

## METHODS FOR OPTIMIZING PROPERTY RELATIONS AS A KEY ASPECT OF STIMULATING THE DEVELOPMENT OF THE TOURISM INDUSTRY

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**Abstract:** The optimization of property relations is a crucial factor in promoting economic growth and advancing tourism development. This study explores the impact of different property ownership structures on key economic indicators, focusing on the relationship between public sector ownership, GDP per capita, and the Travel & Tourism Development Index. Data from OECD countries, the World Bank, the World Economic Forum, and the Statistical Agency of Uzbekistan is evaluated using a mix of theoretical analysis, empirical research and statistical modeling. Regression models, including log-log and semi-log approaches, are applied to measure the elasticity coefficients between variables. The results show a negative correlation between public sector ownership and both GDP per capita and tourism development, suggesting that excessive government control over property relations leads to economic inefficiencies. Additionally, the study reveals that a high share of public sector employment limits tourism growth and slows overall economic expansion, whereas private investment, foreign trade, and government efficiency play a significant role in ensuring economic stability. The research critically evaluates Karl Marx's idea of abolishing private property, demonstrating that in practice, such an approach has historically resulted in economic stagnation rather than progress. The study underlines the need for a well-balanced property ownership structure and supports the best mix of public and private sector involvement. Securing property rights, encouraging private sector involvement, and enacting investment-friendly policies will help nations improve their tourism industry and increase long-term economic resilience. These findings contribute to the broader discourse on economic governance, illustrating how efficient property management can serve as a driver for economic and tourism sector growth. The study provides practical insights for policymakers, emphasizing the need for well-structured property relations to ensure economic stability, improve competitiveness, and create a sustainable environment for tourism development.

**Keywords:** Marxism, communism, private property, property relations, tourism industry, economic development, public sector, private sector, investments

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### INTRODUCTION

The tourism industry is becoming a powerful driver of economic growth and social development around the world (Robina-Ramírez et al., 2024). In addition to creating new jobs, developing infrastructure and promoting cultural exchange, the sector is recognized as an important source of sustainable income for national economies (Ilieş et al., 2024; Wendt et al., 2021; Caciora et al., 2023; Hassan et al., 2024; Josan et al., 2024; Safarov et al., 2024). However, the effective development of the tourism sector is directly dependent on many factors, in particular the proper management of property rights (Wang & Xu, 2014). The cardinal changes that took place on our planet in the field of science and socio-economic

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development in the second half of the 19th century and throughout the 20th century are directly related to the name of Karl Marx. The scientific doctrine he created was widely spread worldwide and attracted the attention of many politicians, scientists, heads of state, and the general population. Researchers explain the popularity of the teaching created by Marx by his unique personal qualities: the genius of the thinker, his insightful mind, his titanic work, and his understanding of his duty to the workers (McLellan, 1973; Green, 1978). All this allowed him to create what was beyond the power of others (Osinskiy, 2018). No doctrine created in the history of human society can compete with the doctrine created by Marx in its scope and ability to influence the masses. The main criterion for the validity of any theory is practice.

Only a theory proven in practice can be recognized as a scientific innovation that benefits society. However, Marx's teaching, which cost human society dearly, could not prove its scientific nature and truth in practical experience (Lukichev, 2022). After futile experiments, Marx's teachings fell into complete decline. As a result, the states that chose to build a communist society embarked on the path of transition from a system that strictly observed all the golden rules of socio-economic development to a modern market economy.

However, the paradoxical side of the issue is that even after Marx's teaching was in complete crisis and was rejected by practice, it continued to hold its position, influencing the worldview of the public. His views remain of great interest among various strata of the population. General Secretary of the Communist Party of China Xi Jinping said at the celebration of the 200th anniversary of Marx's birth: "Two hundred years have passed, and despite the enormous and profound changes in society, the name of Karl Marx is respected throughout the world, and his theory still shines like a diamond with the light of truth" (Fuchs, 2021). According to Osinskiy (2018), "The current situation in Russia, and the world as a whole, testifies to the vitality and relevance of Marx's teachings." These opinions indicate that, in principle, Marx's teaching on building a communist society based on the abolition of private property is still recognized and supported. For this reason, the importance of scientific research on the nature and significance of private property from the perspective of human society is growing. In particular, the issues of achieving economic development and a sustainable tourism industry through effective management of property relations are becoming increasingly relevant.

