



The Main Shortcomings and Negative Impact of the Administrative-Command Economy in the Economic History of Uzbekistan

Bobur Valiyev

Assistant professor of International Islamic Academy of Uzbekistan, DSc

Abstract: *The article is dedicated to revealing the main shortcomings of the administrative-command economy on the eve of independence and its negative impact on the economy of Uzbekistan. It is based on the fact that the functioning of the dictatorship, administrative-command system will put the economy in a helpless situation.*

Keywords: *economic history, Uzbekistan, administrative-command economy, Soviet Union, the form of ownership, decline of the economy.*

Date of Submission: 06-04-2023

Date of Acceptance: 11-05-2023

Before talking about the main shortcomings of the administrative-command economy, it is necessary to clarify the essence of this system. If the production and distribution of resources and income in society is decided by the state, all material resources and production products belong to the state, such a system is an economic system based on administrative-command. The main disadvantages of the administrative-command economy are the following:

First, the disconnection of the national economy from the modern world economy and international economic relations, it will be excluded from the integration processes and it will be closed.

Secondly, economic processes and relationships are planned and managed from a single center based on orders, and it is determined that the tasks of the plan are mandatory for everyone, regardless of the level of efficiency.

Thirdly, as a result of the dominance of state-owned property in economic activity, restriction (or limitation) of collective and private property, which are other forms of property, there will be almost no possibility of free distribution of property.

Fourth, in the production and consumption processes, resources and products are distributed on the basis of a single plan and given to all producers and consumers in the amount determined by the state, regardless of their motivation and desire.

Fifth, political and ideological means of influence are given priority in relation to the organization of economic activities, abandoning methods of stimulation through economic means.

Sixth, lagging service provision in the organization of economic relations, giving priority to industrial-agrarian sectors, low level of use of machines and modern technologies reduces economic activity.

Seventh, due to the limitation of the ability to take into account the changing demand of existing real consumers in the production process, a shortage occurs in the economy, and the standard of living of the population is low compared to the existing economic potential.

Eighth, the strict determination of prices by the state and the absence of a competitive environment destroys the motivation factors and leads to a change in the social mentality of the society in a negative direction.

Historical reality shows that as a result of gradual historical development, the traditional economic system turns into a market system, as a result of its revolutionary loss, an administrative-command system is forcibly established, and when it does not justify itself, a transition to a market system occurs again. In the process of such a transition, a transforming, i.e. an economic system in the process of transition is created. The main feature of this system is the transformation of the planned administrative-command system into a market system. Market reforms play an important role in this process.

The opposite of the economy based on market relations is the administrative-command economy. This system in practical life refers to the dominance of social, in other words, state ownership of all material resources and the centralized adoption of economic decisions by state administration bodies. All major decisions related to the amount of resources used for consumption, the composition and distribution of products, and the processes of production organization are decided by centralized management bodies.

On the eve of gaining independence, the operation of the autocracy and administrative-command system in our republic also left the economy in a helpless situation. Conflicts in the economy were increasing, and the current economic mechanism was unable to eliminate these conflicts. This situation began to manifest itself in the life of society in the 60s. The pace of economic development decreased sharply, expenses increased, and economic tools and factors of development did not work in practice. As a result of the one-sided approach as a raw material supplier to our country, Uzbekistan has fallen into the ranks of backward countries in terms of technical development of production and the standard of living of the population.

As a result of the administrative-command system that prevailed in Uzbekistan during the time of the former Union, the effectiveness of the use of the state's mineral wealth and natural resources decreased. On the eve of the recognition of our country as an independent state, Uzbekistan ranked 8th among the 50 countries in the world that produce natural gas according to the total volume of natural gas production and 40 billion per year¹. which has the possibility of extracting more than a cubic meter of gas. In fact, the volume of gas production per capita is 2,000 cubic meters, and according to this indicator, our country ranks almost one after the other with the most powerful country in the world, the USA. During 1966-1970, 100 billion was transferred from Uzbekistan to the central countries of the Former Union. more than cubic meter of gas was delivered and this was 75.5% of the total gas extracted in our country². Nevertheless, in the 1970s and 1980s, less than a quarter of the above-mentioned large volume of gas was used for the economy and public consumption of Uzbekistan, and the rest was taken to the center. However, the volume of gas produced in the country in 1986 was 38.5 billion. was more than cubic meters, by 1990 the volume of gas production was 40.7 billion. exceeded a cubic meter.

