

DOI: 10.5281/zenodo.20449160

Link: <https://zenodo.org/records/20449160>

## IMPROVING THE MANAGEMENT MECHANISMS OF THE REPUBLIC OF UZBEKISTAN’S HEALTH RESORT COMPLEX IN THE CONTEXT OF MARKET TRANSITIONS

*Maksuda Valerievna Israilova*

*Lecturer in the Department of Global and Regional Economics, independent researcher at Fergana State University*

*Email: umakamasofa@gmail.com*

**Abstract:** *This article focuses on improving the management mechanism for the health resort complex of the Republic of Uzbekistan, which is undergoing rapid development and transformation in today’s market conditions. Based on an analysis of statistical data and regulatory documents, an assessment of the current management mechanism was conducted, which revealed systemic shortcomings in management, fragmentation of administrative functions, and a lack of coordination among stakeholders. Based on a classification of theoretical approaches found in the scientific literature and international experience in managing health tourism, a partially decentralized management system is proposed and justified. The proposed system includes vertical coordination through the Department of Tourism Development and horizontal integration of health resort organizations through an industry association. Implementation of this proposal will ensure a balance between state regulation and the market autonomy of market participants, create conditions for meeting the social needs of society and the financial and economic interests of owners, and thereby ensure the sustainable development of the health resort complex of the Republic of Uzbekistan.*

**Keywords:** *health resort complex, wellness tourism, Uzbekistan, organizational management mechanism, partially decentralized system, government regulation.*

### INTRODUCTION

Effective management of the health resort complex in the Republic of Uzbekistan has become particularly important during this period of fundamental transformation and transition to market-based economic mechanisms. The health resort tourism sector had been stagnant for a long time, but beginning in 2000, systemic reforms began to take place. The privatization of state property, the dissolution of government agencies, and the closure of large industrial enterprises have led to a reduction in the number of sanatoriums and health resorts and the emergence of new market players—micro-firms and small private enterprises. In 2017, the recognition of tourism as one of the economy’s priority sectors, the policy of openness, the liberalization of the visa regime, and the expansion of international cooperation pursued by the country’s new leadership created conditions for the revitalization of both domestic tourism and inbound and outbound tourism.

The COVID-19 pandemic has significantly altered consumption patterns in the health sector, shifting people’s focus from treatment to disease prevention and the adoption of a healthy lifestyle. This has led to accelerated growth in the health tourism market, an increase in the number of health and wellness facilities, business consolidation, and the creation of modern spa and wellness resorts. Between 2020 and 2023, within the Chimgan-Cherlak resort and recreational zone of the Tashkent region alone, the following sanatoriums were opened: “Savrasoy” (2022), “Tibet Mounts Flora” (2020), “Fanat Resort” (2021), and “Oktosh Shaboda” (2020). In the regions of Uzbekistan, major sanatoriums and spa resorts such as “Sangardak” (2021) and Khojaipok (2020) in the Surkhandarya

region, “Chinobod Plaza” (2021) in Tashkent, “Chimion Chashmasi” (2020), and “Koinot Kavsari” (2020) in the Fergana Region. According to data from the National Statistics Committee, in 2024 the number of health resorts reached 235, with a total of 42,700 beds. In 2024, health resorts in Uzbekistan received 574,200 visitors, and the cost of services provided amounted to 819,927.6 million soums, which is 4.3 times higher than the level prior to the COVID-19 pandemic. At the same time, the mechanism for managing the health tourism sector in Uzbekistan has not undergone corresponding changes: the current system does not correspond to the evolved structure of economic entities, does not take into account the interests of owners, and does not ensure effective feedback or the sustainable development of the industry. And, in our view, most significantly, the fragmentation of management hinders the achievement of the strategic development goals outlined in the “Uzbekistan-2030” Strategy and Presidential Decree No. PP-335 of September 23, 2024, No. PP-335, namely the creation and promotion of the unified brand for health and medical tourism in the Republic of Uzbekistan, “Avicenna.”

