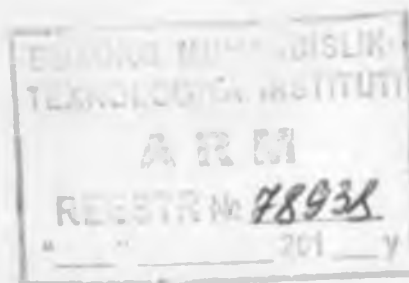




I. A. KARIMOV

UZBEKISTAN:
THE ROAD
OF INDEPENDENCE
AND PROGRESS

TASHKENT
"UZBEKISTON"
1992



I. A. KARIMOV

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This book describes the precepts guiding the domestic and foreign policy of the Republic of Uzbekistan. The author examines the fundamentals of political and economic relations in light of present-day realities; the goal is to build a genuinely independent democratic state. Uzbekistan's domestic policy is aimed at creating a social-oriented free-market economy, while, at the same time, strengthening the spiritual and moral values of the nation.

This book is intended for the general public.

Перевел с узбекского *К. Р. Рахманов*

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Great changes have taken place in our life. Radical transformations have altered the appearance of the modern world. The people's age-old aspirations for freedom, independence and happiness, and their resolute determination to shape their own future, serve as the driving force of these dynamic developments. We note with pride in our native land that Uzbekistan was one of the first Republics in the former Union to proclaim its objective to achieve genuine independence, was the first to introduce a presidential form of government, proceed with large-scale reforms and radical transformations for the betterment of society.

The inalienable right of the Uzbek people to self-determination was realized on August 31, 1991 with the proclamation of independence of the Republic of Uzbekistan. An ancient dream has come true: Uzbekistan has peacefully, through parliamentary means, acquired genuine statehood. This is the most significant event in the centuries-long history of the nation. The will of the multi-national population of the Republic has been ensured by the constitutional law "On the Fundamentals of State Independence of the Republic of Uzbekistan" and found its unequivocal confirma-

tion in a nation-wide referendum. This historical landmark will be inscribed in letters-of-gold in the annals of our state.

Life itself has convincingly and vividly shown the correctness of the objectives outlined and the guidelines chosen. Much of what we have failed to achieve for centuries has been attained during the first year of our Republic's independence. *The people of Uzbekistan have become the true masters of the tremendous wealth of their native land:* the Republic's mines, refineries, gold reserves, natural resources, and the land itself. Economic, scientific, technical and intellectual potential — created by the labor of many generations — all this is national property as well and serves to guarantee the well-being of the people, providing a basis for social progress, prosperity and the might of the state.

The state's responsibility to safeguard the indivisibility of the territory of the Republic, its economic potential and the inviolability of its frontiers has become an established principle.

The rule of law, which guides democratic societies, is actively implemented in the Republic. The vices of the former totalitarian regime are gradually being eliminated. A multi-party system and the tolerance of diverse ideas and viewpoints are now perceived as a matter-of-course. The dictate of a single ideology has been eliminated. Human values, universally recognized norms of genuine democracy, freedom and human rights are gaining pre-eminence.

The division of legislative, executive and judicial authority is recognized as a guiding principle. The people of Uzbekistan make up a genuine source of state power, participating in government both directly and through their elected representatives, the people's deputies.

The Parliament of the Republic uses its legislative authority to secure a legal foundation for the newly independent state. An updated and more efficient system of administration, focussing on the presidential form of government, has been introduced in the country. Local administration at the provincial, district and municipal levels has been reorganized under the jurisdiction of *hokims* (governors and mayors). The judicial system has been reformed to ensure the supremacy of the rule of law and the equality of all citizens before the law. All these components assure citizens of a civilization characterized by establishment of law and order, strict enforcement, self-discipline and personal responsibility.

The process of shaping the organizational structures which constitute and effect the state sovereignty of Uzbekistan is in progress. Ministries of Defence, External Economic Relations, National Security and State Customs have been created. The very first Committees of the Management of State Property and Privatization, Precious Metals, Science and Technology, Academic Accreditation have been established in the Republic. The

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functions of the central economic agencies have been radically altered.

Reorganization of the banking system has taken the Central Bank out of governmental control and brought about the establishment of the National Bank for External Economic Activities. Numerous branch ministries and departments have been dissolved. The National Air Company "Uzbekiston Havo Yollari", Information Agency, Film Company and other state services now operate independently.

The Uzbek people's aspiration for independence has found support and understanding in the world community and with the international public. *One hundred and twenty-five countries of the world have recognized our sovereignty and more than forty foreign countries have established diplomatic relations with Uzbekistan.* The Republic of Turkey, the United States of America, the Republic of India, France, Germany are among those countries which have opened their embassies in Tashkent. Negotiations are in progress with a number of foreign countries on the exchange of diplomatic missions.

