

THE ROLE OF GSP+ AS AN EXTERNAL COMMITMENT MECHANISM FOR DOMESTIC ECONOMIC REFORMS IN UZBEKISTAN

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Abstract. *Trade preferences are unilateral tariff concessions granted by developed economies to developing ones. This article asks what the Generalised System of Preferences has actually delivered for Uzbekistan since the country entered the European Union's GSP+ arrangement in 2021. It argues that the value of these schemes has come less from the tariff saving, which is modest, than from the conditionality attached to them, which functioned as an external commitment device and made domestic reform credible to buyers worldwide. The clearest evidence lies outside tariff data: the elimination of systemic forced labour in the cotton harvest, verified by the International Labour Organization, ended a boycott supported by 331 international brands and reopened global markets that no tariff concession could have opened on its own. At the same time, preferences have not diversified the export basket, which remains concentrated in chemicals and textiles. With the current EU regulation expiring in 2027, the article concludes that the binding constraint on Uzbek exports is domestic productive capability rather than market access.*

Keywords. *Generalised System of Preferences; GSP+; Uzbekistan; trade conditionality; export diversification; forced labour; European Union; Developing Countries Trading Scheme; market access*

1. What trade preferences are

The Generalised System of Preferences is a framework under which developed economies grant duty-free or reduced-tariff access to imports from developing countries without asking for anything in return. The idea was endorsed by UNCTAD Resolution 21(II) in 1968 and the first scheme, that of the European Community, entered into force in 1971 (*UNCTAD, 2025*). Because such discrimination breaches the most-favoured-nation rule, it required a GATT waiver, made permanent by the Enabling Clause of 1979 (*Congressional Research Service, 2025*). Fourteen economies now operate schemes of their own (*UNCTAD, 2025*).

The European Union scheme, the most relevant for Uzbekistan, has three tiers. Standard GSP reduces or removes duties for lower-income countries. Everything But Arms grants least developed countries duty-free access on all products except weapons. GSP+ sits between them: it suspends duties on roughly 66 per cent of EU tariff lines, but only for economies judged vulnerable because their exports are undiversified, and only if they ratify and effectively implement 27 international conventions on human rights, labour rights, environmental protection and good governance (*GSP Hub, 2026*). The third tier is therefore not simply a deeper discount. It is a contract.

2. Uzbekistan's place in the preference architecture

Uzbekistan applied for GSP+ in June 2020 and became the scheme's ninth beneficiary on 10 April 2021, gaining duty-free access for about 6,200 product lines, roughly double the number covered under the standard arrangement (*EEAS, 2021; Novastan, 2021*). The Commission examined the application and found no evidence of serious failure to implement the relevant conventions (*European Commission, 2023*).

The country is a beneficiary of several schemes at once, which matters for any assessment of global impact. In November 2021 Uzbekistan became the first country admitted to the United Kingdom's Enhanced Framework, and since June 2023 it has held Enhanced Preferences under the Developing Countries Trading Scheme, which removes duties on about 92 per cent of product lines (*International Trade Administration, 2024; UK Government, 2024*). The United States is the significant absence: its GSP programme lapsed on 31 December 2020 and has not been reauthorised, so Uzbek exporters face ordinary tariffs in that market (*Congressional Research Service, 2025*).

3. The argument: conditionality has mattered more than tariffs

The conventional case for GSP is that lower duties raise export earnings. On that measure the Uzbek record is unimpressive. Uzbek exporters saved just over EUR 28 million in duties in 2022, against total EU imports from Uzbekistan of EUR 845 million in 2024 (*EEAS, 2024; GSP Hub, 2026*). The saving is real but small, and it was always going to be, because EU most-favoured-nation tariffs on Uzbek goods were already low under the Partnership and Cooperation Agreement in force since 1999 (*East Asia Forum, 2026*). A scheme cannot remove much of a barrier that was modest to begin with.

The failure is not one of uptake. In 2024 some 63 per cent of EU imports from Uzbekistan entered under GSP+, and the utilisation rate, meaning the share of eligible imports that actually claimed the preference, reached 92 per cent, among the highest of any beneficiary (*GSP Hub, 2026*). Uzbek firms are using what they were given. The limits lie elsewhere.

What the schemes did deliver was leverage. GSP+ tied market access to 27 ratified conventions, several of them ILO instruments on forced and child labour, and thereby converted a domestic reform agenda into an externally verified obligation. The result is visible in the cotton sector. The ILO's third-party monitoring found that systemic forced and child labour had been eradicated during the 2021 harvest, and on 10 March 2022 the Cotton Campaign ended the global boycott it had maintained since 2009, a boycott joined by 331 international brands and retailers (*ILO, 2022*). Quotas were abolished, the use of adult forced labour was criminalised and pickers' wages were raised (*Cotton Campaign, 2022*).

This is the decisive evidence, and it is global rather than European. A boycott observed by hundreds of buyers in North America, Europe and Asia closed markets that tariff preferences alone could never have opened. Its removal restored Uzbekistan's access to the international apparel supply chain, and in September 2024 the country hosted the annual conference of the International Textile Manufacturers Federation, an event unimaginable three years earlier (*Global Voices, 2024*). Preferences worked here as a reputational instrument, not as a price mechanism.

4. What preferences have not done

The schemes have not diversified exports. In 2024 chemicals, dominated by fertilisers and uranium, made up 54 per cent of Uzbek exports to the European Union and textiles a further 8.4 per cent, while processed foods, leather goods, footwear and wood products together accounted for under 1.5 per cent (*East Asia Forum, 2026*). Since fertilisers and uranium face low tariffs regardless of GSP+ status, most of the preferential trade is concentrated in goods the preference barely helps. The binding constraints are standards infrastructure, certification

capacity and administrative bottlenecks, none of which a tariff concession addresses (*East Asia Forum, 2026*).

Conditionality also cuts in both directions. The most recent EU monitoring report records progress on social protection, healthcare and environmental compliance, but identifies backsliding on civic and media space, judicial independence and torture prevention (*Council of the European Union, 2026*). The same mechanism that once rewarded reform can withdraw the reward if commitments erode, which is precisely what makes it a commitment device rather than a gift.

5. Conclusion

For Uzbekistan the Generalised System of Preferences has been an instrument of credibility more than of revenue. The duty savings are marginal against the size of the economy, and the export basket looks much as it did in 2021. But the conditions attached to GSP+ helped convert cotton sector reform into an internationally verified fact, and that verification reopened world markets on a scale no tariff line could match.

The current EU regulation expires in 2027, and the United States programme remains dormant. Uzbekistan should therefore treat preferences as a closing window rather than a standing entitlement. The evidence points to one conclusion: the next stage of export growth depends on quality infrastructure, certification and firm-level capability inside Uzbekistan, not on further concessions from outside it.

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