### LITERATURE REVIEW

The concept of a management mechanism is actively explored in the academic literature. The essence of the management mechanism is examined in the works of L. Abalkin, D. Suyunov, and V. Kvint, who offer significantly different interpretations of this concept.

In 1986, Academician L.I. Abalkin defined it as “a method of organizing social production with its inherent forms and methods, economic incentives, and legal norms” [1].

According to D. Suyunov, “the management mechanism is a set of elements that set in motion the socioeconomic, legal, and organizational relationships necessary for entities to achieve their objectives” [11].

According to Professor V.L. Kvint, the strategic management mechanism is viewed as “a system of managerial decisions and actions aimed at achieving goals in a changing environment and includes tools, processes, and the structure of interaction between elements of the economic system” [6].

The works of A.T. Mirzaev [8] deserve special attention; he views the mechanism for managing the development of tourism and recreation complexes as a unity of its key elements: investment, organizational, regulatory, financial, and human resources mechanisms.

Organizational models of tourism management mechanisms and the role of the state in the management process have been examined in the works of A. Thagapsov, A. Chudnovsky, G. Bessonova, H. Mamatkulov, and S. Abdulhamidov. A. Thagapsov [12] distinguishes between centralized, partially decentralized, and fully decentralized management systems. G. Bessonova [4] analyzes foreign experience in state regulation of tourism and justifies the use of mixed management systems in the sector. A. Chudnovsky [13] presents an expanded classification of types of tourism industry management systems, devoting significant attention to the balance between state and market regulation, as well as the functions and powers of state bodies. Domestic authors H. Mamatkulov and S. Abdulhamidov [7] examine tourism infrastructure, particularly its institutional and organizational features, within the context of Uzbekistan’s national economy. Despite differences in approaches and terminology, all these authors agree on a three-tier classification system for state participation in tourism management—centralized, partially decentralized, and decentralized—which indicates the stability of this typology in the scientific literature. This typology will be used further in our article.

Management issues in Uzbekistan’s tourism sector have been studied by local authors O. Khurramov, R. Ne’matova, and S. Ismailova. O. Khurramov [15] examines the digitization of tourism services as a direction for innovative development in tourism and justifies the introduction of electronic services into the management of the tourism sector. R. Ne’matova [16] examines institutional reforms and market-based management mechanisms as the main drivers of the tourism sector’s development in Uzbekistan. S. Ismailova [14] examines general trends in the development of tourism in the republic, including digitalization, institutional reforms, and market-based approaches. Collectively, all these authors view the management of the tourism sector as an

independent, emerging field of study, with an emphasis on institutional reforms, market mechanisms, and digitalization. At the same time, the organizational mechanism for managing Uzbekistan’s health resort complex remains insufficiently studied. The aim of this article is to analyze the current management mechanism and develop proposals for its improvement.

### METHODOLOGY

This article examines the organizational management mechanism of the health resort complex in the Republic of Uzbekistan, which we have chosen as the subject of our study, while the object of our study is the entire set of health resort organizations. Based on statistical data and regulatory documents governing the activities of health resort organizations, a statistical and systematic analysis of the current management mechanism of the industry was conducted. Based on a literature review and a comparative analysis of theoretical approaches to the interpretation of system types in scientific publications, a partially decentralized management system was selected as the one most suited to the characteristics of Uzbekistan’s health resort complex and the conditions of its operation. The information base consists of publicly available statistical data from the National Statistics Committee of the Republic of Uzbekistan for the period from 2000 to 2025 and regulatory and legal documents in force in the republic as of 2026.

### RESULTS

The management framework in the health resort sector has a number of distinctive features stemming from the specific nature of the services provided by health resorts and spas. A health resort’s comprehensive package includes accommodation and meals, medical care, entertainment, sightseeing tours, physical education and sports activities, and certain types of personal services. Such multifunctionality requires the simultaneous management of several operational processes with different resource bases, professional standards, and quality criteria, involving various staff groups—medical, service, and administrative—each with distinct systems of motivation, evaluation, and compensation. All of this is reflected in the structure of the mechanism for interaction among management entities at its macro- and meso-levels.

