



Sustainable Future & Good Governance: Conceptual Approaches

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“Sustainable Future & Good Governance: Conceptual Approaches”

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URBAN DEVELOPMENT IN SUSTAINABLE FUTURE CONCEPT

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Introduction

The question of urbanisation and industrialisation is highly relevant to Uzbekistan, which is a rapidly growing nation in economic and demographic terms. Firstly, the country is currently on its way of transformation from an agricultural to a more industrial economy. Secondly, according to statistics of the State Statistics Committee, the resident population of Uzbekistan consists of 32.763 million people, 50, 6 % (16.583 million people) of which are living in cities and 16.180 million people (49,4 %) in rural areas (Demographic situation, 2018). In 2011-2018, the total migration growth of the urban population amounted to an average number of 1.37% (Demographic situation, 2018).

Since the Soviet times, Tashkent was the largest city of Uzbekistan, in 1989, 2.07 million people lived there (Dankov 2015). Before the 1990s, Tashkent was a reflection of the policy of allocation of production forces in the framework of the single economic complex of the USSR (Centre for Economic Research, 2013: 12). Despite this fact, urbanisation in Uzbekistan and the formation of mega-cities, large, medium and small cities concept is a completely new phenomenon for the country.

Basic concepts and definitions

In order to understand the situation, we need to uncover the terms "urbanisation" and "industrialisation" and the concepts used in the development of modern cities of Uzbekistan.

The term "urbanisation" in the political and economic sense can be characterised as "the qualitative growth of cities, the size of the permanent population, the differentiated and functional development of the economy, communications, transport, the formation of an autonomous socio-cultural environment" (Polyan 2014: 249). In short, urbanisation can be considered as a process of increasing the role of cities in the development of our society. Within the framework of theoretical approaches, several models of city urbanisation are highlighted: the first, "concentration model of urbanisation" can be characterised by the fact that most of the population and economic growth are concentrated in the largest cities. It should be noted that this model is customary for most developing countries; it implies further consolidation of cities, demographic growth due to internal migration and dotted implementation of large-scale economic projects in a certain area. There is also a "centrifugal (multidimensional, sustainable) model of urbanisation", which aims to create a ring of agglomeration cities around mega-cities, with the goal of sustainable socio-economic and demographic development of the country.

"Industrialization" in turn can be characterised as the process by which an economy is transformed from primarily agricultural to one based on the manufacturing of goods.

In this research, the author examines the concept of "sustainable development of cities" to a greater extent from the point of view of the increase of their social load, a balanced solution of socioeconomic tasks and the creation of favourable conditions for human development in this environment.

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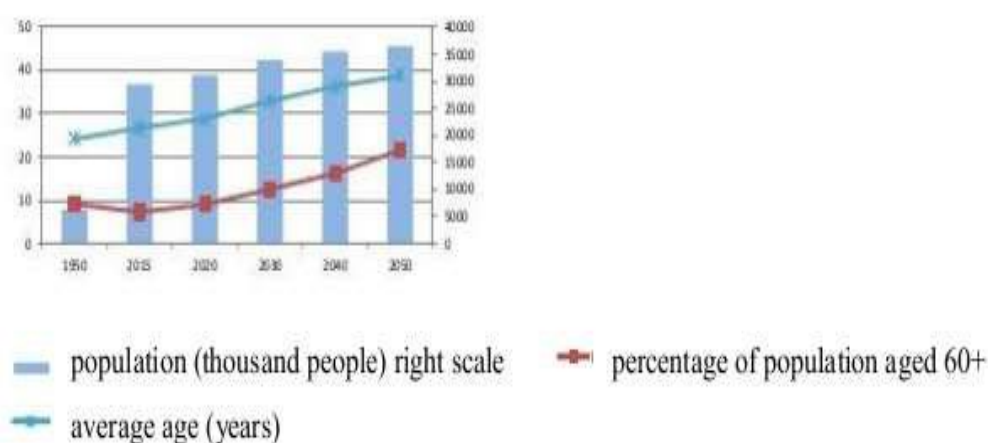
Importance and relevance for Uzbekistan

The rapid growth of population in cities in transition economies can bring both new opportunities and challenges for development:

1. Uzbekistan is the most densely populated country in Central Asia. According to the latest data (2018), the population density is 71.5 people per 1 km², which is 16.9 people more than 18 years ago (in 2000 this figure was 54.6 people) (State statistics committee of Uzbekistan, 2018). The largest city in terms of population density is Tashkent (7257.9 persons per 1 km².), followed by Andijan (689 people per 1 km²), Fergana (527.3 people per 1 km²) and Namangan (356,5 people per 1 km²) regions. A comparative analysis of 2017-2018 shows that the annual population growth in Uzbekistan consists of more than 0.5 million people, which is 1.7% (State statistics committee of Uzbekistan, 2018).

According to the forecasts, by 2030, the population of Uzbekistan will reach 37.3 million people or 20% more than those in 2018. Official statistics confirm these figures, with 36.8% of mothers having two children, and 31.1 % having three or more children (State statistics committee of Uzbekistan, 2018). In the context of the regions of the Republic, the largest population is observed in the Samarkand region (3,719 thousand people, or 11.4% of the overall population); the Fergana region (3,620 thousand people, or 11.1%); the Kashkadarya region (3,148 thousand people, or 9.6%) and in the Andijan region (3,011 thousand people, or 9.2%) (State statistics committee of Uzbekistan, 2018).

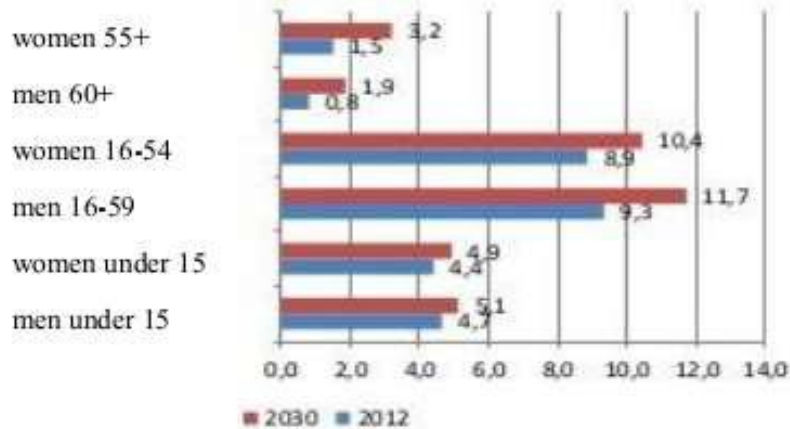
Figure 1. Forecast growth rates of the population of Uzbekistan in 1950-2050



Source: Center for Economic Research (2013, Uzbekistan)

However, settlement across the country is extremely uneven, due to the special geographic and climate conditions, different degrees of infrastructure and economic development. According to forecasts, by the year 2030, the working-age population will grow to 22.1 million people, and the surplus labour in rural areas can reach 7 million people, which may lead to an increase in migratory flows and problems of unemployment.

Figure 2. The working-age population of Uzbekistan in 2012-2030



Source: Center for Economic Research (2013, Uzbekistan)

All the above-mentioned figures clearly indicate the existence of demographic pressure in the country, including a very high population density in some parts of the country (particularly, Tashkent and the Fergana valley).

2. Uzbekistan ranks 55th in the world in terms of territory, which is an incomplete indicator, while, according to experts, **there is a trend of reduction of the area of irrigated land and cultivated area per capita** (Mamrasulov, Kurbanova 2017). Over the past 30 years, the area of irrigated land per capita has decreased by about 25%, i.e. from 0.23 ha to 0.16 ha due to population growth (Abdurakhmanov, Rakhimov 2017: 75). Also, the Republic is beginning to experience a shortage of fresh water, necessary for further expansion of the area of irrigated land. According to ADB estimates, if the current trends continue, the area of irrigated land will be reduced by another 20-25% over the next 30 years (Abdurakhmanov, Rakhimov 2017: 76).

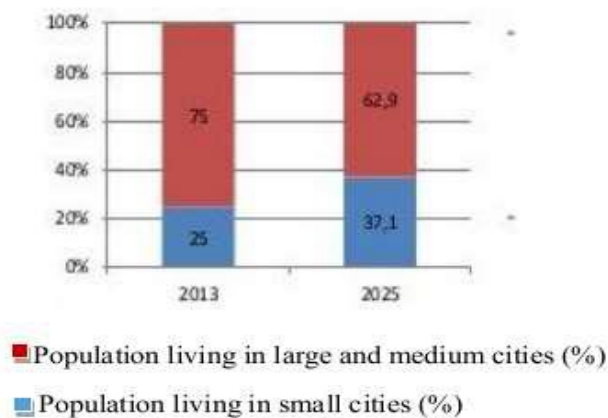
For these reasons, mainly the agricultural development of Uzbekistan appears to be unpromising, while the emphasis on a high level of urbanisation and industrialisation of the territory can open up new possibilities in the further development of the country. Even now, the largest share of GDP is in regions with a high rate of industrial production (Center for Economic Research, 2013).

Cities of Uzbekistan: contemporary status and emerging risks

In terms of population, socio-economic development level, administrative and economic functionality, the cities of Uzbekistan are divided into the following groups: mega-cities (with a population of over 1 million people), big cities (from 250 thousand to 1 million) large cities (from 100 thousand to 250 thousand), medium-sized cities (from 50 thousand to 100 thousand people) and small cities (up to 50 thousand people) (Centre for Economic Research 2013: 24).

The total number of the cities of Uzbekistan is 119, of which Tashkent and three major cities including Fergana, Namangan and Andijan have the status of mega-city (all are administrative centres of the Fergana region, with the highest population density). According to the same classification, only 17 of Uzbekistan's cities are big cities; the rest are small and medium ones.

Figure 3. The population of cities in Uzbekistan (2013-2025)



Source: Center for economic research (2013, Uzbekistan)

The main factors that changed the appearance of the social infrastructure of cities in Uzbekistan are the following:

1. Natural population growth in recent years: by the author's calculations, over the last 26 years the population has increased from 20.5 to 32.5 million people (Centre for Economic Research 2013: 36). There is a trend of an increasing birth rate of the rural population;
2. As a result of the transition of the national economy from agricultural-industrial to industrial-agricultural, there has been a rise in unemployment in medium and small cities;
3. An increase in the attractiveness of mega-cities due to a developed economic centre and labour markets; developed infrastructure; and great opportunities for business and employment etc.
4. High social and humanitarian standards of living, education and leisure: mega-cities have a 100% provision of benefits in the public housing sector, access to relatively high - qualified medicine, education and other services.

All of the above-mentioned factors simultaneously had a direct impact on the formation of a qualitative structure of cities and directly or indirectly led to a lag in the development of medium and small cities in Uzbekistan.

The urbanisation of cities is also closely connected to the trends and dynamics of internal (intraregional and interregional) migration. Internal migration represents not just a forced or voluntary movement of people from one locality to another, but a complex socio-economic and socio-cultural process. Based on the materials studied and the study conducted, it can be stated that internal migration from smaller and larger cities of Uzbekistan to Tashkent is mostly voluntary labour migration, which involves all segments of the population, all age categories, gender, social groups and professions. According to reports, Tashkent city accounts for about 70 – 80% of all citizens seeking temporary and odd jobs (mardikors) outside their permanent place of residence (Abdullaev 2008: 46). The population of Tashkent city is over 2.5 million people, while unofficial statistics provides other figures, exceeding the indicators by 2-2.5 times. Also, it can be noted that the internal labour migration involves mainly the rural population (Abdullaev 2008: 47). The real causes of this phenomenon lie in the relatively high saturation of the labour force in rural labour markets. In terms of gender, studies show that in the internal labour migrations involved mainly males (76.8 %). Most of them are married (53.6 %), have a family and children, however, the proportion of single males migrating is also quite high, up to 44.2% (Abdullaev 2008: 47). However, in recent years, there is a feminisation of migrant workers and women's share in

this field is increasing. The predominant types of temporary and odd jobs for men are construction (69%), agriculture (36.2%) and repair (25.8%); for women these are domestic services, housekeeping, laundry service (73.7%), housekeeping and landscaping (45%), agricultural work (39.8%), and sorting and packing of fruit and vegetables (18.8%) (Abdullaev 2008: 47). The results of the study clearly show that the bulk of temporary labour migration is young people without professional education and good qualifications, between 16-29 years old (60.9%) (Abdullaev 2008: 47). It can be concluded that an important cause of internal migration is the lack of work and the desired level of wages of migrants in the place of permanent residence.

Also, it is important to note the psychological aspect, as there is a false opinion that the local population of medium and small cities are ready to give up their habitual way of life and go live in Tashkent or another large city at the first given opportunity. However, if one approaches this issue from the point of view of history, features of culture and the mentality of the people of Uzbekistan, the picture changes completely. All 12 regions (viloyats) and the Republic of Karakalpakstan as part of Uzbekistan are a mixture of particular traditions, customs and way of life, although there are not stark differences between them. Nevertheless, each region, including towns and villages, has its own specificities in terms of national dress, cuisine, local rituals, dialect, etc., which makes their inhabitants carriers and translators of their unique culture. Each region of Uzbekistan, without claims of dominance at the national level, believes that it is that the combination of these that form the backbone of Uzbek culture. Among the people, there is an opinion that the area from which you are is for you a "small homeland" or "Homeland within the Motherland" (Vatan ichra Vatan). For example, during national holidays, many non-local residents of the biggest cities prefer to leave for their towns and villages to celebrate events in their mahalla (local communes), and older people want to be buried at their birthplace. Such examples speak of love for their small homeland as part of the Uzbek mentality. In general, internal migration is not considered by the people as an exceptionally positive phenomenon and confirms the thesis about the desire of local residents to live in their native places, subject to the right conditions for quality of life.

All of the above facts undoubtedly answer the question of why it is so important for modern Uzbekistan to create nationwide sustainable development programmes for medium and small cities throughout the country.

Summarising the above, it is possible to identify two very important indicators that directly affect socio-political stability in Uzbekistan in the context of urbanisation:

First, the high population growth rate, especially in rural and small areas of the country, and the increase in the share of working-age young population with limited natural and geographic resources suitable for agriculture. Currently, more than 10 million young people under 18 years old live in Uzbekistan, which is more than 40% of the total population of the country. At the same time, the share of young people under the age of 30 is more than 60%. These developments occur against the backdrop of an improved economic policy of the country, i.e. the transition from an agrarian economy to one of services.

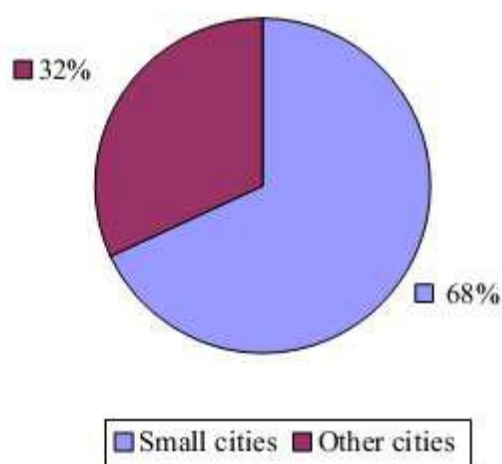
Second, further migration of the rural population to big and larger cities of Uzbekistan as a result of structural urbanization reforms, and as a consequence of the growth of such cities in surrounding areas. According to the State Statistics Committee of Uzbekistan, the most significant negative balance of migration is observed in Samarkand (-3.9%), Kashkadarya (-3.4%), Fergana (-2.0%), Bukhara (-1.8%), Andijan (-1.5%) and the Republic of Karakalpakstan (-3.4%). A positive balance of migration was observed in Tashkent city (+10.8%) (2018).

Goals and efforts

The government is just starting to implement a comprehensive policy of urbanisation, and the issue of territorial development is given special attention. Over the past 26 years, attempts have been made to implement national plans to reduce the imbalance in the development of regions aimed at improving the efficiency of city management. Moreover, within the framework of the implementation of the sustainable development goals of the UN, in 2017 Uzbekistan developed the National Goals for sustainable development (11 - Sustainable cities and society, 8 - Decent work and economic growth, 9 - Industry, innovation and infrastructure and 10 - Reduced inequalities). Despite this, there is a risk of developing "false urbanization", which consists in exceeding the growth rates of urban population in the rate of creating new jobs several times, megapolization, excessive pressure on urban infrastructure, rising unemployment and deteriorating living conditions in cities (Center for Economic Research 2013: 48).

Based on the research, the author concludes that medium and small cities are the most vulnerable and represent good potential, as they make up a large part of the cities of Uzbekistan. So, according to the Center for Economic Research (Uzbekistan), they account for 68% of the total number of cities, where about 8 million people (or about 25% of the population) live. Given the current rate of population growth and urbanization, by 2025 the population of cities could reach 21.7 million people (65% of the total population), of which 12.4 million will be needed for medium and small cities (Center for Economic Research 2015: 4).

Figure 4. The proportion of cities in Uzbekistan



Source: Center for Economic Research (2015, Uzbekistan)

To mitigate the consequences of the "concentration model of urbanisation" policy, it is necessary to develop interrelated, yet simultaneously sufficiently separate, pilot state programmes in the large, medium and small cities of the republic. In particular, according to the CER, the stages of the implementation of the policy of territorial and regional development of Uzbekistan, conditionally, can be divided into several periods (Center for Economic Research 2015: 1-2):

1. The first period, 1991-2007: creation and development of internal transport highways, diversification of the economy by favouring production aimed at import substitution. As a result of the first period, the industrial development of some large cities of Uzbekistan was achieved;

2. The second period, 2008-2010: the adoption of the State Programme for the localisation of production of finished products, components and materials based on the use of local raw materials. As a result, four Free Economic Zones were established in Navoi, Tashkent, Jizzakh and Syrdarya regions. At the end of the period, a network of large industrial zones and surrounding territories were created, and road, rail and air communications were improved;

3. The third period, 2008-present: the logical continuation of the programmes of the second period, the further expansion and diversification of industries across the regions of the republic. Currently, there are nine Free Economic Zones operating in Uzbekistan, focusing on the development of local services.

It can be stated that the constant growth of demographic indicators and the increase in migration and concentration in the mega- and larger cities of Uzbekistan represent an objective reality for the near future.

Certainly, in Uzbekistan, all major projects for development are financed by the state budget and investments, which makes this area dependent on the mood of the political elite. In general, however, positive steps are now being taken by the new leadership to improve the situation in the country, and previously abandoned territories are acquiring a new identity.

Another equally important barrier is that public institutions in the republic are still at the stage of formation and there is a wrong approach, namely one presuming that the improvement of living conditions of citizens is fully within the competence of the state. In other words, all initiatives and efforts are expected to come from the official institutions of power.

Another important point is the fact that the implementation of large infrastructure projects and programmes of internal development carry a very heavy burden for the state budget. This creates an additional layer, i.e. the country needs to attract foreign investment, all efforts to solve problems at the local level are minimized, and the state, perhaps unwittingly, turns into a forced chief reformer, although it could delegate some of the powers to local authorities.

