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# THE UNILATERAL FEATURE OF METROPOLIS INDUSTRIAL POLICY (BY THE EXAMPLE OF SAMARKAND, NAVOI AND BUKHARA PROVINCES)

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**Abstract:** This article discusses the foremost target of the former USSR industrial policy in terms of some regions. Basing on the established facts it can be stated that many plants left off as the solutions of the problems related to them in the transition period were inconsistent to the independence of Uzbekistan. However, some industrial enterprises could manage to get over all the difficulties and localized their production. Moreover, the article sketches the issues of cadres' policy.

**Keywords:** industry, production, raw material problem, Samarkand, Bukhara, Navoi, conditional contracts, bankruptcy, localization, investment.

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Systemic attention is being paid to the development of industry in conditions of independence as the agrarian sector can only become a raw material base. It is naturally to be expected that such a state is dependent on industrialists. The true independence of the state is that it is not a subject to economic dependence on others. In the former Soviet Union, industrial production was a part of the dependency. "... Along with the Soviet system based on the centralized planning and

distribution mechanism, the unilateral development of the Republic's economy ledit only to delivering raw materials; besides absolute cotton monopoly had a devastating effect on the economy, ecology, and the gene pool of the population which brought the country on the verge of ruin. As a result, despite the enormous natural, mineral raw materials, labor and human potential, our republic was one of the last places in the USSR according to living standards, social and humanitarian

development"[1]. However, the Center did not recognize this simple statistical logic. The totalitarian ideology, which was hidden behind the high-profile slogans, was higher than human factor." "At some time, some of our provincial and district leaders were proud of being an agrarian republic," said the First President of the Republic of Uzbekistan, I.Karimov, talking with voters in the Bukhara region - I did not know what they thought that time. May be they thought that they would be in the USSR for term of life?

Those people could think little about the growth of population and the minimization of water and land as it was very challenging to develop the country by growing only wheat, cotton, and vegetable crops... In 1991 the population of our country was 20 million 500 thousand people. During the years of independence, the population grew 1.5 times to 31 million. It was incredible to feed the population grown 1.5 times with the old crops - cotton and wheat. At that time, the country imported 5-6 million tons of wheat from abroad. There were such hard times when the country had weekly flour. There are so few countries which experienced such tough life conditions"[2]. Uzbekistan experienced such harsh conditions in the recent past. Such a tense situation could only be accomplished through the rapid development of the industry. The existed enterprises were, in some ways, unable to work without the help of the Soviet Union

countries. The factories in Uzbekistan were specialized in mining, uranium, ferrous metals and machine building. Those works were forced to comply with the guidelines set out by the centralized five-year plan. The operating mechanism of the existed enterprises was not properly formed.

Uzbekistan was characterized by low level of mechanization and automation of industrial production. The share of those employed in manual labor increased on average by 48.7%. Most enterprises used maximum 70% of their production capacities and were not fully employed. Excessive working hours were spent uselessly, and instability of the cadres was very high. For instance, in the first half of the 80's, the industry produced few products on average more than 100 million a year due to the uselessly spent working hours[3]. To live forever the USSR had gone through the principle of "residue" and "dependency" in the industry. The personnel policy in the factories was centralized as well which in some extent had limited the development of the country. However, Uzbekistan did not take any strong measures as it already adapted to the Center's guidelines.

After the independence of Uzbekistan, the consequences of the dependence had adversely affected to the development of the country. The mechanism of industrial enterprises had been closely linked with the Russian state.

The hereby article, discusses some obstacles in the work of some enterprises in Samarkand, Navoi and Bukhara provinces. The following citation taken from the article published in "Zarafshan" newspaper is a true evidence of our opinion. "Samarkand metal processing plant produces several types of household goods that are used in daily life. There is a great need for a large kiln stove and various nails produced by this plant. However, in recent years, the production has dropped dramatically. Its profit plan was six million sums per year. Yet, the delivery of the main raw material from abroad causes difficult problems in the workplace as enterprises in many Russian cities that supply raw materials to the plant do not meet the requirements of the contract [4]. Metal was brought to Uzbekistan from Russia. There were a number of enterprises in the republic but they could not work without raw materials. It was planned as a guarantee of the infinite survival of the USSR. That is why Russian cities stopped supplying raw materials to the plants and laid down inconvenient conditions.

During the first nine months of 1991, Samarkand furniture manufacturing enterprise produced 13,800 "Vico" and "Tektan" brands and 600 tables (low, four-legged) which cost 21.2 million sums. This corresponds to 105.5% of the nine-month plan for commodity production. So the baseline was reached, but the needs of the

population were not fully satisfied for the reason that the main raw materials for furniture were imported from abroad. Many Russian companies had been contracted to supply raw materials to the enterprise until recently. Nevertheless at the moment there have been a lot of failures in this regard [5]. It's no secret that the furniture industry requires high-quality materials. The wood used for furniture industry should be dried at the same temperature for many years and local production needs time to prepare a good-quality product. The consumers want to buy the product from the market. The entrepreneurs try to get out of these conditions by reproducing furniture.

