Conflict in the Industry of Uzbekistan (1980s)

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Abstract: This article discusses the fact that over the years it has become clear that the partial reconstruction of the useless economic system can’t be achieved, large-scale restructuring in the field of economic management, a number of experiments aimed at strengthening economic relations and improving the economic mechanism, and other issues. This was also the reason for the use of outdated technology, tools that were out of date, both spiritually and physically.

Key words: partial reconstruction, economic system, large-scale restructuring, economic management, experiments, economic relations, economic mechanism, socio-economic development, Soviet government, reconstruction policy, technological progress.

Introduction

The first attempts of the Soviet government to implement the plans put forward in 1985 to accelerate the country’s socio-economic development did not bring the expected results. It has become clear that the goal cannot be achieved by partial reconstruction of the unusable economic system, which has been introduced over the years. It is true that in the field of economic management large-scale restructuring processes have been carried out, a number of experiments have been carried out aimed at strengthening economic relations and improving the economic mechanism. However, the measures taken in the context of the existing command-and-control system did not yield the expected results.

Mistakes made during the reconstruction policy, the breakdown of relations between the regions of the country, the aggravation of the political situation, the tasks set were not achieved. In particular, during 1986, 321 enterprises and organizations in the country failed to fulfill the planned tasks, did not deliver

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products worth 347.7 million rubles. Of the 225 most important types of products, 86 failed to meet the state plan [1.13].

The main findings and results

Much things become clear if we carefully analyze the data of statistical bulletins on the main indicators of scientific and technological progress. The point was that even if the plans themselves were not real and vital, rather than lagging behind the planned tasks and activities, not enough attention was paid to the priorities of scientific and technological progress. This was also the reason for the use of outdated technology, tools that were out of date, both spiritually and physically. The issue of technical re-equipment of the “Attack” silk factory alone has not been resolved for four or five years, where all 252 silk weaving machines of the 1927 model were on the verge of shutting down. More than 60% of the equipment in local industries has been in use for 20 years [2].

In fact, the study period was aimed at the reconstruction of the economic system, strengthening its material base, the introduction of new technologies, the rapid development of the economy and the social sphere on the basis of a high-level management system. But, as it turned out, the hopes made turned out to be raw fantasies. Because during the two years of the Twelfth Five-Year Plan, economic growth rates continued to decline. As a result, 4.2 billion soums worth of social products, 3.4 billion soums of national income and 2.2 billion soums of gross agricultural output were received. During this period, the absolute growth of the product of social production did not occur in practice. This shows that the sustainable process of expanded reproduction in the country has not been ensured [3.20].

The transfer of enterprises to full self-sufficiency and self-sufficiency did not justify itself, because the system of “socialist management”, the command-and-control methods of management prevented the manifestation of objectively healthy market relations in practice. Therefore, at the same time, a large number of enterprises, organizations and farms, which were transferred to self-sufficiency and self-financing, suffered losses [4.35].
During this five-year period, the number of operating enterprises, organizations and farms under the Council of Ministers of the Uzbek SSR decreased from 4,796 to 2,104 (the damage increased by 152.6 million soums or 23.3%). Within the manufacturing sector, the number of enterprises that achieved a positive result in 1988 was twice less than the number of enterprises that made a loss in 1987. The actual loss was 419.5 million soums instead of 607.4 million soums, and the total number of loss-making enterprises was 1,515 (or 73.6%)[5.37].

After all, 75-80% of the equipment in the association was physically obsolete, and the level of spiritual obsolescence was exactly 100%. Therefore, such arbitrariness of the ministry would also dampen the incentive to develop a long-term plan to save resources.

No matter how strong the aspirations for positive results, the effect of the reforms was not large enough. In January-August 1988, out of 1267 industrial enterprises in Uzbekistan, only 320 (25.3%) worked on a full-time basis and self-financing[6.23].