On March 2, 1992 Uzbekistan was admitted to the United Nations as a full-fledged member. The Republic joined the Helsinki process by signing the Final Act of the Conference on Security and Cooperation in Europe. All this marks a qualitative advance in the development of the Republic and opens up new and dynamic opportunities for international economic, scientific and cultural cooperation.

Today Uzbekistan is a member of a number of leading international economic and fiscal associations, among them Organizations for Economic Cooperation (OEC), the European Bank for Reconstruction and Development. Applications for membership have been submitted to the International Monetary Fund, the International Bank for Reconstruction and Development, the International Labor Organization, the World Health Organization and other Associations. Uzbekistan has also joined the Non-Aligned Movement and forwarded applications to the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and other international organizations.

The state independence of Uzbekistan and its international recognition means that, from now on, *the Republic will pursue an independent domestic and foreign policy*, establishing direct relations for the mutual benefit of the parties involved. *It has now become truly possible to achieve substantial progress which takes into consideration the national interests of the people — their outlook, traditions and customs — as well as their vast potential and resources.*

Our society today has reached an historic crossroads: it is imperative to lay the groundwork for the national, administrative, social, economic, spiritual and moral transformation of the Republic. This difficult moment in our history requires a responsible approach. Not only does our future depend on this, but that of our children, grandchildren and generations

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to come. This is the period which will determine how soon the Republic will be able to get over the current crisis, eliminate the deficiencies of the past totalitarian system and join the ranks of advanced, civilized nations. There is long way to go.

Only a strong, democratic, law-governed secular society with a stable free-market economy and open foreign policy will guarantee sustained growth in the living standard of the people of Uzbekistan. Only such a society can protect their rights and freedoms, reinvigorate their national traditions and culture, and advance the spiritual and moral development of humanity.

THE ROAD WE TAKE: CONDITIONS AND PREREQUISITES

World experience proves that statehood, national and social liberation, have never been won anywhere in a simple or easy fashion. Immediately after gaining independence every state searched for its own model of building a new society. This approach was predetermined by the socio-economic and political situation, by the relationships among people, by their world outlook and religious convictions, by their psychology and norms of behaviour. There are various models of social advancement in the world. We may cite many examples: Turkey, South Korea, Sweden and the experiences of a number of Muslim and newly industrialized countries. The reconstruction

of national economies in Europe and Japan after the World War II also offer insight.

Uzbekistan will make every possible use of the best and most dynamic experiences of other countries which are applicable to the conditions in our Republic. But there can be no talk about blindly imitating another nation's example, even if it has yielded positive results. The effect of concrete prescriptions and methods are attainable solely under those conditions specific to the country for which they were designed.

While not rejecting that which has proven effective for other nations, *the Republic embraces the principle of choosing its own path of social, economic, political and legal development.* This results from an understanding of the mistakes and errors of the past and currently emerging views on various forms of government. This is a realistic assessment of present-day social conditions and the Uzbek people's desire for social progress and a decent life for all.

It must be emphasized that the main reason for choosing a distinct road is to ensure a normal and civilized evolutionary transition of society without any pseudo-revolutionary leaps, tragic consequences or devastating social shocks. The impact of decades-long indoctrination which forced alien concepts into mind-set of the populace can hardly be erased in one stroke. The people must first be convinced of the need for reform and transformation, shifting priorities and motivating the labor

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force, thus preventing destabilization and social conflict.

The unique nature of our social and economic problems require a specialized approach to their resolution, one that takes into account our national way of life and the oriental origin of our civilization.

Uzbekistan's road to genuine independence depends on a thorough comprehension of the following conditions which influence the development of the Republic.

First of all, *we must consider the national traits of the people, their mentality, customs, and traditions.* Historically, a collective identity is inherent to the people of Uzbekistan and is rooted in the traditionally communal way of life. Human relations are characterized by esteem for elders, concern for family and children, openness in dealing with others, friendliness with people irrespective of their ethnic origin, compassion for those less fortunate and a readiness to assist and cooperate. Love for the native Uzbek land, an eagerness to work, a respect for knowledge, and esteem for enlighteners typify the people of Uzbekistan. Of major significance in the realization of domestic and foreign policy is the role played by "Islamic factor". This element reveals itself in the lifestyle and psychology of the people, in the emergence of spiritual values and in striving for rapprochement with nations professing this religion.

