

# Uzbekistan: Strategy from a Planned Economy to a Market

(Economic memory of the First President of Uzbekistan Islam Karimov essay)

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**Abstract.** Article dedicated to the memory of Islam Karimov, the first President of Uzbekistan, who led the country during the transition from a planned to a market economy, has developed a kind of "Uzbek model". The merit of it is to create the foundations of a democratic state with a market economy, the development of industry and agriculture, the reforms in all spheres of public education and the socio-political life of society.

**Keywords.** Islam Karimov, a national political leader. "Uzbek model" of the market economy. Economic development of entrepreneurship and small business in the country. I.A.Karimov kind of policies as a regional and international arena.

These days the Uzbek people living under the sorrow of losing their first president of the Republic of

Uzbekistan Islam Karimov, who led the independent Uzbekistan for 25 years and built the foundation for a new democratic constitutional state with a market economy. He was an outstanding statesman and political leader has won the highest authority in the country and in the international arena led the deeply thought-out strategy of building the rule of law with an open civil society with a market economy.

The merit of Islam Karimov, as we see it, is to take full responsibility for the most economically backward republic with a one-sided agricultural production with a low level of living. It could not even produce the most necessary consumer goods, more urgently needed for energy and food. In this regard, Islam Karimov showed the heroism of taking a course on the country's independence, declared that June 20, 1990 with the Declaration of

Independence. His creative mission was the transition from a planned to a market economy, collective ownership to private advantage to private and small business. The complexity of the radical renewal of the economic structure of the country was the rejection of the traditional and the lack of ready-made recipe for economic progress. Thus, in the years of independence, the national economy has grown 6 times, while real per capita income 12 times have to ensure stability in all areas of production, where a significant place is occupied by a private and small business.

The most important thing in presidential politics was personal example for the preservation and strengthening of the sovereignty and Independence of the state, a willingness to sacrifice him for the benefit of the new state and the future of the country. That was not unfounded, give an example of the events of December 1991, religious extremists occupied the building of local authorities and demanded I. Karimov. As its known

enter them was the equal to the death, he met with the most violent extremists and was able to stop further dramatic development. During the period of the reign of similar occur in the head of the government it was not once.

Islam Karimov saw the way political Independence only the way to achieve economic independence. In this regard, the great theorist of economic policy development he saw a kind of "Uzbek model" of it, taking into account the socio - economic, cultural and political experience of civilized countries and the historical mentality of the Uzbek people. In fact, the new guidelines and programs for economic renewal and structural reform of the social and cultural life of the people have been developed. Recognized by the international community "Uzbek model" as a model of the transition of the market economy, it was primarily intended to implement the priorities of the new independent republic that "reforms are not for the sake of reforms and in the name of the person".

The essence and content of the national model has based on the enormous opportunities that is the rich in natural resources, economic and scientific-technical potential and hardworking people. A characteristic feature of the national model, according to the views of the author, is to transform the system of socio-cultural life of society is not revolutionary but evolutionary way Funnels market.

The basic principles of steel wane in the first, the supremacy of economics over politics and freedom from ideology, and secondly, the main initiator of determining the priority of economic reform is the State, and thirdly, the priority of the law in all spheres of relations from the ordinary citizen to the President, in the fourth, holding strong social policies, taking into account the demographic situation in the country, especially the low-income strata of society, the fifth principle of the transition of market relations in an evolutionary way, taking into account economic and social

patterns of the Uzbek family. These principles are designed to ensure social and political stability of the country's effective implementation of market ekonomiki.<sup>1</sup>

All the economic policy under the guidance of the Head of State were consistent focus on the development of private and small business, diversity and equality of all forms of property under the law to private property is inviolable. The market economy is aimed at improving the standard of living, the welfare of every citizen, regardless of social - political and other differences. In other words the purpose of life and all the activities of I.A. Karimov were "well-being of every citizen to have the welfare of the whole society".

During the period of independence the republic due to the political leader of the people of the initiatives carried out large-scale urbanization reforms create the new high-tech industries such as automobile, chemical, petrochemical,

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<sup>1</sup> The idea of national independence: the basic concepts and principles. -T.Uzbekistan, 2000. P. 36.



agricultural and rail, electrical, textile and light industry and construction materials. An example would be items such as Ustyurt and Shurtan Gas Chemical Complex, Bukhara oil processing, Kungrad soda and potash Dehkanabadk's plants. They have become unique industrial facilities as a global and regional scale.

In our opinion, the greatest event in the socio - economic life is to start production of new high-speed rail road Samarkand-Tashkent, Tashkent - Andijan with a unique tunnel through a mountain pass Kamchik, Tashguzar - Boysun - Kumkurgan, creating a modern road and transport communication with engineering communications infrastructure. Moreover aerial air communication centers established all over the world with modernized airports for the adoption of all the types of airliners.

Industrial progress has radically updated the appearance of cities and towns of the republic; the republic is recognized as one of the five fastest growing countries in the world

economy. Tashkent is recognized as one of the world's capital of culture, where all the international and regional conferences and meetings of economic and financial circles of the world.