The macro-level management of the health resort sector reflects the unique nature of the comprehensive health tourism product offered by health resorts, as management functions are fragmented across various ministries and agencies. For example, the Ministry of Health is responsible for licensing health resort activities, while the Tourism Committee handles certification; however, there is no unified digital registry of health resort organizations. The day-to-day management of sanatorium operations is handled by the Ministry of Health, the Resort Administration under the Council of Trade Unions of the Republic of Uzbekistan, as well as other ministries, agencies, and enterprises that own sanatoriums. These entities are responsible for financing, pricing, determining the duration of stays, and resource allocation. Furthermore, departmental subordination reduces the financial autonomy and economic accountability of sanatoriums, as well as the flexibility of their operational management, leading to fragmented accounting and the absence of a unified analytical database. Marketing activities in the health tourism sector—promotion, positioning, and attracting tourists—are haphazard, and in some sanatoriums, they are nonexistent. Issues related to personnel training are also characterized by systemic problems and the absence of specialized training programs in resortology and health tourism management, which leads to a shortage of personnel with the necessary competencies. Despite clear positive shifts in the development of the institutional and regulatory framework that emerged in 2024 with the issuance of Decree of the President of the Republic of Uzbekistan No. PP-335 of September 23, 2024 “On Additional Measures for the Further Development of Medical and Health Tourism in the Republic of Uzbekistan” [2], the regulatory framework for sanatorium and resort activities requires improvement.

At the meso-level, despite the apparent fragmentation of administrative entities, a detailed analysis reveals strong connections between them. Health resorts—including the large number of private resorts that have opened in recent years—form a unified tourist destination in areas where

natural therapeutic resources are concentrated. An analysis of the structures of health and wellness regions shows that large sanatoriums serve as the main drivers of the recreational region and form its distinctive regional brand, while small health resorts also leverage this brand to promote their services. In Uzbekistan, this function is often performed by sanatoriums within the trade union system, which are equipped with sufficient material and technical resources, therapeutic capacity, and medical staff with the appropriate qualifications. Interaction with small sanatoriums and accommodations located in the tourist destination takes the form of providing paid medical and wellness services. The mutual influence of sanatoriums is also evident in pricing policies, seasonality, and the formation of overall customer satisfaction with their stay at the recreational destination. Thus, we see evidence of horizontal integration among administrative entities, which also requires the establishment of an effective management mechanism at the meso-level. In addition, there are a number of vertical linkages at the meso-level that need to be optimized—namely, the relationships between health resort organizations, industry associations, and regional authorities.

All of this necessitates the creation of a single coordinating body and the establishment of a comprehensive and effective management mechanism for the health resort complex. At the same time, the effectiveness of coordination and the harmonization of interests among tourism stakeholders depends to a large extent on the type of management system, as well as on the quality of the legal and organizational framework supporting management activities in the tourism sector.

### DISCUSSION

Public administration involves state intervention in the processes occurring within a managed system, in a specific manner and at a specific level. It is important to distinguish that while public regulation is aimed at maintaining stability and sustainability, administration is aimed at achieving specific goals [10]. The primary objectives of public administration in the health resort sector should undoubtedly be considered the fulfillment of social functions, the efficient use of resources, and the assurance of the sector’s sustainable development.

In the academic literature, three types of management systems for the tourism and recreation sector are distinguished based on the degree of state involvement:

- a fully centralized management system, characterized by state regulation of all areas of activity;
- a partially decentralized management system, which combines the resolution of strategically important issues at the state level with independent operational decision-making at the level of tourism entities;
- a fully decentralized management system, characterized by the autonomy of tourism businesses in decision-making at all levels. [7,8,12,13]

Table 1

**A Comparison of Approaches to Defining the Nature of the Organizational and Economic Management Mechanism <sup>11</sup>**

