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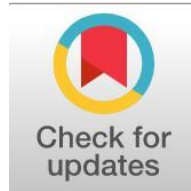
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Policy, Institutional, and Price Determinants of Tourism Competitiveness in Uzbekistan

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Abstract

General Background The foundational destination-competitiveness literature establishes that an enabling environment—composed of regulatory frameworks, policies, and institutional quality—serves as a core pillar determining how effectively a country can convert its raw resources into visitor value. **Specific Background** Assessing these structural relationships typically involves comparing overall sector performance against sub-indices tracking business environments, health, environmental sustainability, and price structures. **Knowledge Gap** However, the relative quantitative weights of these determinants are rarely measured alongside price metrics, and detailed institutional distance-to-frontier benchmarking remains scarce for emerging Central Asian destinations. **Aims** This study quantifies the association between overall tourism competitiveness and four enabling sub-indices across ten leading global economies and Uzbekistan using 2024 index data. **Results** The empirical analysis demonstrates that the policy-and-enabling-conditions sub-index is the strongest correlate of overall competitiveness ($r = 0.87$), proving that institutional quality is a first-order determinant. Conversely, Uzbekistan's enabling environment is globally weak, with its business environment ranking 82nd and travel prioritization ranking 68th. Its price competitiveness index ($\$4.05$) sits far below the global frontier ($\$6.20$), exposing a strategic price illusion. **Novelty** This paper introduces a quantitative approach to evaluating the policy-price nexus in Central Asia, challenging the traditional reliance on cost-based advantages. **Implications** Strategic development architectures must shift away from fragile price-led strategies and prioritize institutional, business environment, and regulatory upgrades that act as multiplier mechanisms for wider infrastructure investments.

Keywords

Tourism Competitiveness, Institutional Quality, Policy, Price Competitiveness, Uzbekistan

Key Findings Highlights

- The policy and enabling conditions sub-index exhibits the strongest positive correlation with overall destination competitiveness among all evaluated pillars.
- Distance-to-frontier comparisons reveal that the emerging economy lags behind global benchmark leaders across both general regulatory and sector-specific prioritization metrics.
- The apparent competitive advantage built on lower prices is an illusion, as the local price index remains significantly below the regional and global frontiers.

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1. Introduction

Behind every competitive tourism destination stands an enabling environment - a configuration of policy, institutions, regulation and prices that determines whether a destination's resources can be converted into visitor value. The destination-competitiveness literature has long accorded this environment a central place, yet its weight relative to other determinants, and its specific implications for a given country, are seldom made quantitative. This paper takes up both tasks for the enabling environment in general and for Uzbekistan in particular.

Two questions organize the analysis. First, how strongly is the quality of the enabling environment - captured by sub-indices for policy and enabling conditions, environmental sustainability, safety, and health - associated with overall tourism competitiveness across a set of leading economies and Uzbekistan? Second, what does the resulting determinant ordering imply for Uzbekistan, whose enabling profile is weak in global terms and whose nominal competitive advantage lies in price? The price question is given particular attention, because price competitiveness is frequently mistaken for a durable source of advantage when the competitiveness literature suggests it is not.

The contribution is to quantify, however indicatively given the sample, the place of policy and institutional quality in the competitiveness hierarchy, and to draw out the specific and somewhat counter-intuitive implications for a country whose comparative advantage is price-based. The paper follows the IMRAD structure, and is explicit throughout about the limits that the small cross-section imposes on inference.

2. Literature review

The enabling environment occupies a structural position in the foundational competitiveness models. Ritchie and Crouch [1] place qualifying and amplifying determinants, including policy and the macro-environment, around the core resources, while Dwyer and Kim [2] treat situational and demand conditions as integral to their integrated model. Gooroochurn and Sugiyarto [3] operationalized policy-related themes - openness, regulation, price - as distinct competitiveness components, and Mazanec and colleagues [4] found institutional and human-capital factors among the determinants most associated with competitive outcomes. This literature establishes the enabling environment as a determinant in its own right rather than a passive backdrop.