The production volumes had declined in Samarkand's porcelain plant as well due to a material problem. Particularly, the enterprise mainly imports raw materials from Russia, Tajikistan and the Ukraine [6]. As in other industries, there were also some cuts in the production of porcelain. The plant's management bureau had to use the support of scientists. The large quantities of coal and gypsum deposits were discovered in this area, and the porcelain industry was supplied with local raw materials.

The "Khlopkomash" plant is also one of the cotton industry enterprises in Kattakurgan district of Samarkand region. According to the article published in 1992, the company could not work with full capacity. The works, which had achieved its target

successfully in February of that year, sold its machinery on a contractual basis to a number of other countries, such as Kyrgyzstan, Turkmenistan and Azerbaijan. However, since March, the work in the plant had absolutely been halted. The reason for such a condition is that the price of raw materials for the production of this machinery had risen by one hundred times. The necessary imported details were brought from many Russian cities, including Karaganda, Kozolinsk-Amur and Azerbaijan. Previously, the electric motor from Baku was purchased for 180–350 sums. By 1992 the price of those electric motors exceeded 20,000 sums and prices for other raw materials also increased by 70–80% as well. It would be very expensive to use the imported products in the local production of XPP (a machine for dragging cotton) and KLI (belts in cotton plant) machines for cotton processing plants. For example, the cost of the KLI was 152,000 sums, the XPP cost 218,000 sums. So no one wished to buy this product for such a price.

Today Russians do not want to sell raw materials at a free price. They are just willing to trade through product conversion. Our partners in Magnitogorsk are demanding meat, sugar, cotton oil, dried fruits and raisins for the sheet that they provide us with. Others are the same. It is no secret that such products are in short supply in our country as well. We do not even know how to work and

how to organize it. Currently specialists are being mobilized to various cities to find a product for March period. Wherever they go they hear the answer that the raw materials are only given by barter.

At the moment production has also declined. If previously the company had produced 1100–1200 XPPs and KLI machines, this year their number would not exceed more than 600. Because of the lack of raw materials, we had to give up the second shift temporarily. Also, many workers have been put on a 4-hour work day. About a hundred workers have been given a job leave. But unfortunately we cannot take that action for a long time. What would be the fate of the enterprise, which produces products worth 120 million sums per year? [7] The Russians made the conditions for the supply of raw materials to the plants. In Uzbekistan, raw materials were not available in the early years of independence. Agreement with the terms of suppliers led to a disadvantage. It should be noted that machine industry in Uzbekistan was not a real machine manufacturing. All the necessary parts and components for mechanical engineering had been brought from different countries and they were only installed and gathered in our country. In such a tough situation, the factory with hundreds of workers had been shut down.

Agro-industrial company "Khoareko" was established in Samarkand province under the

joint-stock company. It also included a rented enterprise "Kozimov" in PastDargom district, "Hamza" in Urgut district, "Akkurgan" and "Muminobod" farms. They had a serious responsibility. Restoration of lost vineyards and crops in the former USSR during the fight against alcoholism was not an easy task. All of that was aimed at developing the wine industry in Samarkand. The company is planning to produce a new type of wine "Muattar". This new sort of wine will replace the old sort "Vermouth". "Vermouth" was produced from the products imported from the North Caucasus. Today, it is impossible to obtain necessary products from abroad. "Muattar" wine is prepared from local products [8]. The Alliance was experiencing the dominant ideology those years. As the first leader loved the corn, it was grown massively and as a result, the reclamation of the land became aggravated. A number of big gardens were destroyed under the slogan "We fight against alcoholism". Accordingly, Uzbekistan popular with its grapes had to import them from the distant Caucasus. In short, we could say that ideology ruled the economy.

Similar examples could be seen in the enterprises of Bukhara and Navoi provinces. In the spring of 1991, a preservation plant was built in Madaniyat collective farm in Peshku district and its products were exported to Omsk and Ulyanovsk cities of Russian Federation and in

1993 it got profit of 40 million sums-coupons. By 1994, however, the plant prepared 12,000 conditional jar products. In 1995, for several reasons, the department completely stopped its work. The reason for that was shown as insufficiency in glass jars [9]. Currently glass products are being manufactured by private small entrepreneurships. Nevertheless, during the centralization period, the canning industry could not work at full blast. In the long run, canning industry was forced to halt its production.

