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On the basis of centralized economic management evolution and dangers of administrative rule

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ABSTRACT

The socio-economic relations of the state and business have a dialectical connection, the force of interaction, which originates from the essence of who and which forces organize and control the production capacity of the society and the process of extended reproduction. If business, for example, accepts the capitalist development model and achieves the acceptance of business values and goals by society and the state, the country's development path will fall into a mold like a railway track with a "state capture" scenario.

As long as the state apparatus (managers) is (are) able to impose its will on the business based on the values of the society, it means that the business capture model has emerged. But for the development of society, the most fundamental and important issue is not who has influenced whom, but what values, what goals (intended for the medium and long term) form the content and essence of the management model. It is these values that define the country's development path (track) like a railway track, and it is precisely because of this that it is impossible to get out of it easily.

The problem is that the content of values is not determined by who manages or controls what (business or state apparatus). The content of values is determined by the people's ability to integrate their will into the consciousness and practice of the above two forces.

Keywords:

dialectic of community development; state capture; business capture; nomenclature; administrative management; railway track of development

Log in:

Analyzing the styles of economic governance that have been used in our country over the past 33 years, we can see some common feelings that are worthy of the transition period, which we would have called "childhood diseases of the transition period." First of all, consider the following general environmental conditions:

- it was assumed that most of society was not ready and even needed to abandon the achievements achieved in socialism (such as free education and health services, abundance of the most necessary products in the consumer market and control over prices, creating jobs

and wages, public order control). As a defender of these achievements, he saw the state and the power that has ruled this country so far—the Communist Party. Most of the people did not consider the role of the Communists to govern the state and lead the life of all society to be a threat to their existence and future;

- The unresolved relationship of property in the village, the redistribution of most of the state property in the city did not lead to the formation of a class of institutionally organized new entrepreneurs, and the business spirit did not arise in most citizens;

- The farm and administrative elite

(mainly made up of old communists) who seized the state did not give up control of the main means of production, and also gained control of financial, banking, internal and foreign trade mechanisms that were just developing to prosecute business and society. Later, he also seized various public and private assets;

– a business and business elite with institutional power as an intermediary between government and society did not arise.

In the socio-economic relationships of the state and business, the influence of business is crucial to its role in manufacturing forces and its ability to organize expanded reproduction in an unrestricted and autonomous manner. If a business adopts a model of capitalist development and achieves the acceptance of business values, goals by society and the state, the country's development path will fall into the same mold as the state capture scenario and the railway itself.

If the state apparatus is able to instill its will in business based on the values of society - business capture means that the model has come into being. But for the development of society, it is the most principled and important issue, not who actually influenced whom, but which values, what goals (for the medium and

long term) formed the content and essence of the governance model. These same values define the country's development path (trekking) as if it were a railway track, and that's why it's impossible to leave it easily.