A second strand concerns price competitiveness specifically. Gooroochurn and Sugiyarto [3] and subsequent index work treat price as a competitiveness theme, but the empirical literature is consistent that price-based advantage is fragile: it is easily eroded by exchange-rate movements and cost inflation, and it attracts price-sensitive rather than high-yield demand. Webster and Ivanov [5]'s finding that competitiveness translates into economic benefit only conditionally reinforces the point that low prices need not generate commensurate value. Assaf and Josiassen [6]'s frontier analyses of tourism performance further show that efficiency and institutional quality, not low cost alone, separate high from low performers.

A third strand links institutional quality to tourism outcomes through the growth channel. Balaguer and Cantavella-Jorda [7] and the review by Brida and colleagues [8] document tourism's contribution to growth, a contribution that institutional quality plausibly mediates, while Cracolici and Nijkamp [9] and Croes [10] emphasize the role of management and enabling conditions in converting attractiveness into competitiveness. Quantitative assessment of enabling-environment determinants for a Central Asian economy remains scarce, and this study contributes such evidence for Uzbekistan.

3. Materials and Methods

3.1. Data

The cross-country analysis uses 2024 Travel and Tourism Development Index data for eleven economies - ten leading tourism economies and Uzbekistan - each characterized by its overall index and four enabling sub-indices: policy and enabling conditions, environmental sustainability, safety and security, and health and hygiene. The Uzbekistan-specific analysis additionally draws on the country's full pillar profile, in particular its business-environment, prioritization and price-competitiveness pillars with their global ranks, benchmarked against the world best-in-class on each.

3.2. Methods

The association between each enabling sub-index and overall competitiveness is measured by the Pearson correlation across the eleven economies. To compare the determinants on a common metric, a standardized linear specification regressing the overall index on the four standardized sub-indices is estimated, with its coefficients interpreted as indicative standardized weights. The small sample is acknowledged explicitly: with eleven observations the estimates are intended to reveal the ordering and approximate magnitude of the determinants, not to deliver precise or statistically powerful structural parameters. The Uzbekistan analysis is conducted through distance-to-frontier comparison on the policy-and-price pillars.

4. Results

4.1. Enabling determinants of competitiveness

Figure 1 reports the correlation of each enabling sub-index with overall competitiveness across the eleven economies. All

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four are positively associated, but the policy-and-enabling-conditions sub-index is the strongest correlate ($r = 0.87$), followed by health and hygiene ($r = 0.80$) and environmental sustainability ($r = 0.76$), with safety and security ($r = 0.66$) the weakest of the four. The standardized coefficients in Figure 4 echo this ordering, placing policy and enabling conditions among the heaviest-weighted determinants. The scatter in Figure 2 shows the policy-competitiveness relationship directly: the advanced economies cluster at high values of both, and Uzbekistan sits at the lower-left extreme, low on policy quality and low on overall competitiveness alike.