Aspect	Centralized control system	Partially decentralized management	Decentralized control system
Type of connections	Vertical hierarchical relationships	Horizontal connections	Objective automatic connections
The Role of the Control Center	Active Decision-Making and Management Unit	Regulation and strategic coordination of activities	Not available
Nature of the feedback	Slow to react, passive	Up-to-date, active, and comprehensive information	Не сформирована

<sup>11</sup> Developed by the author

Performance evaluation criteria	Achieving national strategic goals	Achieving the agreed-upon goals of the regions and the state	System development, simulation of phenomena
The essence of the approach	Hierarchical, top-down management of facilities by a centralized authority through incentives and coercion	Coordination between management entities and units through regulations and incentives	The natural sequence of economic phenomena in the economic cycle without an active control center.

The selection of an effective public administration system is based on an assessment of the characteristics inherent to the tourism sector. M.N. Dmitriev [15] identified 10 key characteristics, of which we believe the following are most relevant to Uzbekistan:

1. the priority given to tourism in the national economy; стратегическая цель экономического регулирования туристской отрасли;
2. the prevailing forms of organizational and economic relations;
3. the prevailing type of tourism industry;
4. the type of regional tourism policy;
5. the social significance of health tourism as a distinctive feature of Uzbekistan’s health resort complex.

Tourism is identified as one of the priority areas for economic development in Uzbekistan under the “Uzbekistan 2030” Strategy. The 58th objective of the Strategy is defined as “Increasing the number of tourists by creating favorable conditions for the development of international and domestic tourism in Uzbekistan.” The document sets out the following strategic development goals in this area: “increasing the number of foreign tourists to 15 million and domestic tourists to 25 million, ... increasing exports of tourism services to \$5 billion and medical and educational tourism to \$1.5 billion per year.” [1] Achieving these goals is impossible given the haphazard nature of the health tourism market’s development, which is characteristic of the industry’s current stage of development. The republic requires effective coordination and an active state policy that will provide the foundation for building the competitiveness of health tourism products on a global scale. The positive statistics on tourist flows shown in Figure 1 reflect a rapid recovery following the COVID-19 pandemic and the industry’s progress toward the direction set by the strategy.

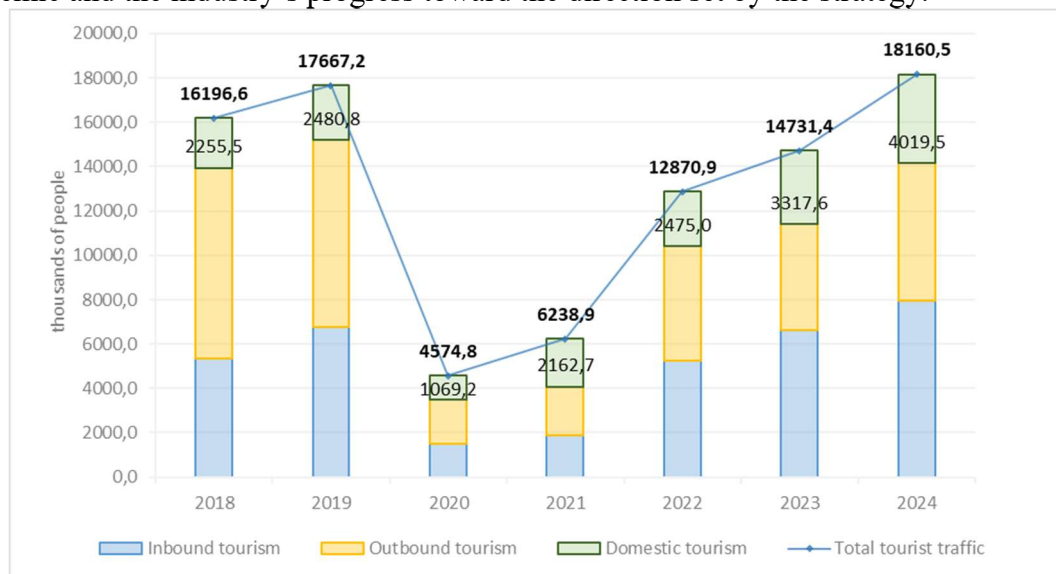


Figure 1: Trends in Tourist Flows in the Republic of Uzbekistan.<sup>12</sup>

<sup>12</sup> Compiled by the author based on data from the National Statistics Committee of the Republic of Uzbekistan.