¹ Узбекистан в мировой экономике.

² Производительные силы Узбекистана. С.165

**Table 1. Production volume of different types of fuel in Uzbekistan,
1986-1990³**

	1986 y.	1987 y.	1988 y.	1989 y.	1990 y.
Oil (including gas condensate), thousand tons	2178,1	2305,4	2435,8	2673,2	2810,3
Gas , mln. cubic meter	38589	39777	39943	41092	40761

Oil and gas condensate is also mined in the country, and their volume in 1986-1990 averaged 2.5 million cubic meters. about a ton. The volume of production of oil and gas condensate also increased during the mentioned period. In particular, in 1986, 2.2 mln. tons of oil and gas condensate were extracted, in 1990 this figure was 2.8 million. more than a ton.

The level of gasification of houses in Uzbekistan was very low. Despite the fact that the gas of the Bukhara region was supplied to the republics of the former Union located in Europe and other foreign countries, the possibilities of using gas in this region itself were very limited. The situation in other regions is also difficult, for example, the share of rural residents who can use gas is 23.7% in Andijan region and 37.1% in Namangan region. These figures show that the main part of Uzbek gas is transported to foreign countries, and this situation has been preserved for many years⁴.

Since the 1980s of the former Soviet Union, the implementation of the administrative-command system aggravated the environmental situation in the territories belonging to Uzbekistan and led to an increase in the level of environmental contamination with chemicals. For example, on the eve of independence in Uzbekistan, on average, 24.5 kilograms of highly toxic chemicals were sprayed on each hectare of cotton, while in economically developed countries, this figure did not exceed half a kilogram. Pesticides, which are used against various pests in agriculture, but at the same time too toxic to the human body, were also used in large quantities during this period. For example, in the 1980s, on average, 0.3 kilograms of pesticides were used per hectare of land in the world, while in Uzbekistan, more than 54 kilograms of pesticides were used per hectare for cotton cultivation.

The administrative-command system and the cotton monopoly turned the Uzbek economy into a raw material base. The disparity in the organization of trade and production of industrial and agricultural products among the countries of the Union led to the deterioration of the material condition of the Uzbeks and problems in the supply of food products. Despite the fact that growing cotton in Uzbekistan requires a lot of labor and hard work, Uzbek agricultural workers received very low wages. For example, in the mid-1980s, a collective farmer in our country received 5.88 rubles per working day, while this figure was 6.04 rubles in Tajikistan, 6.9 rubles in Kyrgyzstan, 7.03 rubles in Turkmenistan, 8.03 rubles in the RSFSR, and 9.9 rubles in Lithuania. , and in Estonia it was 14.04 rubles.

The low efficiency of production and economic relations in the country was first of all when the national economy was subordinated to the administrative-command system. In particular, the value of the main funds, which serve as the basis for production relations, averaged 82-100.9 billion annually in 1986-1990. amounted to rubles (Table 2). It is possible to list state, cooperative, collective farm and private property of citizens as existing forms of ownership. In the mentioned period, 87.6 percent of the main funds belonged to the state, and the remaining parts were owned by cooperatives, collective farms, and private citizens.

³ Народное хозяйство Узбекской ССР в 1990 г. Статистический ежегодник. Ташкент. «Узбекистон». 1991 г. - С. 210.

⁴ Жилищные условия населения Республики Узбекистан. Статсборник. – Т., 1991. С.47.

**Table 2. Distribution of basic funds according to the form of ownership
(compared to the end of the year, at comparable prices, billion rubles)⁵**

	1986 y.	1987 y.	1988 y.	1989 y.	1990 y.
Total fixed assets (including livestock)	82	86,2	90,2	95	100,9
<i>including</i>					
state property	72,4	76,2	79,4	82,8	87,3
cooperative ownership	2	2,2	2,4	2,7	2,9
collective farm property	4,5	4,7	4,6	4,9	5,2
private property of citizens	3,1	3,1	3,8	4,6	5,5

It can also be seen from these figures that the property in production relations was mainly owned by the state, and economic decisions were made by the state on the basis of administrative command. The interests of the republics were ignored in the programs and measures developed from the center. The republic has been transformed into a raw material base supplying cheap raw materials and strategic mineral resources and a convenient market for selling finished products.

The implemented unilateral policy completely derailed the republic's economy, led to a sharp increase in the deficit of material and financial resources, an increase in foreign debts and, most importantly, an increase in the level of economic dependence and poverty. The impoverishment reached such a level that, according to statistics, in 1990, the total income of about 70% of the population of the republic was below the minimum level necessary for subsistence.