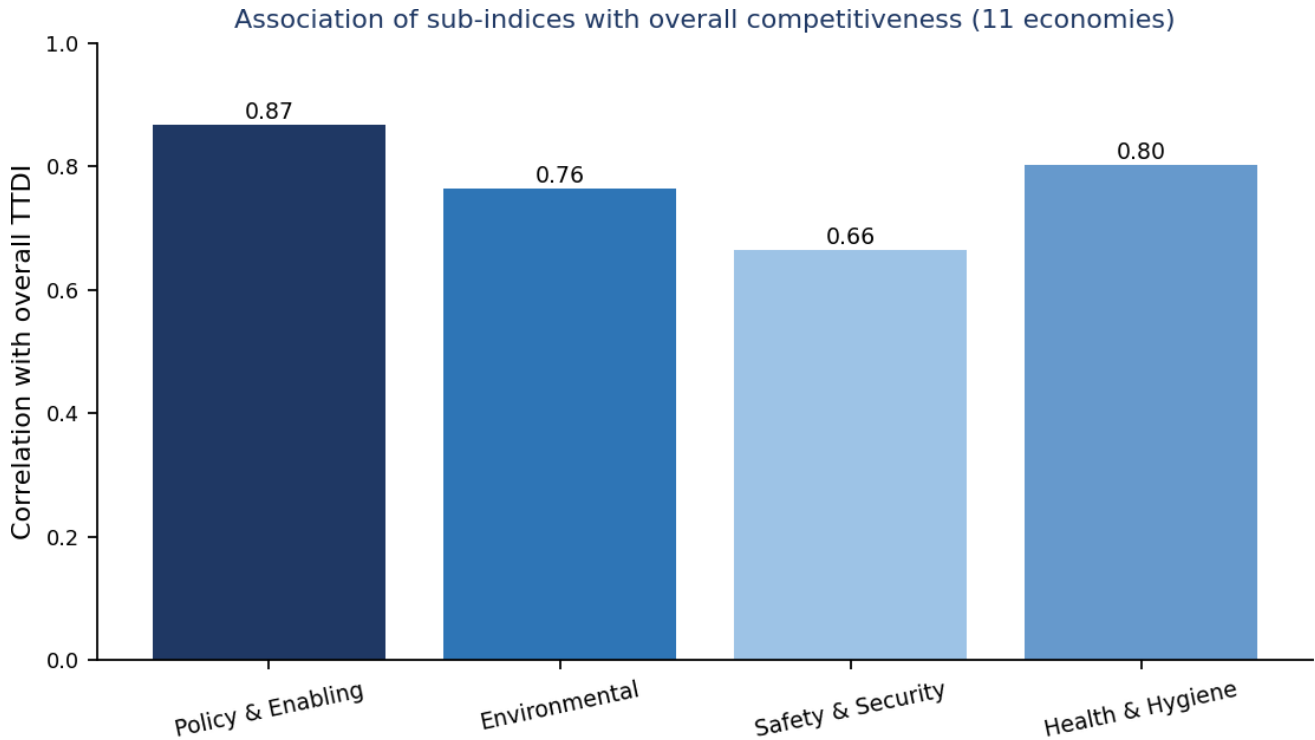


Figure 1.

Figure 1. Correlation of enabling sub-indices with overall competitiveness across eleven economies.

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Policy quality and competitiveness ($r = 0.87$)

