

LEGAL CONTEXT OF THE LAND RESOURCES PRIVATIZATION IN UZBEKISTAN

Abdumannabova Muyassarxon Abdurashid qizi

Master student of Natural resources law

of Tashkent State University of Law

E-mail: muyassarxiv@gmail.com

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INTRODUCTION

Land relations occupy a special place in the legal system of any state, and this is particularly true for the Republic of Uzbekistan, where land has historically been treated not as an ordinary object of civil turnover but as “national wealth” subject to direct state control. For more than seven decades under the Soviet system, and for nearly three further decades of post-independence development, land in Uzbekistan remained the exclusive property of the state. The privatization of land resources emerged as one of the most legally and politically sensitive undertakings. Unlike the privatization of industrial enterprises or housing stock, which had already been substantially completed by the late 1990s, the transfer of land into private ownership required not only ordinary legislative amendment but, ultimately, a change to the constitutional order itself.

The protection of land resources and their rational use constitute one of the principal directions of state environmental policy. As an integral component of the ecological system, land resources play a vital role in ensuring the stability of the natural environment, as well as in strengthening the material foundation of the state sovereignty and economic potential of the Republic of Uzbekistan.

Article 68 of Constitution of the Republic of Uzbekistan had declared that land, subsoil resources, water, flora and fauna to be national wealth subject to rational use and state protection, and this provision as excluding land from private ownership altogether. It was only through the constitutional referendum of 2023 that a new norm was introduced, permitting land to be held as private property “under the conditions and procedures provided for by the law” that ensure its rational use and protection [1].

The first legislative act in the field of privatization was adopted in November 1991 named as “on Denationalization and Privatization.” During the 1990s, significant progress was achieved in the transfer of state property to the private sector [2]. After a several time, however, the need arose to modernize the legal framework governing privatization, to introduce new privatization mechanisms informed by international best practices, and to enhance the transparency and openness of the privatization

process. In response to these imperatives, the Law of the Republic of Uzbekistan named as “on the Privatization of State Property” was enacted in February 2024. This Law differs fundamentally from its predecessor, both in its substantive content and its underlying legal character. It is important to note that the constitutional norm is enabling rather than self-executing: it expressly defers to ordinary legislation to establish the conditions and procedures for private land ownership. The legislature had in fact already begun implementing land privatization for non-agricultural plots several years prior to the constitutional amendment, through a combination of presidential decree, pilot legal experiment, and an approach characteristic of Uzbekistan’s incremental law-making tradition.

MATERIALS AND METHODS

The present article applies modern contemporary methods approaches to the study of land related laws and regulations. The study draws upon both general scientific methods which includes the systems analysis, content analysis, comparison, and classification. On the other side specific legal research methods, namely the formal-legal method, the comparative-legal method, the systemic-structural method, the descriptive-analytical method, the statistical method, and the historical method was used for the research purposes.

The method of analysis combines chronological legislative mapping, doctrinal analysis of the applicable legal sources; and a critical policy assessment of the practical implementation of the reform, drawing on the reported statistics and independent monitoring findings.

RESULTS

The legislative foundation of land privatization in Uzbekistan was established by 2019 through implementation of Presidential Decree “on Privatization of Non-Agricultural Land Plots” [3]. Rather than providing the immediate application of the Law, the Decree prescribed a controlled legal experiment in the Syrdarya region as a prerequisite to its nationwide implementation. This region-specific piloting mechanism, whereby a significant property-rights reform is tested on a limited territorial scale prior to enforcement of new law, is characteristic of legislative technique and reflects a measured, incremental approach to reforms. Later on, Law of the Republic Uzbekistan “on the privatization of non-agricultural land plots”, enacted on 15 November 2021. The successor instrument refined the substantive scope, procedural framework, and institutional responsibilities governing privatization while retaining the fundamental architecture established by its predecessor. Both laws are confined in their application to land plots that are neither allocated nor designated for agricultural purposes; agricultural land within the meaning of Article 8 of the Land Code falls expressly outside their scope [4].

There were identified four categories of non-agricultural land plots eligible for privatization: vacant land plots; plots made available to legal entities for entrepreneurial or urban-development activities; plots provided to citizens for individual housing construction or for the servicing of a residential dwelling, including where such use is combined with entrepreneurial or urban-development purposes; and plots upon which state-owned immovable property itself subject to privatization is situated [5]. It equally enumerates categories for which privatization is expressly prohibited, including land plots allocated under public-private partnership agreements or social-partnership contracts, land reserved for state and public needs, and land beneath multi-apartment residential buildings together with their adjoining territories, and a restriction of particular practical significance given the expanding role of PPP infrastructure and multi-apartment development in the country.

The Law further circumscribes the circle of eligible acquirers. Participation in privatization is restricted to citizens of Uzbekistan and legal entities incorporated within its territory, with certain categories of persons and entities expressly excluded. Where a restricted person nevertheless obtains title to a land plot, the Law imposes an obligation of mandatory alienation, non-compliance with which triggers reversion of the plot to state ownership. This mechanism operates as a structural safeguard against circumvention of ownership restrictions, including through nominee or intermediary arrangements.