The socioeconomic significance of the health resort complex for the state is evident in the following interrelated aspects:

- social, related to the implementation of preventive and rehabilitative functions aimed at preserving and improving public health, enhancing quality of life, and extending the period of active working life;
- economic, manifested in the generation of revenue from the provision of health resort services and a contribution to the country’s economic growth;
- regional, driven by the development of regional labor markets and infrastructure, particularly in remote and mountainous areas;
- environmental, related to the rational use of natural therapeutic resources and the protection of recreational areas in the context of implementing the Republic of Uzbekistan’s sustainable development strategy.

Since 2017, the share of small private businesses within the structure of organizations in Uzbekistan’s health resort sector has been steadily increasing. While in 2018 the ratio of large businesses to small businesses in the industry was 46% to 54%, by early 2024 this ratio had already reached 34.8% to 65.2%. This ratio of business organizational forms within the complex’s structure indicates a steadily growing share of small private businesses and the need to develop a management mechanism focused on aligning state socio-economic policy with the interests of business entities.

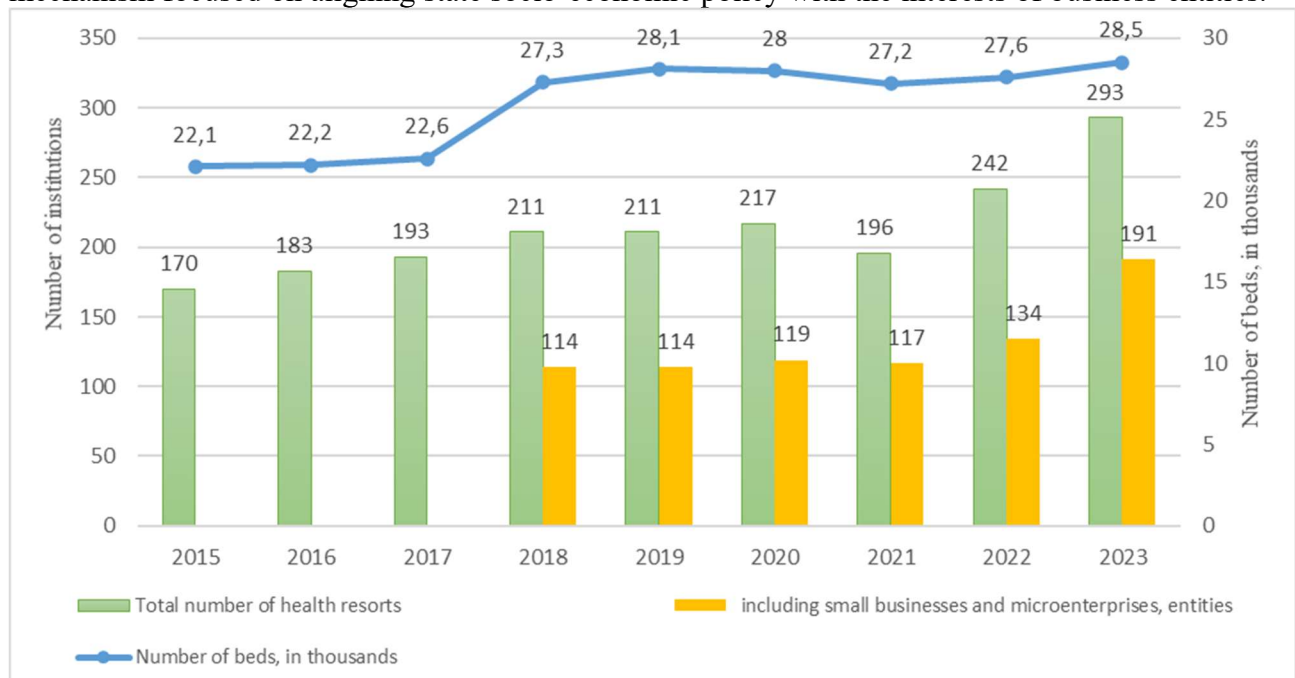


Figure 2. Trends in key indicators for the health resort sector of the Republic of Uzbekistan <sup>13</sup>