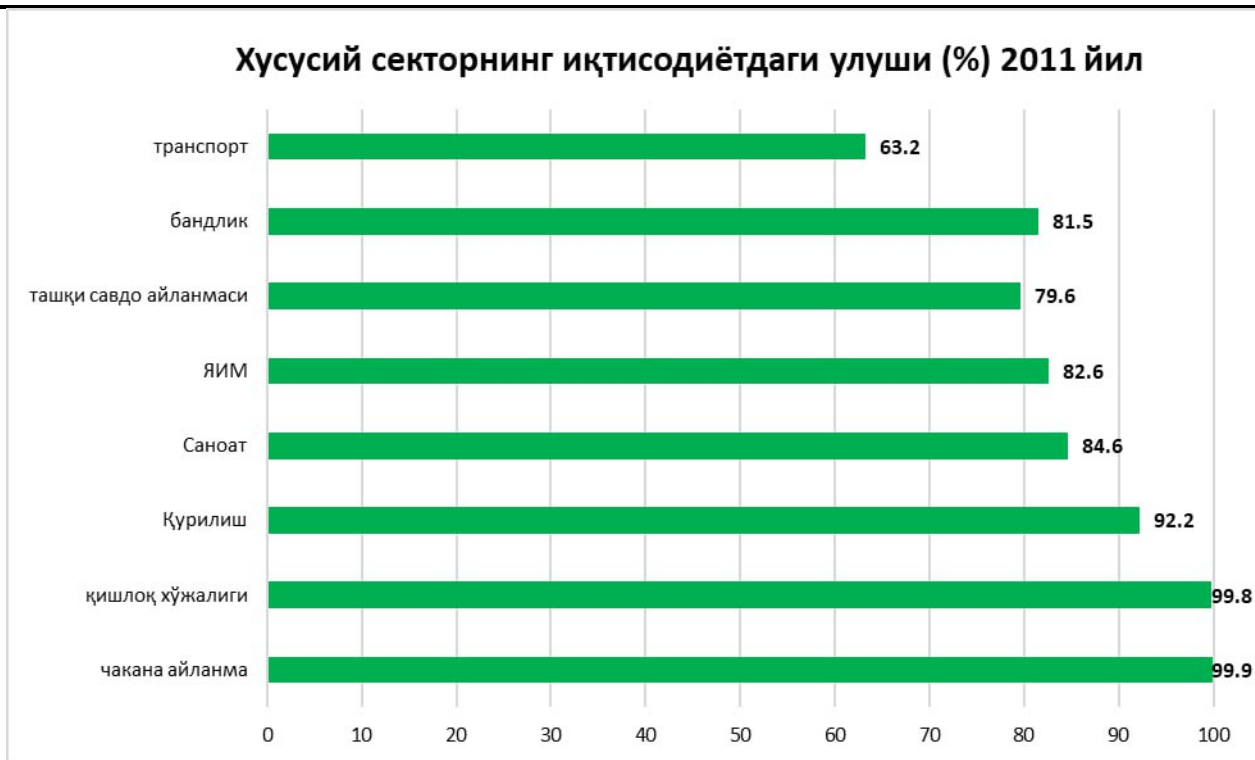
(Matthew 24:14; 28:19, 20) If the influence of the state apparatus is determined primarily by the effectiveness of its own distribution and use of force mechanisms, the scope of business influence will be determined by three important factors: the scope of capital accumulated in its own hands, the share of public sectors in the comprehension of public sectors, namely, gross domestic product and the creation of new jobs. Superficial analysis shows that the role of the private sector in the U.S. economy increased steadily between 1991 and 2011. As a result of 2011, the private sector's share of JIM was 82.5%¹, with an industrial share of 84.6% in the country, 92.2% in construction, and 99.9% in retail sales. After 2012, this trend slowed slightly, and since 2016 the share of private business in JIM has significantly decreased (Chart 1). But there is a very strong and principled aspect of these statistics: it is designed to privatize into the private sector, but its shares have not yet been sold in the free market and actually include the potential of state-owned enterprises

Chart 1

¹

Қараһг: https://www.norma.uz/gazeta_ntv/21_god_nezavisimosti_-

_21_god_preobrazovaniy



Since 2016, large-scale investment projects in the country have been implemented on the account of government-attracted capital. The private sector's share of JIM has decreased continuously due to statistical uncertainties and large-scale projects undertaken by government investment in energy and mining (graphics 2). Despite the fact that the share of small businesses and businesses in JIM appears to have fallen to 66.8% in 2016, private business has developed a very simple tax model and the availability of relatively low-cost funds needed for capital and investment funds for

entrepreneurs and the variety of their resources (banks were in competition with special funds designed to use various entrepreneurs to lend small and medium-sized businesses), that ensured its competitiveness. Under limited conversion, business was forced to focus mainly on the domestic market and made considerable progress in the fields of agriculture, food, textiles, small craftsmanship, furniture, pharmaceuticals, building materials, retail and general catering. It was clear that the scale of enhanced reproduction was growing in these industries².

Graph 2

²

Расмий статистика маълумотлари:

<https://stat.uz/uz/rasmiy-statistika/industry-2>



If the state seeks to distribute its monopoly, sell various rights in exchange for certain material assets and achievable values in the process of sharing its power, business will always seek to obtain additional commitments from the government in exchange for fulfilling the tasks that are important to the state and instilling values. This is why in some cases we may not immediately realize the difference between state capture or business capture cases (often the cause and consequences are exchanged with their place). Both are actually a manifestation of political and economic speculation (trade). It's actually normal for a state to prosecute a business or a business to a state. But the more this prosecution serves a narrow part of society, the more society will continue to look backwards in its development. (Matthew 24:14; 28:19, 20) Jehovah's Witnesses would be pleased to discuss these answers with you.

