

**THE RESOURCE-BASED VIEW OF THE FIRMS: IDENTIFYING UNIQUE COMPETITIVE ADVANTAGE IN TASHKENT'S START UP ECOSYSTEM**

*Ismoilov Elyorjon Makhamadali Ugli*  
*Tashkent State University of Economics*  
*Management Faculty*  
*Student of the group MNP-28/23i*  
*Email: ismailovan082@gmail.com*

**Abstract.** As the Central Asian market evolves, there has been a booming digital transformation, and in this context, new institutional frameworks are required to meet local needs. This paper uses the VRIO framework to analyze startup landscape of ever-developing Uzbekistan, focusing on its digital hub in the case of Tashkent city. By elucidating competitive advantage of Tashkent city, the study focuses on the bright examples (first unicorn company “UZUM”), and the role of IT park in internalizing institutional voids (Startup Base, 2026).

**Key words:** Tashkent, Uzbekistan, IT Park, Astana, VRIO Framework, Hub, dynamic, resources, Startup, Uzum, advantage,

### **Introduction**

Nowadays, the technological landscape in Uzbekistan is dynamically booming, here, globalization in combination with institutional voids is creating unique competitive advantage. In recent times, Uzbekistan made its debut as a technological hub, by 2025 alone, venture capital worth \$329M was attracted, which is a 522% increase compared to the year before - showing that Uzbekistan is not an isolated economy anymore, but one of Asia's fast-growing entrepreneurial hubs (Startup Base, 2026).

However, the dilemma of scaling of entrepreneurial activity cannot be addressed just by international funding or macroeconomic policies alone. In order to understand the dynamics of local firms, we should look at their internal composition. This particular scientific paper uses VRIO methodology as a main tool to crack how Tashkent firms maintain their competitive edge. This study focusses on elucidating both tangible and intangible resources of the firms, identifying how they turned regional constrains into their advantages, which international companies are struggling to cope with.

### **Theoretical Foundation**

The Resource-Based View (Barney, 1991; Wernerfelt, 1984) states that companies have competitive advantage not because of positioning in the market, but

how they manage an internal set of resources. *When it comes to technology startups, such resources can be categorized into:*

I. Tangible: Financial assets, physical units (e.g., inventory facilities), and data centers.

II. Intangible: Company employees (cognitive skills of the workforce), brand recognition, networking, digital ecosystems.

*For resources to have a sustainable advantage, they must satisfy the following criteria:*

I. Valuable: they should foster exploitation of opportunities for companies to have a competitive edge in neutralizing possible threats.

II. Rare: they should not be occupied by other competing firms.

III. Inimitable: When competitors want to replicate these resources, they must face cost disadvantages in acquiring or coping due to ambiguity.

IV. Organized: the firm's formal system must be synchronized, which enables synergy of processes in using certain resources.

In ever developing markets like in Uzbekistan, the essence of ordinary resource stretches way beyond general consensus, linking with dynamic capabilities, it can address even rapidly changing environments.

### **In the context of Tashkent**

Tashkent startup ecosystem operates in a unique set of conditions, it is substantially supported by institutional alignment, but at the same time, constrained with structural limitations.

Notably, the role of IT Park is of paramount importance. It acts as foundational pillar, offering tax-free opportunities for emerging startup projects until 2040, on top of that, a "Zero Risk" program that promotes new ideas, subsidizing salaries of workers and delegating enough workspace for technology exporters (Unicase, 2025).

Differently from Silicon Valley, Tashkent does not have a third party for logistics, and is inherently penetrated by local banking system. According to the ideas of Palepu and Khanna (1997), such institutionally backed problems pressure businesses to shift certain operations to international parties. Uzbekistan has over 37 million people residing on its land, and its population has an average age of 29 years, with over 125.000 students graduating every single year. This fosters highly adaptable dense labor pool as well as digitally aware consumer base (Unicase, 2025).

### **Analysis with an example**

Utilizing VRIO Framework brings to light that strategic advantage of Tashkent city is not only explained by its technological maturity, but also factors of cultural diversity and structural uniqueness are viable influential factors. In testing previously given theoretical assertions, this study uses "Uzum" as a bright example as well as viable information from secondary sources.

“Uzum” is the first unicorn company in Uzbekistan, that bypassed traditional industry stages, mostly known under the name “leapfrog strategy”. By combining digital banking (reaching more than 2 million Visa card users by 2025) with Uzbekistan’s marketplace, this company in adapted regulatory vacuum of national banking sector (Uzum, 2025).

Instead of hoping for already existed logistics networks, it builds its own fleet of pick-up locations. This particular physical resource, with the integration of over 20 million online users, its ecosystem leverages significant switching cost mechanisms. By 2026 alone, through their BNPL were processed around 45-50% of their total digital transactions in their ecosystem. In a nutshell, Uzum’s unique advantage does not lie on its software, which can be imitated, but rather its logistical superiority and highly protected financial records that made it so successful, fulfilling all the pillar points of VRIO Framework.

### **Evaluation of Tashkent versus Astana landscapes**

When comparing Tashkent with the neighboring Astana Hub, there is difference in allocation of regional resources. While Astana ecosystem is being operated part and parcel with Astana International Financial Center (AIFC), leveraging Western common law, which ensures that their ecosystem highly inimitable and also safeguards conditions for foreign venture investors (Astanahub.com, 2020), Tashkent’s IT Park, on the other hand, utilizes direct capital injection (covering up to 15% of salary expenditure of its exporters) (Unicase, 2025).

Over the last five years alone, Astana Hub managed to generate over \$630M, taking the role of global commercial corridor. But Tashkent, divergently, gets massive cash flow from covering domestic needs, internalizing B2C gaps (e.g., Click, Uzum, Payme), confirming a unique edge against global giants like Google and Microsoft.

### **Possible implications**

IT developers in Tashkent should understand that software is just a single source towards sustained advantage. There is necessity to have versatile strategy, encompassing dynamic capabilities, collection of local data to ensure the inimitability criteria of VRIO framework, and integration of digital environment with physical infrastructure. Uzbek government-backed programs like IT Park can be counted as strategic leverage, however, to ensure long-term advantage of startups, legislative bodies are to improve institutional structure, leaving outdated legislation for the sake of nonmaterial assets to be internationally capitalized.

### **Conclusion**

Emerging startup environment in Tashkent has proven that Resource-Based View is very suitable for new dynamic markets. Competitive edge of this market does not arise solely from access to global market, but the ability to turn local bottlenecks (just maturing banking sector and distribution silos) into inimitable, privately owned

resources. Already, by 2026, this ecosystem is starting to show its valuation peaks, the organization is already allocated and planned its physical capabilities towards dynamic, data-oriented proficiency, guaranteeing its long-run dominance.

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