The quality problem has become too acute. In order to solve this problem, the state acceptance of the product has been introduced. In 1986, 27 posts on state acceptance controlled the main production sites in Uzbekistan. In 1987, the volume of unusable products at state-owned enterprises amounted to 833,000 soums. At 33 enterprises, where state acceptance was introduced, products worth an average of 0.9 million soums a month were not accepted.

Life experience has shown that the adoption of a state, which is a real administrative measure, has not even slowed down the process, let alone halting the decline in production. Indeed, in order for the products to be of high quality, it was necessary to implement a very wide range of measures related to the radical renewal of the production process. On the one hand, the lack of financial resources and material resources, on the other hand, the insistence of the official authorities on the implementation of the plan tasks led to the superficiality of state acceptance. As a result of pressure from the administration, quality issues gradually became
secondary to tertiary issues. If in December 1986, 60% of the products were accepted by the state acceptance requirement, by January 1987, 48.5% of the products met the state acceptance requirement. As a result of measures taken to improve the quality of products in the country, in 1986 the share of high-quality products in total production was 15% in the Union and only 10% in Uzbekistan [7.10]. The situation in the light industry was particularly bad, with the industry focusing on “gross performance” instead of producing children’s goods. Despite the fact that the local industry has a gross output plan, in 1986, trade enterprises refused to receive goods worth 70 million soums from this sector. Because those products were of poor quality and unfit for purchase[7.8].

Law on Enterprises of the USSR, adopted in June 1990 [8] significantly expanded the economic and political rights of enterprises. Since then, enterprises have been able to rely on any form of ownership, independently use the net profit remaining after taxes, and determine their relationship with the state only on a market basis.

Unfortunately, even the partially reformed Soviet social and state system objectively created difficulties in the transition from a state-owned economy to a vital market. The Soviet regime’s attempt to form a “socialist” market meant the complete failure of its progressive initiatives. The lack of real economic and political independence of national republics, including Uzbekistan, has hindered the transition to market relations.

It was no longer possible to eradicate the vices of the Soviet economy, which had become heavier and more expensive. Because the decline in all sectors of the economy continued.

In recent years, “reconstruction” has been a complex and controversial process in the social development of workers and employees of the republic. There were no qualitative changes consistent with their quantitative growth, a figure that lagged behind natural population growth, leading to a significant surplus of labor.

In training, requirements such as their salary level, working conditions, the prestige of employees in various specialties were not met. By the end of the 1980s,
about 20,000 highly educated professionals and more than 140,000 secondary special education professionals were engaged in physical labor rather than mental labor.

The decline in the labor activity of the employed population was one of the alarming signs of an increase in adverse events. Instead of the projected 18% increase in labor productivity, industry averaged only 12% compared to 1985, construction 7%, while in the light industry it even declined by 2%. The high level of the able-bodied but unemployed population in the republic has led to an increase in inter-ethnic conflicts. It is worrying that the proportion of young people among the unemployed population has increased, from 46.7% in 1979 to 51% (54.1% in rural areas) in 1989. The situation was further complicated by the fact that the population growth rate in the republic was 3 times higher than in the union [9.25].

During the years of Soviet rule, the productive forces of the Central Asian region developed somewhat, actively armed with modern achievements of scientific and technological progress, man became more active in nature and sometimes its unjustified intrusion has become a huge burden on its habitat, creating an environmental situation that poses a potential threat to human health and life.

With the growth of industrial production in Uzbekistan, the volume of pollutants emitted into the atmosphere has increased significantly, exceeding 4.2 million tons per year, of which 2.9 million were emitted from vehicles. The air in Andijan, Gulistan, Kokand, Karshi, Navoi, Tashkent, Fergana and other cities is very polluted. The amount of harmful substances released into the air at one time in these areas was 6-9 times higher than the permissible norms.