After the collapse of the former USSR, the transition period in the Russian Federation, Ukraine, Kyrgyzstan, Armenia, and Georgia was based on the state capture (conquest of the business state), while the form of economic development in the country provided more conditions for the "business capture" model due to a very centralized management model. From 1991 to 2016, our society and entrepreneurs, who were unable to take full advantage of such

historical opportunities as privatization and freedom of speech in the early days, paid a huge amount of compensation under pressure from administrative rule. Over the years, the state's administrative power has begun to accumulate in the hands of a narrow range of individuals who can directly influence economic governance and power-wiring bodies.

In the second half of the 1990s, following various privatization programs implemented irregularly and without any strategy in neighboring countries, an over-enriched business elite emerged that began to actively intervene in politics and seize power under the slogan "market and free competition solve everything." J. Hellmann put it another way, the processes of "state capture" began, and the business elite began to rapidly instill their narratives in politics³. As a result, the state's economic policies began to become more monand to the short-term and limited interests of large businesses for society. In fact, there are huge conflicts between business and the true values of the state: if the state, based on many years of strategy, considers it its mission to make it easier for all layers of the people to develop equally, the business seeks to create optimal conditions only for business owners and business workers in its narrow-minded activities. The problem with state-of-the-art business dialogue in The United States was that

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<https://documents1.worldbank.org/curated/en/53746146876>

[6474836/pdf/multi-page.pdf](https://documents1.worldbank.org/curated/en/53746146876), 5-6er

in the absence of certain compromise institutions and mechanisms to reduce the impact of various strategic conflicts and find a certain compromise, the businessman had almost no opportunities to prosecute the state. Due to the absence of such an institutional base, the state began to enter into business with its investments and partially or fully restrict small businesses, while large businesses sought to agree on separate terms⁴. In the second case, we see that businesses and the state are united⁵, and this situation has been a huge threat to the development of society⁶.

In certain circumstances, business has very harshly prosecuted the state, starting to achieve unique conditions (indulgences) for itself through government policy and decisions, in "legal" ways as compared to abroad:

- when the defense or security of the state (including food, energy security) depends in many ways on the same business (the "Product Distribution Agreements" with Lukoil and Korgaschemical);
- when most of the state's gross domestic product is in the hands of the effective activities of this business (agreements with UzDaewooAuto, Zarafshan Newmont, Oxus Goldfields, BAT);
- when most of the proceeds from the country's exports are related to these business activities (Combined Uzbek metallurgy in Almaty, Navoi, and Bekabad);
- when business creates big jobs for the state ("Korzinka");
- when groups with decisive power of the state are wheeled to the river of corruption (almost all of the above cases).

In the case of these keys, we observed the

state capture status of business opportunities to directly influence the state. Among the factors of business influence, you do not see a benchmark for "big taxpayer." Because this factor does not suddenly affect the tactical goals of the state and its officials. Losing income from taxes seems to be in the medium term, and its significance seems to be in the need for cuts in public spending (not business or nomenclature spending). Due to the transition of business from one hand to another, the exchange of one main type of activity to the other, tax revenues do not fall sharply. The largest tax and corporate privileges in our country's history have been granted to large public and private business associations. They incorporate one or all of the above factors.

In the late 1990's, the moods of the country's elite began to change slightly in the country. Seeing so many difficulties and material shortcuts, the officials in the post (nomenclature) began to clearly realize that their existing status would not go much and that they would unexpectedly lose everything, where the mood of misery began to intensify. Many of the officials had been in the leadership since the Soviet system and were now approaching retirement age. Naturally, they began to look for ways to monetize their actions, and it was easier to get dividends from the authorities in a situation where anti-corruption legal norms, practices were not widely created, the fate of the entire governing body depended on the will of a single person, and there was also a growing dissatisfaction among law enforcement leaders. The practical manifestations of the state of business overcoming (as mentioned above, "business capture") have varied, including:

- control over the direction and distribution of funds allocated by the state to public sectors⁷;
- determination and control of foreign

⁴ Neshchadin A., Zazdravnykh A., Sorokoumov S. Strategy in the Crisis. Society and Economy, 2008. pp. 16-35

⁵ Hellman J., Kaufmann D. Confronting the Challenge of State Capture in Transition Economies. Finance and Development Vol. 38. № 3, 2001. p. 31-35.

