developing professional skills, and improving local infrastructure is increasing.

At the same time, the effectiveness of SEZs directly depends not only on tax and customs privileges, but also on institutional factors such as their management system, legal environment, and the level of cooperation between the state and the private sector [3]. International experience shows that zones with well-established institutional mechanisms achieve long-term and sustainable socio-economic results, while shortcomings in management lead to the fact that SEZs do not produce the expected results [4]. Therefore, an in-depth analysis of the social and institutional effectiveness of SEZs is scientifically and practically relevant.

This thesis analyzes the issues of social and institutional effectiveness of the activities of special economic zones based on international experience and highlights the areas of their assessment and improvement.

The social effectiveness of the activities of special economic zones (SEZs) is determined by their direct and indirect impact on the well-being of society, in addition to their economic results. In particular, SEZs play an important role in increasing employment, increasing incomes of the population, developing human capital, and improving regional social infrastructure. The experience of many developing countries shows that in the regions where SEZs are established, the unemployment rate is decreasing, and the share of qualified personnel in the labor market is increasing.

Enterprises operating in SEZs usually introduce modern technologies, which requires increasing the professional training of employees. As a result, educational and training programs for the local population are expanding, labor productivity and wages are increasing. At the same time, the development of transport, housing, healthcare and service infrastructure around SEZs has a positive impact on the quality of life of the region's population.

However, the social effectiveness of the activities of special economic zones is not always manifested to the same extent. If SEZs are mainly aimed at creating low-skilled, low-paid and temporary jobs, their social benefits will be limited. In addition, if the interests and needs of the local population are not sufficiently taken into account, social inequality in the region may increase, income disparities may widen, and imbalances in the labor market may arise. Therefore, when assessing the social effectiveness of SEZs, it is necessary to comprehensively and systematically consider not only the number of jobs created, but also their quality, working conditions, sustainability and impact on the employment of various social segments of the population, including youth and women.

The following table summarizes the main social efficiency areas of SEZs (Table 1).

Table 1.

Main social efficiency areas of SEZs

Ijtimoiy yo‘nalish	Asosiy ko‘rsatkichlar	Ijobiy ta’sir	Mavjud xavflar
Bandlik	Yangi ish o‘rinlari soni	Ishsizlik kamayadi	Past malakali ishlar ustunligi
Daromadlar	O‘rtacha ish haqi	Aholi daromadi oshadi	Daromadlar tafovuti
Inson kapitali	Malaka oshirish	Mehnat sifati yaxshilanadi	Kadrlar migratsiyasi
Infratuzilma	Ijtimoiy obyektlar	Turmush sifati oshadi	Hududlararo nomutanosiblik

The table systematically reflects the main directions of social efficiency of the activities of special economic zones. The employment direction is one of the most important social results of SEZs, and the creation of new jobs serves to reduce the unemployment rate, but the predominance of low-skilled jobs can limit long-term sustainability. Although the income indicator is important in increasing the well-being of the population, the increase in the income gap has a negative impact on social balance. Improving the quality of work in the area of human capital improves the quality of work, but there is a risk of migration of qualified personnel to other regions. Infrastructure development increases the quality of life, but is likely to increase inter-regional disparities. The institutional efficiency of the activities of special economic zones (SEZs) is determined by how thorough and effective the mechanisms for their organization, management and regulation are. Institutional efficiency is manifested, first of all, in the stability of the legal framework, the clarity of the management structure, the level of cooperation between the state and the private sector, and the institutional environment created for investors. International experience shows that successful SEZs operate on the basis of clearly empowered management bodies, a transparent decision-making system, and simplified administrative procedures.

In institutionally efficient zones, management bodies operating on the principle of a “single window” reduce bureaucratic obstacles for investors, speed up the permitting and registration processes. This increases the attractiveness of the investment environment and ensures long-term capital flows. At the same time, the stable and predictable application of tax and customs benefits based on clear rules strengthens trust in institutions.

However, there are also factors that negatively affect institutional efficiency. In particular, frequent changes in regulatory and legal acts, duplication of management powers between different agencies, or unclear definition of responsibilities can lead to inefficiency in the activities of SEZs. Also, weak coordination between local authorities and central government bodies exacerbates institutional imbalances.

The table below summarizes the main areas of institutional efficiency in the activities of SEZs (Table 2).

Main areas of institutional efficiency in the activities of SEZs

Institutsional yo‘nalish	Asosiy mexanizmlar	Ijobiy natijalar	Mavjud muammolar
Boshqaruv tizimi	Yagona darcha, maxsus direksiya	Qarorlar tezligi, shaffoflik	Vakolatlar takrorlanishi
Huquqiy baza	Barqaror qonunchilik	Investor ishonchi oshadi	Normativ o‘zgaruvchanlik
Davlat–xususiy hamkorlik	PPP loyihalari	Resurslar samarali taqsimlanadi	Hamkorlik sustligi
Monitoring va nazorat	Baholash indikatorlari	Samaradorlik oshadi	Ma’lumotlar yetishmasligi

In assessing institutional efficiency, not only legal and organizational mechanisms, but also the presence of monitoring and evaluation systems are important. Effective control and analysis mechanisms allow for timely elimination of identified problems in the activities of SEZs and adjustment of policies.

The table highlights the main areas that determine the institutional efficiency of special economic zones. The “single window” and special directorates in the management system accelerate the decision-making process and increase transparency, but duplication of powers can lead to institutional inefficiency. The stability of the legal framework strengthens investor confidence, but frequent changes in regulatory and legal acts increase investment risks. Although public-private partnership allows for the efficient use of resources, the weakness of cooperation mechanisms prevents its full implementation. Monitoring and control systems increase efficiency, but the lack of reliable data complicates the assessment process.

Conclusion. Special economic zones contribute to regional development and employment by increasing social and institutional efficiency. However, to ensure sustainable efficiency, it is necessary to strengthen legal stability, optimize the management system and develop monitoring mechanisms. At the same time, it is recommended to pay special attention to the interests of the local population and the attraction of qualified personnel.

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