In Uzbekistan, a country where economic prosperity is closely intertwined with the parameters of social development, the above indicators must be met proportionally; however, we can find the best solution at a lower cost, with a huge desire and effort by both the state and society.

Positive foreign experiences: remarks and recommendations for Uzbekistan

It would be interesting to study the experience of other densely populated, developing countries that have gone through the same stages in their development and that have created a brand from their non-capital cities. Such examples are many: Bangalore, Shanghai, Ahmedabad, Accra, Hong Kong, Dubai – cities once no different from the grey mass of other fast-growing territories, that eventually turned into a place convenient for living and investment.

Of course, the development of these cities required huge financial investments and the development of long-term strategies; at the same time, intangible components were of great importance. According to Keith Dinnie (2013: 237), a well-known specialist in branding of cities, to create a brand of a city, it is necessary to take into account three parameters: preservation of their features, consideration of various interests of society, and preservation of the original spirit of the area. These practices are applicable in the conditions of Uzbekistan, as they take into account the needs of absolutely different target audiences.

In order to avoid differentiation of cities in socio-economic development, a set of measures should be developed, and therefore, the following actions are recommended:

In the political area:

1. Improvement of the existing policy of urbanisation, not only relating to mega- and large cities, but also to medium and small cities. The researcher believes that it is the shift of emphasis in the policy of sustainable development from the mega policies to the largest and small cities, which will give tangible long-term results. In this respect, large, medium and small cities should have greater autonomy from the biggest centres, beginning with regional politics and ending with the waste of the local budget. To this end, it is necessary to develop pilot projects based on the degree of urbanization of facilities (individual models for large and small cities in the centres of regions, peripheral or "grey" cities, metropolitan cities, etc.); to identify the most favourable environment for their specialization; and provide constant support at the national level;

2. The development of effective policies, long-term strategies for rural and urban development, and the creation of favourable conditions for life in medium and small towns. It can be infrastructure development, improving living conditions, increasing cultural and educational space, etc. In Uzbekistan, the issues of education, quality medicine and sanitation, providing the population with pure drinking water, electrification and gasification are fully within the competence of the central government. The first and most necessary step in the development of small regional cities is the above conditions for the local population, provided by the state, which are a kind of guarantor for social and political stability at the local level;

3. Development of intraregional and interregional integration, which implies more economic steps, since internal integration is primarily profitable for the state itself, for improving transport and logistics of national importance, which in the long term indirectly affects the welfare of society;

4. Enhancing the role of local authorities in addressing critical issues in the area. In Uzbekistan, the competences of local self-government bodies of citizens (*mahalla*) include various issues of people's lives, from marriage to local politics. The problem is that, due to the political weakness of these bodies, the state often interferes in their affairs without their request. The gradual delegation of power and authority of the central apparatus to the *mahalla*, especially with regard to urban development, could strengthen the authority of this body, which in the future could determine the local policy based on internal needs and problems.

In the economic area:

Economic empowerment through the rejection of the "concentration model" of urbanisation in favour of balanced economic growth of smaller cities and agglomerations. In this respect, the implementation of policy recommendations into the economic domain is important.

The author considers that it is possible to make cities the most optimal option among all available. For example, Uzbekistan has industrial cities like Navoi, Angren, and Nurafshon. Based on the proposed policy recommendations for launching pilot projects, it would be possible to create a mass of scientific, educational, tourist, financial, cultural, craft cities and farm-cities. In particular, in some cities in the Tashkent, Samarkand, and Bukhara regions, it is possible to develop the concept of a tourist city, the surrounding areas around the mega and the largest cities can become a centre of banking and financial services or as city-universities, etc. Moreover, almost in all regions of the republic, there are small cities with their unique cultural and craft traditions (Rishton, Kesh, Margilan and Chust.).

2. An increase in the economic importance of the surrounding areas that make up the "feeding" of the mega-cities, by forming host "big cities-medium cities-small cities". In this respect, it is quite possible to transfer parts of large production facilities, industries and services to small and medium cities;

3. Implementation of projects for the development of infrastructure, logistics and transport communications with distant territories (roads, railways, major highways, air routes). One possibility is the proposal for the construction of high-speed toll roads, the means from which could come from local budgets. Moreover, this will lead to the development of a service sector in the so-called "grey" associated small towns along roads that are lacking the potential for development under normal conditions;

4. The reduction of inequality and poverty by creating local economic centres, autonomous from the biggest cities and the capital. Developing the comprehensive programme of development of small and medium cities and villages, providing great preferences, privileges and opportunities for small business development and the sphere of services.

5. The formation of local budgets for financing local projects, and to fix this at the legislative level.

In the social area:

1. The development of sparing social programmes, including primary adaptation and further integration of the local population and conditions of life. This can be a programme of affordable housing quotas in kindergartens and schools, etc.

2. Removing potential tensions between parties, through the organisation of work aimed at improving relations between the visiting migrants and the local population.

In the legal – administrative area:

1. Adoption of the law on internal migration of the population, with guaranteed rights and duties in the sphere of labour relations, legalisation and formalisation of their work. It is important to take into account all of the existing barriers to the present day, to ensure free movement of the population within and between regions;

2. Simplification of registration (propiska) and accounting of intraregional migrants;

3. Maintain correct statistics for the formation of reliable data for analysis and development of long-term forecasts.

Conclusion

The role of small and medium-sized cities in the sustainable development of Uzbekistan is huge. Developed, strong and sustainable cities as centres of industrialisation can accelerate socio-political transformations in the country in a positive way. Small and medium-sized cities will be a deterrent to the outflow of the rural population in the largest cities of the republic. They are also important for creating complementary, self-developing networks of "big cities-medium cities-small cities", which will lead to greater sustainability, economic growth and well-being, and the development of new sectors in the economy. Branding of small and medium-sized cities can create a "unique face" of the area, make the city attractive to local residents and visitors, and in general contribute to a positive image of the country.

To achieve this goal, however, an integrated approach is needed: it is necessary to develop a long-term strategy for each city, taking into account the peculiarities of its geography, demography, development dynamics, perspectives and risks. Initiatives and reforms should not run counter to economic realities, natural conditions and public expectations.

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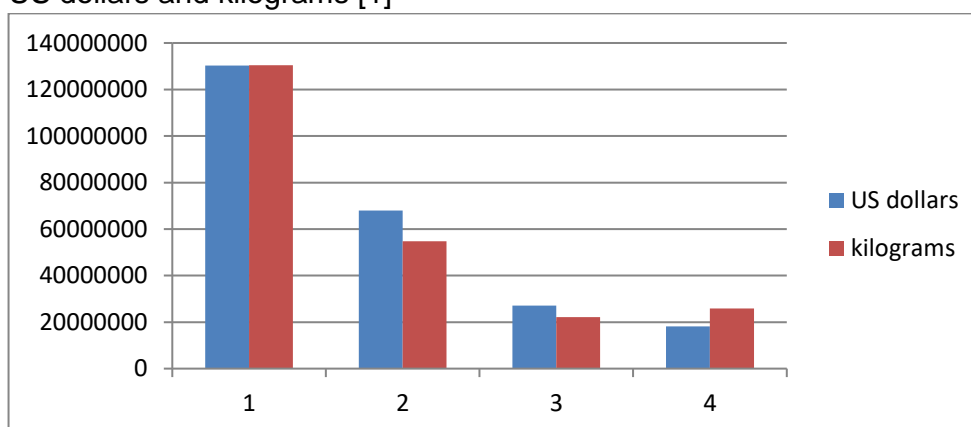
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THE IMPACT OF FRUIT EXPORT POLICY ON THE INCOME OF SOCIETY IN UZBEKISTAN

Akmaljon Abdullayev²

Despite expectations of an increase in fruits and vegetables export from Uzbekistan to the Russian Federation as a result of a sanctions exchange between the Russian Federation and European states, the overall export has been declining annually, and the decrease started from 2012. The data generated from the customs statistics of foreign trade of the Russian Federation for the period of 2012 and 2015 is provided in Table 1, which demonstrates a decrease in both the value and the amount of imports. This paper focuses on fruits and vegetables produced in rural areas, and argues that barriers in exporting these products have negatively been impacting household incomes as well as the economy of Uzbekistan. This paper outlines the importance of the export of agricultural products for Uzbekistan, searches for reasons for this decline in export, and proposes alternative solutions for increasing the export of fruits and vegetables. It argues that paradoxically, the highest barriers on the trade of fruits and vegetables do not belong to importing countries that aim to support local producers, but they have been implemented by the Cabinet of Ministers of the Republic of Uzbekistan. The paper furthermore notes that inconsistent regulations make exporters and farmers vulnerable.

Figure 1. Import of fruits and vegetables from Uzbekistan to the Russian Federation in US dollars and kilograms [1]



Source: Customs statistic of foreign trade of Russian Federation

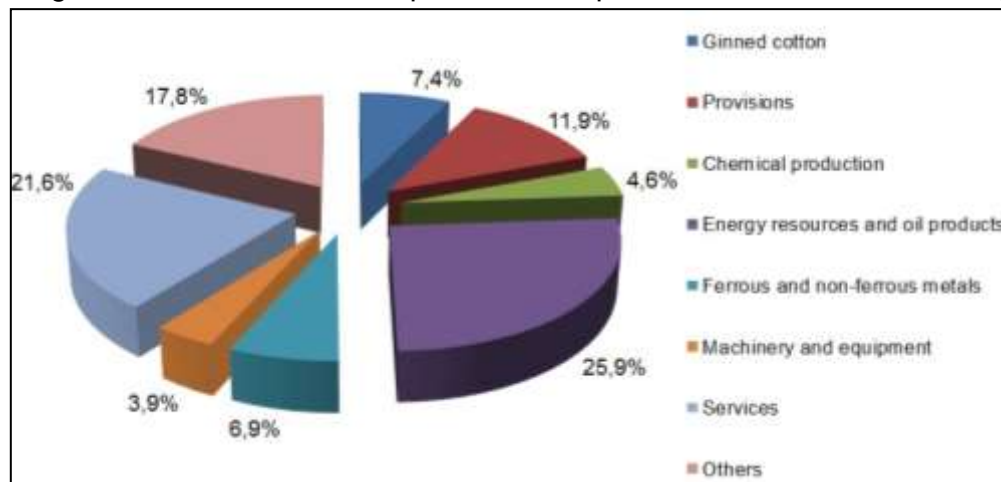
Employment, rural livelihoods, food security and exports of Central Asian countries highly depend on agriculture. This is especially true for Uzbekistan, where the sector has experienced tremendous changes since independence. Agriculture employs 27% of the labour force and contributes about 18% of the GDP of Uzbekistan [2]. These numbers are relevant mainly on state-regulated agriculture including grain and cotton; if the agricultural products such as fruits and vegetables produced in households were added, the numbers would increase significantly.

According to the Food and Agriculture Organization (FAO) statistics, Uzbekistan is among the top five producers of apricots in the world, the sixth-largest producer of cherries,

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and 17th in apple production. In the past ten years, Uzbekistan increased the total area of fruit orchards by 1.2 times. Although wheat and cotton occupy around 79% of the sown area [3], it has been reported that Uzbekistan exports fruits and vegetables to more than 80 countries in the world [4]. The government of Uzbekistan published data in December 2014, on forecast parameters of production and the use of fruit and vegetables, including potatoes, melons and grapes, for 2015 and it is planned to produce about 9.536 million tons of vegetables, 2.606 million tons of potatoes, 1.2 million tons of onions, 1.77 million tons of melons, 2.703 million tons of fruits and 1,526 million tons of grapes [5]. Perhaps, these numbers make better sense if turned into currencies. As of September 2014, the country has exported \$500 million worth of fruits and vegetables out of which \$400 million to the Russian Federation [6]. It is worth noting that the regulatory agency for export and import in Uzbekistan, the Ministry of Foreign Economic Relations, Investments and Trade, does not consider the export of fruits and vegetables as a separate category, and instead includes this data into the category of 'provisions'.

Figure 2. The structure of export of the Republic of Uzbekistan for 2014 [7]



Source: Ministry of foreign economic relations, investments and trade of the Republic of Uzbekistan

However, alternative statistics show that Uzbekistan exports between \$5 and \$6 billion of fruit and vegetables and its potential output has been increasing annually [8]. Before the decline in 2014, the horticulture export grew from \$373 million in 2006 to \$1.16 billion in 2010 [9]. The reason for such a big difference in statistics is that this export is not regulated by the state, which makes the sector largely informal. In addition, most of the fruits and vegetables that are exported are grown in households and farms, and the government does not implement fixed tax for their income [10]. Therefore, the trade in fruits and vegetables is much higher than Uzbekistan's total trade turnover with Kyrgyzstan (\$101,7 mln.), Turkmenistan (\$413 mln.), Tajikistan (\$160 mln.) and even Kazakhstan (\$3547 mln.), adding even more to the existing turnover with Russia (\$6,1 bln.) [11]. In addition, it is almost equal to remittances to Uzbekistan from the Russian Federation through money transfer operations that had reached \$5.693 billion [12] in 2012. Due to their significance, remittances are transferred to Uzbekistan via alternative mechanisms such as delivering cash to wholesale importers of goods from the Russian Federation or China. This trend has a great impact on the informal economy and subsequently has the potential to also increase corruption within Uzbekistan [13]. The main policy that has increased the export potential was initiated by the land and agricultural reforms [14] of the government of Uzbekistan, but it has failed to

establish mechanisms to regulate the export of fruits and vegetables and attempts have been detrimental for the sector [15].

Alternative research on the export of fruits and vegetables has been conducted by the Centre for Economic Research. Its results are shown in Table 3, but again, the research centre provided only preliminary data and later had to acknowledge that it is impossible to provide the exact amount of export of agricultural products in Uzbekistan. At the same time, the table also clearly demonstrates that fruit and vegetable export from Uzbekistan is not stable and perhaps it is due to constant changes in the regulations that make export difficult for enterprises. For instance, it is very difficult to explain the 4.5 times increase in export of grapes from 2005 to 2006, or how the export of apricots, cherries, peaches and plums increased by ten times during that period. The fluctuations with the export of tomatoes are also worth noting as it doubled for that period and increased from \$2695000 in 2004 to \$52485000 in 2007 [16].

Prior to the dissolution of the USSR, there were no clear borders between states, which meant that grapes produced in the Ferghana Valley could reach markets in Siberia easily. As the governments started to impose trade barriers [17], “restrictions on the free international exchange of goods and services” [18] ensued. The government of Uzbekistan has taken several measures to regulate trade with partner countries since its independence [19]. Uzbekistan restructured large collective and state farms and established private farms, expanded small household plots, which are now responsible for significant agricultural export, with strong productivity gains leading to an adequate standard of living for the majority of the population. The Oliy Majlis (Parliament of the Republic of Uzbekistan) adopted bill №470-I “On customs tariffs”, which came into effect from January 1998, and the President signed resolution ПП-1169, which set new rates for the import customs duties from September 2009 onwards. The Cabinet of Ministers also established a Working group that coordinates export of agricultural products. In addition, the government established institutions to support export, such as “Matlubotsavdo” and “Uzulgurjisavdoinvest”, and it requested bank support and access to financial resources, discounts on transportation and logistics including customs support [20]. Another trend that the government adopted recently includes the opening of trade representation offices in regions of the Russian Federation [21].

Table 3: Value of exports of fruit and vegetables from Uzbekistan (US\$'000), 2000–2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Potatoes	1496	587	152	138	1108	1036	1171	-	-
Tomatoes	6522	5705	4099	3200 9	2695	6069	1335 9	5248 5	1585 0
Bulbous vegetables	6050	3796	3911	4071	5597	7266	1302 9	1898 4	1056 1
Other vegetables	4555	3470	3202	3926	3324	8350	2944 7	6133 5	2808 7
Frozen and processed vegetables	50	37	177	232	249	606	1113	3079	2310
Dried vegetables	7407	7688	8545	1428 2	9871	1414 5	2839	4543 3	3485 8

Nuts	3586	5203	6460	3726	3278	4924	1785 8	3914 5	2637 3
Grapes (fresh and dried)	2076 7	1665 4	9131	5958	1163 3	1992 7	1109 93	1476 65	1267 41
Melons and water melons	2245	2299	2075	2012	2980	5404	3415 2	6921 6	5597 3
Apples, pears, quince	2894	1817	493	575	930	1210 8	6921 6	6921 6	5597 3
Apricots, cherries, peaches, plums	4588	5091	3932	1443	2368	3999	3941 2	3677 1	1646 4
Other fruits	2536	2106	1574	1008	2714	6340	4609 2	3694 0	5068 2
Processed fruits and nuts	79	5	39	72	139	102	288	1220	1112
Dried fruits	5932	4266	2174	2108	2253	3475	7908	1738 7	2179 3

These documents, together with institutional changes, aimed at further liberalisation of foreign economic activity and improvement of export operations. However, in reality they created detrimental conditions not only for farmers and exporting enterprises but also for ordinary consumers. Until July 2015, producers of fruits and vegetables had to sell their products to companies registered with state authorities [22]; the company had to obtain certificates of conformity [23], origin [24], and phytosanitary; and demonstrate the export contract to the customs office. Nowadays, the government has decreased the number of requested documents to three: the customs declaration, an invoice from the transportation company, and the export contract [25]. This contract should be in line with prices set by the working group of the Cabinet of Ministers, and the customs committee should issue a declaration based on which the company should be cleared from customs in the designated country. In addition, the company should pay logistical services to transportation enterprises and sell 25% of the earned hard currency [26] to the bank on an exchange rate set by the Central Bank of Uzbekistan [27]. The latest decree of the cabinet of ministers allows for export of fruits and vegetables only by air and rail [28]. On first sight, these regulations seem valid and demonstrate that the state has been acting normally to regulate foreign trade. In fact, most of these regulations can be observed in other Central Asian countries [29].

However, each of the above-mentioned steps creates additional challenges to exporters, and barriers make the business no longer profitable for companies to export fruits and vegetables from Uzbekistan. Therefore, the export has been declining and impacting the income of rural Uzbekistan. Both policymakers as well as analysts sometimes concentrate on a number of issues as obstacles in exporting fruits and vegetables from Uzbekistan. Those include “postharvest losses as a result of improper harvesting, poor handling, lack of hygiene in packaging and inadequate storage after harvesting,” [30] “disconnected markets, lack of knowledge on foreign markets, bureaucratic cost and procedures, weak associations, ineffective communication,” [31] “lack of credit and loans, access to fertilizers, technical assistance, high debt,” [32] “limited land and water resources, seed production and breeding,

insufficient introduction of advanced technologies for, production and cultivation, low level of provision of equipment, low efficiency of state regulation of production processes, inadequate access of agricultural producers to financial resources, including credit,” [33] “organization of transport services, VAT refund, transiting via a third country, customs declaration, sale of earned hard currency, charges and collections, requested documents from state organizations, [and] 100 percent prepayment for export contracts.” [34]

While all of the above-mentioned obstacles have valid justifications, the main obstacles perhaps lie in protectionist policies [35] and the significant informal economy that the export of fruits and vegetables generates in Uzbekistan. As in many transition countries, a significant part of economic activity in Uzbekistan is done “behind closed doors” and is not recorded in official statistics [36]. According to the EBRD-World Bank’s Business Environment and Enterprise Performance Survey (BEEPS), the role of the informal sector in Uzbekistan in 2008 constituted 7%–8% of GDP [37]. As it has been described that “informal economic activity in Uzbekistan cannot be understood in relation to a formal economy (...) but [as an] expression of a more general informalisation of state, society and life worlds.” In particular, the agricultural production of households could reach around 70% of their total income. Agricultural production in the household is a key part of rural households and three forms of agrarian systems have been outlined: (1) state-ordered production, which includes production of cotton and/or wheat; (2) commercial production, in particular of fruits, vegetables and rice; and (3) household production, primarily for home consumption, but also including produce for barter and small-scale sales at local markets. At the same time, there are assumptions that agriculture is something that farmers deal with. It is not always the case in Uzbekistan, and the majority make ends meet through a combination of sources of livelihood. Many try to earn additional money from being involved in agriculture; this group can include doctors, teachers, housewives, and children. Sometimes people hire someone and sometimes they can also be hired by someone else to do farming, depending on the regions/districts. There can also be those who are registered in one organisation and do an entirely different job. Thus, the lives of millions are shaped around the informal sector, but this has not been reflected in official statistics [38].