In this context, the article aims to analyze the methods of optimizing property relations in the development of the tourism industry. The main purpose of the article is to study the possibilities of achieving economic growth and stability in the tourism sector by optimizing property relations, developing cooperation between the state and the private sector, and proposing modern approaches to the management of property rights. At the same time, the article aims to demonstrate the practical impossibility of the idea of eliminating private property and to prove that socio-economic development can be ensured through the effective use of the huge potential of property relations.

## LITERATURE REVIEW

The tourism sector plays an important role in stimulating economic growth and development (Safarov et al., 2024). The effective development of this sector depends on many factors (Safarov & Janzakov, 2021), and optimizing property relations is one of them (Wang & Xu, 2014; Wijburg et al., 2024). Effective management of property relations serves to develop tourism infrastructure, attract investments, and improve the quality of service provision. In this regard, studying methods for optimizing property relations in the tourism sector has become a pressing issue.

The organizational, political and scientific activities of K. Marx had an unprecedentedly strong influence on the socio-economic development of human society. The eminent Nobel Prize-winning economist Vasily Leontiev articulated the profound impact of Marx's theories, characterizing them as a series of self-fulfilling prophecies that modern economic science, despite its intricate apparatus, has been unable to refute (Osinskiy, 2018).

Jacques Attali, former head of the European Bank for Reconstruction and Development, stated: "No person has had a greater influence on the world than Karl Marx in the 20th century" (Osinskiy, 2018). Consequently, many scientific articles have been published, and symposiums and conferences have been organized to address his organizational, political and scientific activities. A detailed, comprehensive and profound analysis of the biography of Karl Marx, his political activities and achievements in the field of science has been undertaken.

Theoretical studies conducted on the basis of the analysis of extant literature have enabled the division of researchers actively participating in such discussions into two groups. The first group consists of those who favor Marx and regard his economic theories as exceptional and unparalleled. In contrast, the second group comprises those who treat Marx's economic teachings in a decidedly negative light, perceiving it as a utopian ideal and asserting its unviability. These critics also subject his economic theories to rigorous scrutiny and criticism. Scientific literature emphasizes that discussions between these two groups are widespread and have become an eternal problem. As Karchagin (2018) observes, "It would not be an exaggeration to say that the entire political theory and social philosophy of the 20th century is a direct or indirect reflection of the disputes between Marxists and anti-Marxists". Despite recent changes like these disputes, their overall number remains constant. This phenomenon is indicative of two key factors.

Firstly, it underscores the profound significance of the theoretical framework that has been developed.

Secondly, it highlights the intellectual and economic prowess of Karl Marx, the theorist behind this framework.

The origins of this recognition can be traced back to Marx's formative years. In his essay on choosing a profession, written during his time at school, Marx expressed the opinion that: "If an individual's professional endeavors are solely driven by self-interest, they may achieve renown in fields such as science, philosophy, or poetry. However, they are unlikely to attain the highest standards of virtue and excellence that define a truly great person" (Marx & Engels, 1835). From an early age, Marx aspired to become a scientist, not only for his benefit but also for the benefit of others, with the ultimate goal of attaining world fame and renown as a truly exceptional and illustrious individual. The recognition of the

division of society into Marxists and anti-Marxists, the existence of opinions that Marx is the great thinker of the millennium, the celebration of the most important dates of his life in the world, the appearance of thousands of scientific works dedicated to him, the recognition of him as the greatest philosopher of our time, the publication of a large number of works and articles written by Marx - this is a real triumph of the popularity that Marx dreamed of in his youth.

