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**IMPROVEMENT OF THE INSTITUTIONAL AND LEGAL FOUNDATIONS OF
STATE MANAGEMENT OF THE TRANSPORT SYSTEM IN UZBEKISTAN**

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Abstract: This article provides a comparative legal analysis of modern models of state management in the transport system, particularly public-private partnership (PPP) and intelligent transport systems (ITS), based on advanced foreign experience. Within the framework of the "New Public Management" concept, scientifically substantiated proposals and recommendations have been developed to improve Uzbekistan's transport legislation by separating management and economic functions, introducing gross contracts, and determining the legal status of artificial intelligence algorithms.

Keywords: Transport system management, public-private partnership (PPP), intelligent transport systems, gross contracts, artificial intelligence, digital transport control, New Public Management (NPM), transit potential.

Under the conditions of contemporary globalization and the rapid transformation of international logistical supply chains, the institutional and legal modernization of state governance mechanisms within the transport system is transforming into a strategic factor that ensures the sustainable growth of the national economy. Specifically, within the framework of the "New Public Management" concept, shifting away from traditional administrative methods of regulating the transport sector and comprehensively implementing innovative models of public-private partnerships, intelligent transport systems, and digital transit corridors into national legislation constitutes a theoretical and practical necessity. Based on a comparative-legal analysis of advanced foreign jurisdictions' practices concerning "gross-cost contracts," artificial intelligence-based legal liability, and the formation of eco-friendly transport infrastructure, this article aims to develop entirely new legal paradigms for aligning the state governance system of the Republic of Uzbekistan's transport sector with global standards.

In developed foreign states, particularly within the European Union and North America, the legal classification of public-private partnership (PPP) models is executed through financial-legal categories such as "gross-cost contracts" and "net-cost contracts." As noted by O.M. Petrenko, who researched the theoretical and methodological foundations of state regulation of public transport, utilizing administrative-legal and financial subsidization methods is a vital necessity for the state to guarantee the profitability of state transport enterprises and ensure the provision of quality services to the population.³⁵

³⁵ Петренко О. Теоретико-методологічні засади державного регулювання діяльності міського пасажирського транспорту // Публічне урядування. – 2020. – №. 2 (22). – С.167-176.



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In our view, mere subsidization is insufficient; the success of PPPs in the experience of developed nations lies in the fact that the private operator is not merely a recipient of financial assistance, but an accountable subject liable to rigorous legal sanctions, such as administrative fines and the unilateral termination of the contract in the event of diminished service quality.

M.A. Bazhina, who investigated the financial-legal aspects of PPPs in infrastructural projects, substantiated that within the framework of intelligent and infrastructural projects—which represent the future of the transport system—the state must share the financial burden of its administrative obligations with private investors by comprehensively implementing the institutions of PPP and concessions into national legislation.³⁶ In addition to this perspective, it is worth noting that in the legal practice of developed nations, such as the United Kingdom or France, PPP contracts possess the status of public-law agreements, wherein the private partner's right to derive profit is subordinated to the passengers' right to mobility; that is, the public administration system retains the "crisis management" authority to ensure the continuity of transport services under any circumstances of financial crisis.

It is substantiated that ensuring the competitiveness of national carriers within the international cargo and passenger transportation market remains unattainable absent state intervention and the ratification of multilateral conventions. Analyzing this scientific hypothesis through the prism of public-private partnerships (PPPs) demonstrates that sovereigns such as Singapore or South Korea import not merely capital, but also international governance benchmarks and know-how by systematically engaging foreign operators in PPP ventures. In our view, the deployment of PPP models within transport governance must not be confined exclusively to domestic investors; rather, remaining accessible to global transport conglomerates under the auspices of international conventions and robust arbitral guarantees will legally catalyze the technological modernization of the entire systemic infrastructure.

Consequently, the governance of public transport in developed states based on PPPs and outsourcing is a direct product of the "New Public Management" (NPM) model. The core tenet of this concept is to foster competition within the public services market and implement the principle of administrative efficiency.³⁷ Within the framework of the "New Public Management" model, the responsibility for operational decision-making is decentralized to the level of direct executors, thereby shifting the role of the state from a "rigid controller" to a "strategic client." This model places a new philosophical logic—namely, that "the state exists for the citizens, not the citizens for the state"—at the very center of transport policy.