Ancient history and culture, characterized by profound contributions to world civilization

made by native thinkers and philosophers of the East, have a decisive impact on all aspects of the life of people in this region. This invaluable heritage has shaped spiritual and moral self-awareness and will influence future generations.

The demographic situation in the Republic is characterized by a high rate of birth, resulting in a significant annual increase of the population and labor force. More than half of the total population resides in rural areas and is primarily employed in agricultural production. Sixty per cent of the population is under the age of 25.

Traditionally the native residents of Uzbekistan are disposed to be bound to their forefathers' domicile and disinclined to migrate elsewhere.

A feature distinctive of Uzbekistan is *its original ethnic structure*. Although representatives of more than a hundred nations and ethnic groups — all with their own culture and traditions — live on the territory of the Republic, the majority of its inhabitants are Uzbeks. The ethnic and cultural diversity of Uzbekistan, combined with a growing feeling of corporate identity and spiritual rejuvenation, serve as a powerful impetus for reinvigoration, for creating the open society prerequisite for the Republic's integration into the world community.

The Republic has a strategic geographic location. Historically, the territory of present-day Uzbekistan was the crossroads of ancient trade-routes, including the Great Silk Road, with

sustained exchange of contacts and mutual enrichment of various cultures. Today, too, Uzbekistan lies in the heart of former Soviet Central Asia and, with its independent power network and water supply systems, serves as a bridge between the surrounding republics. Uzbekistan is actively engaged in the development of relations with foreign countries.

Nature and climate decisively influence the options for implementing reforms in Uzbekistan. The rural economy, based largely on artificial irrigation, is strictly limited to available water resources. Cotton growing plays a leading role in agriculture and the national economy as a whole. Among the sovereign Central Asian Republics, Uzbekistan is a major producer and supplier of this important strategic crop, with a huge potential for exporting cotton and its by-products. Climatic conditions are favorable for farm products such as fruit, vegetables, silk-worm cocoons and other valuable agricultural produce in quantities sufficient to meet demands in both foreign and domestic markets.

Uzbekistan's potential is strong enough to secure the Republic's political and economic independence. Our land is rich in valuable minerals and natural resources. This provides a basis for deep structural transformations, developing those sectors of the economy in Uzbekistan which will secure access to world markets. Of crucial importance in this respect is the opportunity to depart from the past economic policy which concentrated on the pro-

duction and export of raw materials. This approach stunted the growth of our national economy and led to dependency on other republics for technology and resources — the result of the one-sided policy conducted by the former central government.

It is impossible to ignore *the distinct mindset and values of the people inculcated during the past decades*. On the one hand, this mentality is characterized by the adherence to the principles of social equality, secured employment, free education and medical services. On the other hand, there is a sense of alienation from the concept of private ownership along with a psychological dependency on the state — the legacy of a totalitarian, centralized bureaucratic system.

All of the above conditions, both individually and in their aggregate, determine the distinctive traits which influence the current domestic and foreign policy of Uzbekistan.

Our path of reform and social progress is a complex process encompassing all spheres of life in the Republic — economic, political, social, spiritual, and cultural factors which determine the domestic and foreign policy of Uzbekistan.

UZBEKISTAN: SOCIETY OF DEMOCRACY AND SOCIAL JUSTICE

The guiding precepts of domestic and foreign policy are determined by their final objective — the building of genuinely independent Uzbekistan. The main task is the step-by-

step transformation of the Republic into a just society based on a family unit which is diligent, prosperous and educated.

Uzbekistan is a state with promising future. It is a sovereign, democratic, law-governed state guided by the principles of humanism, a state which ensures the rights and freedoms of citizens irrespective of their ethnic origin, religious beliefs, social status or political convictions.

The source of state power in the Republic is the people themselves. Their will determines policy which has to be channelled to secure the well-being of every individual, and the society as a whole, creating a decent life for all citizens of Uzbekistan.

The political and administrative organization of the reformed society must guarantee the individual's freedom of choice in political, economic and social realms.

In the political sphere this connotes:

— the encouragement of the principles of genuine democracy which reflect the experiences of popular life, national and cultural traditions, and the interests of all social strata and population groups in the Republic. The people must have the right to participate in government both directly and through their elected representatives;

— the establishment of national statehood on the basis of the division of legislative, executive and judicial powers. This means reforming the political system, limiting the authority of Republican and provincial administrations, and creating just and humane laws. With-

out strong executive powers, even decisions adopted in the most democratic manner may be jeopardized. The development and strengthening of presidential powers ensures the realization of legislative decisions, protects the rights and freedoms of citizens and assists the implementation of political and economic reforms;