Perhaps the role of the informal economy is much more than data indicate, as the economy of Uzbekistan with gradual transformation has not been competing with modern financial trends. Although Uzbekistan *de jure* introduced full convertibility of the soum, the national currency for current international transactions back in 2003, importers often experience long delays in purchasing foreign exchange through official channels. This constitutes a major barrier for imports and exports because equipment, raw materials, spare parts and other goods often need to be imported first in order to produce exportable goods. Therefore, the country has multiple exchange rates: an exchange rate set by the Central Bank of Uzbekistan, commercial bank rates, the black market exchange rate [39] and an exchange rate established by stocks. The differences between these rates are significant, and the government intends to regulate fruit and vegetable exports at formal rates.

Uzbekistan is on the eve of losing markets for a number of reasons. Fruits and vegetables of Uzbekistan have so far enjoyed easy access to markets of the Russian Federation and Kazakhstan. Roughly 90% of the fruits produced in Uzbekistan are exported to the Russian Federation and a lesser degree to Kazakhstan [40]. The increasing share of supermarkets in retail trade of these countries has started making food safety and quality the main binding constraints facing exports from Uzbekistan. , despite reports on remarkable quality and taste of fruits and vegetables produced in Uzbekistan. In addition, the WTO membership of these countries will eventually create technical barriers to exporting agricultural products. Modern agriculture sectors of competing countries leave little space for

products from not only Uzbekistan but also other parts of Central Asia as they have improved pre-processing as well as energy-efficient refrigerating systems available for use by producers. The exchange of sanctions between the Russian Federation and European states after 2014 created a vacuum and an opportunity for trade in agricultural products from Uzbekistan but existing objective circumstances lead to a loss in access to the market that may be difficult to re-enter. As the previous economic crisis [41] in the Russian Federation had a negative impact on Central Asia, the current trends demonstrate a potentially detrimental effect. Nowadays, not only Middle Eastern [42] but also South American countries are competing on the fruit and vegetable markets despite significant logistical challenges. The role of China has been increasing in the markets of the Russian Federation, and there is a trend in Central Asia to import fruits from China, especially in winter, due to high prices for locally produced products. In addition, it is necessary to add bad weather conditions including drought [43] and cold weather in Central Asia as potential reasons for a declining share in the markets [44].

Therefore, the export of fruits and vegetables highly depends on barriers, and currently devastating regulations increase the vulnerability of rural populations [45]. Despite advantages in logistics, there are several explanations for why the Ferghana Valley producers of grapes are not able to compete with South American companies in the Russian market, including the high customs tax established by the government of Uzbekistan. The existing approach to agriculture focusing mainly on cotton and wheat as the main hard currency crops, is outdated [46] and the government should establish mechanisms that give an opportunity for an exporter to formalise the activity. While many experts were expecting an increase of export from Uzbekistan to Russia due to the sanctions between Russia and European countries; technical barriers had left this opportunity unused. The decrease in export from agricultural products during summer season and ineffective measures of market prices for fruits and vegetables in winter should be addressed by the government, and urgent measures to overcome the growing crisis in society should be taken. Those policies should consider liberalisation of trade, and diminishing of technical barriers: scrapping of coordination mechanism of the cabinet of ministers, a review of custom tariffs for fruits and vegetables, reduced document requirements from banks from exporting organisations, and the provision of licenses for individuals involved in foreign trade. These policies should perhaps be taken upon consultations with partner states and after examining best foreign practices. After all, the status quo will not enable the government to provide an adequate standard of living for its citizens and this may result in a political crisis that affects not only Uzbekistan but also other countries in Central Asia.

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SOME REFLECTIONS ON ROTHBARD'S PRAXEOLOGY

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Murray Rothbard's "Man, Economy, and State" beautifully reveals specific and most intriguing features of a man, factors and means influencing the production process and government interference in the state economy.

His ideas on similarities of the character of a man and government, as well as economic concepts such as valuation, the law of marginal utility, the law of returns, typology of intervention, have significant importance in the modern economic theoretical framework. In addition, Rothbard's praxeological analysis finds practical implications and arguments in different processes of the modern economy.

In his approach, M. Rothbard emphasised human action as purposeful behaviour. The purpose of a man's act is his end; the desire to achieve his end is the man's motive for instituting action. As he argues that human action can take place only by individual actors, governments or groups act as a metaphor. Indeed government or societies have no independent existence aside from the actions of their individual members [1]. This idea was actualised before M. Rothbard by the political realism school. For instance, Hans Morgenthau wrote that politics have in general, their roots in human nature [2]. Indeed, man and government act similarly. Each action of man or government requires an image of the desired end and "technological ideas" or plans on how to arrive at that end. However, they prefer their ends to be achieved in the shortest possible time. Another main idea of Rothbard explains the factors and means which are scarce, limited with respect to the ends. These scarce means must be allocated by the actor to serve certain ends. In practice, aiming at building a democratic state and strong civil society, Uzbekistan adopted the Strategy of Actions for the development of the Republic of Uzbekistan along with five priority areas in 2017-2021. This strategy is the declaration of "technical ideas" as well as a qualitatively new approach to the system of strategic planning of state and social development of the country.

Additionally, a man should economise means to achieve the most desired ends [3]. In that case, man or government uses the process of valuation with regard to their ends. For instance, Uzbekistan's Strategy of action has defined five priority areas of development. They include the improvement of state and nation-building, provision for the rule of law and further reformation of the judicial system, promotion and liberalisation of the economy, social development, security, interethnic harmony and religious tolerance, implementation of balanced and constructive foreign policy. Each aim consists of achieving several ends. Indeed Uzbekistan is trying systematically to achieve the main goals by using scarce means within the five years wisely. In "Man, Economy and State" it is highlighted that all action is an attempt to exchange a less satisfactory state of affairs for a more satisfactory one. An actor cannot measure the gain in satisfaction, but he does know which of his wants are more urgent than others. In a practical sense, Uzbekistan found the region of Central Asia as the main priority and named it to be "a conscious choice". Shavkat Mirziyoyev, President of the Republic of Uzbekistan, has stated, "Peaceful and economically prosperous Central Asia is our most important goal and key task" [4]. In other words, the more satisfactory state for Uzbekistan is the consolidation of the trend towards rapprochement with neighbours and the intensification of the interstate contacts at various levels. One of the means in this way, the

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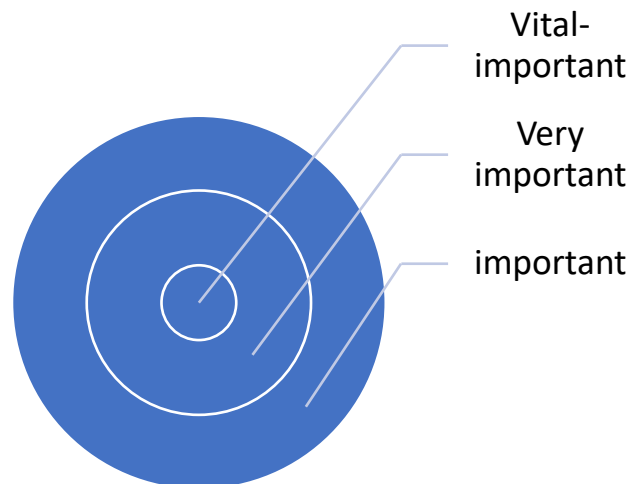
President of Uzbekistan has initiated summoning the regular consultation meetings of heads of Central Asian states, which promote “the level of political confidence” among countries of the region.

The law of marginal utility was considered carefully by M. Rothbard as the actor gives up the lowest-ranking want that the original stock was capable of satisfying. The essential concept of this law includes that the greater the supply of goods, the lower the marginal utility; the smaller the supply, the higher the marginal utility [5]. A man may face the choice of giving up one unit of any good that he might choose. By

ranking the various goods and the ends served by the relevant units, the actor will give up the unit of that good of which the marginal utility to him is the lowest. The government also acts similarly. Politics and politicians divide the national interests of the state into three categories: vital-important, very important and important. In this case, the important interests of the state can be marginal units in order to satisfy its vital and very important interests as sovereignty, territorial integrity, its existence and security. In addition, if a country has more resources for the satisfaction of its interests, the marginal units will be lower.

The “governmental” function of defense (person and property) is vital to the existence of a free society. The government should protect human defence and rights. M. Rothbard gave an example of the violation of human rights in the case of smoke, as well as air pollution generally. The outpouring of smoke by factories pollutes the air and damages the person and property of others. Air pollution, then, is not an example of a defect in a system of absolute property rights, but of failure on the part of the government to preserve property rights. Note that the remedy, in a free society, is not the creation of an administrative State Bureau to prescribe regulations for smoke control, but it is judicial action to punish and proscribe pollution damage to the person and property of others. In fact, nowadays, environmental issues are highly debated and topical question not only in one country but in the entire world. For example, by 1990, stationary industrial sources accounted for the highest share of the Central Asia region’s air pollution. Following independence, heavy industries went through a period of restructuring, decline and plant closures, and a transition to new technologies and types of products [6]. Besides factory smoke, the desertification of the Aral Sea impacts negatively both regional and global environment. These dust storms affect human health in densely populated areas near the former sea, damage vulnerable infrastructure and diminish air quality in Nukus and the Amu Darya delta. At the national level, Uzbekistan is undertaking great efforts to combat the negative consequences of the desiccation of the Aral Sea on the environment and human health.

Once more, Rothbard stressed the economics of violent intervention in the open market explicitly. At the same time, he classified intervention into three types respectively to their participant actors: autistic intervention, binary intervention and triangular intervention. Determining the specifics of intervention, Rothbard explained the perception of individuals towards intervener: The individual or individuals coerced would not have voluntarily done what they are now being forced to do by the intervener [7]. In order to obtain its goals, the intervener uses the threat of violence. In many cases, the State is the only organisation in society legally equipped to use violence, and since it is the only agency that legally derives



its revenue from a compulsory levy. However, in the free market, the intervention of government should be limited or controlled. In Uzbekistan, one of the tasks of liberalisation of the economy is the provision of greater freedom for small business and private entrepreneurship, radical reduction of government intervention in their activities, provision of early warning, and efficient prevention of violations. Decree of the President of Uzbekistan «On additional measures to ensure the accelerated development of the entrepreneurial activity, comprehensive protection of private property and substantial improvement of business climate» from October 5, 2016, can be taken into account as a legal base [8]. The traditional type of triangular intervention is price control. It may be effective or ineffective. It can be ineffective if the regulation does not influence the market. The effective type consists of two forms: maximum price control and minimum price control. Maximum price control leads to shortages (AB), situations where the quantity demanded (DD) exceeds quantity supplied (SS). In the light of this fact, the typical governmental reason for selective price control — “We must impose controls on this necessary product so long as it continues in short supply”— is revealed an almost ludicrous error. As a solution to the problem, M. Rothbard put forward this idea: price control creates an artificial shortage of the product, which continues as long as the control is in existence — in fact, becomes ever worse as resources have time to shift to other

The Economics of Violent Intervention in the Market

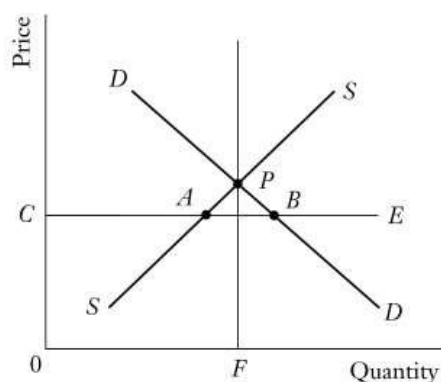


FIGURE 83. EFFECT OF A MAXIMUM PRICE CONTROL

products. If the government were worried about the short supply of certain products, it would go out of its way not to impose maximum price controls upon them [9]. In Uzbekistan, in order to provide the population with the cheaper medicaments, the government imposes price control. It is one of the effective ways of social protection, but according to Rothbard’s approach, this intervention may lead to a shortage of medical drugs in the open market.

Rothbard tried to find an answer to the paradox that the mass of supposedly incompetent consumers is competent to choose not only those who will rule over themselves but also competent individuals in society. He explained that consumers are surely not omniscient, but they have direct tests of success or failure, while voters are not able to foresee the policies which have the best chance of success. Indeed this paradox is a completely different matter.

To sum up, it is important to say that today Rothbard’s praxeological approach has significant practical meaning not only in economic theory, but in political, judicial and ecological processes as well. Indeed the purposeful behaviour of human action is directed to the achievement of desired ends. In other words, man or government always attempts to attain the most favourable end in the possible shortest time. In all spheres, the actors’ efforts are aimed at maximisation of their gain in satisfaction. Besides, the valuation process of the importance of the ends is a systematic process which exists in human nature.

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WEBER'S THEORY THROUGH THE PRISM OF MODERN ECONOMY

Firuz Gadoyev⁴

With the beginning of the renaissance of the 1970s and 1980s, Western social science and culture have witnessed a significant increase in interest in Weber's sociological theory. The influence of Weber's ideas on the study of political structures and processes has increased noticeably in recent years. Many Western scholars rely on Weber's theory of bureaucracy when conducting comparative studies of the system of public administration in various countries.

He developed: the foundations of the sociology of religion; economic sociology and the sociology of labour; sociology of the city; the theory of bureaucracy; the concept of social stratification and status groups; the foundations of political science and the institution of power; the doctrine of the social history of society and rationalization; the doctrine of the evolution of capitalism and the institution of property.

The achievements of Max Weber are simply impossible to enumerate; they are so huge. In the field of methodology, one of his most important achievements is the introduction of ideal types. Weber believed that ideal types make it possible to make historical or social material more meaningful than it was in the clear experience of real life.

Weber's ideas permeate the whole building of modern sociology, forming its foundation. He contributed to the theory and methodology, laid the foundations of the branch directions of sociology: bureaucracy, religion, city and labour.

Weber created many scientific works, including: "Protestant ethics and the spirit of capitalism", "Economy and society", "Objectivity of socio-scientific and socio-political knowledge," "Critical research in the field of the logic of the sciences of culture," " On Some Categories of Understanding Sociology "" Basic Sociological Concepts ".

One of his main works is "Protestant ethics and the spirit of capitalism," in which Weber wrote a comparative analysis of the most significant religions and analysed the interaction of economic conditions, social factors and religious beliefs. This work was published in 1905 in Germany at first and since then is one of the best works on the analysis of the causes of the emergence of modern capitalism.

Domestic sociology can also learn a lot in the arsenal of the political theory of Weber. The concepts developed by him can, apparently, be successfully used to analyse the structures of public administration at various stages of their evolution. An appeal to his political ideas should contribute to a better understanding of both the recent past of our country and the current state of its political system.

Weber made a significant contribution to such areas of social knowledge as general sociology, the methodology of social cognition, political sociology, the sociology of law, the sociology of religion, economic sociology, and the theory of capitalism. Weber called his concept "understanding sociology." Sociology analyses social action and tries to explain its cause. Understanding means the cognition of social action through its subjectively implied meaning, that is, the meaning that the subject himself places in the action. Therefore, in sociology, the diversity of ideas and worldviews that regulate the human activity, that is, the diversity of human culture, are reflected.

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Unlike his contemporaries, Weber did not strive to build sociology on the model of the natural sciences, referring it to the humanities or, in his terms, to the sciences of culture, which, according to methodology and subject matter, constitute an autonomous field of knowledge. The main categories of understanding sociology are behaviour, action and social action. Behaviour - the most general category of activity, which becomes an action, if the actor connects with him a subjective meaning. When action is correlated with the actions of other people and is guided by them it can be referred to as social action. Combinations of social actions form "semantic connections", on the basis of which social relations and institutions are formed. The result of understanding by Weber is a hypothesis of a high degree of probability, which then must be confirmed by objective scientific methods.

Weber identifies four types of social action [1]:

- Purposeful - when objects or people are treated as a means to achieve their own rational goals;
- Value-rational - is determined by a conscious belief in the value of a particular action, regardless of its success;
- Affective - determined by emotions [2];
- Traditional - determined by tradition or habit

Weber's social attitude is a system of social actions; social relations include such concepts as struggle, love, friendship, competition, exchange, etc. Social attitude, perceived by the individual as mandatory, acquires the status of a legitimate social order. In accordance with the types of social action, four types of legitimate order are distinguished: traditional, affective, value-rational and legal.

The method of sociology as determined by Weber is the concept of understanding the doctrine of the ideal type, as well as the postulate of freedom from value judgments. The ideal type according to Weber fixes the "cultural ideal"[3] of this or that phenomena and the ideal type becomes a heuristic hypothesis capable of ordering the variety of historical material without reference to some predefined pattern.

Concerning the principle of freedom from value judgments, Weber distinguishes two problems: the problem of freedom from value judgments in the strict sense and the problem of the relationship between knowledge and value. In the first case, it is necessary to strictly distinguish the facts and their evaluation from the worldview of the researcher. In the second, we are talking about the theoretical problem of analysing the connectedness of any cognition with the values of the cognizable item, that is, the problem of the interdependence of science and the cultural context.

Weber proposes the concept of "capitalistic interest"[4], which determines the choice and method of studying the empirical object in each particular case, and the concept of the "value of contemplation"[5], which is determined by a specific way of seeing the world in a given cultural context. In the "science of culture," this problem acquires special significance since in this case values are a necessary condition for the existence of such sciences: we, in a certain culture, cannot study the world without evaluating it and giving it meaning. In this case, therefore, we are not talking about the subjective biases of a particular scientist, but first of all about the "spirit of the times" of a particular culture: it is he who plays a key role in the formation of "value of contemplation".

These theoretical postulates allow Weber to interpret the sociology of economics in a "cultural" context. Weber identifies two ideal types of economic behaviour: traditional and goal-oriented. The first exists since antiquity; the second develops in new times. The overcoming of traditionalism is connected with the development of a modern rational capitalist

economy, which presupposes the existence of certain types of social relations and certain forms of social order.