In substantive terms, privatization is defined as the transfer of land rights to private parties who are residents of Uzbekistan, governed by the principles of legality, voluntariness, consideration, unity of the land plot with the immovable property situated thereon, and transparency of procedure, including unrestricted public access to relevant information. Upon state registration, a privatized plot acquires the status of full private property: the owner is entitled to possess, use, and dispose of it at their discretion, including by leasing it, contributing it as a capital contribution to a legal entity, or encumbering it as security for a loan. The extension of mortgage-type security interests to land plots not attached to a specific structure represents one of the most consequential innovations introduced by the reform, as it materially broadens the range of assets available as collateral in project and corporate financing transactions in Uzbekistan.

The development of land protection legislation may be conditionally examined in three distinct stages: stage I as the period from 1991 to 1998; stage II as the period from 1998 to 2005; stage III as the period commencing in 2005 and continuing to the present day [6]. The first stage commenced with the adoption of the Law of the Republic of Uzbekistan “On Land” on 20 June 1990 and extended through to 1998. The second stage encompassed the period from 1998 to 2005, during which a substantial body of land-related legislation was enacted, including the Land Code, the

Law “On Peasant Households”, the Law “On Farming Enterprises”, the Law “On the State Land Cadastre”, and a number of other regulatory instruments governing land relations. The third stage commenced in 2005, marked by the adoption by the parliament of a revised edition of the Law “On Farming Enterprises”, developed on the basis of Presidential Decree of 27 October 2003 “On the Concept of Development of Farming Enterprises for 2004-2006”, and was further shaped by the Presidential Decree “On Measures to Strengthen Control over Land Protection and Rational Land Use, to Improve Geodesy and Cartography Activities, and to Regulate the Maintenance of State Cadastres”, a legislative act that defined the substantive direction and institutional framework of land governance reform during this period.

DISCUSSION

Government-reported statistics illustrate the reform’s initial uptake: by 1 July 2022, the automated information system “Privatization,” operated by the State Assets Management Agency, had received 1,222 applications from citizens and legal entities, of which 328 had been approved and completed and 104 remained under review, indicating a still-developing but functioning administrative pipeline in the early phase of implementation.

Nevertheless, ownership under the Law is not absolute. Seizure of a privatized plot from its owner remains legally possible in four narrowly defined circumstances: foreclosure pursuant to a court order (relevant where the plot has been pledged as loan security); redemption for state and public needs, which the Law limits to enumerated cases and conditions on the owner’s written consent and prepayment of the purchase price by the state; confiscation, which may occur only on the basis of a court decision issued under the criminal-procedure legislation; and requisition in the event of natural disasters or other extraordinary circumstances, decided by the Cabinet of Ministers and subject to compensation for the owner’s losses. Cabinet of Ministers amendments issued in January 2022 further refined the procedures and compensation mechanisms applicable to land seizure, suggesting an ongoing legislative effort to calibrate the balance between state prerogatives and owners’ property guarantees.

Land privatization in Uzbekistan should also be understood against the backdrop of the broader state-property privatization framework. On 14 February 2024, the President approved Law No. ZRU-907 “On Privatization of State Property,” which entered into force on 16 May 2024 and consolidated and modernized the general legal framework for privatizing state assets, including enterprises, buildings, unfinished-construction objects and associated land plots, while expressly leaving privatization of purely non-agricultural land, state housing stock, and privatization carried out pursuant to judicial acts to be governed by their own separate laws. According to the World Bank 2019 Report, the new law forms part of the “Uzbekistan - 2030” development strategy, aims to reduce state participation in the economy, and establishes a structured

process administered by the State Assets Management Agency, encompassing the drafting of privatization programs, asset valuation, price determination, and eight distinct privatization methods including electronic auctions and competitive bidding, with defined compliance requirements for purchasers and an emphasis on public disclosure of privatization programs and procedures [7].

CONCLUSION

This article has traced the legal context of land resources privatization in Uzbekistan from the state-monopoly model entrenched in the Land Code of Uzbekistan, through the pilot legal experiment and statutory reforms to the constitutional recognition of private land ownership and the consolidated privatization framework. The analysis demonstrates that Uzbekistan has achieved a structurally significant, legally coherent regime for the privatization of non-agricultural land, characterized by defined ownership rights, mortgage capacity, procedural transparency, and judicially supervised limitations on state interference. The examination of general principle by regulating, the drafting of privatization programs, the road-map-based preparation of assets, restrictions on the disposal of programmed property, and a standardized methodology for valuation and initial-price setting, the legislature closed a series of procedural gaps that had persisted since the original 1991 privatization law. At the same time, agricultural land is the larger share of the national land fund and remains outside this regime, governed instead by an evolving leasehold and cluster-based restructuring model whose practical application is subject to tensions between investor-oriented liberalization and the protective interests of smallholder and dekhkan farmers.

The overall trajectory suggests that Uzbekistan's land privatization reform is best characterized not as a completed transformation but as an ongoing, incremental process, whose ultimate legal and economic significance will depend on continued statutory refinement, consistent institutional implementation, and particularly in the agricultural sector is the development of stronger legal safeguards for existing land users.

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