"Mahalliysanoat" trading concern in Bukhara Region is producing various scarves on Swiss-made equipment. That machine-tool was installed by the trading concern in a small room of the own firm called "Guzal". Today only four people are working there. About 400-500 pieces of the product are produced daily. If acrylic yarn (material) is enough, the machine-tool can be used at two shifts at full blast. The material for the production is imported from Russia. Today delivery of the necessary material is very difficult. That is why the trading concern has to sell its products to Russia and to buy yarn for scarves in return. Of course it is a temporary process. The experts are working on preparation of yarn manufactured in Bukhara by adding the nitrogen produced in Navoi. The machine-tool bought from Switzerland cost about \$ 100,000. However, all the expenses will be covered within six months [10]. Uzbek entrepreneurs always

thrived to use scientific advances to strengthen our independence. Local enterprises were in great need of production and there could be a problem in the consumer market if businesses closed. Therefore, all the opportunities, needs and interests of the people were put into operation.

It should be noted that in the pre-independence period the cadres were divided into two categories. Those who wanted to find a job had been thrown back due to the insignificant arguments. Those who came from the villages were not hired by employers, but those who came from the outside of the country were immediately hired [11]. Due to such barriers, local people could not work at the most responsible positions at the big and economically powerful enterprises such as NMMC (Navoi Mining and Metallurgical Combinate), NMP (Navoi Engineering Works). Consequently, after the independence, some factory workers began to migrate to their homeland.

"The sharp increase in the number of migrants in the past three years has had a significant impact on Navoiazot Association. In the first six months of the previous year, 476 people lost their jobs, while 228 workers were dismissed in the same period of the year. The number of people who left their work is decreasing dramatically, while the number of returnees is increasing. During the six months of this year, 25 of those who have been looking for luck in other locations have returned to the factory. If we look at

the issue of human resources in Navoiazot, we cannot find any problem due to fact that there are always people ready to work there. From a qualitative perspective, the sophisticated technological process in Navoiazot requires highly-qualified specialists. And it should be admitted that their number is decreasing (1995) "[12] We do not want to conceal of any particular system by the citation taken from the article about Navoiazot Association published in 1995, we would like to reveal only a historical process that requires impartiality. This is just another argument for the question "What is USSR: alliance or colonialism? It was such a system that the alliance members were bound to the Center by not only political, ideological, economic, and human factors.

Firstly, the number of working personnel were brought from other countries to the Uzbek industry, not owing to the lack of local cadres, but because of some guidelines from the Center. Accordingly, the local people, especially the youth could not find jobs in the social manufacturing. The unemployment rate had risen sharply among young people.

Secondly, there was some ambiguity about the working mood of the workers brought from different parts of the USSR. Could they consider Uzbekistan as their homeland? Surely no, as we can see the evidence of our opinion in a massive leave the country in the early

years of independence. If they were locals, they would not leave this place for the Homeland and the bright future.

Thirdly, some personnel had returned to Uzbekistan. So, such environment as in Uzbekistan was not found in their homeland.

Fourthly, there were a lot of people who willingly wanted to work in the plants. There were special organizations responsible for training well-qualified and experienced cadres. Unfortunately, those young people did not have enough experience and skills, because of that and some other problems they were forced to stand in lines. Later those cadres were easily employed.

In the first years of our independence, the Russian press began to publish the articles under the hooky titles such as "The wagons taken away from Uzbekistan" etc. When the Communists could not achieve their long-term plans, on March 15, 1996, they went into a last tail spin. The Russian parliament and the Russian State Duma Communist Party adopted the "Belovej Decree on reorganization of the USSR." The deputies of Supreme Councils of the Republic of Uzbekistan and Karakalpakstan did not have any rights to discuss the decree [13]. Those documents were not even included in the history books of Uzbekistan. I think we should live in that period and know about such threats. The truth could

be revealed from the following cite of the First President of the Republic of Uzbekistan I. Karimov said for strengthening our independence, achieving and developing industrial independence: "Our way of independence and progress is not covered with flowers." [14] It is well known from history that no metropolis wanted to lose its rich material base. All forces are aimed at this goal.

Sum up, it can be highlighted that on September 1, 1991, the independence of Uzbekistan was proclaimed. However, even simple components, thread and glass production in the industry was dependent on the Center as the USSR aimed at keeping economic dependence of the Soviet countries even during their maintenance political independence. From history we know that an economically dependent country can never be sovereign. Throughout the years, while embassies of Uzbekistan have been operating in different countries around the world, Russia has started to impose conditions contrary to our interests in supplying industrial enterprises. Even some of our enterprises had been forced to halt their production. Nevertheless, the interest of investors has increased in Uzbekistan. Investors' confidence and belief in Uzbekistan had been increased over the years, and this is certainly the fruit of a proper foreign policy.

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