The type of health resort tourism product has a significant impact on the choice of management system. A comprehensive health tourism product includes various types of services that, taken together, ensure its competitiveness. While medical care has a direct impact on human health, accommodation and meals ensure customer safety and satisfaction. To establish a national brand for health tourism in Uzbekistan, develop the export of services, and ensure their competitiveness in the global market, a unified system of standardization, certification, and promotion is necessary. This precludes a fully decentralized management system and necessitates active coordination of the actions of various management bodies toward a unified strategic direction of development.

The uneven distribution of therapeutic natural resources, which determines the location of health resorts, necessitates an active regional policy for the development of recreational areas.

<sup>13</sup> Compiled by the author based on data from the National Statistics Committee of the Republic of Uzbekistan.

According to data from the National Statistics Committee, specialized accommodation facilities, which include health resorts, are most prevalent in the Tashkent (23.4%), Kashkadarya (12.9%), Namangan (8.5%), and Fergana (8%) regions. The geographical concentration of health resort facilities reflects regional specialization in the tourism sector, driven by the location of natural therapeutic resources and climatic factors; consequently, state policy should be aimed at strengthening the competitive advantages of these regions. It should be noted that in Decree No. PP-335 of the President of the Republic of Uzbekistan dated September 23, 2024, “On Additional Measures for the Further Development of Medical and Wellness Tourism in the Republic of Uzbekistan” [2], a targeted program for the development of wellness tourism was adopted, which plans to create medical and wellness clusters in the Bustanlik District of the Tashkent Region and the Fergana District of the Fergana Region.

Thus, an analysis of the selected characteristics suggests that a partially decentralized system of state management for the health resort complex is the most appropriate approach for its improvement. The functioning of a partially decentralized management system entails not only a regulatory role for the state but also activities that coordinate the sector’s development based on the principles of partnership between the state and market participants. In this model, the state, through relevant ministries, carries out licensing, certification, standardization, and oversight of activities, sets national strategic development goals, and establishes the regulatory and legislative framework.

The Department for the Development of Medical and Wellness Tourism, as the custodian of the Unified Digital Registry of Wellness Tourism Organizations, serves as the central coordinating body and ensures coordination among relevant ministries. In addition, it works to create a unified national brand for wellness tourism and promote it on the global market, monitors the industry’s development, and coordinates research and development activities in the fields of medicine and marketing aimed at diversifying tourism products and enhancing their competitiveness.

Furthermore, in order to consolidate enterprises of various forms of ownership, ensure horizontal integration at the meso-level, and represent the common interests of producers before government authorities, it is necessary to organize health resorts into loose integration structures that do not affect the financial and economic autonomy of the entities involved. Such integration is successfully practiced in many countries: in Germany, since 1892, the interests of resort organizations have been represented at the federal level by the German Association of Spas and Health Resorts (Deutscher Heilbäderverband, DHV); in Switzerland—the Swiss Association of Health Resorts and Spa Hotels (Wohlbefinden Schweiz), and in Poland—the Association of Health Resort Municipalities of the Republic of Poland (SGU RP). Associations operate in Russia—the National Resort Association of Russia; in the Czech Republic, the Czech Healing Spa Association (42 resorts); and in Hungary, the Hungarian Spa Tourism Association [9].

To enhance the financial and economic independence of the trade union system’s health resorts—most of which are limited liability companies—it is necessary to restructure their authorized capital while maintaining a controlling stake for the trade union council and gradually attracting private and foreign investors through the sale of a portion of the authorized capital. This will attract additional investment for the development and modernization of the sanatoriums’ material and technical base while ensuring their implementation of state social programs.