According to M.A. Bazhina, who investigated the legal frameworks for ensuring safety within the scope of intelligent and infrastructural projects that represent the future of

³⁶ Бажина М.А. Интеллектуальные транспортные системы—основа de lege ferenda транспортной системы Российской Федерации //Journal of Digital Technologies and Law. – 2023. – Т. 1. – №. 3.

³⁷ Вольфсон Э. Н. История государственного управления: учеб. пособие. – Кемерово: КузГТУ, 2014. – С. 73, 86.

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the transport system, the boundaries of liability between the state and the private sector must be explicitly delineated in PPP contracts during the deployment of AI systems.³⁸ For instance, in the experience of Germany or Japan, if an error occurs in traffic management governed by AI algorithms, the principle of "strict liability" is applied; that is, the system owner is mandated to compensate for the damages incurred, irrespective of the presence of fault. In our view, such a model constitutes the most optimal path for the public administration system in the transport sector, as it safeguards citizens' right to safe mobility against the complexity and opacity of algorithms.

Formulating theoretical and scientific proposals to enhance the national legislation and the public administration system of the domestic transport sector, based on a systematic analysis of contemporary transport governance models in advanced foreign jurisdictions, carries strategic significance in bolstering the country's transit attractiveness. Consequently, it is highly pertinent to individually examine a series of proposals and recommendations formulated as a result of our scientific inquiries, which were grounded in the aforementioned study of advanced international practices. These include, inter alia:

First, under the conditions of the transformation of global logistical supply chains, public administration must transition from the status of a passive controller to an active participant within a highly technological and digitalized transport space. According to the scientific perspectives of A.V. Torkunov and R.I. Khasbulatov, who investigated the legal foundations of international transport policy and transport diplomacy, achieving sustainable development goals necessitates that the state possess a robust regulatory authority and adaptive legal mechanisms within the transport sector.³⁹ We contend that, within the context of Uzbekistan, transport diplomacy should serve not merely as an instrument of foreign relations, but as a legal lever that consolidates national sovereignty within the global transit space through the mandatory implementation of domestic transport legislation in alignment with international ICAO and IMO standards.

Second, in the process of reforming domestic transport legislation, attention must be directed not only to reflecting the principles of state transport policy within normative acts, but also to enhancing their pedagogical and normative impact. In order for transport sector employees and citizens to internalize the principles established by legislation as personal values, the system of legal education must be reinforced.⁴⁰ Consequently, establishing specialized functional-structural optimization services within the apparatus of the Ministry of Transport to bridge the gap between science and practice plays a paramount role in implementing the theoretical foundations of sectoral governance into practical operation.

Third, to eliminate systemic issues such as the absence of a comprehensive approach and the obsolescence of the regulatory framework in refining domestic transport

³⁸ Бажина М.А. Интеллектуальные транспортные системы—основа de lege ferenda транспортной системы Российской Федерации //Journal of Digital Technologies and Law. – 2023. – Т. 1. – №. 3.

³⁹ Торкунов А. В., Хасбулатов Р. И. Международный транспорт, международная транспортная политика и транспортная дипломатия: учебник для магистратуры. – Москва: Экон-Информ, 2022. – 471 с.

⁴⁰ Братановский С.Н., Остапец О. Г. Правовая организация управления транспортным комплексом Российской Федерации. – Москва: IPRbooks, 2012. – С. 46.



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legislation, strategic legal decisions must be executed. We contend that transport infrastructure must consistently remain under state supervision; however, this oversight should not impede innovative development. From a theoretical and scientific perspective, it is recommended to develop "roadmaps" at this new stage of sectoral governance aimed at optimizing the legal framework, aligning state financing with market conditions, and systematically addressing legal lacunae within the field of transport safety.