The renowned American economist and Nobel Prize winner Wassily Leontief asserts that Marx's conclusions represent an exceptional series of fulfilled predictions, a claim that modern economic science, despite its sophisticated apparatus, is unable to refute (Iaroshevskii, 2018). The Chairman of the Russian Communist Party, Gennady Zyuganov, underscores the profound contributions of Marx as a scientist and revolutionary, lauding him as the architect of communist theory and the progenitor of significant advancements in human society.

He further elaborates on this sentiment, underscoring the profound impact of Marx's theories on the trajectory of human history. Marx's contributions, in his view, have been instrumental in the emancipation of humanity from the yoke of exploitation, and have catalyzed the ascendancy of socialism. Moreover, he posits that Marx's ideological framework has provided the workers with the necessary tools to dismantle the oppressive and complex mechanisms of capitalism (Zyuganov, 2018). Some sources interpret the emergence of Marx's teachings as a necessity that arose in society at the time when he lived and worked. For example, according to researcher Osinskiy (2018), "A completely new approach to history was needed, to understanding the processes of historical development and the role of individual social classes, individuals and the masses in it. And this new approach was developed by Marx".

Consequently, it can be deduced that had Marx not pioneered the concept of constructing a communist society through revolutionary means, it is probable that another economist would have done so.

In our opinion, if Karl Marx had not existed, the theory of building a communist society by abolishing private property would not have emerged in the mind of any other economist. Even if such a concept had been conceived and exhaustively developed, it is improbable that it could have been realized through the mass mobilization of millions of people following a flawed scientific theory, ultimately leading to a proletarian revolution.

Conversely, researchers who endorse Marxist theory regard Karl Marx as a visionary whose discoveries possess universal significance for the future of human society. In their attempts to explain the crisis of Marxist theory, researchers point to subjective factors, while maintaining a firm belief in the bright future of Marx's ideas. However, they do not acknowledge that the crisis of Marx's doctrine is the inevitable downfall of a pseudo-theory, which lacks a solid scientific foundation and was fundamentally flawed from its inception. Conversely, scholars who oppose Marxism interpret his teachings as a utopian concept lacking a scientific basis and, therefore, as never realizable. They contend that the implementation of Marxist ideology has exerted considerable detrimental influence on human society.

During Marx's lifetime, his doctrine of building a communist society was rejected by the majority of economists and was not recognized as a viable or sustainable reality. His ideas did not gain widespread popularity among his contemporaries, nor did they attract significant attention from leading intellectuals of his time.

The works produced by Karl Marx did not bring him the fame he had hoped for, nor did they elevate him to the level of a truly great and accomplished figure, as he had envisioned in his youth. At his funeral in 1883, only 11 people were in attendance (Nureev, 2013), a clear indication that Marx's scientific contributions and the doctrine reflected in them were not widely supported or recognized by contemporary economists.

Historical sources indicate that renowned scholars such as Georg Lukács, Jean-Paul Sartre, Antonio Gramsci, Herbert Marcuse, Louis Althusser, and Jürgen Habermas initially found Marx's ideas compelling and believed in their validity. However, after deep reflection and further analysis, many of them later reversed their stance (Jay, 1984), a shift that was not due to a failure to understand the significance of Marx's works or his contributions to human society. Rather, it stemmed from their growing doubts about the theoretical soundness of his ideas. Upon re-evaluating their initial perspectives, they ultimately refuted the foundations of Marx's theory. Given this, we have the right to argue that the economic reasoning of these scholars holds greater validity than that of Marx himself.

Turning to the issues of managing property relations in the tourism sector, Yan (2020) emphasized in his article the importance of the public-private partnership (PPP) model in the development of tourist zones. He notes that the PPP model can reduce the financial burden in the development of tourism infrastructure and improve the quality of services.

Optimization of property relations also plays an important role in attracting investments. Rose-Ackerman & Tobin (2005) emphasize in their scientific work the need to create a favorable property legal environment for foreign investment. They prove that the guarantee of property rights and transparent procedures increase the interest of foreign investors. Many scholars have studied methods for optimizing property relations in the tourism sector, and there are various approaches to this. An analysis of the literature shows that public-private partnerships, guaranteeing property rights, and creating a favorable environment for investments are key factors in the development of the tourism sector. At the same time, the scientific heritage of Karl Marx also plays an important role as a theoretical basis for analyzing and optimizing property relations.