The severity of the environmental problem was due in part to an increase in material consumption in national income, which led to an increase in man’s anthropogenic burden on nature. For example, in the Uzbek SSR in 1988, a 1% increase in national income required a 29% increase in material consumption. The economic structure also had a significant impact, with a large share of “polluting” sectors - energy, metallurgy and mining.
Excessive consumption of materials and energy in production led to large-scale extraction of minerals, their processing and disposal, which, in turn, led to the release of large amounts of waste rock, ash and rock, water and air pollutants. It is estimated that more than 7.5 million tons of industrial waste and more than 60 million tons of surface rock are generated annually in Uzbekistan, but the rate of their re-involvement in production was not clearly satisfactory, at that time it did not exceed 3%. This was 2 times lower than in the All-Union and 4 times lower than in the Ukrainian SSR.

The situation with the involvement of the resulting waste in the production process was as follows: secondary fabric - 90%, ash and stone - 8.6%, kaolin clay - 4.4%, secondary polymers - 20%. In practice, agricultural waste, asbestos waste (about 2 million tons), concrete and reinforced concrete (6.6 thousand tons), sawdust and wood processing waste were almost never used in the country [10.51-54].

Uzbekistan’s foreign economic relations were under the control and management of the USSR Ministry of Foreign Trade and other relevant allied organizations. All foreign exchange and export-import operations, income and profit distribution were carried out by them, from which, first of all, all-Union programs were provided. To the extent that the centralized foreign economic activity of the country has been preserved, the crisis in the production of the constituent republics, as well as the reforms in this area have taken place.

In Uzbekistan, this reform has completely failed, has not changed the direction of the republic's exports of raw materials, its structure and the traditional dependence on the import of certain groups of goods. Uzbekistan’s ability to sell ready-made textile products abroad and reap the benefits has not changed.

Thus, the raw material orientation of the Uzbek economy was strengthened by the All-Union division of labor, and its development was closely linked with cotton growing, and in the years of “reconstruction” was aimed at improving the economic mechanism of the cotton agro-industrial complex, this mechanism served the task of providing the textile industry of Russia and some socialist
countries with the necessary quantity and type of fiber. Uzbekistan’s specialization in this way has predetermined its national income and, consequently, its low living standards. It is known that while maintaining this specialization, the development of industry and agriculture, the transition to a modern science and technology, as well as raising the system of education and training to a new level, and thus get out of the deadlock. The center pursued a very ineffective policy in this regard. Excessive labor consumption and unemployment in the country (there were at least 1 million unemployed in the Fergana Valley alone), among other problems - a large number of people, especially the addition of old problems, such as the concentration of the local population in rural areas, the predominance of community values and interests (seed, family) over personal interests, the lack of prospects and hope for the future in young people, for example, their greater presence in the Fergana Valley and elsewhere has exacerbated the situation in Uzbekistan, making it internally divisive and unstable[11.39-54].

**Conclusion**

In conclusion, on the one hand, the republic itself has a much stronger production and economic base. Its agriculture and industry have become of significant economic importance not only within the Union but also internationally. Uzbekistan has managed to enter the world market with its industrial products (albeit not independently). In particular, the republic's electrical products were exported to more than 30 countries. Uzbekistan was the only republic to supply equipment for ginneries and other cotton-related machinery to Bulgaria, Yugoslavia, and Cuba, There is an opportunity to supply natural gas to Eastern European countries, to produce non-ferrous metallurgy and chemical products for export. Machinery, chemicals, textiles, porcelain, agricultural machinery, equipment for the chemical and textile industries, diesels, compressors, excavators, and film equipment were exported to developed capitalist countries. However, many types of Uzbek products are not very competitive, and at the same time, these products were produced under the name “USSR”.
On the other hand, the republic’s economy was forcibly linked to other economic regions of the USSR. This connection was further complicated by the influence of deepening production cooperation. Uzbekistan had to import cars, various equipment and consumer goods from other allied republics. Increasing specialization and cooperation by the Soviet regime did not allow Uzbekistan to operate freely.

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11. See more about this: Uzbekistan RPDA. Fund 58, List 418, Volume 1, Pages 39-51.