Analysing these forms, Weber comes to two conclusions: he describes the ideal type of capitalism as a triumph of rationality in all spheres of economic life, and such development cannot be explained solely by economic reasons. In the latter case, Weber polemicizes with Marxism. In his work "Protestant ethics and the spirit of capitalism," Weber attempts to explain the genesis of modern capitalism by linking this problem with the sociology of religion, in particular, Protestantism.

Weber on Society and Power

In his research Weber paid attention to the most diverse aspects of the life of society: the links between economic life, the problems of the social structure, the economic and ideological interests of various social groups, the division and specialization of labour, the problems of political power, types and legitimacy, historical causation, and the problems of rationalization, etc.. Weber considered society in its totality. He believed that the phenomena of social life are causally conditioned. A variety of reasons conditions all of them. In reality, there is no causality of phenomena by any one factor. At the same time, Weber excluded the possibility of the determining influence of one factor on the other without the reciprocal influence of him on their part. Among the many causes that cause specific phenomena, he believed, there may be major ones. Therefore, the main factor that led to the assertion of capitalism in the countries of Western Europe, according to Weber, was a religious and ethical complex. This complex, which included Protestantism and the corresponding ethics, led to the formation of specific personality traits, and thereby approved a unique phenomenon - Western European capitalism, which cannot be repeated in other countries. Representing the most rational type of management, capitalism at the same time is the "tremendous cosmos" [6] into which every individual is plunged from the moment of birth and whose boundaries remain for the individual as such once and for all given and unchanged.

The society, according to Weber [7], is differentiated into classes. Class differences and positions are multidimensional. People are divided in relation to the means of production, on religious and ideological grounds, concerning the authorities, and so on.

The essence of power was in obedience to a certain order according to Weber. Obedience to the order, in his opinion, is carried out for three reasons: by tradition and habit, due to the need to comply with certain provisions of laws and by virtue of personal sympathy. In accordance with these basic motives of obedience, Weber's order characterised three types of legitimate political domination: traditional, legal, and charismatic [8].

Traditional domination is based on the strength of tradition, the habits of obeying the manager. The legal takes place when, when executing orders, people obey not the persons who give them, but the established laws. Charismatic is based on the deification of the manager's personality, on the belief in his exceptional abilities, and so on.

Weber paid much attention to the problems of the relationship between political leaders, the bureaucracy and the people. He suggested that future society would be a dictatorship of the bureaucracy, and not of the working class. Weber also investigated the problems of conflicts in society. He concluded that in contemporary society, the main conflict is caused by the struggle of the state bureaucracy and political parties.

The concept of sociology and the "meaning" of social action.

Weber singles out such concepts as "Action" and "Social Action".

"Social action is the action of a person who has a relationship with the actions of other people and who are oriented toward him, in relation to the acting person or actors." [9]

These two concepts that define Weber have significant differences. In fact, these "differences" are in this: For example, if we take "action", then it is not dependent on something external or internal that "reduces to non-interference and a patient friend", but "social action", On the contrary, includes non-interference and patient acceptance.

Max Weber defines two meanings of the word "meaning"[10]. The first: "really subjectively by the alleged actor in a given historical situation, or approximate, average meaning, subjectively assumed actors in a certain number of situations"[11]. The second: "theoretically designed pure type of meaning, subjectively assumed hypothetical actor or actors in a given situation"[12].

This interpretation of the word "meaning" makes the author think that he separates sociology as an empirical science from dogmatic sciences such as ethics, logic and jurisprudence. This is due to the fact that such an interpretation that Weber gave to the word "meaning" does not have a "correct" or a "false" [13] meaning, in contrast to these sciences, which seek to determine the «correct» or a «false» meaning.

To draw a clear line between meaningful and reactive behaviour is impossible because between them there is no connection with the subjectively assumed meaning. In the first case, there is no action as such, or it can be detected with the help of specialists. In the second case, those experiences that "cannot be understood by those to whom they are inaccessible".

He defines the types of "obvious" understanding. The first is rational (logical or mathematical). The second is the result of "empathy and feeling - emotionally and artistically receptive" [14].

Weber is convinced that those actions that have a logical or mathematical "form", that is, they represent semantic connections, can be understood with greater clarity [15]. And those actions that are oriented toward "high goals and values" are understood with less obviousness.

The author says that there is a typological type of research and that all irrational connotations (with this type of research) should be considered as a "deviation" as opposed to a goal-oriented one. In other words, "irrational factors (affects, delusion) of behaviour can be understood as a" deviation "from a purely rationally constructed one"[16]. Only in this sense, the method of "understanding" sociology is "rationalistic". It must be said that such a method must be understood only as a methodical technique.

Weber proposed to treat material objects on the basis that the person connects them with the manufacturer and application. In a word, a person should see in the objects, either a purpose or "means"[17].

Also, the author says that there are such phenomena that cause alien meaning. For example, in an alien sense, "all processes or phenomena (of a living or dead nature, connected with a person or occurring outside of it), deprived of the intended semantic content, appear not as a" means "or" purpose "of behaviour, but are only his motive, Stimulus or interference"[18].

Further, Weber singles out the types of understanding: "1) a direct understanding of the alleged meaning of the action. This is when we understand the meaning of the rules, for example, $2 \times 2 = 4$. 2) explanatory understanding. This kind can be characterised as "understanding" is anti-motive. There is an example that was in the first case; then you can ask such questions: Why does it happen such a number and not another? Who wrote this example?" [19].

Protestant ethics and the spirit of capitalism and its future through the eyes of Weber
"Protestant ethics and the spirit of capitalism" It was this work that became the most famous of those that came out during Weber's lifetime. In it, he considered rationality as a specific

feature of Western European development. The reasons for the formation of rationality Weber associated with certain types of rational life behaviour, calling it "capitalistic spirit" [20].

His work began with the rejection of the conventional notion of capitalism as a phenomenon, primarily associated with profit. "The desire for entrepreneurship, the pursuit of profit, the monetary gain ... in itself has nothing to do with capitalism"[21] wrote the scientist ("Protestant ethics and the spirit of capitalism," 1905). Nevertheless, capitalism does not exclude this "striving for profit"[22], since the lack of orientation toward profitability inevitably dooms it to ruin.

If we talk about capitalism as an economic activity, then, according to Weber, it existed in all states of the ancient world. As for the author himself, he was not interested in the forms of capitalism (adventurist, commercial, militaristic, political), but the very process of "the emergence of bourgeois industrial capitalism with its rational organisation of free labour"[23].

According to Weber, "economic rationalism"[24] and forms of the economy depend on "a certain religious orientation." Thus, the features of modern Western capitalism are due to the ideology of Protestantism. He confirmed this thesis with statistical data, in particular, the fact that Protestants were predominantly the owners of capital and entrepreneurs, among the higher skilled strata of workers, as well as the average and higher technical personnel of modern enterprises. This, according to Weber, was associated with a peculiar mentality, formed by education and found expression in professional activity.

Comparing the activities of Catholics and Protestants, Weber, for example, believed that Catholics in the field of economics looked rather pale, and most importantly "did not depict a specific inclination to economic rationalism." [25]

The author saw the reason for this phenomenon, first of all, in the uniqueness of each of the religions. But what exactly was the peculiarity of Protestantism? Weber noted the adherence to the idea of "duty to work"[26] among the followers of this religious trend, which created a fertile ground for understanding work as a vocation.

This circumstance was the determining motive in the behaviour of the European bourgeoisie. The origins of such motivation should be sought in the times of the Reformation, when, in fact, a new version of Christianity appeared - Protestantism with its ethic of productive work, professional duty and private initiative.

It was thanks to this ethical core, Weber believed, that Protestant religiosity proved to be the adequate form for industrial high-productivity capitalism.

Weber, in "Protestant Ethics", described the spiritual factors of the emergence of primary capitalism in the West. During this period, it was the spiritual, religious motivation of entrepreneurial activity, its perception from the point of view of the religious salvation of the soul, dominated the desire for profit, rationalised it, and endowed it with religious meaning. In modern Western society, the situation has changed: the passion for profit has escaped from the religious wrapper and has become a self-sufficient motive, a basic value:

"At present, the spirit of asceticism - who knows, is it forever? - left this worldly shell. In any case, the victorious capitalism does not need such support ..." [27]. At present, the desire for profit, deprived of its religious and ethical content, takes place where it achieves its highest freedom, namely in the United States, the character of an unrestrained passion.

From Protestant ethical values, only the notion of professional duty wanders around the world as a spectrum of former religious ideas. Protestant ethics, laying down the spiritual foundations of high professional culture, lost its direct influence on it. As evidenced by modern sociological research, there is no direct correlation between the high level of Protestant religiosity and work ethic, but in general, it is higher where there was a stronger Protestant tradition.

Capitalism is already developing not on the basis of religious culture, but its own basis. If initially a person with his own goals, values, aspirations created a capitalist economy, now he has turned into a colossal independent mechanism that forms the image of the thought and lifestyle of every member of society, imposing his norms and "rules of the game" on him. Weber writes: "The Puritan wanted to be a professional, we should be so"[28].

Protestant ethics, acting in the process of the emergence of capitalism as its most powerful ally in the struggle against traditionalism, had not only great concrete historical significance in the sense of the formation of the psychological and cultural foundations of its spirit, but also the broadest historical significance in the sense of the formation of the entire capitalist culture.

Rational life behaviour based on the idea of vocational calling and other ideas of Puritan ethics became one "of the constitutional components of the modern capitalist spirit, and not only of it but of all contemporary culture"[29].

Thanks to Protestant ethics, capitalist activity and activity, in general, acquire a rationally semantic, culturally determined value. Relations between subjects are social in nature. The subject himself becomes a cultural being, consciously organising activities, focusing on the environment and the importance of others. The emerging social system as a product of comprehension of actions also becomes a cultural product.

Weber, as the main idea of ascetic Protestantism, singles out the idea of professional vocation and duty. Not labour as such, but only systematically organised, methodical work within its profession, rational activities are pleasing to God. Such principles created an impulse to methodically control one's behaviour, an ascetic lifestyle that was oriented toward the Divine will of rational transformation. Thus, the world is liberated from magic, superstition, dependence on the church, prayer. It becomes simpler, more understandable, more rational. Question of chosen fate and salvation are now resolved not in the sacraments of church services and prayers, not as mediators between God and man, but by the man himself in the process of labour activity. He saves his soul, following the divine commandments, and success in professional activity is a sign of grace - a reward for persistent methodical work.

At the beginning of the 20th century, Weber observed the distinctive features of the national character of the various peoples of Europe, manifested in relation to professional duty and vocation. "Every manufacturer," he writes, "is well aware that one of the main obstacles to the capitalist development of countries such as Italy is the insufficient awareness of the workers, which distinguishes it from Germany"[30]. Weber notes that at first glance comparing a difficult-to-explain, peculiarity: among the successful businessmen, Protestant supporters predominate. Weber writes: "When acquainted with the professional statistics of any country with a mixed religious composition of the population, one phenomenon repeatedly discussed in the Catholic press and literature and at the Catholic congresses of Germany, invariably attracts attention.

Namely - the undoubted predominance of Protestants among the owners of capital and entrepreneurs, among the highest qualified layers of workers, among the higher technical and commercial personnel of modern enterprises. "Further, the author makes various assumptions about the nature of this fact of the predominance of Protestants. He tries to explain it from the standpoint of the historical - "In the XVI century. Many of the richest regions of the empire, owing to favourable natural conditions and the proximity of trade routes, accepted the Protestant faith; the consequences of this fact contribute to the success of Protestants in their struggle for existence and economic prosperity." In the same way, from the standpoint of economic (financial) and general education: "The fact that the percentage of Catholics among students and graduates of secondary schools of" elevated type "is much lower than their percentage to the entire population can be explained by property differences.

But the fact that among the Catholic entrants, the percentage of those graduating from educational institutions that prepare for technical and commercial activities, in general to bourgeois entrepreneurship, is also significantly lower than among Protestants, this fact cannot be explained by a financial reason. "[31]

"Weakness"[32], firstly, is an expression of the weakness of rational thinking. The thinking of the state bureaucracy, neglecting ethical norms, testifies to the weakness of rational principles in culture. The main thing is to find in each culture settings that are designed as ethical norms and aimed at an active attitude to the world, economic development and the accumulation of wealth, spiritually stimulating labour activity and capable of playing a leading role in the process of socialisation and education on a mass scale.

Conclusion

Max Weber was an academic with a very broad social outlook. He left a notable mark in the development of so many aspects of social, political and economic science.

In the book "Protestant ethics and the spirit of capitalism," the author compares the entrepreneurial abilities of representatives of the capitalist world, who adhere to various Christian denominations, in particular, the comparison between Catholics and Protestants.

In this work, he reveals the influence of religion on the economy. Protestant religion promoted the development of business acumen, entrepreneurial activity. It helped to shape thrift, calculating, enterprising, resourceful, risky.

Weber demonstrated the influence of external factors on the formation of economic relations, the processes of economic development. According to Weber, Protestant religiosity proved to be the most adequate form for industrial high-productivity capitalism.

And, finally, he deduces the main significant dogmas of Protestantism: 1. Man is originally sinful. 2. Before the beginning of life, everything is predetermined. 3. A sign about whether you are saved or not can be obtained only by improving oneself in your profession. 4. Obedience to the authorities. 5. Denial of the supremacy of the ascetic duty over the worldly. 6. Reconciliation with your place in the world.

The ideas of Weber are very fashionable today for the modern sociological and economic thought of the West. They are experiencing a kind of renaissance, a revival. This shows that Weber was an outstanding researcher. His social ideas, obviously, had an outstripping character, if they are so in demand today in Western sociology as a science of society and the laws of its development.

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THE SIGNIFICANCE OF GOOD GOVERNANCE IN THE DEVELOPMENT OF UZBEKISTAN

*Dilfuza Khamidova*⁵

The concept of governance was first used as a political term in the World Bank Report “Sub-Saharan Africa: from Crisis to Sustainable Growth” in 1989. Donor states realised that given aid was not always used in a proper manner and sometimes had the opposite effect. Therefore, they comprehended that key problems in Africa’s underdevelopment were weak government and ineffective governance. After that, they thought about how to manage and control the implementation of this issue. Reforming governance structures deemed an essential step to solve this problem. From this perspective, the World Bank analysed the governance concept. In this report, World Bank President Barber Conable (1986-1991) used the term ‘good governance’, defining governance as “the exercise of political power to manage a nation’s affairs.” After that, good governance has become one of the main requirements of the Bank to obtain credits and financial assistance. In fact, the main activity and purpose of the World Bank concerns economic issues rather than the governmental policies of countries. Hence, the World Bank’s chief legal adviser, Ibrahim Shihata defined good governance in economic terms: good governance is a good order that is necessary for a positive investment climate and the efficient allocation of resources. The World Bank should not allow itself to be influenced by a particular political ideology, governmental form or party constellation [1]. The World Bank identifies good governance principles as free-market liberalisation and *laissez-faire*. Looking at good governance from this angle, it means it is seen as a macro-economic notion.

United Nations Development Programme further developed the concept: “governance is the exercise of political, economic and administrative authority in the management of a country’s affairs at all levels. Governance comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their political rights, meet their obligations and mediate their differences”. [2] Specific reference is made to democratic governance as “a process of creating and sustaining an environment for inclusive and responsive political processes and settlements.”[2] The institutional and human capacities for governance determine how the effectiveness of public policies and strategies is attained, especially in service delivery. The United Nations Millennium Declaration mentioned ‘human rights, democracy and good governance’ without giving definitions; it is placed in the same category as democracy and human rights.

The European Union also does not give much attention to the World Bank’s approach on good governance, rather than link good governance with democracy, gender equality and human rights as does the UN. The European Union also demanded good governance requirements in relation to African, Pacific and Caribbean states under the 2000 Cotonou Agreement [3].

The OECD and major donor countries approach good governance differently from the World Bank and the UN. They see good governance as an effective open and accountable public sector without corruption, and promote the implementation of principles of good governance in almost all countries. These principles of good governance would, in the words

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of the OECD, transform not only the relationship between governments, citizens and parliaments but also the effective functioning of government itself [4]. The OECD guidelines for good governance are regarded as objective and reliable. From this angle, good governance is seen as a concept of political economy. For this reason, the following principles can be identified as the core component of good governance:

- respect for the rule of law;
- openness, transparency and accountability to democratic institutions;
- fairness and equity in dealings with citizens, including mechanisms for consultation and participation;
- efficient, effective services;
- clear, transparent and applicable laws and regulations;
- consistency and coherence in policy formation;
- high standards of ethical behaviour.

From the beginning of independence, basic elements of good governance, including the rule of law, accountability, and participation were the foundation of further large-scale reforms to establish stable, developed and powerful statehood. Uzbekistan began transitional reforms from the totalitarian regime to a democratic society, from a planned economy to socially-oriented market economy, from a strong country to a strong democratic society. In the transition period, development issues such as healthcare, nutrition, security and education were vitally important for strong state-building. People had lost their trust in socialism and in the Soviet regime. In some former Soviet countries, civil wars broke out. In such a complex and difficult period, Uzbekistan chose a phased development way in order to minimise shocks and economic and social negative consequences of the collapse of the Soviet Union.

The first President of Uzbekistan, Islam Karimov, implemented constitutional reforms in Uzbekistan, including measures towards establishing democratic society, liberalisation of the economy, improving judicial system. He introduced a new development path, which is known as the “Uzbek model of development”. If we look at five principles of Uzbek model of development, we can see core elements of good governance. It was a big step for the newly emerged country.

1. The priority of economy over politics. This guiding principle is based on World Bank good governance principles as free-market liberalisation and laissez-faire.

2. Placing the state as the main reformer and initiator. This principle refers to the accountability of government officials to implement state programmes and strategies.

3. The rule of law. The main principle of good governance, which ensure law and order in society. It measures the functioning and independence of the judiciary, including the police, the protection of property rights, reducing the rate of crime and violence. Ensuring the rule of law creates a friendly environment for investment and small and medium enterprises.

4. Strong social policy. The government commits to provide basic infrastructure and condition needed for an ordinary citizen to live, work, and eventually raise the standard of living.

5. Phased and evolutionary reforms. For newly emerging countries, step-by-step growth of the economy was important; the population was not ready for shock therapy reforms in the transition period. Thanks to the gradual implementation of reforms Uzbekistan became the first among CIS countries to overcome the decline of the 90s, and in 1996 achieved positive economic growth, which has been accelerated dramatically in recent years not due to favourable world prices for raw materials, but on the sound basis of diversifying its economy, implementation of structural reforms and an active investment policy [5].

Furthermore, the introduction of the bicameral Parliament system, separation of powers, and elimination of the death penalty were next main measures towards democracy and human rights. From this perspective, the Strategy of Action is a logical continuation of those reforms.

The five-year development Strategy of Uzbekistan set out the main policy direction for further development of the country. Main priorities and direction of Strategy focus on strengthening the economy, ensuring the rule of law and interests of people. In this broader context, governance measures have been considered as the key to the entire Strategy of Action implementation process. The main aspects of the Strategy are:

- Improvement of the system of state and social construction. (In practice, this means transitioning from a vertical to a horizontal type of governing that would be open for two-way communication between the government and citizens);
- strengthening the rule of law and further reforming of the judicial system;
- economic development and liberalising the economy;
- developing social protection;
- ensuring security, deepening religious tolerance and interethnic harmony, and implementing a balanced and mutually beneficial foreign policy.