## MATERIALS AND METHODS

This study uses theoretical analysis, empirical and statistical analysis methods to assess the economic impact of optimizing ownership relations in the tourism sector. The study aims to assess the impact of state ownership of properties in the economy on economic growth and tourism development. To achieve this, we utilized data from the OECD (2024) report titled "Ownership and Governance of SOEs" and the 2023 World Bank dataset to analyze the relationship between public sector ownership in market capitalization and GDP per capita. Additionally, using data from the World Economic Forum, we examined how public sector ownership in market capitalization is connected to the Travel & Tourism Development Index.

The impact of the share of employment in the public sector on tourism development and economic growth indicators is also assessed. This indicator allows us to determine the impact of the balance between the public and private sectors on tourism development and economic growth. For this, log-log and semi-log regression models were used. This allows us to estimate the elasticity coefficients between the variables. The data used in the analysis are from the Statistical Agency of the Republic of Uzbekistan and the World Bank. The data cover the period from 2010 to 2023, including key indicators affecting tourism and economic development (Table 1).

Table 1. Overview of variables and data sources

Indicator (Acronym)	Indicator name	Unit of measure	Data Source
PubEmp	Share of employment in the public sector of the economy (annual)	Percentage	Statistics Agency
Invest	The volume of investments in fixed assets (annual)	Billion UZS	Statistics Agency
GovEff	Government effectiveness index	Index (-2.5 to 2.5)	World Bank
ForTrade	Volume of foreign trade turnover (annual)	Million USD	Statistics Agency
EntrOrg	Number of operating enterprises and organizations (annually)	Unit	Statistics Agency
AccFoodVol	Volume of accommodation and food services	Billion UZS	Statistics Agency
GDPCap	GDP per capita (by expenditures method, at constant prices, annual)	Thousand UZS	Statistics Agency
TotalTour	Total number of domestic and inbound Tourists (annual)	People	Statistics Agency

The selected variables and their data sources are presented in Table 1. The selected variables cover economic, institutional and infrastructural factors that directly affect the tourism industry and economic growth.

The statistical classification of these variables is presented in Table 2.

Table 2. Summary of descriptive statistics for variables (Source: Calculated by the authors)

Variable	Mean	Std. Dev.	Min	Max
GDPCap	11470.73	8725.869	2351.272	29374.369
TotalTour	533373.79	205598.11	198339	966274
PubEmp	18.592	0.904	17.295	20.727
Invest	120640.76	111884.4	16463.7	356071.4
GovEff	-0.62	0.207	-0.93	-0.26
ForTrade	33867.143	11893.738	22199.2	63528.6
EntrOrg	320764.29	126887.92	200951	592371
AccFoodVol	4779.143	5600.671	292.7	19343

During the study, we will test the following hypotheses:

**Null Hypothesis (H0):** PubEmp has no statistically significant impact on economic growth (GDPCap) and tourism development (TotalTour). This implies that the effect of PubEmp on GDPCap and TotalTour is not significantly different from zero, indicating that the inclusion of this variable in the model does not lead to substantial changes in the results.

**Alternative Hypothesis (H1):** The share of employment in the public sector (PubEmp) has a statistically significant impact on economic growth (GDPCap) and tourism development (TotalTour). If this hypothesis is accepted, it would mean that PubEmp plays a crucial role in influencing GDPCap and TotalTour, demonstrating its relevance and significance within the model. Two regression models are constructed to test the above hypotheses. The model for assessing the impact of the share of employment in the public sector on economic growth (1):

$$\ln(\text{GDPCap}) = \beta_0 + \beta_1 \ln(\text{PubEmp}) + \beta_2 \ln(\text{Invest}) + \beta_3 \text{GovEff} + \beta_4 \ln(\text{ForTrade}) + \beta_5 \ln(\text{EntrOrg}) + \varepsilon \quad (1)$$

where  $\beta_0$  – the regression model intercept (constant term);  $\beta_1, \beta_2, \beta_4, \beta_5$  – elasticity coefficients of the independent variables;  $\beta_3$  – marginal effect of the relevant independent variable;  $\varepsilon$  – random error term.