⁶ Hellman J., Jones G., Kaufmann D. Seize the State, Seize

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⁷ Wendy Y Li, Regulatory capture's third face of power, *Socio-Economic Review*, Volume 21, Issue 2, April 2023, Pages 1217–1245, <https://doi.org/10.1093/ser/mwad002>

- exchange rules (e.g. operations, currency distribution and usage channels relying on barter and normal monetary relations) (subject to the customs and bank payment system);
- keeping controlled stock packages of large, money-making enterprises in the hands of the state, in fact, under the influence of the official;
 - transfer control of the joint stock companies (supervisory board and management) into the hands of the central bodies of various state governors;
 - intervening in the procurement mechanisms of state-owned enterprises, solving purchases in favor of certain structures;
 - conducting state prosecution of competitors of enterprises and "breaking" their competitive qualities;
 - ensure that the product produced by the enterprise is sold to certain structures at certain prices, etc.

As a result, by the 2000's, a class of powerful officials—a new **farm nomenclature**—was formed in the country and soon became the owner of almost unlimited opportunities and wealth. As mentioned earlier, the absence of equal and restrictive institutional imbalances in centralized government and various power layers has paved the way for such conditions. In particular, currency exchange, access to foreign currency resources in conditions where freedom of foreign exchange is limited, the business of distributing these resources would provide huge financial and political dividends.

Society, in a certain sense, was divided into two large sections. Most of the people who have been trained in past system achievements would ask the state for guarantees such as maintenance, health care services, public employment, minimum guaranteed wages, and ensuring price stability on food and energy

resources through the protection of the domestic market after security-related demands. They did not realize that state monopolistic capitalism was emerging in the economic life of society and the risks arising from it.⁸ In 1992, without any choice, Korea's Daewoo was engaged in a direct strategic contract with the autoconferencing and automobile assembly in the country, granting unprecedented tax credits to various infrastructure enterprises (UzDEUelectronics, Uz-Koram Ko., Uz-DongJu Peint Ko.), issuing full conversion guarantees for all imported precautions used in manufacturing, The biggest victory for supporters of state monopoly, which was behind the philosophy of localism, and a situation that seriously critting the country's economic development. During 1993-1999, the same business model was distributed to all major state-owned joint ventures: British American Tobacco, Zarafshan-Newmont, Amantaytau-Goldfields, and a number of gas secret projects based on product distribution agreements (PSA) incorporated the Daewoo-Auto business model. At that time, dialogue between business and the state remained in a state of rudiment, and the institutional form of this dialogue went to three channels: work documents collected by the Council on Intergovernmental Business and Investment, the Chamber of Commerce, ministries, and agencies on the problems of business entities. The rarity that the media has come up with would hardly attract attention. Economic nomenclature directly and indirectly controlled the production systems of this state, quasi-monopoly, and was able to divert various commodity and financial flows in its favor.

On the other hand, those who realized that the narratives of the previous economic system (lack of conversion, excessive government intervention in business activities, the distribution of basic resources were in the hands of government and quasi-government systems) would bring the economy into a hard street, including those in many foreign countries and most young people who saw the success and capabilities of business, increasing investment

⁸ Қапани: <https://uzavtosanoat.uz/history>

in human capital, it would impose such requirements as improving the level of freedom in entrepreneurship, eliminating monopoly systems, developing competition based on market relations, balancing the state's desire to define society's life (e.g. on issues of freedom of speech and conscience).

If those accustomed to state patronage are more optimistic about the protection of government institutions and are not ready to abandon the social advantages that socialism has given them, the second layer is more reliant on their power, knowledge, free entrepreneurs and market competition, considering it very important to build a society based on institutional mechanisms that are new, equally influential and restricting aspects between government, society, and business, as well as the equal influence of the business elite.