— the formation of a law-governed state to ensure legal equality for all citizens, enforce the supremacy of the law, and protect the interests of society and the security of the people. The rule of law is indispensable for the triumph of law and order, the priority of the rights and freedoms of the individual, strict law enforcement, self-discipline and personal responsibility, and respect for the law and for tradition;

— the realization of humane and patriotic principles. Everyone born on Uzbek soil, everyone living and working in Uzbekistan, deserves the right to be an equal citizen of our Republic regardless of ethnic origin and convictions. Since the territory of Uzbekistan is virtually the only domain of Uzbek national statehood, the Republic is called upon to become a cultural and spiritual center for all Uzbeks irrespective of their domicile. Citizenship in the Republic will be open to all Uzbeks who themselves or whose predecessors had to emigrate from Uzbekistan during the tragic circumstances of the past;

— the protection of the interests and the rights of ethnic minorities by creating guarantees for the preservation and development of their

— creation of all necessary legal, socio-economic and other such conditions for encouraging foreign investment, preferably in the form of direct capital investment to stimulate the establishment of joint ventures and secure the protection of investors' interests;

— immediate utilization of foreign credits and foreign currency export earnings for the purchase of essential food products, medicine and technological equipment to equip enterprises processing farm produce and manufacturing consumer goods;

— creation of basic laws regulating external economic activities. Timely amendments and practical corrections have already been introduced into the "Law on Foreign Investments and their Guarantees", as well as export and import taxes. Draft laws on the Republic's currency regulations, mortgages, customs code and other aspects of the economy have been submitted to Parliament for consideration;

— the training of qualified specialists in the fields of diplomacy, international law, external economic activities, banking and other new realms of endeavour; expanded study and training opportunities for students and specialists at leading foreign educational and research centers, foreign firms, banks and companies;

— undertaking organizational moves to join international economic and fiscal organizations — the International Monetary Fund, the International Bank for Reconstruction and Development, and the Asian Development Bank; establishment of contacts with the

General Agreement on Tariffs and Trade, the European Economic Community, etc.;

— the creation of an external economic infrastructure, specialized foreign trade, leasing, consulting, and insurance companies; the development of transportation and communication systems to further foreign contact and trade; establishing representation abroad for trade and information;

— the development of our own patent and licensing systems with subsequent ratification of international agreements on the protection of the intellectual property of citizens and legal entities of the Republic. Gradual shift to international system of standardization and certification of output.

The realization of these tasks will help create the economic and structural preconditions for Uzbekistan's integration into the world economic community.

Our compatriots abroad might render great assistance in the development of foreign relations and in the solution of a number of internal socio-economic problems. The Uzbek diaspora may well serve as a living link in the establishment of economic, cultural and other relations with foreign business circles.

History itself has assigned Uzbekistan an important geographic location at the crossroads of major routes in Central Eurasia. This enables us to advance a strategically promising principle of foreign policy, creating an Eurasian economic and cultural bridge similar to the "Great Silk Road" of the past.

A SOCIAL-ORIENTED MARKET ECONOMY: THE ESSENCE OF INDEPENDENT UZBEKISTAN'S DOMESTIC POLICY

An independent economic policy which meets the interests of the people is an inalienable condition for Uzbekistan's independent development.

For decades, the Republic was doomed to implement decisions, and carry out "campaigns", scenarios for which were written far from Uzbekistan, at the former Center. The interests of Uzbekistan, its specific conditions and possibilities, were completely ignored. As a result there emerged a deformed, one-sided national economy. The Republic was compelled to import not only certain types of raw materials, fuel, equipment and technology, but even vitally essential food products and consumer goods.

As a result of this policy, the technical level of our enterprises and the quality of production in no way corresponds to modern organizational methods and the strict requirements of competitive world standards. Technological equipment is practically worn out, obsolete and subject to replacement in all sectors of economy. The environment of the Republic has been severely damaged while our natural resources have been mercilessly and savagely plundered. This in its turn explains the low living standard of the population.

Moreover, the abortive experiment with *perestroika* and its imposed unilateral decisions plunged all former republics of the Union into

a prolonged economic crisis. The drastic results placed Uzbekistan in a desperate position characterized by snowballing inflation, sky-rocketing cost of living, collapsing monetary and credit systems, and disintegrating economic links. We are compelled to build our domestic policy under extremely unfavourable starting conditions while simultaneously facing two complex problems: the need to carry out radical reforms to foster the transition towards a free-market economy, and the necessity of taking immediate measures to stabilize the economy and prevent a sharp reduction in the living standard of the population.

Uzbekistan's potential is strong enough to enable it to withstand the heavy burden of the past, overcome the crisis, achieve the economic independence and join the ranks of advanced countries.