Model for assessing the impact of public sector employment on tourism development (2):

$$\ln(\text{TotalTour}) = \gamma_0 + \gamma_1 \ln(\text{PubEmp}) + \gamma_2 \text{AccFoodVol} + \gamma_3 \ln(\text{ForTrade}) + \varepsilon \quad (2)$$

where  $\gamma_0$  – the regression model intercept (constant term);  $\gamma_1, \gamma_3$  – elasticity coefficients of the independent variables;  $\gamma_2$  – marginal effect of the relevant independent variable;  $\varepsilon$  – random error term. When estimating the impact of the share of public sector employment (PubEmp), other independent variables that may affect GDP per capita (GDPCap) and total number of tourists (TotalTour) were used in the model as auxiliary indicators to ensure model reliability. This approach allowed for a more accurate assessment of the indirect effects of the public sector on the economy and tourism development.

## RESULTS

This section presents the empirical findings of the study, analyzing the relationship between public sector ownership and economic performance through correlation and regression methods. The results provide insights into the effects of state intervention in the economy, particularly in the context of Karl Marx's theories on state ownership and private property. Marx argued that eliminating private ownership would lead to a more just and prosperous society. However, empirical evidence challenges this notion by examining the impact of public sector dominance on economic growth.

A negative correlation is evident between public sector ownership in market capitalization and GDP per capita in OECD countries for 2023. The scatter plot reveals a negative correlation between these two variables, with a correlation coefficient of -0.2951 and a two-tailed p-value of 0.0852 (Figure 1).

This finding indicates that countries with a higher share of public sector ownership in market capitalization tend to have lower GDP per capita. This result can be considered statistically significant at the 90 percent level of significance.

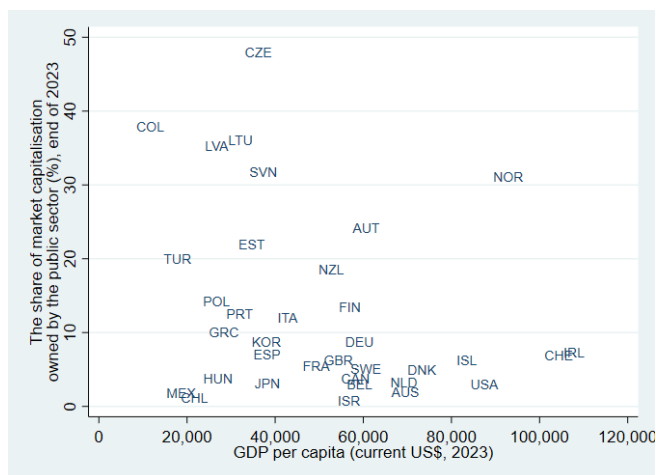


Figure 1. Relationship between public sector ownership in market capitalization and GDP per capita (2023) for OECD countries. Note: corr = -0.2951, p = 0.0852 (two-tailed) (Source: Created by the authors)



Figure 2. Relationship between public sector ownership in market capitalization and Travel & Tourism Development Index (2023) for OECD countries. Note: corr = -0.5033, p = 0.0024 (two-tailed) (Source: Created by the authors)

Figure 2 shows the relationship between public sector ownership in market capitalization and the Travel & Tourism Development Index for OECD countries. The results show that a high share of the public sector in the economy is negatively correlated with tourism development (corr = -0.5033, p = 0.0024). This negative correlation suggests that excessive state involvement in the economy can limit the competitiveness of the private sector and tourism. In particular, countries such as the Czech Republic (CZE), Latvia (LVA) and Colombia (COL) have high levels of public ownership, which are associated with low tourism development indices. On the contrary, countries such as the United States (USA) and Spain (ESP) have low levels of public ownership and high tourism development indicators. These results indicate the need to strengthen the role of the private sector in tourism and optimize state involvement.