All this, together with the decline of the economy, led to a change in the social mentality of people in a negative direction. It has been clearly demonstrated that the current system of central administration, the management style and methods of its departments are not able to develop society and solve acute economic and social problems. Attempts to identify and eliminate the causes of growing economic crises during the period of reconstruction did not work, on the contrary, they led to even stronger recessions in the economy.

The pace of economic development has decreased dramatically, and spending has increased. Economic means and factors of development did not work in practice. As a result, all indicators of socio-economic development of Uzbekistan worsened until the period of independence. In 1976-1980, the volume of the gross social product representing the total production potential of the country increased by 5.7 percent, while in 1986-1990 this growth slowed down to 2.2 percent. This deterioration of the situation was also reflected in the decline of other growth indicators. In particular, during the fifteen years until 1990, compared to the first five years, the growth of the net output of material production enterprises increased from 4.8% to 2.7%, and the growth of the national income used for consumption and accumulation increased from 6.8% to 2.1%, and the industrial and the increase in the volume of products fell from 5 percent to 3.4 percent.

Similarly, the growth of agricultural output also slowed down, falling from 4.9 percent to 1.7 percent in the said period. The value of the main funds launched in the country also decreased as a result of the deterioration of the economic situation until 1990. As a result, their value fell from 8 percent growth in 1976-1980 to 2.8 percent in 1986-1990. Until the independence of our country, not only quantitative indicators, but also qualitative indicators of economic relations continued to deteriorate. For example, social labor productivity increased by 2.7 percent in 1976-1980, while social labor productivity tended to decrease (-0.7) percent in 1986-1990.

⁵ Народное хозяйство Узбекской ССР в 1990 г. Статистический ежегодник. Ташкент. «Узбекистон». 1991 г. - С. 83.

The integration of Uzbekistan into the economic system of the former Soviet Union and the establishment of economic relations based on the principles of administrative and command led to the following negative economic situations for our country during the period of independence:

- On the eve of the collapse of the economic system of the USSR, the need to separate the Uzbek economy as an independent system created an extremely difficult situation in the economy;
- Uzbekistan became mainly an agrarian-industrial country, specialized in exporting raw materials and importing finished products. In particular, by 1990, the country's export reached 12 billion. If it was around US dollars, the import volume was 19 billion. had reached US dollars;
- Uzbekistan's economy mainly had relations with the economies of the republics of the USSR, and economic relations with other foreign countries were not formed. 60% of the national economy was connected with Russia, and 25% with other Central Asian republics;
- the main part of production in the country depends on the cultivation of raw materials, and the production of finished products was lagging behind. In particular, about 65 percent of exports consisted of raw materials and semi-finished products, and more than 70 percent of consumer and industrial goods in the country were imported from other republics of the USSR;
- The support of the social sphere in Uzbekistan was mainly dependent on the budget funds of the Former Union. In particular, 4.9 billion from the budget of the USSR was allocated for the implementation of social protection in the country. Subsidies were allocated around US dollars.
- During the time of the former Union, Uzbekistan was very strongly integrated into the system of division of labor of the USSR. The field of cotton cultivation accounted for almost 50 percent of Uzbek agricultural products. Half of Uzbekistan's industrial enterprises operated in the cotton industry.
- in the national economy, by the beginning of the 90s, the volume of production of machine-building products decreased by 90%. The situation in agriculture also worsened, and the volume of fruit and vegetable exports decreased by 5-6 times.

Before Uzbekistan, if the country was to gain state independence, there was a need to carry out major reforms to end the negative consequences of the administrative-command system in the socio-economic spheres and take a bold step towards development.

References

1. Производительные силы Узбекистана. С.165
2. Народное хозяйство Узбекской ССР в 1990 г. Статистический ежегодник. Ташкент. «Узбекистон». 1991 г. -С. 210.
3. Жилищные условия населения Республики Узбекистан. Статсборник. – Т., 1991. С.47.
4. Дружба народов. 1990. №2. С.193.
5. Ўзбекистон Республикаси Вазирлар Кенгашилининг 1987 йилги жорий архиви. 17-иш, 52-53-варақлар.
6. Социологические исследования. 1989. №1. С.14.
7. Народное хозяйство Узбекской ССР в 1990 г. Статистический ежегодник. Ташкент. «Узбекистон». 1991 г. -С. 83.