Fourth, in modernizing the domestic transport system based on international experience, it is highly expedient to systematically classify the exogenous and endogenous factors influencing governance efficiency. While exogenous factors encompass state programs, the volume of budgetary allocations, and the quality of personnel training, endogenous factors include the condition of roads, the modernization of carriers' fleets, and tariff regulation. Furthermore, utilizing latent reserves within the governance system, particularly shifting railway operational methodologies based on the Japanese and Chinese models, will serve to exponentially increase travel speeds and passenger convenience. Public administration authorities must reinforce their capacity for rapid response to emerging issues by digitalizing the system for processing citizen grievances.⁴¹

Fifth, we contend that developing "intermodality" and "logistical outsourcing" systems in the governance of transport corridors within the Central Asian region must constitute a priority direction of our domestic transport legislation. As noted by V. Yarashova, Uzbekistan's landlocked position is the primary factor that escalates export and import costs, a challenge that can only be mitigated by establishing digital transit corridors with neighboring states.⁴² From a theoretical and scientific perspective, to transform into a regional transport hub, it is proposed to harmonize national legislation with the legal competencies of the Regional Center for Transport and Communications Connectivity, which is to be established under the auspices of the United Nations for the management of the "China–Kyrgyzstan–Uzbekistan" and "Trans-Afghan" railways. This approach represents the most effective path to bolster the country's geopolitical attractiveness and legally secure regional economic integration.

Sixth, to enhance the institutional efficiency of public administration within the transport sector, a scientific proposal is advanced to finalize the strict legal separation of regulatory and economic functions. The nation-wide implementation of the "gross-cost contract" system in public transport management and the reinforcement of its financial-legal guarantees must constitute the central trajectory of the ongoing reforms. It is imperative to solidify the legal status of gross-cost contracts at the level of a dedicated statutory law in the domestic jurisdiction; within this framework, the state's financial obligation must be interpreted not merely on the basis of budgetary capacities, but as a binding commitment to guarantee the citizens' constitutional right to mobility. Such an

⁴¹ Федорова А.А. Совершенствование государственного регулирования транспортной системы в Республике Татарстан // Интерактивная наука. – 2021. – № 9 (64). – С. 113.

⁴² Ярашова В. Совершенствование государственного управления в транспортной сфере // Транспорт Шёлкового Пути. – 2021. – № 1. – С. 43.

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approach will serve as the most robust legal foundation for ensuring social justice in the liberalization of the transport services market.

Seventh, establishing the legal status of utilizing artificial intelligence (AI) algorithms in ensuring transport safety and forecasting traffic accidents must constitute a priority task for domestic digital transport law. As noted by V.N. Voronin, who analyzed the strategic legal aspects of implementing intelligent transport systems, under the conditions of the digital economy, public administration must transition from traditional methods to methods of legal experimentation.⁴³ In the domestic jurisdiction, it would be highly expedient to enact a specialized law "On Digital Transport Oversight," which recognizes the legal validity of administrative decisions made by AI—such as traffic congestion management or the issuance of permits—and establishes the liability of the state organ for errors committed by these systems. This would represent an innovative stride toward bridging the gap between technology and law.

Eighth, it is essential to utilize European and Chinese experiences in establishing the legal frameworks for incentivizing environmentally friendly "green" vehicles. Within the context of eco-friendly transport, it is necessary to solidify in domestic legislation not only tax incentives for "green" vehicles, but also legal privileges regarding their access to urban centers—such as a system of "low-emission zones." This will strengthen the public-law function of public administration in ensuring environmental security.

In conclusion, enhancing the public administration system of the domestic transport sector based on advanced foreign experience must be predicated upon a balance between institutional liberalization and the digital space. The attractiveness of a transit corridor is measured by the degree to which the state has liberalized its tariff policy and provided safety and security guarantees. Indeed, the proposed administrative-legal reforms—namely, the separation of regulatory functions from economic activities, the legalization of gross-cost contracts, the conferral of legal status upon AI algorithms, and the underwriting of PPPs with international guarantees—constitute the sole and non-alternative legal pathway to transform the transport system of New Uzbekistan into a globally competitive, secure, and high-tech ecosystem.



⁴³ Voronin V.N., Bimbinov A.A., Blagodir A.L. Strategic legal regulation in the field of implementation of intelligent transport systems in Russia // Journal of Siberian Federal University. Humanities & Social Sciences. – 2021. – Vol. 14, No. 5. – P. 611-620.