This finding contributes to the ongoing debate on the impact of state ownership on economic performance. While state participation in strategic sectors may enhance economic stability and address market failures, excessive government control over market capitalization may reduce private sector incentives, limit competition, and slow economic growth.

The Soviet Union (USSR) is widely regarded as the most significant historical exemplar of implementing Karl Marx's theoretical concepts in practical terms. However, following its dissolution in 1991, the former Soviet states, including Uzbekistan, underwent a transition towards market-oriented economies, with a strong emphasis on privatization. In recent years, Uzbekistan has continued this transition by implementing large-scale privatization programs. Notably, in 2023, state-owned asset privatisation efforts led to the public sale of over 5,300 assets, including government shares, real estate properties, and land plots, with a valuation of approximately 20.9 trillion UZS. Of these, 2,008 assets were successfully sold for a total of 11.4 trillion UZS (UzSAMA, 2024).

The present study aims to examine the validity of Karl Marx's ideas on property and state ownership. Therefore, this study examined the impact of the share of employment in the public sector (PubEmp) on economic growth (GPDcap) and tourism development (TotalTour).

The present study has been designed to provide empirical evidence on the role of public sector employment in economic growth and tourism development, whilst taking into consideration other influencing factors. By analyzing the relationship between public sector employment and GPDcap as well as TotalTour the study will contribute to the broader discussion on state intervention in the economy and its long-term effects on economic development.

To test the above hypotheses, we first analyzed the relationships between the studied variables by constructing a correlation matrix (Table 3). This step is instrumental in identifying potential multicollinearity issues, which, before estimating the regression equation, must be addressed.

Table 3. Correlation matrix of variables. (Source: Calculated by the authors)

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) ln(GPDcap)	1.000							
(2) ln(TotalTour)	0.443	1.000						
(3) ln(PubEmp)	-0.483	-0.356	1.000					
(4) ln(Invest)	0.994	0.446	-0.430	1.000				
(5) GovEff	0.815	0.452	-0.213	0.813	1.000			
(6) ln(ForTrade)	0.890	0.565	-0.174	0.897	0.800	1.000		
(7) ln(EntrOrg)	0.946	0.402	-0.257	0.936	0.879	0.940	1.000	
(8) AccFoodVol	0.862	0.565	-0.227	0.853	0.850	0.938	0.939	1.000

According to Chaddock's (1925) scale, a correlation coefficient of 0.7 or higher indicates a strong relationship between variables. The analysis revealed that  $\ln(\text{Invest})$ ,  $\text{GovEff}$ ,  $\ln(\text{ForTrade})$ ,  $\ln(\text{EntrOrg})$  and  $\text{AccFoodVol}$  had correlation coefficients greater than 0.7 with each other, suggesting a high degree of multicollinearity among them. To ensure the accuracy and reliability of the regression model, highly correlated independent variables were expressed in separate regression equations. In addition, the robust standard error method was used to reduce the problem of heteroscedasticity and stabilize the results. This approach helped to ensure the reliability and accuracy of the relationships between the variables. The results of the regression analysis are presented in Table 4.

Table 4. Regression analysis results (Source: Calculated by the authors)

Variables	$\ln(\text{GPDCap})$	$\ln(\text{GPDCap})$	$\ln(\text{GPDCap})$	$\ln(\text{GPDCap})$	$\ln(\text{TotalTour})$	$\ln(\text{TotalTour})$
<b><math>\ln(\text{PubEmp})</math></b>	<b>-1.153** (-2.56)</b>	<b>-5.531* (-2.18)</b>	<b>-5.773*** (-5.42)</b>	<b>-4.377*** (-6.85)</b>	<b>-2.226* (-2.19)</b>	<b>-2.011* (-3.61)</b>
$\ln(\text{Invest})$	0.739*** (31.83)					
$\text{GovEff}$		2.93*** (8.49)				
$\ln(\text{ForTrade})$			2.171*** (8.91)		0.664*** (3.39)	
$\ln(\text{EntrOrg})$				2.027*** (16.36)		
$\text{AccFoodVol}$						0.00004*** (5.75)
Constant	4.133** (2.82)	27.033*** (3.67)	3.381 (0.81)	-3.725 (-1.29)	12.726*** (3.13)	18.819*** (6.61)
Prob > F	0.000***	0.000***	0.000***	0.000***	0.002***	0.000***
R-squared	0.991	0.765	0.903	0.957	0.388	0.3745
Mean VIF	1.23	1.05	1.03	1.07	1.03	1.05
Note: *** $p < 0.01$ , ** $p < 0.05$ , * $p < 0.1$						