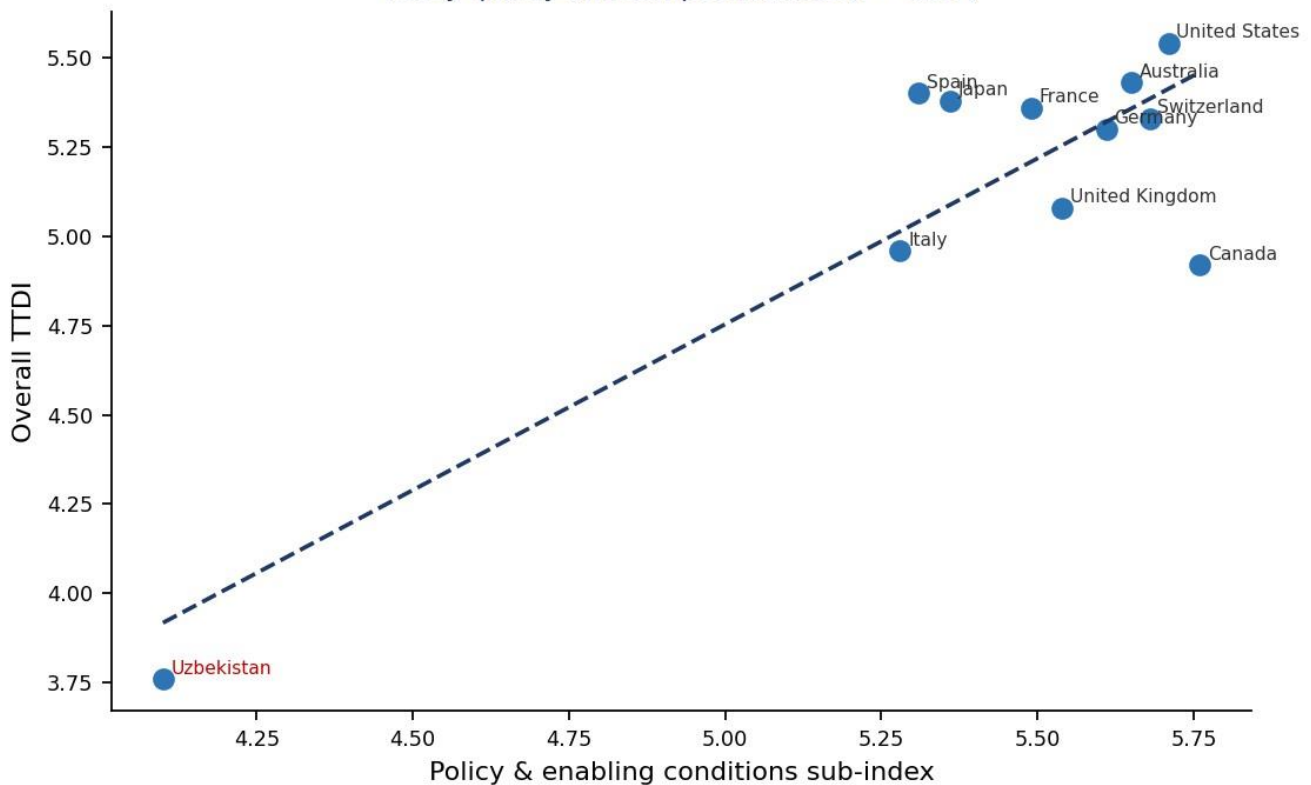


Figure 2.

Figure 2. Policy and enabling conditions versus overall competitiveness; Uzbekistan in red.

4.2. Uzbekistan's enabling profile

Uzbekistan's enabling environment is weak across the board in global terms. Its business-environment pillar ranks 82nd (index 4.10) and its travel-and-tourism prioritization 68th (4.05), indicating that neither the general regulatory environment nor the specific policy priority accorded to tourism reaches the level that the cross-country evidence associates with high competitiveness. Because policy and enabling conditions are among the strongest determinants in the sample, this enabling weakness is not a peripheral shortcoming but a central constraint on the country's overall position.

Table 1. Uzbekistan's policy and price pillars versus the global frontier.

Enabling pillar	UZ index	UZ global rank	Frontier	Frontier leader
Business Environment	4.10	82	6.15	Singapore
T&T Prioritization	4.05	68	6.12	Turkiye
Price Competitiveness	4.05	68	6.20	Malaysia

Table 1.

4.3. The price illusion

Price competitiveness is often presented as Uzbekistan's natural advantage, and in relative terms its rank of 68 is among the country's better placements. Figure 3, however, sets this in perspective. Uzbekistan's price index of 4.05 sits well below the frontier of 6.20 set by Malaysia, with Kazakhstan close behind - meaning that even on its supposed strength Uzbekistan is neither the cheapest nor close to the price frontier within its own region. More fundamentally, the literature treats price advantage as fragile and low-yield. The figure therefore exposes a price illusion: a pillar that appears to be a relative strength is in fact neither a genuine frontier advantage nor a durable basis for competitive differentiation.