The transition to a free-market economy which meets the interests of the individual, with strong labor incentives and state protection of the most vulnerable members of the population — such is the essence of our domestic policy.

Historical experience has taught that despite all differences in economic conditions and living standards of the population in different countries the market mechanisms match best and prove most efficient under the current stage of development of the world society.

Only a well-organized market can unleash the creative talent and labor potential of the people, eliminate psychological dependency on the state, develop initiative and free enterprise,

encourage a strong work ethic and restore the lost feeling of personal ownership.

Only an organized market can overturn the past dictates of manufacturers, bring production in line with consumer demand, and instantly react to the fluctuations of the market.

A competitive market stimulates thrifty management, motivates expense reduction and encourages the elimination of wastefulness.

Competition creates a receptive environment for innovation, the bold implementation of the latest scientific and technological advances and appreciates professionalism for its true value.

Nevertheless, world history offers other lessons. There has never been a single state where the development of free-market relations evolved smoothly and painlessly. We would be deluding ourselves to idealize the free-market processes. We would only fall under the spell of a new myth and, as has occurred more than once, find ourselves disappointed and disillusioned.

There has to be a sober, pragmatic view of the problems inherent in the transition to an open-market economy, since the free enterprise system also has its dark side. Prolonged and severe economic crises, growing unemployment, sky-rocketing inflation, bankruptcy of enterprises and entrepreneurs, a growing economic gap between rich and poor, increase in crime — these, too, are aspects of the free market, especially in its developing stages. One has to be aware of those vices inherent in this

system, be prepared to face them, and be able to create sound policies to neutralize them.

! The transition to the market is inevitable. This is the call of our times, an objective reality. But the free market is not an end in itself. It is a vehicle, a mechanism for shaping new values, for the achievement of a qualitatively higher level of people's well-being. Only market relations which take into consideration the experience of advanced countries may ensure the fullest utilization of the huge productive potential of the Republic which can benefit the people, raising their living standard. The objective is to exert every possible effort to soften the vicissitudes of this process, without severe social and economic disruption of the populace.

Uzbekistan's domestic economic policy relies on the general principles of its own path of social reform and social progress, as well as on the following:

1. The current economic situation and low living standard of the overwhelming majority of the population *make a "shock therapy" tactics unacceptable in Uzbekistan's transition* to a free-market economy. This approach would only bring "shock, but not therapy" for the population. It would bring about the rapid disintegration of all existing social structures, values, and relations, destroying them completely. To change structural, economic, financial and credit systems, set up a corresponding legal basis, develop the market infrastructure, train personnel—all this is a time-consuming process. Time required for the introduction of a

new technology will have to be taken into account. And finally, time is needed for the transformation of thinking, for the eliminations of indoctrinated percepts and the creation of new laws, based on harmonizing supply and demand.

Not great leaps, not revolutionary transformations but a consecutive, *step-by-step* evolution is the sure road leading to a free-market oriented economy. This approach must shape our transition to a free market; after completing one stage and setting up the necessary preconditions, we can proceed to the next stage. Moreover, every stage generates its own priorities, creates its own tools for their implementation. The duration of each stage depends largely on the range of problems subject to solution, current external factors, and on how hard the people themselves work toward effecting change.

The failure to create necessary conditions, psychologically preparing people for radical changes in their daily life, the forcible, artificial imposition of market relations, may well discredit the very idea of introducing a free-market economy, to say nothing of achieving the desired results.

Furthermore, any delay in the implementation of economic reforms, any reluctance to make decisions on pressing issues may further aggravate an extremely critical economic and social situation.

It is of primary importance that everyone must understand one simple point: the building of a *society with developed, free-market*

relations is an extended and complicated process. It requires a clear comprehension of the situation and the introduction of corrections whenever necessary. It is vitally important to shift priorities and erase ideological stereotypes in the minds of the people. By educating the populace to gradually perceive the pragmatic advantages of the new system, we will be able to achieve that which took centuries for other countries to build.

2. The introduction of free-market mechanisms will have to be preceded by strong preventive measures for the social protection of the people. Only a humane state can guarantee the protection of all its citizens. The state must render timely assistance to people, especially to the most vulnerable members of society: orphans, children, students, pensioners, the disabled, single mothers, as well as large, low-income families.

By what means can we secure the social protection of the population and, first and foremost, its most vulnerable groups? The major resource and tool which the state possesses is the redistribution of national income. The share of national income subject to redistribution makes up to 30—50 per cent in the most advanced countries which is channelled to support social and cultural spheres, investments in science, technical progress and defence.