According to the results of the regression analysis presented in Table 4, it was found that the share of employment in the public sector ( $\ln(\text{PubEmp})$ ) has a negative impact on economic growth ( $\ln(\text{GPDCap})$ ). In all models (1–4), the coefficient of  $\ln(\text{PubEmp})$  is statistically significant ( $p < 0.1$ ), with values of -1.153, -5.531, -5.773 and -4.377, respectively. This means that an increase in the share of employment in the public sector can slow down economic growth. In particular, the variable  $\text{Invest}$  ( $\ln(\text{Invest})$ ) has a significantly positive impact on economic growth ( $\beta = 0.739$ ,  $p < 0.01$ ), which indicates that private investment plays an important role in the economy. It was also observed that government efficiency ( $\text{GovEff}$ ) and foreign trade volume ( $\ln(\text{ForTrade})$ ) both have a positive impact on GDP per capita growth ( $\beta = 2.93$  and  $2.171$ ,  $p < 0.01$ ). When assessing the impact on tourism development ( $\ln(\text{TotalTour})$ ), the share of employment in the public sector ( $\ln(\text{PubEmp})$ ) also has a negative impact ( $\gamma = -2.226$  and  $-2.011$ ,  $p < 0.1$ ).

On the contrary, the volume of accommodation and food services ( $\text{AccFoodVol}$ ) and foreign trade volume ( $\ln(\text{ForTrade})$ ) show a positive impact on tourism development ( $\beta = 0.0004$  and  $0.664$ ,  $p < 0.01$ ). These results indicate that excessive participation of the public sector in the economy and tourism can reduce economic efficiency, and the development of the private sector and foreign trade can stimulate growth. The high explanatory power ( $R^2$ ) of the model confirms that the selected variables have a significant impact on economic and tourism indicators.

The economic thought of Karl Marx had a profound impact on political movements and global debates on private property and social justice. His vision of abolishing private ownership to create a fairer society inspired millions and led to the establishment of socialist states. However, subsequent events have demonstrated that his theoretical framework was not applicable in a practical sense. While Marx espoused the notion that the abolition of private property would engender equality, historical experiments, such as the Soviet Union, demonstrated that state ownership frequently resulted in inefficiency, economic stagnation, and resource misallocation. A fundamental weakness in Marx's theoretical framework pertains to the supposition that the distribution of wealth would be determined by need rather than by productivity. In reality, economic resources are limited, and human desires are boundless. This has been evidenced by the persistent pursuit of economic growth by the wealthiest individuals in market economies, thereby demonstrating that the attainment of complete economic equality is neither realistic nor sustainable. The absence of incentives for innovation and diligence has been demonstrated to result in diminished productivity and the stagnation of economic growth.

While acknowledging the shortcomings of market economies, it is important to recognize their superiority in promoting innovation, rewarding hard work, and enhancing overall living standards. In contradistinction to the economic provisions espoused by Marx, market-driven economies empower individuals to achieve success based on their endeavors, as opposed to the utilization of state control. The imposition of artificial equality through forced redistribution has frequently resulted in economic collapse rather than prosperity. The objective of achieving a just society, as espoused by Marx, is laudable. However, historical evidence has demonstrated that the presence of private ownership and the operation of free markets are indispensable for achieving economic prosperity. The historical record demonstrates that economies under state control have consistently fallen short of achieving long-term growth and prosperity. Instead of the complete elimination of private property, societies have realized greater success in achieving a balance between market efficiency and social protections, thereby ensuring both economic growth and fairness.