In this context, each of the five priority areas of Uzbekistan's Development strategy for 2017-2021 refer to the main components of good governance such as participation, accountability, transparency etc.

Reforms and measures which have been taken in the last few years have led to positive changes; however, Uzbekistan still has a long way to go and much still remains to be done in order to achieve the intended goals of the new President, namely "to become a developed country".

Looking at reforms from a different angle and finding new solutions for old problems make us turn to foreign experts for a recommendation, and proposals for ongoing reforms in Uzbekistan. Analyses by foreign think-tanks and international organisations are vitally important for taking further steps and their comments and research identify the image of Uzbekistan in the world community. In this case, carefully analysing good governance principles gives a clearer understanding of the level of good governance in Uzbekistan.

Voice and Accountability

The starting point for good governance reform should be to consider the voice of people and meet their demands, physical integrity and basic needs. Knowing these priorities of people, the new President of Uzbekistan promotes citizens to participate and engage in decision-making, monitoring and implementation of the process. Foreign countries welcomed these positive changes in Uzbekistan. Mirziyoyev was already well-known as a man of dialogue and action, and his insistence on putting the people's voice on record, appears to have shifted the political atmosphere in his favour overnight. [6].

In order to accelerate the rate of development, Uzbekistan has taken measures toward citizen voice and participation. The year 2017 was declared "Year of Dialogue with people and human rights". Understanding the fact that citizen feedback is a key mechanism to accountability and efficiency of government officials, the President opened "virtual complaint boxes" and promoted all ministries to open virtual reception sites and web pages in social media. He also ordered senior government officials to report on their activities online. Anthony Bowyer, Senior Programme Manager for the Caucasus and Central Asia at the International Foundation for Electoral Systems, annotates that "Mirziyoyev campaigned on the principle of government serving the people, a novelty in the experience of independent Uzbekistan or most other post-Soviet countries, with a greater degree of openness and transparency. He

indicated that this would involve direct communication between government officials and citizens through electronic channels, social media, and fora such as town halls and public meetings. He moved quickly to make local government more accountable through the expansion of direct elections and encouraged citizen groups to monitor the work of local and national administration” [7].

With this move, more than two hundred peoples’ reception centres have been set up. These kinds of changes have led to people’s voices being heard, increase local governments’ accountability, and to tackle deeply rooted problems such as the negligent performance of the public sector, nepotism and corruption.

Despite these positive changes, there are many issues to be sorted, and many problems remain unaddressed.

Transparency

Transparency is crucially important in gaining citizens’ trust and reveal problems and find solutions for them. Access to objective information, official documents, judicial decisions and data on public spending and procurement helps to increase accountability and attract investment in the country.

Understanding these realities, President Shavkat Mirziyoyev has started reforms on openness and transparency. For example, On October 21, 2016, Mirziyoyev signed the Decree on measures to reform the judicial and legal system further and enhance guarantees for sound protection of rights and freedoms of citizens. One of the most famous NGOs underlined it as a remarkable change and wrote: “this decree may also improve the effectiveness of the Law on Openness due to its focus on ensuring the openness and transparency of government bodies in their interactions with NGOs, mass media, and the general population” [8].

Moreover, the President signed the Law "On public procurement" on April 9, 2018. The new law set out to ensure openness and transparency of public procurement, and the competition of entrepreneurs in this area. The law defines five types of procurement procedures, two of which completely exclude the human factor when making decisions on public procurement. In other procurement procedures, transparency is ensured by publishing the necessary information on a special information portal. For the first time, a type of procurement procedure, such as procurement from a single supplier, has been introduced in line with international standards [9]. This degree prevents corruption and increases time efficiency.

In this context, foreign scholars underlined reforms in Uzbekistan: “News in Uzbekistan nowadays is meaningful, timely and critical. It is true that media still mask criticism behind quotes from political leaders, but they no longer speak with only one voice. The media has become more timely and trustworthy, with more reporting on international affairs as well. The government claims that it wants the media to be stronger. However, there is still a lack of analytical articles and editorials that critically review the ongoing reform processes around the country. Moreover, the country’s media is yet to incorporate and engage in investigative journalism and instead cloaks its criticism in statements by the President himself” [10].

Indeed, achieving high-level transparency quickly is difficult in the short term. It should be mentioned that sometimes the government says it has to block access to certain websites to maintain the safety of citizens. However, in May 2019, the Press secretary of the President, Mr Allamjonov, announced on his Facebook webpage that access to some websites that were blocked, would return, including: Voice of America, BBC Uzbek, Deutsche Welle, Amnesty International, Human Rights Watch, Reporters sans frontiers, Eurasia net, Asia Terra, Fergana Agency, Centre1, and Uzmtronom [11].

It is being suggested that mass media should always be open and accessible. In addition, the government should provide high speed internet as it enhances investment flows and assists with boosting the economy, through for instance e-business and e-commerce. Government officials should bear in mind that censored media enable corruption and in the worst case it might cause a brain drain of young and energetic citizens.

It is important to stress that the government itself was increasingly aware of the fact that a powerful police force and security services could not by themselves assure the system's stability. Internal political stability could not be achieved without a strong economy. Key senior officials came to appreciate the fact that successful democratic systems could only be built on the basis of the rule of law and public trust. Without these foundations, chaos would ensue, which could threaten the entire system with collapse.

Government Effectiveness and Regulatory Quality

Government effectiveness and quality of monitoring systems have increased due to certain measures in this area. The introduction of virtual reception of government officials and the President's virtual office led to solving some of citizens' problems, and people began to trust in the government. Understanding the importance of trust of the population in the government, President Shavkat Mirziyoyev emphasize population trust in reforms: "The most important change in our economic policy [is that] we gave up chasing unrealistic, made-up figures, painting a rosy picture, indulging in wishful thinking and critically reviewed these unacceptable work methods, and we are now focusing on practical results, human interests and once again human interests as the main goals of our reforms. You know, people still have little trust in our reforms. They (the reforms) are kind of fine, they say. In fact, they now have a little bit more confidence in their future, and there is a bit of progress" [12].

The President and other ministries started checking executed plans and implementation processes by making regular trips to rural areas and learning about people's problems. Central Asia – Caucasus Institute author Mjuša Sever pointed out main positive changes in Uzbekistan and underlined the President's speech to a joint session of parliament: "It is time to end the period when people worked for the government. Instead, the government must start working for the people!" [13]. "The Governors, though still appointed by the President, were instructed to hold periodic receptions in all regions. These are now obligatory in every region. This is a novel development in Uzbek political life and offers citizens a new mechanism for influencing the administration's performance". [13].

Furthermore, the government adopted a new decree on administrative reform in the Republic of Uzbekistan. It aims to create an effective and timely system of the public sector, which enables to protect human rights and enhance the competitiveness of the Uzbekistan economy. The president's decree defined six areas in which these goals are to be achieved, among others "the improvement of the institutional, organizational, and legal framework of the executive authorities' activities" and "the formation of an effective system of professional civil service, [and] the introduction of effective mechanisms to combat corruption in the system of executive authorities"[14].

Moreover, some new proposals dedicated to increasing the effectiveness of the public administration are under preparation for the implementation process. For instance, the President proposed to make governors and mayors directly elected by the people. Recognising the lack of responsibility and effectiveness and improving the capability of governors and mayors, the President turned to the international experience and proposed the direct election of governors by people.

In August 2017, the code on local and regional elections was amended by decree to allow for the direct election of governors of provinces and the city of Tashkent and set a date

for Tashkent city elections [15]. As Mirziyoyev put it in a speech to the nation, “To defend the interests of the people, you must in the first-place talk to the people, and better understand their concerns, aspirations, life problems and needs” [16].

Rule of Law and Control of Corruption

Central Asia – Caucasus Institute scholar Mjuša Sever identifies corruption as one of the main challenges of the new administration. The main challenge for President Mirziyoyev’s administration will be to deal with the country’s pervasive culture of corruption, a legacy of the past that for decades has been consuming the country’s resources like dangerous cancer. The new legislation is now in place that provides a solid basis for action. But the real test of the country’s leadership will be to confront the bureaucratic legacy that makes corruption possible [20].

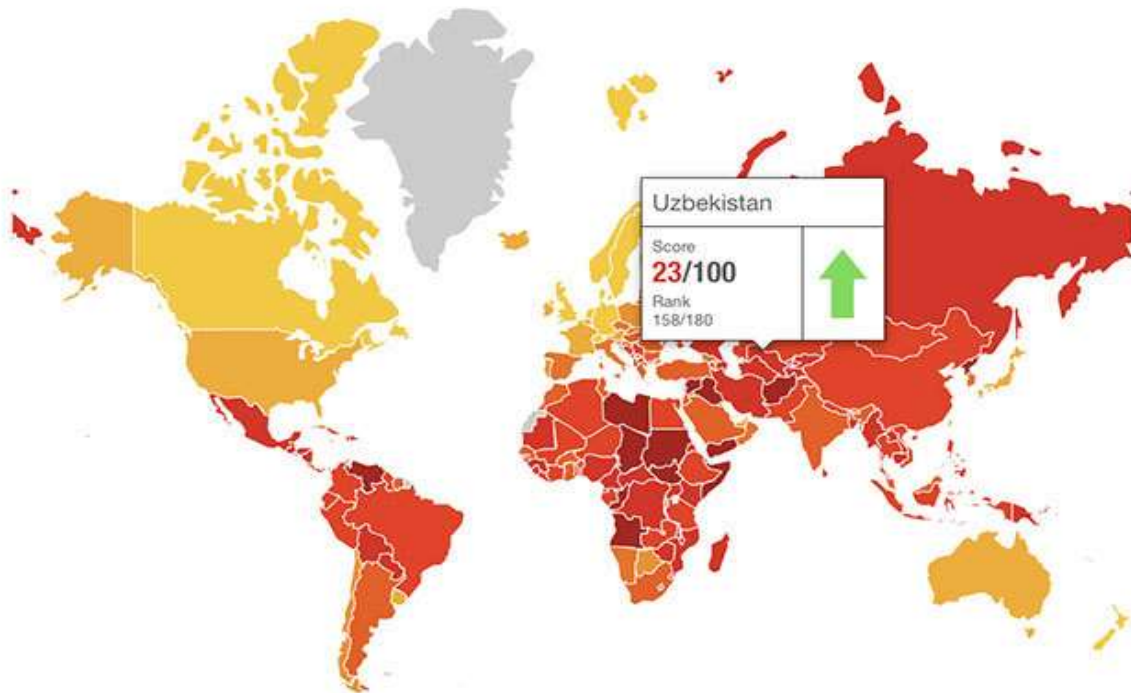
Corruption is everywhere. Japan has it; the Netherlands has it; the United States has it. There’s nothing you can do about something epidemic. But consider health. Illness is everywhere too. And yet no one concludes that efforts to prevent and treat illness should, therefore, be curtailed. Like illness, the levels and types of corruption vary greatly, and preventive and curative measures make a difference [17]. If we believe that corruption is everywhere and we can do nothing to tackle and combat against corruption, then corruption becomes a way of life.

According to surveys on corruption conducted among citizens of Uzbekistan by Public Opinion Research Centre “Ijtimoiy fikr”, 58.1 percent of respondents said there was corruption in Uzbekistan[18]. If we turn to international statistics such as Transparency International (TI), Uzbekistan is among the most corrupt nations in the world [19].

Recognising the fact that economic and social reforms are impossible as long as corruption exists, the new administration has taken some measures to combat corruption and to increase public trust in the judicial system. A series of institutions, most notably the Supreme Court, the Higher Economic Court and the Prosecutor General's Office, were instructed to prepare proposals to strengthen the legal protection of minors, by 1 July 2017. The government also announced plans to amend the Constitution and to introduce anti-corruption legislation, along with laws "On the protection of victims, witnesses and other participants in criminal proceedings," "On mediation" and "On administrative proceedings." The purpose of these decrees was to strengthen the public’s trust in the judiciary. A new Anticorruption Law was entered into force in early January 2017 and was followed by a state anti-corruption programme.

It should be noted that if Uzbekistan is about to attract foreign direct investment and improve the international image of the country, it should start taking anti-corruption measures. Firstly we should get to the roots of corruption. We should understand what makes corruption possible, and then we should create an environment which prevents corruption such as e-governance, transparent public service, freedom of mass media etc.

Figure 3.2. <https://www.transparency.org/country/UZB>



There are highly positive changes in every sphere, and the international community has welcomed these changes, but they are not convinced yet. So, the liberalising reforms need to continue, and transparency should be introduced in every sphere.

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ECONOMICS IN FOSTERING NATIONAL REFORMS

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The economic reforms and their significance is a relatively new issue for many newly independent states. Firstly, before the disintegration of the Soviet Union, the issue was not on the agenda at all and, accordingly, the problem of its economic sovereignty did not come up. Secondly, this problem, in principle, requires new approaches because the whole world itself is constantly changing.

In the current unstable and fragile situation in the world, many nations try to adapt themselves to a changing economic environment and use different protective measures to resist global pressures. These issues are reflected in structural reforms defined in the **Strategy of Actions 2017-2021** [1] and by Uzbek President Shavkat Mirziyoyev during his speech in the International Conference «Central Asia: Shared Past and Common Future, Cooperation for Sustainable Development and Mutual Prosperity» (2017) [2]. Primarily such urgent steps are supposed to make any economy more flexible and resilient.

Today, the world is such that the interdependence of states in it has assumed practically an all-encompassing character. For example, the problem of economic security is generated first by increasing **interdependence**. This process carries not only benefits and profits, but it is also fraught with great potential threats for the security of states, especially of the states of the so-called average level, whose economy largely depends on export, import, financial, raw material and other ties with external agents. It means that serious failures or crisis among foreign economic partners immediately create serious threats to the economic security of the country. As a case in point, the case of the foot-and-mouth disease in Europe in the late 1990s which brought the meat and dairy production to the brink of disaster in not only Europe and the UK but also in other parts of the world. These are special cases, and they are very indicative and symptomatic of the interdependent world that exists today. The same can also be said about raising U.S. tariffs on the export of metallurgical products in early 2002, which created tough conditions in the metal industry of many countries causing sharp protests and bankruptcies in their economies.

The problem of economic development is very specific in nature, but it also substantially differs from the issues of military and political development and security. The maintenance of economic security cannot be achieved by military force; on the contrary, the military instrument of the political system under certain circumstances may serve as a threat to economic security in general. Such is also approximately the role of the state in maintaining economic security: given the excessive state interference in the economy cannot strengthen, but even weaken the economic security of a country.

In each case, it is necessary, to take into account the definite circumstances, in which the economic development of any country takes place. For example, in Uzbekistan, Chinese Taipei and South Korea, these conditions are different, hence the state takes on a different role of controlling the economy in each state. In the case of Uzbekistan, the regulatory role of the state remains not only a factor of reduction of the crisis phenomena, but also in certain conditions foster further development.

Here one should take into account the fact that the countries of the West possess a high degree of autonomy provided by the advanced level of technology, considerable natural

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resources and a vigorous economic system. The core of the economic ties of these countries is locked by their relations with each other. The independent states, which emerged on the Ex-Soviet territories, play for them primarily the role of suppliers of raw materials and a market for second rate or obsolete products for the developed countries. In this sense, they fully fit the Western pyramid model of globalisation.

At the same time, the integration processes rapidly gain momentum in South-East Asia, which has turned into the most dynamic region of the world. The formation of the close economic partnership of the countries of ASEAN has been practically completed, and it came to be known as the “Asian Seven”. It is expected that in the future, the role of this group of countries in the world economy will grow and accordingly, their economic ties with Uzbekistan will also grow. Already today, the economic ties of Uzbekistan are wide and grow stronger with the countries of East and South-East Asia – China, Japan, South Korea, Malaysia, India and others, and these ties largely serve as an indicator of its economic security. For example, we may mention the **Japanese model** of the economy. It is based on four core principles: **a)** Strict state regulation, i.e. mobilization of all resources for achieving of high priority goals; **b)** Export orientation of economy for accumulation necessary financial resources and investments; **c)** Active attraction of FDI (mainly to high tech industries); **d)** Creation of large national monopolies to enhance production quality and compete in foreign markets.

Another clear example in this context is China. In-depth analyses of basic indices of **Chinese economy** clearly shows that it did its best to pass the worst period since 2011, and began recovery from the second quarter of 2016. Quality and cost of the industrial production output provided the grounds for Chairman Xi Jinping’s decision to intensify internal investments in the technological modernisation of the national economy. Most probably, in the near future we may see the general revival of the global economy, backed and strongly reflected by adequate development of the Asian economic giant, China.

Good governance effects were clearly seen in tremendous efforts to activate the Internal investments policy, primarily into infrastructure and expansion of internal consumption strongly supported by the Chinese Government and which led to significant growth of Chinese GDP at about 7% within 2016-2017 [3]. Among obvious risk factors, we saw some reduction in the volume of foreign trade, the dynamics of which may steadily be changing for the better by the end of 2018. Such positive tendencies in the Chinese economy will definitely affect its foreign policy as showcased by the Belt & Road Initiative.

This is evidence of the fact that the issues of ensuring the national economic priorities of any country can hardly be resolved outside the context of the ongoing shifts in the world economy and in isolation from the existing economic trends, tendencies and realities in the rest of the world.

In these conditions, all the states are faced with no simple task to determine their place in a rapidly changing world and if possible, harmonise their national interests with the interests of the world community overall, and also with regional partners. Such a task is obviously more topical for the newly independent states like Uzbekistan.

In many public debates over the weakening role of the states in the economy of Western countries, different trends are being observed today. Over the past two decades, practically everywhere, the share of the GDP redistributed through the budget, remains intact, or has even increased. If a certain reduction of the functions of the state was taking place, then it was mainly in the spheres of social protection of the population and in the foreign economic sphere. However, it is necessary for the state to reduce participation in domestic business and increase its role in building infrastructure Besides, the number of norms and standards introduced by the state grows fast (ecological, technical, sanitary, etc.).[4].

Today, it seems, the creation of not just a market economy, but a socially-oriented market economy is put forward for implementation across all CIS countries in different ways and forms. In a general, it is possible to see the goal of maintaining economic security of the country and its population as the main task. However, here again, a question arises: who must ensure the fulfilment of that task, which should “orient” the market economy in the social direction? As experience shows, the market economy taken solely may strive in the opposite direction.

The damage to the national economic security can be, of course, inflicted under the impact of external factors. They may have the form of both conscientious actions on the part of other states aimed at subversion of the national economy and spontaneous actions conditioned by the interdependence of states in the global economy. A financial crisis in one country, for example, may entail the same kind of crisis in other countries, closely linked to each other.

Thus, the threats to economic security have their sources as both power confrontations of states in the sphere of international economic relations emanate from a spontaneous and unstable character of the functioning of the world economy. The threats of the first type are usually considered within the framework of the general theory of the balance of force. The second type of threats is considered within the theory of “open economy”.