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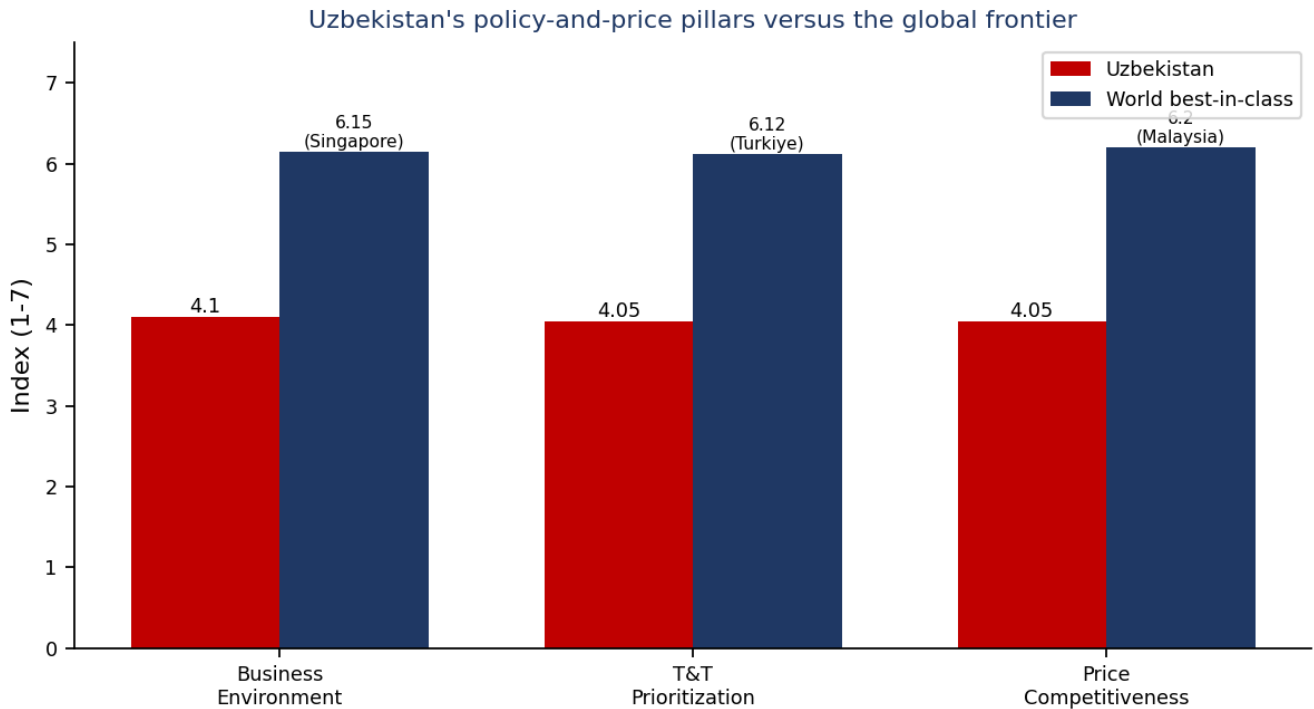
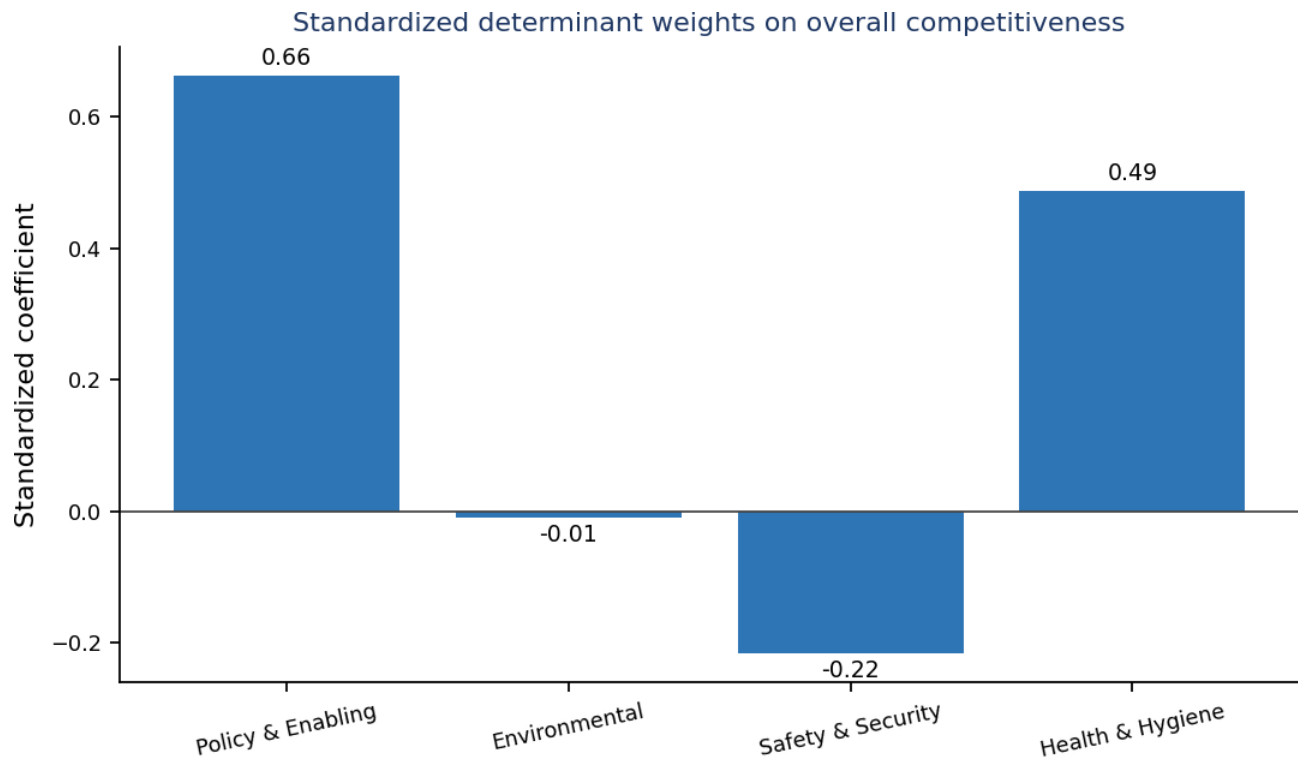