## DISCUSSION

The results of this study allow us to reassess Karl Marx's theories on the economic relationship between private property and state property in the context of modern economic and tourism development. The idea of 'abolition of private property', put forward by Marx and Engels (1848) in 'The Communist Manifesto', has been the subject of much

theoretical discussion. However, practical analyses and empirical results, especially those obtained in this study, require a reconsideration of the impact of this idea on economic growth and tourism development.

Maslow (1943) hierarchy of needs theory suggests that humans need to satisfy their basic physiological and social needs. Marx's idea of abolishing private property denies these needs and contradicts human nature. Recent studies by Lähteenmäki-Uutela et al. (2021) and Ilies et al. (2023) emphasize the importance of private property rights in maintaining economic and social structures. This study assessed the impact of the share of public sector employment on economic growth and tourism development. According to the results of regression analysis, the impact of the share of public sector employment on economic growth is negative and statistically significant. This suggests that an increase in the level of state ownership can slow down economic growth. This is explained by the low efficiency and high risk of resource misuse in the public sector. A similar negative effect was observed for the tourism development indicator. This result suggests that a high share of state ownership in tourism can limit innovation and competitiveness. In particular, the role of the private sector in improving tourism infrastructure and service quality is shown to be important (Vail & Hultkrantz, 2000).

In addition, the regression model revealed a positive effect of indicators such as investment, foreign trade volume and government efficiency. For example, the  $\ln(\text{Invest})$  variable had a significant positive effect on economic growth, indicating that private sector investment activity contributes to economic stability.

Graphical analyses (Figure 1 and Figure 2) showed the relationship between the share of state-owned assets in market capitalization and economic growth and tourism development. In particular, in the case of OECD countries, an increase in the share of the public sector in the economy was accompanied by a decrease in economic growth and a lower tourism development index. The main reason for this was shown to be the inefficient use of resources by the public sector and the creation of barriers to private sector innovation.

Overall, the results of this study provide evidence against Karl Marx's idea of the abolition of private property and confirm that in a modern market economy, private property and free competition are important factors for economic growth and tourism development. This implies the need to ensure a balance between the state and the private sector, effective management of state property, and the creation of a favorable business environment for the private sector.

## CONCLUSION

The theoretical and empirical research conducted has led to the conclusion that the concept proposed by Marx, which suggests the feasibility of the complete abolition of private property through revolutionary means, and the subsequent establishment of a communist society founded on public property, is a theoretical construct that lacks practical viability.

The true greatness of K. Marx lies not in his creation of a new teaching on the transition to communism through his three-volume work "Capital", but rather in his ability to persuasively disseminate a false and unscientific theory to millions of people. The public, having accepted his utopian scholastic ideas, participated actively in revolutionary upheavals, and many people even gave their lives in the fields of such battles.

The outcome of this period was the establishment of the USSR and the socialist camp, comprising 14 countries worldwide. Following almost 70 years of unsuccessful attempts to implement Marx's conceptions of the equitable distribution of income among the general population, based on the destruction of the means of production, such a system has reached a complete crisis. The primary cause of the collapse of this theoretical framework, which was implemented in a forced manner, can be attributed to the initial failure to acknowledge the fundamental economic principles that govern societal dynamics. This oversight occurred during the formulation of the aforementioned doctrine.

The theory developed by Marx is predicated on a fundamental contradiction to the underlying economic law of perpetual growth in human needs. This theoretical inconsistency proved to be a significant contributing factor to the eventual collapse of the theory. The notion of establishing a communist society through the complete eradication of the institution of private property is theoretically unsound and, consequently, lacks a viable future. Despite this, there are ongoing attempts to attribute the crisis of Marx's teachings to subjective factors and faith in its future, which is indicative of a lack of economic understanding.

Consequently, it is imperative to refrain from the complete abolition of private property, instead advocating for its effective utilization by the demands of the contemporary era. The rational distribution of private property, the strengthening of its integration with the state, and the improvement of the legal framework for its development are crucial. Large-scale scientific research in these areas is essential for addressing the remaining issues.

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