The factors which determine the ability of the economy of the country to withstand negative external influences, according to many experts, maybe conditionally divided into three groups. **The first group** comprises natural factors, which either slightly yield or do not yield at all to changes. They include the size of the country, its geographical location, and availability of useful minerals, and climatic conditions.

The second group includes factors, which may change over a comparatively lengthy period: level of development of production and technology, incomes of the population, gold and currency reserves and other similar parameters. **The third group** includes factors, which yield to regulation, and change in a shorter period: scales, nomenclature and directions of import and export, level of specialisation of industry and agricultural production, its diversification etc. [5]

As was already pointed out, Uzbekistan significantly located in the region and characterised by the group of specific factors of its geography considerably lags behind developed countries. The changing external conditions and the flexibility of a state to be able to adapt to them influences the overall power of the state. Today, in the complex political and economic situation in the world when fast and effective decisions and their quick implementation are required, the third group acquires special importance and become a priority in many respects.

Here it is necessary to take into account the substantial changes, taking place in the global economy in general. Recent years are characterised by unprecedented successes in the development of science and technology, emergence of new fields of knowledge, branches of economy and directions of economic development. These tendencies closely intermingle with profound changes in the nature of demand in Chinese, European and US economies. The saturation of markets with the most targeted and highly consumed products in combination with the growth of materials, population and well-being contributes to rapid differentiation and personalisation of demand in emerging economies.

Hence, a phenomenon emerges, which is known as the “dilemma of security”. This angle of economic security is close to mutual distrust and a jealous attitude to the success of others. It is, in particular, manifested in the arms race, where participants compete out of fear that their potential enemy will get the upper hand, although they would all be winners if they abstained from entering into the race in the first place. Moreover, they would be winners,

namely in security and not in expenses connected with its maintenance. As a consequence, an endless race for security starts, where participants by their actions push each other to commit themselves in deeper [6].

The dilemma of security is also inherent to international relations, and it is in them; it stands out in the most diverse forms. It can manifest itself in the form of “economic egotism” or desire of this or that state to develop for itself all branches of economy in order to be self-sufficient and independent to the maximum from upheavals or crises connected with economic interdependence. However, such policy, as world practice shows, sooner or later depletes the resources of the state and undermines its economic security.

Besides this, the dilemma of security is often seen in the form of protectionism, expressed in the rivalry of states by customs tariffs, export subsidies, credits etc. — inevitably leading to a degree of isolation of the economy of the state which, in its turn, undermines its economic security. The negative impact of protectionist measures on the world economy has long forced states to take collective measures against “economic”, “customs” and other wars in the sphere of economics and with this purpose to create relevant international organisations such as the WTO, the OECD, and the CIS etc.

The dilemma of security in its various forms and manifestations is the subject of concern for each state, irrespective of the fact, whether it is realised by its leadership or not. That is confirmed by the entire history of mutual relations of nation states, especially in the XX century, when the economic ties of the states assumed self-contained importance. There is no need to go far to get examples: the best example is a short story of CIS activity both in the political and economic spheres.

At the present-day phase for the newly independent states of the Central-Asian region, including Uzbekistan, special significance, from the viewpoint of maintaining economic security, in our opinion, is occupied by the contradiction between two important tasks. One of them is integration into the world economy, and the second one is the creation of the national economy based on market principles.

The contradiction emerging here, first of all, relates to the fact that the interests connected with the integration into the world economy, do not always coincide or correspond to the interests of development of the national economy. Sometimes they may even be simply incompatible. This contradiction between external and internal integration, between external and internal economic liberalisation, is specific to the countries going through transition from a command and administrative system of the economy to the market economy.

Here it is necessary to take account of the circumstance that the world economy does not represent a certain homogeneous medium, in which equal partners act and coexist peacefully, who have equal conditions and caring for the interests of other participants. The world market is divided by state frontiers, and within the framework of these frontiers, various national economies act by the level of development, self-sufficiency and purposes. There are no equal conditions for all. Hence, it is understandable that the principle of freedom of trade plays into the hands, as in previous times, of the strong and economically developed state. That is why given the scope and the depth of the integration processes in the world economy and attractiveness of participation in them, the priority is retained by national economies, and this means that state support is saved for national companies in the competitive struggle with “strangers”. Only the state is capable of rendering such support towards national companies and enterprises, and therefore it exists as the most integral element of national economic security, but also its chief guarantor.

In these conditions, the problem of maintenance of national economic security of Uzbekistan consists in strengthening and further purposeful development of the national economic complex as a single whole in the conditions of transition from planning to market,

and in the conditions of gradual transition from closed to an open model of economy – outside. In this case, it seems, the priority must be given to internal integration rather than external for a certain period of time. This period of preference, most of all, depends on the time necessary for the formation of a full-scale internal market structure and the system of its social regulation.

The time will show the degree of the realisation of these plans. It is clear already that their realisation is impossible without the stability of international political relations in the world and the region.

As was pointed out earlier, Uzbekistan has no direct outlets to maritime trade routes which substantially limit the potential of its foreign economic activity. Therefore, for further development and deepening of international ties, along with the establishment of external airlifts, priority is given to the participation in the construction of transnational automobile and railway trunk lines, and also pipelines, ensuring the country's exit to the largest ports of the Indian and Pacific Oceans, the Black and Mediterranean Seas, and the Persian Gulf. In this sense, great importance is also assumed by the development of telecommunications and the broad use of the facilities of computer and satellite communications.

In summary the grounds to assert that one of the key tasks in the system of maintenance of Uzbekistan's national security is seen in the reduction is overcoming the technological lag of the republic from the advanced countries. The leading role here, as world practice shows, belongs not simply to foreign trade, but to more complex forms of economic cooperation, including cooperation in production and capital import. However, of course, ordinary purchases abroad of hi-tech equipment also play a positive role in this respect.

Subheading? Security

The problem of economic reforms and their maintenance is broad and multifaceted. Beyond its limits are such important aspects of security as energy security, security in the system of water supply, playing an especially important role in the life of the Central-Asian republic. For Uzbekistan, where agriculture depends on irrigation farming, any serious failures in the water supply are fraught with a threat of sharply reduced crops, especially cotton. [7]

The processes of economic interdependence and globalisation also generate the problem of security for national culture overall. The laws of the interdependent world market envisage cultural and language unification as the necessary form of communication ties and information supply between its subjects. These laws spread not only on managers and engineering and technical personnel, but also on workers and employees, serving production and the realisation of commodity flows and services, and also on the numerous army of labour resources, which is ready to join and participate in the ramified infrastructure of the market. For the states, which enter the world economic structures on the conditions of raw material or consumer services, there exists a real threat of national development.

Regionalism Reconsidered

In recent years the concept of "globalisation", similar to the closely related terms of "interdependence" and "integration", has been turned into an absolute assuming, by and a large, a positive meaning. These concepts are regarded as a kind of universal cure against any difficulties that may accompany economic development. Any trends to the contrary are viewed as a backward movement. Quite often, the processes of globalisation are counterpoised against the strengthening of the national economy and measures to protect it from adverse external influence.

However, to get a better understanding of these issues, one should bear in mind that any processes that may occur in the world have both positive and negative aspects. This refers to the processes of globalisation, inter-dependence, and integration. The large-scale drug industry, terrorism, illicit trade, illegal migration, money laundering, and other

manifestations of organised crime are also vivid manifestations of globalisation, interdependence and integration. Such destructive components of globalisation and interdependence have their inherent laws of development. If not counteracted by the organised power of the state, these phenomena may take the upper hand, subduing the economy overall. This is evidenced by experience scored by many countries in the world.

Former republics of the Soviet Union have different attitudes towards globalisation. This attitude is largely determined by the interaction of two mutually interwoven, albeit contradictory, trends. The first trend is due to a desire to mobilise the available resources through state efforts and use them to develop the domestic market and the entire national-economic complex. Rigid measures of protectionism often accompany it. The second trend is aimed at accelerated integration in the world economy, which, on the contrary, requires liberalisation of economic relations, the use of foreign financial capacities and technologies.

Both trends rely on existing imperatives while their backbone is the phenomenon of lopsided economic development inherited from Soviet times, orientation towards rigid central planning, lack of sufficient domestic potential for successful modernisation, absence of a developed internal market, skilled labour, technologies, etc.

The best way to resolve the contradiction between the two above-specified trends is to reasonably and pragmatically combine openness (liberalisation), i.e., globalisation imperatives, and protection of national economic interests. It was precisely this approach that was used for many years by such countries like China, South Korea, Taiwan, and Malaysia, where the role of the state in economic development was enormous.

There are sufficient reasons to infer said that the nation-state in current conditions is the main and indispensable guarantor of relations, legal norms and institutions that constitute the backbone of the modern market economy, hence, it is a guarantor of national economic security. What is more, the nation-state, at least in the case of newly independent states, is also a guarantor of normal and painless (avoiding any crises) joining the world economy, in other words, a guarantor of their globalisation.

In this connection the way towards globalization combines three aspects: first - strengthening of the national economy based on market principles and ensuring national economic security, second – development of the regional economic integration and regional security system, and, finally, the third – joining the world economic system. Naturally, these tasks are not to be resolved in any certain order or time sequence, as they can be resolved and are resolved as a rule simultaneously as possibilities and favourable conditions permit.

At this point, we can briefly touch upon the second aspect – the regional economic integration and the system of regional security.

Close economic relations that continue to exert their influence until today also stipulate these processes. It is not accidental that in 2010 Uzbekistan's share of foreign trade with CIS countries accounted for 37.6% as compared with 36% of foreign trade operations with economically developed states and 26% with developing countries. It is noteworthy that Russia accounted for the biggest share (15.8%) in the Republic's trade turnover [8].

The rapprochement between these two countries is a natural historical process that has been in place at all times, unrelated to the fact of the existence of the Soviet Union. That is why none of the post-Soviet states has come out against the integration processes. It seems like this phrase may be a clue to a strange situation in which nobody is opposing integration, and at the same time, nobody is in a hurry to develop it.

The former Soviet geopolitical space is close to the world economy, that is to say, that it is not an amorphous mass of some accidentally set of collapsing and colliding units. This space has been distinctly divided between the independent sovereign states possessing their own borders, their special national interests, priorities and targets, including those in the area

of economic relations. However close or even intimately related peoples inhabiting these states could be there are still state borders between them which cannot be crossed with impunity, even in cases where the next of kin live just across the border. It means that «fraternal» relations, a phrase very common in Soviet times, do not regulate the ties between these states any more, rather the national and state interests regulate them. Such interests, as the world experience shows, quite often would not take into consideration kindred, ethnical or religious sentiments. They develop according to other laws, which are stipulated by geopolitics, national security interests, the balance of powers, protection of sovereignty, etc.

Economic interdependence within the frame of any integrative association requires constant coordination of economic policies among the member countries and, in this respect; it cannot help infringing, to a certain extent, upon their sovereignty. Nevertheless, such infringement extends to any participants of integration associations without exception. Thus, ceding a portion of its sovereignty, the state acquires, in the meantime, part of the sovereignty of other member states for common usage [9]. According to a witty remark of an American economist, the states entering international economic relations sacrifice a certain portion of their freedom for the sake of anticipated benefits, similar to a situation when a wedding contract is signed [10].

However, the fact of the matter is not just to get any direct economic or other types of benefits. As interdependence grows the problem of coordinating the economic policies becomes a real must. An uncontrollable and “wild” competition, as an alternative to coordination, becomes ruinous for all parties. Such competition turns in effect into “a war against everyone” undermining both national and overall economic security.

It has become a common concept that the way towards global economic security runs through regional security systems. Establishment of a global economic security system runs parallel to unfolding world integration processes while its components (or subsystems) are regional integrative unions and associations as well as international organisations such as WTO, IMF, United Nations Organization, and others. It is common knowledge that the European Community countries have achieved remarkable results in this way, with their regional associations acting simultaneously as a regional system of economic security.

The regional systems of economic security are bound to protect at least their members from a double-edged threat: first, protect the weaker members from arbitrary actions of the stronger members, and, second, protect all of its members from the negative spontaneous influence exercised by the world economy [11].

The regional systems of economic security should not necessarily group around any particular centre of attraction, for example, around Russia in case of CIS. There may be several centres of gravity while the states may choose to unite around them to address a relatively limited range of economic issues and problems pertaining to their economic security.

The republics of Central Asia have already recognised the advantages of such sub-regional cooperation as they began to develop cooperation within the frame of different forums to coordinate the national development policies especially in the area of infrastructure development and joint use of resources. The need for economic integration among the countries of this region is stipulated, apart from other things, by the considerable weakening of technological, economic, and trade links between them. For example, Uzbekistan not so long ago used in the production of material goods products manufactured by 58 branches of Tajikistan’s industry. Besides, Uzbekistan received products of 43 branches of the economy from Turkmenistan delivering in its turn products for 62 branches. As for Kyrgyzstan, the indicators were 56 and 54, respectively. The situation was quite similar in Uzbekistan’s relations with Kazakhstan [12].

It should also be borne in mind that the geographical situation of the Central Asian states is not so convenient and beneficial for foreign trade: it was mentioned already that they have no outlets to open seas and the system of communication between them is underdeveloped. Although the Great Silk Route ran through these regions since time immemorial, it is very hard to revive now its geo-economic potential that would meet the requirements of modern economic development. What is more, the countries of the region depend, largely, on the stability in the neighbouring countries, in particular, in Afghanistan, Pakistan, India, and Iran.

One can hardly count on any real economic interest to be displayed by the leading world powers such as the USA, Germany, Japan, etc. The orientation towards Russia, China, Iran, Pakistan, and Turkey is more likely, as they represent the states that have not gone a long way ahead in economic terms as compared with the countries of the region under review.

The problem of transport also pushes these countries towards integration. The difficulties involved in cargo shipment via Russia made the Central Asian states search, as far back as late 1991, for alternative outlets to sea routes. The railroad line Tejen - Serakhs - Meshkhed was built linking the countries of the region with Iran. A new transport route – the Trans-Caucasian corridor – was developed to include the region under review into the European and Asian communication systems. Very soon, **Belt & Road Initiative**, more known as OBOR Strategy of Chinese Government may become a good alternative opening and easing logistical and economic interaction for Central Asian nations.

Today, the economic integration between the countries of the region has no alternative and became a real must. This process helped the countries, in addition to many other things, to get out of the state of autarchy in which some of them were forced into before, and to expand the intra-regional specialisation.

We still remember the good start of that process in mid-90th when leaders of Kazakhstan and Uzbekistan made an important step towards integration in January 1994 as they signed off the Treaty on a Common Free Economic Zone. The Treaty provided for forms and methods of mutually beneficial cooperation and development of economic systems. Just a few days after the signing the Republic of Kyrgyzstan joined the Treaty. An Inter-Government Council of three countries was set up serving as a standing body for discussing and dealing with the issues of mutual economic and political interests. The Inter-Government Council deals, in particular, with questions of water usage, a most vital issue for Central Asian republics.

One may recall the fact that in June 1995, five countries of Central Asia (including Turkmenistan and Tajikistan) held, with UN assistance, the Central Asian Conference on Regional Cooperation. The conference resulted in a joint declaration stating that the member states are ready to consider four key aspects: economic and social development and regional cooperation; a demographic problem (including migration and refugee problems), Aral Sea Disaster and related topics of trans-border rivers water resources management. One of the program issues at the conference was creating prerequisites for further development of economic integration within Central Asia [13].

Another moment of their common history was connected to the CIS Summit in February 1996, where three states – Kazakhstan, Uzbekistan and Kyrgyzstan – agreed to contribute a start-up capital for establishing the Central Asian Bank of Cooperation and Development (CABD) based in Almaty.

Today, Uzbekistan reconsidering its foreign policy priorities has made the regional prism its focal point. Uzbek President **Shavkat Mirziyoyev** has repeatedly emphasised it at the 72d Session of General Assembly of UNO (Sept.19, 2017) and during the International

Conference on Afghanistan held in Tashkent, March 27, 2018, applying to regional nations for close cooperation to resist to common security threats and build safer future. [14]

Indeed, there are several objective conditions and prerequisites for close cooperation among Central Asian republics. It implies equal start-up conditions of economic development, identity of social and economic problems, single transport and power industry communications, and water resources. In addition, there are common threats to the security of all nations of this region.

Therefore, it can be asserted that the establishment of the Commonwealth of the Central Asian States is a practical implementation of the principle regionalism. The regional security here plays the role of an indispensable mediator between the national and general global security. That makes the principal to globalism through regionalism clearer, as only having provisioned mutual understanding and cooperation of states of certain regions, in the sectors dangerous with conflict situations especially, possible to outline the ways of peace and stability achievement in a wide scale.

Whatever the process of globalisation may be indeed, the author considers that in present-day conditions the guarantee of legal norms and formations based on the functioning of market business and the guarantee of economic security can be achieved through complex measures and mechanisms by any state clearly understanding its national interests and equally accounting the needs of its partner. However, considering the legacy and burden of the past, nation-building may take a whole epoch. That is why these processes are inseparable from each other and exist in such constancy.

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TAJIK-KOREAN AND UZBEK-KOREAN RELATIONS: A COMPARATIVE ANALYSIS

Akmaljon Khudoiberdiev⁷

Introduction

This article mainly analyses the trade and economic relations of the Republic of Korea with the Republic of Tajikistan and the Republic of Uzbekistan. Based on the results of the study, the main areas of cooperation between the Republic of Korea and these Central Asian states of Tajikistan and Uzbekistan will be identified. Additionally, the paper will indicate promising areas of cooperation and present several recommendations on the development of relations between Korea and the two Central Asian countries. Tajikistan attaches particular importance to cooperation with the Republic of Korea. In general, in all of the five Central Asian countries, great importance is attached to cooperation with South Korea.

Developing the economy and attracting foreign investment has been one of the main goals of the Central Asian governments after achieving independence. Due to mineral resources of Central Asia and other natural conditions, the number of countries willing to invest in various sectors of the Central Asian countries is growing day by day.

Economic cooperation between the Republic of Korea and Central Asian countries has been developing since the 1990s. The most important areas of cooperation have been the Korean investments to create joint ventures, the reconstruction of existing enterprises and in the field of energy [1]. Korean investors pay great attention to Central Asia due to the reserves of natural resources (for example, energy resources and metals) and access to new markets [2].

Cooperation with Central Asia

Cooperation between the states of Central Asia and South Korea in the field of investment can be considered promising and vital for all the countries of Central Asia to ensure the intensive growth of the economies of these countries.

In trade and economic terms, the Central Asian states today are not among the main partners of the Republic of Korea; however, Korea evaluates them as highly promising and strategically important markets for development. Yet, Korea's cooperation with each individual country in the region shows very heterogeneous trends, moving along trajectories that sharply contrast with each other in terms of scale, results, and level of development of bilateral relations.

The export structure of the Republic of Korea to the countries of Central Asia is focused on consumer, rather than investment demands. Consumer electronics and vehicles (for Kazakhstan), textile and chemical products (for Tajikistan), as well as tobacco products and medicines (for Turkmenistan), prevail. Only Uzbekistan focuses on the acquisition of machinery and equipment, prioritising the strategic needs of modernisation and re-equipment of the industrial complex.