The experiences of a number of advanced foreign countries, among them Sweden, Germany, Austria show that only strong, effective guarantees of social protec-

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2. The introduction of free-market mechanisms will have to be preceded by strong preventive measures for the social protection of the people. Only a humane state can guarantee the protection of all its citizens. The state must render timely assistance to people, especially to the most vulnerable members of society: orphans, children, students, pensioners, the disabled, single mothers, as well as large, low-income families.

By what means can we secure the social protection of the population and, first and foremost, its most vulnerable groups? The major resource and tool which the state possesses is the redistribution of national income. The share of national income subject to redistribution makes up to 30—50 per cent in the most advanced countries which is channelled to support social and cultural spheres, investments in science, technical progress and defense.

The experiences of a number of advanced foreign countries, among them Sweden, Germany, Austria show that only strong, effective guarantees of social protec-

tion for the populace can ensure dynamic advancement towards a free-market economy, implement structural reorganization and radically reform production relations while maintaining social and political stability in the country.

3. *The internal economic strategy must be completely free of any political ideology.* In the past, the economy was guided by political doctrines. The predominance of political priorities over economic expediency brought the economy of the former Union to the brink of collapse, seriously deforming economic and social relations and damaging the level of technological production. *The economy must develop only in accordance with its own inherent laws.* Our objective is to learn to comprehend these laws, then practically apply them for the benefit of the people. At the same time it is vital to subordinate the solution of current economic problems to the achievement of our dominating goal — the creation of a truly independent democratic state.

4. *One of the leading principles of our domestic policy is to harmoniously integrate the interests of the individual, with regional concerns and the needs of enterprise and the state in general.* The creation of decent living conditions and opportunities for personal self-realization is the highest objective for the development of our economy and society as a whole.

Consistent implementation of this course requires the precise knowledge of prevailing priorities and interests at every stage of the

transitional period on the basis of the urgent tasks of the current period.

Of paramount significance today in reforming society, in launching a free enterprise system, is the evolution of a strong independent state, with its constituent legal structure and defense system for national security. At the present stage the interests of the state must take the upper hand. And this is the only way to protect the interests of businessmen and the general population.

5. With the gradual advancement towards the free-market economy, the role of the state in the management and regulation of economy will noticeably change. *The state and its authorized administrative structure will have to refrain from direct interference into economic affairs.* The self-regulating mechanisms of the free-market economy will inevitably start playing an ever-increasing role, while the state will retain only economic levers and stimuli alone.

State regulation of economic and social processes will be carried out by familiar means — financial, credits, taxation, currency regulations, price control and other indirect measures. This method clears the way for the civilized development of a free-market economy.

During the transition period, the state is called upon to maintain the vitality of the national economy — especially in those sectors with the biggest impact on the structure of economy — rendering them practical assistance through price regulation, tax privileges and direct subsidies. One of the main requirements

of a market economy is free prices. But hardly there is a single state in the world which would completely abandon the price policy regulation, particularly so during the transition period, the initial period of shaping the free-market structures.

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As is seen from the experiences of many countries, economic reform cannot be implemented with an equal measure of intensity in all spheres of national economy. Economic priorities for Uzbekistan will have to be determined first, the realization of which would raise the Republic to a qualitatively higher level of socio-economic development.

First, agriculture and related branches of industry will get priority, since the development of the rural sector of economy is a crucial link in the entire strategy of Uzbekistan's transition to the free market.

This is determined by the role which agriculture plays in the Republic's economy and social life. About 60 per cent of population lives in rural areas, while the share of agriculture in the national income makes up 44 per cent. Rural economy is the basic supplier of vital essentials and serves as a foundation for the development of key industries; it is also a major source of exportable resources which can be sold for hard currency.

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tilling hope in the farmers. The living standard of Uzbekistan's population depends primarily on the well-being of rural population and their efficient labor performance. The prosperity of *dehqon* (farmer) brings prosperity to all residents of the Republic.

A key issue in the entire rural policy of the Republic is the question of land ownership. A peculiarity of our agriculture is that a considerable share of land under cultivation, and practically all land sown with industrial crops, consists of irrigated plantations maintained by a powerful state irrigation system. The density of population is high in the Republic and the current shortage of land and water, along with high rates of population growth, will result in even more acute problems in the years to come.

Turning land into a commodity will undermine the vital foundations of the population, give rise to land speculation, and deprive the farmer of confidence in the future. It is well known that the people have suffered incalculable misfortunes for centuries because of the merciless and brutal struggle for the private ownership of land. Presently we deem it necessary to preserve state ownership of land and not to permit its sale. This is related also to the irrigation systems.