By the early 2000's, the mood of the people, who initially expressed monance to the state's very centralized governance system, began to change slightly. This was also due to the sharp approach of the state's power-wielding authorities towards religious people, the mechanical migration of people who lost unemployment and land processing from rural areas to the city, and the growing number of migrant workers. In those years, the demands of society against the state began to be skillfully polished.

But allowing the sharp segregation of the lives of the population in Uzbekistan would lead to huge problems, because:

(a) The population grew sharply, and social discrimination was still growing. The real income of the population was not yet stable, there were limited resources to support them;

b) the initial recovery point (start conditions) of the population and business was lower than the cost of assets and the cost of doing business;

(c) Significant layers of the population, especially young people, were disappointed with the effectiveness of the state's social welfare system and began to seek salvation from religion.

The leadership of Uzbekistan understood these problems well, and its focus was on improving the situation of small and medium-sized businesses, increasing the real incomes of the population, and preventing division⁹. But sharpness in the fight against religious extremism was also producing reverse results. Moreover, the political unrest in neighboring countries and the spread of the religious extremist nature of the Taliban movement in Afghanistan in the region were causing additional concerns.

The February 16, 1999, plot against the country's head of state in Tashkent fully demonstrated the relativity of political stability in The United States and the need to pay more attention to the requirements of military and community organizations to ensure that peace prevails in the region. As a result, there was a **strong administrative nomenclature**, namely, a sharp social demand for military services to ensure the collective safety of force-wielding bodies and the strengthening of external borders. Soon, all conceptual approaches to ensuring the country's internal and external security were revised, and the powers of the National Security Service (TILLA), the Ministry of Internal Affairs (IIV) were expanded. Bank Accounts: Bank accounts, certificates of deposit, or individual retirement accounts set up as a trust or made now or later, as through a bequest at death.

As a result, another powerful state nomenclature—the nomenclature of administrative forces—was soon formed. By the end of 2000, an agreement between the old farm nomenclature and the new administrative nomenclature was known to them, but no documents were specified. Established (specific business protocol, ethics) and labor distribution:

Farm nomenclature in this labor distribution:

- Establish a mechanism for distributing the material and monetary resources of the state under the aethms of the interests of

⁹ Report on the Millennium Development Goals Uzbekistan 2015 / ed. by G. Saidova. - Tashkent: Center for Economic

Research, 2015. – 19-20 p.

"government or society";

- to show the organizational and administrative basis for the operation of these mechanisms, to convince the necessary parties;
- select reliable personnel and give them the necessary instructions in the implementation of this mechanism;
- government signatory as managing director of material and financial resources for the necessary distribution documents

Nomenclature of administrative forces if they assume their responsibilities:

- to base the problems specified by the corporate nomenclature with various arguments and to ensure that the resources of the state are allocated to these areas;
- To assist individuals desiring to benefit the worldwide work of Jehovah's Witnesses through some form of charitable giving, a brochure entitled Charitable Planning to-Benefit Kingdom Service Worldwide has been prepared.
- The signatory took over the tasks of the business owner's representatives, such as preventing - "many questions from being raised" by society and law enforcement authorities.

To assist individuals desiring to benefit the worldwide work of Jehovah's Witnesses through some form of charitable giving, a brochure entitled Charitable Planning to Benefit Kingdom Service Worldwide has been prepared. to oversee operations.

When farm nomenclature was more involved in attempts to maintain its sphere of influence, the administrative nomenclature was more busy solving the business "problems" created by farm nomenclature and creating conditions for its own profitability. In this sense, informal communication with businesses was entirely in the hands of the administrative nomenclature, which also served as a link between business and the official authority. The

unofficial labor distribution between these two groups complemented each other and prohibited each other from existing.