Institutional formats for cooperation with Central Asia

The seriousness of Korean intentions in relation to Central Asia was marked by Lee Myung-bak's extensive tour of the region in 2011 [9]. Since then, the Republic of Korea has been one

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of the key economic partners of Central Asian countries, which has been heavily investing in strategic sectors such as uranium mining, oil production, gas and other raw materials, transport and infrastructure, etc. The main economic interest behind the Korean interest in Central Asia and its involvement in it is access to resources and their overdependence on supplies from the Near East. Korea is 97% dependent on energy imports.

In general, the cooperation of the Republic of Korea with the states of Central Asia is developing in several formats. First, there is the Republic of Korea-Central Asia Cooperation and Development Assistance Forum, which is implemented by Kazakhstan through participation in the OECD Development Assistance Committee (DAC). The Forum Secretariat was established in November 2016 in Seoul [7]. The Secretariat, which began work in the second half of 2017, regularly holds international conferences to expand cooperation in medicine, tourism, etc. It also faces the challenge of working with the younger generation and forming a network of young leaders. According to the Deputy Minister of Foreign Affairs of South Korea, the secretariat will play the role of an “incubator of promising cooperation projects” between Korea and the states of Central Asia.

A second main format for cooperation is the KOICA, which is engaged in training and internships in Seoul for officials of Central Asian states. However, mainly the cooperation of Kazakhstan with the countries of the region is concentrated around mutual economic interests and is helped by historical and cultural ties.

Central Asia is committed to modernising and diversifying its industry. This specifically makes Korea a suitable partner in the recovery of the new Silk Road. The afore-mentioned Forum Secretariat will work on the implementation of a project on the creation of spatial information infrastructure and intelligent water management projects. The Forum noted that “these are the leading promising projects of our cooperation”. Secondly, it noted that recently, cultural exchanges between young people of our countries have been increased, which causes optimism. A vice-Minister explained that “In Central Asia, Korean television shows and music are very popular. Last week a festival of Central Asian culture was held with great success in Korea. In this context, next year the secretariat plans to hold various events at the level of government, business, science, media, culture, and in particular, I would like to emphasize that these events will be held with the participation of young people who are not yet 40 years old,” [10]. Thirdly, the Foreign Ministry representative said that there is geographical remoteness between Korea and Central Asia, but, as he put it, “I would like to overcome it thanks to the development of cooperation in the field of cyberspace.” He said that “The civilisations of the East and the West could develop due to the fact that there was the Silk Road. We hope that we will be able to discover new paths that will be developed thanks to new information technologies, as well as create networks that will connect us with the new Silk Road. In addition, today we are creating a special online platform, thanks to which Korea and Central Asia will be able to communicate, and this will help stimulate the development of content.” [8].

Since 2008, the cooperation between the Republic of Korea and the states of Central Asia has been formalised under the concept of “Global Korea” by then-President of the country Lee Myung-bak. With regard to Central Asia, this concept received an additional sound in the framework of the New Asian Initiative (NAI), which was established in 2009. The Republic of Korea has been in the orbit of influence of the “great powers” for a long time, but in a short period managed to make a big leap in development. As such, it can become a worthy example for the Central Asian states as a kind of “development model”.

Social and political cooperation

The promising areas of social and political cooperation of the Republic of Korea with the Republic of Uzbekistan and the Republic of Tajikistan in modern conditions can be:

1. Cooperation in the framework of the Conference on Interaction and Confidence Building Measures in Asia (CICA) - in order to increase the effectiveness of the mechanisms of preventive diplomacy in Asia, including the strengthening of peace on the Korean Peninsula.
2. Strengthening the nuclear nonproliferation regime, including the peaceful resolution of the North Korean nuclear issue.
3. Regular organisation of Days of Culture of the Republic of Korea in the countries of Central Asia, and, respectively, Days of Culture for each of the countries of Central Asia in the Republic of Korea.
4. The establishment of a mechanism for public diplomacy, as well as regular exchanges of trade union, youth, and sports delegations, in order to build confidence.

Economic cooperation

In the face of deteriorating global economic conditions, Tajikistan is taking practical measures to concentrate forces and resources in certain priority sectors. In our view, with this, as well as South Korea's strategic interests in mind, the following promising areas of mutual economic cooperation can be identified:

1. The mining sector. Tajikistan is interested in entering the world market with finished products with a high share of added value. For example, the participation of South Korean firms is desirable not only in the creation of textile enterprises but also in the modernisation of existing factories in Tajikistan of this type.
2. Energy. Since the era of cheap electricity is ending, the introduction of energy-saving and environmentally friendly technologies, primarily in the field of solar energy, as well as its alternative sources, is of particular importance for Tajikistan.
3. The sphere of IT-technology. Cooperation with South Korea in the areas of computer information technology, space research, biotechnology, telecommunications, mineral processing, coal, the production of chemicals, building materials, and the operation of technology parks are of serious interest to our country.
4. Development of the agro-industrial sector. Since food prices will only increase due to the worsening global food crisis, it is important to create joint ventures with South Korea for the production of environmentally friendly agricultural products, including a full cycle - from planting to harvesting, processing and supplying ready-made food to the market.
5. Social sphere. In order to improve the social well-being of the citizens of Tajikistan, it would be advisable to build several South Korean medical centres focused on the treatment of cardiovascular and oncological diseases, equipping them with modern medical equipment.

Cooperation with Tajikistan

Cooperation between the Republic of Korea and the Republic of Tajikistan - the smallest country in comparison with other Central Asian countries - began to develop intensively after the opening of the Embassy of the Republic of Tajikistan to the Republic of Korea in 2008.

The Republic of Tajikistan and the Republic of Korea signed an Agreement on the Promotion and Reciprocal Protection of Investments. Based on this agreement joint ventures with Korean investment were established. From 2003 to 2006 –FDI amounted to a total of USD 41.3 thousand. Subsequently in 2014, the direct investment amounted to USD 377 thousand which shows an upward trend [3]. Over the years diplomatic relations between the Republic of Tajikistan and the Republic of Korea many positive results were achieved in the

development of cooperation in different spheres. In particular, foreign trade turnover amounted to about USD 270 million. If in 1993 the volume of foreign trade turnover amounted to USD1.1 million, then in 2010 this figure rose to USD 27.7 million, i.e. it increased 25,2 times. [4]

In this regard, the development of economic cooperation with the Republic of Korea in the implementation of projects in the fields of energy, mining, housing, hotels, bridges and roads, telecommunications, health, education, the creation of tourism infrastructure and other areas are very important for Tajikistan. The Republic of Tajikistan is rich in natural and labour resources, and produces diverse agricultural products. Entrepreneurs from the Republic of Korea may well set up joint enterprises, both in industry and in agriculture, for the processing of cotton, silk cocoons, leather and wool, fruits and vegetables, and the production of juices and canned goods.

For example, in the Vanj district of the Gorno-Badakhshan autonomous region of Tajikistan, the construction of a small hydropower plant with a capacity of 300 kW began as part of the implementation of the State long-term program for the construction of a number of small hydropower plants for 2009–2020. This project is implemented by the Ministry of Energy and Industry of Tajikistan with the support of the Embassy of the Republic of Korea and the State Agency for International Cooperation of the Republic of Korea (KOIKA), on the basis of grants. The feasibility study for the construction of this hydropower plant was developed by specialists from the Ministry of Energy and Industry of the Republic of Tajikistan, together with the Korean companies, Dohwa Engineering and Esosean.

Tajikistan attracts Korean investments through rich deposits of gold, silver, and uranium, which are vital for the nuclear industry in South Korea. Despite the fact that the Russian Federation historically dominates in the Republic of Tajikistan thanks to creative diplomacy and the economic model, cooperation in the base of mutual benefits create an excellent base for the cooperation of South Korea with Tajikistan. It should be noted that, in general, South Korean investments in the economy of the Republic of Tajikistan have had a positive effect on the economies of the Republic of Tajikistan and the region as a whole. Cooperation between Tajikistan and South Korea in the field of economics is promising and vital for the young republic. The development of economic ties between South Korea and Tajikistan can ensure intensive economic growth in the region.

Other priority areas of cooperation could be the development of clean energy technologies and the use of renewable energy sources; modernisation of the transport infrastructure, which will contribute to the effective use of the transit potential of Tajikistan; introduction of modern technologies in the sectors of the agro-industrial complex and the creation of joint ventures there, which will contribute to solving the problem of modernisation and diversification of the economy of the republic, the creation of additional jobs; development of the pharmaceutical industry; and the use of information technology.

Particularly, regarding the case of Tajikistan, the mutual relations of the two countries include practically all dynamically developing main spheres of social and political life: trade, economic, investment, science, education and culture, as well as areas of international and regional cooperation, and do not contain any controversial issues that could lead to disagreements. However, one of the problems hindering the development of international business cooperation with Korea is the lack of information about businesses, investment potential, state protection and support for entrepreneurship in Tajikistan. From this point of view, exhibitions, other joint actions and individual business presentations, as well as the use of the Republic of Uzbekistan's experience give an opportunity to fill the information gap.

Cooperation between South Korea and Uzbekistan and the other Central Asian states

The Republic of Uzbekistan is one of the main partners of South Korea in Central Asia. The state visit of the President of the Republic of Korea, Park Geun-hye, to the Republic of Uzbekistan in June 2014 and the return visit of President Shavkat Mirziyayev to the Republic of Korea in 2018 raised the cooperation of the two states to a qualitatively new level. About 1200 bilateral documents were signed between the two states [5]. South Korea is considered one of the main investors in the economy of Uzbekistan. There are many Korean companies in Uzbekistan, such as Hyundai, Samsung, LG, GM-Korea, Korean Gas Corporation, Lotte Chemical, GS, Posco-Daewoo, Korean Air Shingdong and Colon. They are partners of Uzbekistan in the implementation of joint investment projects. The volume of direct investments of South Korea into the economy of Uzbekistan is more than USD 7 billion. In Uzbekistan, there are 449 enterprises with the participation of South Korean investments [6].

Conclusions: Korea-Tajikistan

Having analysed the history of the formation and the evolution of relations between the Republic of Korea and Central Asian states, several conclusions can be drawn:

1) The Government of the Republic of Tajikistan and the Republic of Uzbekistan, as well as the responsible departments of each country, should develop a special mechanism promoting the development of economic relations with the Republic of Korea;

2) To revive the work of the intergovernmental commissions on trade and economic cooperation;

3) To give benefits to domestic producers who export finished products to South Korea.

4) This will facilitate reforms of the tax system in line with the requirements of the WTO, and will attract Korean investors;

5) Use Korean investments mainly for the development and creation of joint ventures in light industry;

6) increase in finished products for export to the Republic of Korea;

7) involve the Korean side in IT training for specialists for the countries of Central Asia;

8) economists of the Republic of Tajikistan and the Republic of Uzbekistan should study and implement the relevant components of the economic development model of South Korea

9) Revitalisation of the Society of Friendship and Cooperation established in Tajikistan together with the Republic of Korea.

10) Cooperation of Tajikistan and Uzbekistan with South Korea in the framework of the dialogue of civilisations and religions. In July 2009, the Third Congress of Religious Leaders was held in Astana under the auspices of the United Nations.

In general, the cooperation of Tajikistan and Uzbekistan with South Korea has had a positive effect on their economies. Cooperation ensures the continued intensive growth of the economies of these countries.

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UNDERSTANDING SOMBART TODAY

Jasur Mamadaliyev⁸

In the global world, most scholars arguing that geostrategic developments are unpredictable and global relations are very complex; make forecasting geopolitical events impossible. However, after deeply analysing the core of international and intersubjective relations, it might become easier to understand and simple to predict future events of global processes.

One of the greatest thinkers, who observed the essence of interpersonal and interstate relations, is Werner Sombart (1863–1941). Sombart was a German sociologist and economist representing the so-called “Youngest Historical School” and one of the well-known social scientists of the 20th century.

In his work, Sombart has attempted to seek out basic ideas of his revolutionary work – “Modern Capitalism” (1916) trying to reveal the nature of capitalism. At the same time, the historical and sociological study of "capitalism" and "capitalist spirit", Sombart conducted by accordance with the allocated cycles - birth, early, mature and modern capitalism, allows to interpret adequately and model factors of capitalism. There are also processes of the movement of non-capitalistic and post-soviet society "from socialism to capitalism".

The distinctive feature of this work is that Sombart combined several factors like psychology, economy, trade, culture and religion. Those factors are the main components of a capitalistic society.

Through all of his work, Sombart conducts general ideas: Basic facts of economic life, diversity of economic life, the task of the science of the household, historical foundations of modern capitalism, essence of the emergence of capitalism, foreign economic policy and economic life of the future. A consistent approach will help us get to know Sombart's ideas further.

In the chapter the main facts of economic life, Sombart argues that all human labour is "public labour". In other words, the labour of each individual is impossible without the labour of other individuals because the work of one person is based on the labour of all humanity or the previous generation. To prove this thesis, he cited the example of Robinson Crusoe. He called Robinson "the product of a millennial culture" [1]. From this, we can say that our labour and we are the cumulative product of our predecessors. If we divide human labour, it can be the ideal - based on memories and material - availability of products of labour.

If we carefully look at the process of evolution, it becomes evident that the work of one person is closely related to the labour of thousands of other people who are assimilated by the exchange. After the revolutionary product Apple the development of computer technology has changed dramatically. The work of its founder, Steve Jobs, was to some degree based on previous works. For example, nowadays, medical science is the contribution of thousands of scientists like Hippocrates, Asclepius, Ibn Sina, Galen, Gerard van Sweeten, Robert Koch and others.

Being a representative of the direction of sociological psychology, Sombart considered that economic activity was an outcome of several repeated, basic phenomena, but the forms were diverse depending on the place and the epoch. Sombart to determine the variety of economy offered different structures. They are - "household principle", "technique" and "organisation".

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"Household principle" means that in the economy there are different motives as "the principle of satisfaction of needs" and "the principle of profit".

It is no secret that every principle defines the structure of the economic system. The principle was based on the satisfaction of needs which also satisfied their natural needs. Traditional economy and command-administrative economies can be a result of this principle. Individuals only try to consume and save enough for their needs. However, "the principle of profit" based on earn as much money as possible from his economic activities. Is a market economy system based on the principle of profit making.

Sombart emphasised that differences in the methods of farming determined diversity in economic principles. They could be "traditional" - based on the unconscious observation of inherited rules or "rationalistic" - based principally on expediency. Today, we can see those methods in the sphere of management. For instance, Asian management is different from Western management. It should be noted that Asian management looks like an unconscious observation of inherited rules and traditional behaviour which is specific. At the same time, Western management strives to ensure that the activities should be rational.

According to Sombart, the form of attraction to productive activity can be; compulsion of people to work by force or attract workers by reward. Those factors are very important to develop and enhance the economy.

After summarising conditions of economic life, Sombart pointed that, circumstances of the economy may be "homogeneous" - where good conditions for the implementation of the objectives of economic subjects are "heterogeneous" - on the contrary, impeding the conditions for achieving the goals.

In history, there are many examples where whole empires and countries collapsed because of bad economic conditions. Sombart called these heterogeneous economy systems. For instance, "Arab spring" emerged in such countries like Tunisia, Egypt, and Syria where bad conditions of economic life existed. The government could not provide new labour, workplaces, comfortable and healthy work conditions.

Sombart identifies two basic spheres among them developed in natural conditions [2]. They are - "country" and "people".

The task of "country" determines the structure of the economy by geographical location, climate, minerals and rich fossils. For instance, South Africa Republic, Russia, Arabic countries – rich by natural recourses; Turkey, Egypt, Taiwan have a favourable geographical location. Listed factors determined the structure of the economy in those countries.

The substance of "people" also effects the forming of economy in two ways. Firstly, hereditary traits, worldview, giftedness and temperament. These economies include Japan, the Republic of Korea, Israel and Singapore who transformed their economic structure by mental (worldview, giftedness) factors. If one is to analyse Japan objectively before II World War it was a developed empire but, after it was defeated by the allies the country was in ruins. Nevertheless, after war Japan rapidly stood up and quickly improved its economy. In all, within 20 years, Japan's power rose as it was before the war. The country obtained by mental characteristics of its population all its achievements.

On the other hand, the population and the speed of population growth defines the economy. In some countries like – Peoples Republic of China, India, and Indonesia the structure of the economy is defined by the population. They use population to increase their GDP and to enhance production.

The author called the cultural phenomena of a specific character and mindset of one epoch– "cultural style". In Sombart's opinion, "Renaissance" was also a cultural style

belonging to a particular epoch. This phenomenon at its time was the driver of the ascent of economy, and generally, all of humanity.

Establishing the beginning and development of the economic system, Sombart sets the following algorithm for the development of economic thought. The author analysed the first stage from ancient Greeks and called it "household economy". Transforming the rudimentary household economy to "national" or "political economy" justified the disintegration of old economic unions. It means that the economy separated from jurisprudence and technology eventually became a full-fledged science.

Through the three different points of view explored here, the mechanism of the economy can be understood. These are theoretical, real-empirical, and political.

Sombart was not a follower of "abstract-theoretical" nor "empirical-historical" disciplines. He did not reject any of them; on the contrary, he combined them into a single concept and claimed that each of the required components had a role. Now it seems obvious to us that only the combination of these two activities leads to the creation of scientific work; "theory" and "empiria" refer to each other as a form and content of the same object. From his ideas, we can find out which country follows which direction.

The central thesis of Sombart's idea was analysis Conditions of the capitalist economy. The author answered such questions as; which factors contributed to the emergence of capitalism? What was the driving power? From what began this process?

In the end, to find out these conditions, he laid out two ways. Firstly, he enumerated the premises theoretically necessary for the existence of all capitalism. Secondly, he established those events, the emergence of which made the historical form of manifestation of capitalism possible.

There are many examples in world history, where he was right. For instance, in Great Britain, the premise – was enhancing and developing the scale of craft and handmade production; the events – was too many British colonies which were rich with necessary goods for its economy.

The chapter "The driving power of capitalism" Sombart started with the word "Capitalism has grown from the depths of the European soul". In his opinion, the same spirit that gave birth to new states, empires, a new religion, a new science, created a new economic life – capitalism. He illustrated this spirit as an abstract and philosophical force, which changes and upgrades the existing world order. Sombart imagined this endless process - aspirations for the infinite.

If we call it (spirit – driving force) the desire for power, then we also will not be mistaken, the desire of a strong individual to prove himself, to assert his "I", to subordinate others to his will. Like each person has a thirst to subordinate as more people and dominate stronger people. All state leaders, heroes, kings and supervisors come to power and rule through their personal quality. After that, they only strengthen their power.

If we call it the desire for entrepreneurship, then this expression will, of course, be appropriate in all those cases, people conquering their own world, creating a full life, not limited to enjoyment, not running from the world - they can all be called "enterprising".

Today this new spirit of enterprise has prevailed in all areas of human life as the state – managing and controlling people's life, religion - education and communication, and science – to upgrade technologies and modernise lifestyle by new inventions.