## CONCLUSION

The described mechanism of a partially decentralized management system—comprising government regulation through relevant ministries, coordination through a department, and horizontal integration through an association of health resort organizations—forms a comprehensive industry management framework that will ensure the achievement of strategic development goals for the sector, social programs, and state functions, as well as the harmonization of private business interests

## REFERENCES

1. Decree of the President of the Republic of Uzbekistan dated September 11, 2023. № PK-158

- «About the Uzbekistan-2030 Strategy». — URL: <https://lex.uz/docs/6600404>
2. Decree of the President of the Republic of Uzbekistan dated September 23, 2024 №ПК-335 « On Additional Measures for the Further Development of Medical and Wellness Tourism in the Republic of Uzbekistan ». — URL: <https://lex.uz/ru/docs/7111500>
3. Абалкин Л.И. (ред.) Хозяйственный механизм общественных формаций. — М.: Мысль, 1986. — 270 с.
4. Бессонова Г.Б. Организационные модели государственного регулирования туризма за рубежом // Промышленность: экономика, управление, технологии. — 2016. — № 1 (60). — С. 45–52. <https://elibrary.ru/item.asp?id=26205393>
5. Дмитриев М.Н. Новые организационно-экономические отношения в туристском секторе экономики региона. — Н. Новгород: ННГАСУ, 2010. — 128 с.
6. Квинт В.Л. Стратегическое управление и экономика на глобальном формирующемся рынке: учебное пособие. — М.: Бизнес атлас, 2012. — 626 с.
7. Mamatqulov X.M., Abduxamidov S.A., Xamitov M.X. Turizm infratuzilmasi: o'quv qo'llanma. — Samarqand: Samarqand iqtisodiyot va servis instituti, 2020. — 251 s. [https://kitob.sies.uz/frontend/web/kitob/kitob\\_005ff862ced0826.pdf](https://kitob.sies.uz/frontend/web/kitob/kitob_005ff862ced0826.pdf)
8. Mirzayev A.T. O'zbekistonda turistik-rekreatsiya faoliyatini boshqarish metodologiyasini takomillashtirish: i.f.d. ... diss. - T.: Farg'ona, 2021. - 280
9. Никитина О.А. Управление формированием интегрированных санаторно-курортных комплексов в регионе: монография. — Петрозаводск, 2012. — 111 с. <http://www.dslib.net/economika-hoziajstva/upravlenie-formirovaniem-integrirovannyh-sanatorno-kurortnyh-kompleksov-v-regione.html>
10. Падерин А.В., Османов И.Х. Эффективность управления туристической сферой за рубежом // Экономика. Управление. Инновации. — 2013. — № 1 (9). — URL: [http://nbuv.gov.ua/j-pdf/eui\\_2013\\_1\\_35.pdf](http://nbuv.gov.ua/j-pdf/eui_2013_1_35.pdf)
11. Suyunov D.H. Mechanism of Corporate Governance: Problems and Solutions: Monograph. — Tashkent: Akademiya, 2006. — 180 pp..
12. Тхагапсов А.В. Виды систем управления в туризме // Сервис в России и за рубежом. — 2014. — № 6. — С. 97–109. — DOI: <https://doi.org/10.12737/6691>
13. ) Чудновский А.Д., Жукова М.А., Сенин В.С. Управление индустрией туризма: учебное пособие. — 2-е изд. — М.: КНОРУС, 2005. — 448 с.
14. Ismailova S. Trends of tourism development in Uzbekistan // Tourism Economics and Management. — 2021. — Vol. 3, № 2. — P. 45–52.
15. Khurramov O. Digital tourism as a factor of innovative development of Uzbekistan economy // Economics and Innovative Technologies. — 2020. — Vol. 4, № 1. — P. 78–86.
16. Nematova R. Tourism development and management issues in Uzbekistan // Economic Review. — 2021. — № 6. — P. 55–63