The development of market relations in the country-side and the revival of a sense of proprietary interest among farmers must occur through the provision of land for perpetual use with the granting of hereditary rights. The main thing is to create an efficient eco-

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Transformations in rural areas will be carried out through democratic reforms. To achieve this we need to restore the old forms of labor organization which farmers will accept and understand. For centuries the people in the East have lived and worked in communities. The initial task of the agrarian reform is to reconstitute the cooperative forms of production in the village. The complete centralization of agricultural production is unacceptable.

One of the priority tasks is the reorganization of state farms (*soukhoz*) — especially unprofitable ones — into collective farms (*kolkhoz*). In time the collective farms themselves will be transformed into large cooperatives made up of family farms, small-scale enterprises and cooperatives, and contract and leasehold farms. The collective farm board and the farms themselves will have to build their relations on the basis of agreement. The collective farms must stimulate development. A major goal is the servicing of required machinery, supplying of fertilizers and seeds, and the carrying out of measures on land improvement and irrigation construction.

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and-a-half million families have received and expended their household plots in recent years; the total amount of land in private hands exceeded 550 thousand hectares (1 million 375 thousand acres) compared to mere 205 thousand hectares in January 1, 1990. The average area of household plots exceeded 0.2 ha. This provided an opportunity to increase the production of agricultural output and raise the level of income of the rural population. It is envisaged that the area of household plots will be increased 0.25 ha on the average.

The basis of the agrarian policy is a departure from the direct regulation of agricultural production by the state. The farmer himself will have to determine the share of farm crops in the structure of farmland. With gradual but persistent reduction of the share of compulsory sales of farm produce to the state, farmers will be able to sell ever-greater amounts of their produce at free, contractual prices.

An important stimulating lever is the introduction of a fair maximum procurement price for supplies necessary to the state. For the last two years the procurement prices have been consistently raised on almost all types of farm produce. Prices on cotton alone have been increased six times over. Other measures are being created to balance prices of agricultural and industrial products. The time has come to restore a proper parity between the rural economy and industry.

The state, along with economic regulations, will render direct assistance to agriculture by granting tax benefits and ear-marking subsi-

position within the international community, gaining recognition of its currency. Regretfully, this powerful potential has, until now, been used to serve the interests of the whole of the former Union and its Center.

Priorities in external trade, economic, scientific and cultural relations are:

— the further enhancement and growth of the Republic's export potentials, the emergence of export-oriented economy, and the accelerated development of industries for the manufacture of items to replace the importable goods. In time we will have to diversify our export structure finding new, more beneficial forms, such as the export of finished farm products and items of light industry and high-technology sector. Since the Republic needs to generate foreign currency for structural reform and to ensure sustained supplies of top-priority essentials for the population — cotton, ginned-cotton, lint, cotton waste, cocoons, non-ferrous metals, caprolactam, carbamide and other items and products will initially retain their significance as major export resources;

— liberalization of internal economic activities granting enterprises greater freedom to establish direct relations with their foreign partners, for the sale of their products abroad and the introduction of benefits and privileges for export and import of commodities and goods;

— encouragement of investments and the development of innovative enterprises in the sphere of export-oriented production through administrative and tax benefits;

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— creation of all necessary legal, socio-economic and other such conditions for encouraging foreign investment, preferably in the form of direct capital investment to stimulate the establishment of joint ventures and secure the protection of investors' interests;

— immediate utilization of foreign credits and foreign currency export earnings for the purchase of essential food products, medicine and technological equipment to equip enterprises processing farm produce and manufacturing consumer goods;

— creation of basic laws regulating external economic activities. Timely amendments and practical corrections have already been introduced into the "Law on Foreign Investments and their Guarantees", as well as export and import taxes. Draft laws on the Republic's currency regulations, mortgages, customs code and other aspects of the economy have been submitted to Parliament for consideration;

— the training of qualified specialists in the fields of diplomacy, international law, external economic activities, banking and other new realms of endeavour; expanded study and training opportunities for students and specialists at leading foreign educational and research centers, foreign firms, banks and companies;

— undertaking organizational moves to join international economic and fiscal organizations — the International Monetary Fund, the International Bank for Reconstruction and Development, and the Asian Development Bank; establishment of contacts with the

General Agreement on Tariffs and Trade, the European Economic Community, etc.;

— the creation of an external economic infrastructure, specialized foreign trade, leasing, consulting, and insurance companies; the development of transportation and communication systems to further foreign contact and trade; establishing representation abroad for trade and information;

— the development of our own patent and licensing systems with subsequent ratification of international agreements on the protection of the intellectual property of citizens and legal entities of the Republic. Gradual shift to international system of standardization and certification of output.