Figure 3.

Figure 3. Uzbekistan's business-environment, prioritization and price pillars against the global frontier.



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Figure 4.

Figure 4. Indicative standardized weights of enabling determinants on overall competitiveness.

5. Discussion

The results carry a clear ordering implication. Because policy and enabling conditions rank among the strongest determinants of overall competitiveness, and because Uzbekistan is weak precisely on this determinant, the highest-leverage reform domain is institutional and regulatory rather than promotional or price-based. Improving the business environment, strengthening the policy priority accorded to tourism, and raising regulatory quality address the determinant that the cross-country evidence weights most heavily, and do so where Uzbekistan has the most ground to make up.

The price illusion deserves emphasis because it shapes strategy. A destination that believes its advantage is price will underinvest in the institutional and product upgrades that generate yield, and will compete for exactly the price-sensitive demand that contributes least to value. The evidence here - that Uzbekistan is not even at the regional price frontier, and that price is a fragile and low-yield basis for advantage - argues against a price-led strategy and in favour of an institutions-and-quality-led one. This is consistent with Webster and Ivanov [5]'s conditional-benefit finding and with the frontier-analysis tradition of Assaf and Josiassen [6], in which efficiency and institutional quality, not cost, distinguish leaders.

For sequencing, the enabling environment has a particular property: it conditions the productivity of investment in every other pillar. Improvements to infrastructure or resources yield more in a high-quality institutional setting than in a weak one, so enabling-environment reform is not merely one priority among many but a multiplier on the others. This positions policy and institutional upgrading as logically prior in Uzbekistan's competitiveness strategy, complementing the resource-valorization and service-infrastructure priorities identified in the companion frontier study.

The principal limitation is the sample. Eleven observations, weighted toward the frontier, are sufficient to indicate the ordering of determinants but not to estimate them precisely or to support strong causal claims; the correlations are high in part because advanced economies score highly on all dimensions together. A larger, more heterogeneous cross-section, ideally panel data permitting fixed-effects estimation, would sharpen the determinant weights and allow the institutional-quality channel to be identified more cleanly. The Uzbekistan analysis, by contrast, rests on its own complete pillar profile and is not subject to this constraint.

6. Conclusion

Policy and institutional quality emerge from the cross-country evidence as a first-order determinant of tourism competitiveness, and it is precisely this determinant on which Uzbekistan is weakest, with its business-environment and prioritization pillars ranking in the eighties and sixties globally. The country's apparent price advantage is shown to be illusory: its price index lies well below the regional and global frontier, and price is in any case a fragile, low-yield basis for differentiation. The strategic implication is unambiguous - durable competitiveness gains for Uzbekistan run through institutional and regulatory upgrading, which both addresses the most heavily weighted determinant and raises the return on investment in every other pillar - even as the small cross-section counsels caution in treating the estimated determinant weights as precise.

Foundational and applied contributions to destination-competitiveness measurement further underpin the present framework, including [11], [12], [13], [14], [15], [16], [17].

The wider literature on tourism-led growth, economic contribution and sector resilience also frames this study, including [18], [19].

Research on tourism sustainability and smart, digital destination development likewise informs this study, including [20].

Declarations

Funding. This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

Data availability. The macro-level (Travel and Tourism Development Index) and meso-level regional datasets analysed in this study are derived from the author's Doctor of Science (DSc) dissertation research and are available from the author upon reasonable request.

Conflicts of interest. The author declares no conflict of interest.

Author contributions. The single author conceived the study, assembled and analysed the data, and wrote the manuscript.

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