Sombart underlined, this impulse transforming a feudal-craft economy to capitalism. Feudal economy system is based on a cover of needs, imbued with calm complacency, in a state of equilibrium. But, capitalism it differs and is a hunt for money, free from all organic and natural limitations and whose possession increasingly becomes a symbol of power. In short,

capitalism is an absolutely abstract symbol of values. The individual does not know the limits of his needs and will endlessly accumulate wealth – money, capital, and property.

In other words, hunger and thirst for more and more to wealth pushes the human being. As mentioned above Sombart explained this process with the help of human psychology. He said that humans by nature are always competing with each other, greedy, have avarice, self-serving and are selfish beings. These psychological aspects promoted the emergence of capitalism.

In the first stages, before the appearance of the capitalist system, especially the Middle Ages, the following mass phenomena were characteristic; Knights-robbers, finding treasures, usury, alchemy. Those phenomena came with greed for gold and money. The Crusades can be a good example of the thirst of countries to master other nation's wealth, to increase their gold reserves by attacking weak countries. Eventually, those acts influenced the structural formation of the capitalistic economic system.

In capitalist ideology, in the centre of all human goals, a subject or individual with its natural needs is not a living subject, but an abstract concept - capital. In this abstractness of purpose lies its unlimited demand.

One of the interesting aspects of Sombart's thesis is that wealth and power are parallel units [3]. The entrepreneur always wants to achieve power; the economic agent strives to get as much wealth as is possible. Nowadays, this law has not lost its relevance, anyone who has power always strives to acquire as much money as possible, and rich people prefer to obtain authoritarian power. If we formulate this equation (wealth=power) the result comes up as direct proportion.

Wealth=power formulation we can be used for countries. If we analyse the top wealthy countries or big GDP nation, they allocate more budget and recourses for the military than others do. It is impossible to enlarge the wealth of the country and not expand army because otherwise it would be defeated. Once, Napoleon said that if the nation does not feed its own army, it will feed another army. This view is also the most important principle nowadays.

Use of the external forces are the foundation for all common types of capitalist entrepreneurs: these leaders ultimately perform their actions using external coercive means obviously - a robber enterprise, or secretly - the power of the state or power in the state. From this chapter, we can conclude with a capitalist spirit, and we, therefore, call the spirit of enterprise and the bourgeois spirit combining into one single unity. This spirit finally created - capitalism.

During this work, I conclude that Sombart's approach to studying the historical development and character of capitalism is different from other scientists. He states the untouched and unspoken face of capitalism. The author's analysis differs from others in that it proposed an integrated approach which includes the complexity of all the factors that are involved in the development of this system. For instance, somehow, he said: "In the beginning, there was an army". In this, he wanted to express that with the help of the army, a state has been created, then, in order to subjugate the forces of nature, he tries to transform technology, and his inherent desire for money and power leads him to the development of precious metal deposits and important fossils.

One of Sombart's ideas which is relevant today in the global world is to support science and innovation technologies. Spend more money on technology to improve the fighting ability of the army, on the other hand, state interests forced to look at the increase in the stock of precious metals as an important policy goal and take measures to increase their extraction. In the XX century, the US used these principles. Increased new technologies, after II World War had a 3/2 amount of total global gold reserves, every year allocates 3-5 percent of the money from GDP to R & D (Research and Development).

Sombart draws attention to the fact that without technology, a country cannot create a modern army. Without a compass and astrolabe, it would be impossible to discover America. In addition, without the discovery of silver, horses and gold, it would be impossible to have a modern tax system, no state credit, or a modern state in general if we combine the author's concepts that state (combination economy with government), technology and production of precious metals are the basic conditions of capitalist development.

The state - with the help of its army, opens new markets and ensures order. This law has a slightly different format for today. Hegemon countries create economic integration unions, different trade organisations or military blocs. Today, with the help of the EU - Germany and France provide themselves with new markets among European countries or the US with the help of NAFTA, the TTP opens up new potential markets for itself, the Russian Federation creates the Eurasian Economic Community in order to influence and ensure the development of its power. This principle creates a new project of the Silk Road and we can see that by doing this China is trying to expand economically.

The extension of the sphere of state power beyond the metropolis cannot come out of capitalism according to Sombart. Sombart listed the most important explanation of how the country seeks great powers to imperialism and expansion. These are as follows: political - the offensive and defensive nature of expanding its power; military - the machine of militarism automatic moves farther and farther and shows its strength to others; national - the desire to provide representatives of a particular nation or race with greater influence on the globe; religious - to show one's strength with the help of religion. For example, Iran claims to be the centre of Shia' supporters and Saudi Arabia, Turkey, of Sunnite's supporter.

Therefore, an interesting conclusion is that, for the development of capitalism, the militarisation of states was caused by the imperialist movement. The demand for war materials created a military industry and thereby contributed to the rapid and powerful development of heavy industry, which is the most important part of capitalism.

It is no secret that the industrial economy is based on the industry. Nowadays we are living in the post-industrial world. Post-industrial system bases on service and IT technologies. Most IT technologies and services intended are firstly used by the military. For example, internet at first was used by the Pentagon and became a public service only later. Several inventions like a laser, and radar were used firstly for military purposes.

At the end of his work, Sombart noted that along with capitalism, other economic systems would continue to live, and capitalism will remain an attractive system for humanity.

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THE EUROPEAN UNION AND CENTRAL ASIA: NEW STRATEGY AND NEW PRIORITY DIRECTIONS

*Khairiddin Payvandov*⁹

After the collapse of the Soviet Union and within the changing system of international relations during the end of the 20th century and beginning of the 21st century, the European Union and Central Asian countries have established a closer relationship aiming at mutually beneficial cooperation. The European Union considers Central Asia to be a strategically important region for its foreign policy and strategy, which has a security, economic, energy and educational dimension.

Given the independence of Central Asia, for the creation of a mutually beneficial process, the five countries have set up their own foreign policy in the international arena. The five states of Central Asia (Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan and Kyrgyzstan) declared Central Asia to be a new, independent region, in January 1993, after the dissolution of the Soviet Union. On the one hand, Western European countries play a leading role in the foreign policy. A key interest of the EU is to bring about close proximity to the region and to pursue an active foreign policy here. But the Central Asian states need to take into consideration the interests of other countries in the region as of 11 September 2001, notably Russia, for which the geography and economy of Central Asia are also of great importance.

As a result of the European Union's impact on Central Asia after the 1992 Maastricht Agreement, it has required a comprehensive analysis of cooperation between both sides in the political, economic, security and social areas. Before we analyse each of these, depending on the individual countries, we would like to write about the overall EU projects in the region of Central Asia.

From 1991 to 2006, the basic policy framework towards the Central Asian region is TACIS (Technical Assistance for the Commonwealth of Independent States). Overall, the programme has identified the major directions of the EU policy in the region of Central Asia.

In addition to promoting democratic reforms in the Central Asian region, the European Union also focused on other areas, through the new strategy for 2007-2013. Within the framework of this strategy for the period of 2007-2013 compared to other periods, the first 719 million Euro was allocated through the Development Cooperation Instrument (DCI). The main objective of the strategy is to establish a mechanism for the political influence of the European Union in Central Asia in the process of strengthening democratic and human rights. Brussels is committed to promoting co-operation with in the region on security issues.

The relations with the Central Asian countries are a priority for the EU, Federica Mogherini, the High Representative for Foreign and Security Policy/Vice-President of the European Commission, said that "The partnership between us is very important, considering all the regional challenges and opportunities that we have. It is important to note that cooperation between us will be very beneficial and profitable for all our people, and the world as a whole and the region".

A new strategy for 2019.

According to the new Central Asia strategy of 2019, the EU will implement four projects in the

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near future. First, the projects that Germany and France lead to ensuring the conditions for the development of a legal state. The second project involves the establishment of a European Commission programme in the field of education and the exchange of students and scholars.

The third project is an establishment of a regional water and energy cooperation system which will be led by Germany and Italy. There is also a project of cooperation between Tajikistan and the European Union in the field of border management and the fight against illicit drug trafficking.

What does the Republic of Tajikistan expect from the EU's new strategy, including economic benefits? First of all, the European Investment Fund and Grant Assistance, including the implementation of the six directions mentioned in five countries, the European Union plans to spend EUR 750 million in six months. Moreover, Brussels also focused on the field of hydropower and hydropower potential of the region as a priority direction, which enhances confidence and mutual understanding in relations with the EU. Production and distribution of hydroelectric power is the basis for the development of the Central Asian region. The development of regional infrastructure in the field of transport, energy and trade will boost Tajikistan's economic potential and the Central Asian region as a whole.

Fortunately, the European Union is interested and has attention for the development of cooperation with Central Asian countries. The European Union strategy for Central Asia embodied **six priorities** including:

- security and stability as a steady development, struggle against drugs and smuggle of weapons;
- economy and trade, investment, cooperation as a factor of prosperity;
- protection of human rights and democracy;
- development of energy and the transport sphere;
- protection of ecology and environment;
- development of education.

The following aims and achievements have been set out:

- Cooperation with the European Union could reinforce the international role of the Central Asian countries as newly independent states;
- The European Union can contribute to realising of political reforms and development of institutes and democratic values in Central Asian countries, especially in Tajikistan;
- The strengthening of cooperation with European countries could bring the Central Asian countries closer to international financial institutes such as the World Bank, International Monetary Fund, European Bank for Reconstruction and Development, and others.
- The European Union is a reliable partner and cooperates with Central Asian countries on addressing non-traditional threats, i.e. struggles with terrorism, extremism and drugs.

One of the valuable investments of the European Union for the development of Central Asian countries is in the educational sphere. The European Union is more active in the higher education system, including preparation of specialists through its global Erasmus+ programme, Erasmus Mundus, and others. According to the European Union strategy of 2014, during 2010-2020 it is supposed to attract 100 thousand students from countries of Central Asian to Europe.

Thus, the European vector of the foreign policy of Central Asian countries is vitally important and is of mutual benefit. Namely, the European Union and Central Asian as two regions are important for each other, understand each other, support each other and have mutual national interests.

In conclusion, the European Union and the Central Asian region have a significant role in the contemporary world and have a lot of opportunities in developing new foundations, and in the effective use of existing opportunities. The new EU Strategy for 2019 seems to be more specific than the previous policy framework, as the goals and tasks of the EU member states in the current and emerging Central Asian countries are adapted to the characteristics of the countries. For example, the basis of the regional cooperation is the area of energy, infrastructure, economy and security and border security. Together, the EU and Central Asia can play a key role in world politics, due to:

- The existence of large natural resources in Central Asia;
- The practical capacity of the European Union;
- The impact of the EU on Russian influence;
- The important role played by Central Asia towards both Russia and the European Union and the establishment of a sound policy based on the foreign policy direction of countries in the region.

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LESSONS FROM THE KOREAN AND TAIWANESE 'ECONOMIC MIRACLE'

*Akram Umarov*¹

Introduction²

The development path of a number of East Asian countries like South Korea and Taiwan³ is widely discussed among scholars and experts as a model that could be replicated in various developing countries all over the world. Indeed, South Korea and Taiwan have achieved tremendous success by becoming a high-income economy from being one of the poorest states in the world in a 30 years' period. The existing research on this topic is mostly divided into two camps. The first group supports the idea of possible transferability of the South Korean and Taiwanese development model for developing countries. The second group, on the contrary, is arguing about the existence of distinctive features of both the internal and external situation during the period of these countries' development, which cannot be found in the contemporary world.

In this paper, I will firstly briefly define "developmental state" to highlight the difference with "developing country", and then discuss a range of lessons that developing countries can learn from the experience of South Korea and Taiwan. These include the need to have a strong political will, solidarity and commitment to economic development, qualified bureaucracy with high-level autonomy from political turmoil, and strong public-private partnership in priority areas of development. Finally, I will argue that while trying to implement the South Korean and Taiwanese model, developing countries should pay careful attention to specific conditions of the economic growth in these countries that helped in their development, such as the specifics of their domestic situation after World War II, a complex external environment with the existence of "hostile" neighbours, and support of powerful countries, accompanied by a dynamic development of world economy and trade.

The 'Developmental State'

The term "developmental state" was presented firstly in Johnson's (1982) famous book "MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975" in 1982. The author analysed the role of the Japanese government, especially the Ministry of International Trade and Industry (MITI) in the economic development of the country. He argued that the approach of the Japanese government to the growth of the national economy after World War II substantially differentiated from other existing economic policies of socialistic planned or Western market economies. Later, a number of publications on developmental states, their emergence in East Asian countries, and possible transfer of their model to other developing countries, were published by various scholars and experts (Amsden, 1989; Öniş, 1991; Rodrik, 1995; Chang, 1996; Evans, 1998; Kohli, 2004; Routley, 2014; Haggard, 2018, etc).

In this case here, in the developmental state the government is defined as leading the process of deep reforms under the rule of a meritocratic and autonomous bureaucracy and targeted intervention in priority economic sectors.

Main lessons from the South Korean and Taiwanese model for developing countries

There are numerous lessons developing countries can learn from S. Korea and Taiwan. These are as follows,

1. In South Korea and Taiwan, the state and existing political institutions played a key role in the process of substantially reforming the national economy. The central government defined

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² This paper has been submitted to the University of Sussex as part of the author's course work

³ Taiwan is considered as a "state" only for the research purposes of its economic development path and the author does not dispute the "One-China policy" in any way

the priority sectors of the economy to reform, namely: speedy industrialisation and targeted spheres for massive capital investments. According to Öniş (1991:110), “the government has performed a strategic role in taming domestic and international forces and harnessing them to national economic interests”. It provided necessary subsidies and comprehensive support to the priority economic spheres, and hastened an increase of their export and international market entry.

To fulfil these tasks, the government established special public bodies for coordinating economic reforms, defined a strategy for planned changes and expected outcomes. Economic reforms and industrial policy were directed by the Council on Economic Planning and Development in Taiwan and the Economic Planning Board in Korea (Gray, 2011). These bodies provided foreseeable and reliable investment conditions for foreign and local companies to launch a number of durable and capital-intensive enterprises. They also proposed massive investments in the educational sphere and training of necessary skills for the young generation to lay the foundations of long-term and sequential development.

2. Highly qualified and autonomous bureaucracy capable of implementing large-scale reforms was an essential part of the economic growth of South Korea and Taiwan. Both of them implemented a system of meritocratic recruitment in public positions based on special entrance exams at the beginning of the economic reforms (Yeung, 2017). They tried to involve the most gifted, educated and skilled managers as public appointees and form compact, adaptive and forward-thinking bureaucracy able to fulfil economic reforms and create conditions for rapid development. This approach led to the formation of the new generation of bureaucrats, who were “imbued with a sense of mission and identified themselves with national goals” (Öniş, 1991:114).

The success of the reforms was also provided by a high-level of autonomy of the bureaucracy from the influence of politicians and populist groups. The new bureaucracy’s compactness and in many cases, common educational background, resulted in forming high-level mutual understanding and support between public appointees. The approved salaries together with other benefits and prestige were almost at the same level as in the private sector (Evans, 1998). These conditions guaranteed “embedded autonomy”(Evans, 1995) of the bureaucracy which allowed it to continue to examine the needs and feelings of society regarding the development in the country, and to assure to some extent the bureaucrats’ accountability without being under pressure of various interest groups.

3. The special relationship between the government and private companies in key areas was a crucial feature of the economic success in South Korea and Taiwan. The government provided special conditions for the development of the targeted group of industrial companies by administrative support, subsidised credits, and direction. This close public-private relationship resulted in the rapid growth of globally famous corporations in both countries, while at the same time making these companies’ further success and development highly dependent on the governmental bodies and their regulation policy.

While supporting the targeted companies, the government used a carrot-and-stick approach combining the incentives to speedy growth with strict control over the appropriated funds and discipline in achieving key performance indicators (Öniş, 1991). This stringent monitoring allowed for spending the public subsidies properly and for timely punishing the companies suspected of inefficient use of the given funds. Public bodies’ coordination and support were significant factors in the promotion and success of private companies’ export to different parts of the world (Haggard, 2018).

Considering the specific conditions of the South Korean and Taiwanese economic growth as a model of development

There are a number of publications supporting the idea of transferability of the South Korean and Taiwanese experience in other developing countries. Routley (2014) argues that the proved success of the developmental state approach in East Asian countries could be a relevant example for developing countries in Africa. Booth and Golooba-Mutebi (2014) discuss the case of Rwanda that has

been able to reach positive results in the agricultural sector using the aspects of developmental policy in East Asian countries. In addition, Evans (1998) underlines that East Asian countries' developmental model should be implemented creatively especially in parts connected with economic growth.

However, on further analysis developing countries should also consider the following specific conditions of the economic growth in South Korea and Taiwan which might limit the use of this particular developmental model in other countries:

1. Existential security threat from “hostile” neighbours. Both South Korea and Taiwan faced large-scale conflict with neighbouring countries. South Korea fought against North Korea in 1950-1953, which resulted in 1,27 million victims from the South Korean side (Millett, 2019) and long-term hostile relations with North Korea and its supporters like the Soviet Union and China. After the communist revolution in China in 1949, one of the politicians at that time, Chiang Kai-shek, had to escape to Taiwan and establish their new state (BBC, 2019) which has not been still recognised by most countries in the world, and China considers Taiwan as an integral part of its territory. In such a hostile environment, South Korea and Taiwan had to consolidate internally and defend their right to exist through rapid development and by demonstrating the advantages of their political and economic system in comparison with communist regimes in neighbouring countries.

2. External support, favourable conditions for trade and investments. Both countries were involved in the Cold War as allies of the Western world in its confrontation with Communist ideology. Their geopolitical importance resulted in an increased interest from the United States and its allies. Therefore, South Korea and Taiwan “benefited disproportionately in terms of trade, capital, and technology from the core countries” (Öniş, 1991:117). They did not meet restrictions in transferring the most innovative technologies and attracted massive investment which facilitated the export of goods, and improved trade relations with the USA and other countries, the biggest markets at the time (Haggard, 2018). However, these conditions do not apply today. We live in a world where many countries are reconsidering the current dominant ideology of facilitating trade and removing trade barriers. There is a thrust towards more isolationist economic policies, and implementing rules to limit the import of goods, which could reduce the efficiency of a “developmental state” orientated towards industrialisation and export.

Conclusion

This paper discussed the lessons that political leaders of developing countries could take from the developmental state model of South Korea and Taiwan. I have analysed the essential features of the ‘economic miracles’ in South Korea and Taiwan, such as a role of the government; autonomy; and high capacity of bureaucracy, with close public-private cooperation. At the same time, the transferability of this successful model to other countries involves a complicated process.

The current negative tendencies in the world economy with more attention to isolationist policy, and the peculiarities of developing countries today might affect the applicability of the South Korean and Taiwanese models in industrialisation and economic growth. However, while studying the model of development in South Korea and Taiwan, developing countries need to take into account the lessons from their experiences and not merely attempting to copy and paste the model in their own context. Developing countries should consider their own specific conditions and use the experience of the East Asian countries to improve the quality of bureaucracy and to increase the level of political commitment within their states, which would have an overall impact on growth and development.

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