The Contribution of I.A. Karimov in the development of a democratic law-governed state in the country, we believe, a profound transformation of agriculture in transition to a market economy, the formation of a new class of landowners and farmers' movement. At the initiative of the head of government is widely introduced the new techniques and the technologies of agricultural production, the development of the principles of private and small business countryside. The result of the agricultural reform program was the implementation of a radical renovation of the village appearance, the construction of rural houses, ensuring the quality and standards of living of the rural population at a level not inferior to urban.

Economic policy of the republic was aimed at the production of

competitive consumer goods for the domestic and foreign markets. One word in the short term the country has become a country of small and private business. Statistical data can serve as an example, if in 2013 there were more than 18 thousand. Farmers, then in 2014 their number reached more than 23 thousand. All of this has made it possible to take a place in the top ten food exporters that have successfully implemented more than 180 kinds of consumer goods more than 80 countries. A special feature of the market economy, as we expected strong government support for business with a legal basis for the free activity, pursuing the goal of welfare of the people. This only started operations in 2015 more than 26 thousand. Private entities and small businesses that the total number has reached more than 200 thousand.<sup>1</sup>

Heading privatization sold state assets to foreign investors more than 506 property complexes, which created about 22 thousand new jobs. Evaluated

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<sup>1</sup> Lessons of independence. T.: Methodical Center, 2016. -98 p.

and put up for public auction more than 378 joint-stock companies and 319 unused objects of state property. In 2015, according to the rating "Doing Business" of the World Bank of Uzbekistan for the year rose by 16 points and took the 87 the place, and according to the criteria of "new business support" occupies 42 the place in the world. According to the indicator "Loans to small business" raised to 42 the place, only for the year improved its ranking by 63 positions. The share of small business and private entrepreneurship in the gross domestic product has increased by almost half, or 1,8 times. In this area today produced one third of all industrial and agricultural products 98 percent. It employs more than 77 percent of the total employed population.

The company strives to develop banking, insurance, leasing, consulting and other kinds of market services contributing to the development of the private sector and small business in the country. In this industry, there are 80.4 thousand small businesses, representing



more than 80 per cent of the total number of service industries. In the context of the global financial and economic crisis, gross domestic product grew by 8 percent, according to the World Economic Forum of Uzbekistan is among the five countries with the fastest growing economy in the world, and in 2015 received the award for achieving the Millennium Development Goals in the area of food security States - members of the Food and Agriculture Organization of the United Nations.<sup>1</sup>

Rightly considered as the head of government affairs in the preservation and strengthening of the independence of the country as a basis for foreign and domestic policy, protection of national interests and foreign policy of peace, based on a mutually beneficial relationship. As a result of this policy based on non-interference in the internal affairs of other States and resolving disputes and conflicts by

peaceful means and political means. The Chairman of the Cabinet of Ministers of the Russian Federation Dmitry Medvedev said that I. Karimov was a distinguished statesman who has set a high standard of service to his people, his Motherland. He made an enormous contribution to the elimination of ties between Russia and Uzbekistan to the level of allied relations.

The merits of the first President of Uzbekistan, as seems to be impossible to describe in one article, so we deliberately limited only to economic reforms, developed under his leadership.

In fact, the economy has been developed thanks to the new Constitution of the Republic, since it is considered as the author of the Basic Law, fully meets democratic requirements and international standards, and has become a true guarantor of economic and the social progress.

The country's economy is inextricably linked with peace and

<sup>1</sup> The results of the socio-economic development of the country for the past 2015 // Pravda Vostoka. -2016. - January 17.

harmony, that I.A. Karimov as the Supreme Commander has provided increasing combat readiness and power of the Armed Forces, capable of reliably protecting the territorial integrity, inviolability of its borders peaceful life of the people.

Islam Karimov a priority for all its activities focused on the education of harmonious all-round development of the individual that said, "There is no future for the people and nations, not caring for the younger generation".<sup>2</sup> Thus, on his initiative, "For healthy generation" became the national and the popular slogan, an integral part of the socio - economic and political activities of the central government.

For the development of socio - economic sectors of the economy, according to the statement of I. A. Karimov, a special importance is the high spirituality of the people, the respect for and the preservation of religious values, traditions and customs, the priceless heritage of our great ancestors. In short, he came to the

defense of Islam, religious organizations from hostile fundamentalists and extremists, its initiative in the struggle for international and regional security recognized progressive mankind.

Since the first days of Uzbekistan's independence, the President of Uzbekistan, I. Karimov, has defined the issue of strengthening interreligious and intercultural accord as one of the priorities of State policy. Because of this approach, today's Uzbek society is a worthy example of cultural pluralism and tolerance. And still a lot of good can be said about the heroic deeds is he as a national leader in the prevention of threats to national independence, security and stability provided a guarantee of steady progress of the vast country in Central Asia.

The bright memory of the great son of the Uzbek people as a worthy successor to the great mission of the ancestors of is he will remain forever in the hearts of our people. He believed that a man should leave a good name. Apparently he achieved that.

<sup>2</sup> The idea of national independence: the basic concepts and principles. -T.Uzbekistan, 2000. P. 55.

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