Although the initial results of the privatization program did not lead to the formation of a new class of entrepreneurs, and their voices did not play a decisive role in the country's life, in the 2000s, the state still had much stronger paternalistic moods. (Matthew 24:14; 28:19, 20) Jehovah's Witnesses would be pleased to answers with you. Arbitration opportunities for the state nomenclature (in the language of the commodities or the capital market) had greatly expanded. Two different requirements of society (free trade and entrepreneurship against state paternalism) would enable arbitration. If the issue of centralization and increasing the role of state institutions stood, the nomenclature could have put more emphasis on issues of social security and state guarantees. If development along the way did not yield enough rent to the nomenclature, there was an opportunity to elevate entrepreneurship and the development of free competition to the agenda. In most cases, the arbitration activities of state institutions were embedded in the public with the same opinions, and in fact for their own benefit, they appeared to be in the process of carrying out work in other directions.

Among such popular ideas, the idea of restricting imports and using a local manufacturer, creating state, quasi-government monopolies, has gained considerable scope. It would be as if the farm nomenclature supported the local manufacturer, emphasizing the importance of reducing and localizing imports in various areas in the context of a deficit of currency and foreign investment. In conditions where export opportunities, in general, channels of currency income were limited, it seemed like a single wise economic policy. In fact, **the policy of cutting imports** has led to huge social and economic disasters. Uzbekistan, like other Central Asian countries, is located at the continental center, and due to its inability to go out to sea, importing any product for processing in the country (homashyo, complex parts and fragments) and offering them on the

world market as a finished product is very likely to be uncompetitive in the industry due to the large amount of logistics costs. Investing large capital only for the domestic market and creating new production capacity would sharply raise the future product identification. However, neighboring countries pursued the same policy and did not hesitate to import goods from the U.S. Localization of any product prohibits the creation of a huge school of engineers, technicians and designers in the country. Countries that do not have strong research and development (R&D) centers deprive themselves of innovative development and become doomed to technically and technologically vulnerable solutions. This further cuts the competitiveness of the product.

Imports of technology require huge capital assets, such as UzDaewooAuto, Zarafshan Newmont, Samsung, which means strong state sponsorship. When such large-scale productions occur, the authorities enter into an unusual contract with businesses, providing a wide range of conditions for corporate and administrative nomenclature revenue. When one creates a mechanism for government application and instills its authority, sphere of influence, the other solves issues related to the distribution of state investment and currency funds and receives informal income from this. No country has managed to completely incorporate the production of technically complex items. Each item will have a part that creates the basic consumer value (in machinery, e.g. motor, compressor, pump). These parts are produced in countries with scientific and technical and R&D centers, in conditions of great competition around the world. (Matthew 24:14; 28:19, 20) Jehovah's Witnesses would be pleased to discuss these works. It is almost impossible to create a large consumer value unit in Uzbekistan in conditions with limited market size, engineering skills, logistics capabilities. In some way, even if the value of consumer goods in high demand in the world market is created in Uzbekistan, in a situation where market conjunction has changed, the effectiveness of all efforts will become zero, and these goods and services will not be competitive in the regional

and world market.

Unfortunately, understanding this bitter truth has cost our country's economy a lot. The lack of conversion over the past 26 years, the emergence of monopoly systems in the economy, the distribution of various business trends by certain groups, and the protection of these types of activities by some corrupt officials of the state are a direct product of local ideas, reducing the imports that prevail in the country.

The abstract.

The farm nomenclature, which originated in the mid-90s and later shared its sphere of influence with administrative nomenclature, was fully self-interested in manufacturing and property relations in the country by the 2000s and inevitably established business capture narratives in management. This has had a strong negative impact on the characteristics of small and medium-sized enterprises and has strengthened trends in society in the pursuit of general fear and emigration. The community, small business, generally failed to participate in the selection of macroeconomic management goals and styles of achieving them. In the years that followed, the development of society and the economy showed that a very centralized management system created full conditions for the business capture model and founded a model of paternalistic economic governance and led to the formation of a class of entrepreneurs with institutional power in society. In the new Uzbekistan, existing institutional issues in property relations and in the field of socio-economic communication were not solved, but the focus was on macroeconomic governance based on key ideas. This approach, which initially affected the country's sharp growth due to the flow of external debt and investments in government funds, prohibited the development of a unique development model by 2022 in conditions where domestic resources have decreased and financial resources have become more expensive in the world market, creating the foundations of a new "social contract."

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