The realization of these tasks will help create the economic and structural preconditions for Uzbekistan's integration into the world economic community.

Our compatriots abroad might render great assistance in the development of foreign relations and in the solution of a number of internal socio-economic problems. The Uzbek diaspora may well serve as a living link in the establishment of economic, cultural and other relations with foreign business circles.

History itself has assigned Uzbekistan an important geographic location at the crossroads of major routes in Central Eurasia. This enables us to advance a strategically promising principle of foreign policy, creating an Eurasian economic and cultural bridge similar to the "Great Silk Road" of the past.

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A SOCIAL-ORIENTED MARKET ECONOMY: THE ESSENCE OF INDEPENDENT UZBEKISTAN'S DOMESTIC POLICY

An independent economic policy which meets the interests of the people is an inalienable condition for Uzbekistan's independent development.

For decades, the Republic was doomed to implement decisions, and carry out "campaigns", scenarios for which were written far from Uzbekistan, at the former Center. The interests of Uzbekistan, its specific conditions and possibilities, were completely ignored. As a result there emerged a deformed, one-sided national economy. The Republic was compelled to import not only certain types of raw materials, fuel, equipment and technology, but even vitally essential food products and consumer goods.

As a result of this policy, the technical level of our enterprises and the quality of production in no way corresponds to modern organizational methods and the strict requirements of competitive world standards. Technological equipment is practically worn out, obsolete and subject to replacement in all sectors of economy. The environment of the Republic has been severely damaged while our natural resources have been mercilessly and savagely plundered. This in its turn explains the low living standard of the population.

Moreover, the abortive experiment with *perestroika* and its imposed unilateral decisions plunged all former republics of the Union into

a prolonged economic crisis. The drastic results placed Uzbekistan in a desperate position characterized by snowballing inflation, sky-rocketing cost of living, collapsing monetary and credit systems, and disintegrating economic links. We are compelled to build our domestic policy under extremely unfavourable starting conditions while simultaneously facing two complex problems: the need to carry out radical reforms to foster the transition towards a free-market economy, and the necessity of taking immediate measures to stabilize the economy and prevent a sharp reduction in the living standard of the population.

Uzbekistan's potential is strong enough to enable it to withstand the heavy burden of the past, overcome the crisis, achieve the economic independence and join the ranks of advanced countries.

The transition to a free-market economy which meets the interests of the individual, with strong labor incentives and state protection of the most vulnerable members of the population — such is the essence of our domestic policy.

Historical experience has taught that despite all differences in economic conditions and living standards of the population in different countries the market mechanisms match best and prove most efficient under the current stage of development of the world society.

Only a well-organized market can unleash the creative talent and labor potential of the people, eliminate psychological dependency on the state, develop initiative and free enterprise,

encourage a strong work ethic and restore the lost feeling of personal ownership.

Only an organized market can overturn the past dictates of manufacturers, bring production in line with consumer demand, and instantly react to the fluctuations of the market.

A competitive market stimulates thrifty management, motivates expense reduction and encourages the elimination of wastefulness.

Competition creates a receptive environment for innovation, the bold implementation of the latest scientific and technological advances and appreciates professionalism for its true value.

Nevertheless, world history offers other lessons. There has never been a single state where the development of free-market relations evolved smoothly and painlessly. We would be deluding ourselves to idealize the free-market processes. We would only fall under the spell of a new myth and, as has occurred more than once, find ourself disappointed and disillusioned.

There has to be a sober, pragmatic view of the problems inherent in the transition to an open-market economy, since the free enterprise system also has its dark side. Prolonged and severe economic crises, growing unemployment, sky-rocketing inflation, bankruptcy of enterprises and entrepreneurs, a growing economic gap between rich and poor, increase in crime — these, too, are aspects of the free market, especially in its developing stages. One has to be aware of those vices inherent in this

system, be prepared to face them, and be able to create sound policies to neutralize them.

The transition to the market is inevitable. This is the call of our times, an objective reality. But the free market is not an end in itself. It is a vehicle, a mechanism for shaping new values, for the achievement of a qualitatively higher level of people's well-being. Only market relations which take into consideration the experience of advanced countries may ensure the fullest utilization of the huge productive potential of the Republic which can benefit the people, raising their living standard. The objective is to exert every possible effort to soften the vicissitudes of this process, without severe social and economic disruption of the populace.

Uzbekistan's domestic economic policy relies on the general principles of its own path of social reform and social progress, as well as on the following:

1. The current economic situation and low living standard of the overwhelming majority of the population *make a "shock therapy" tactics unacceptable in Uzbekistan's transition* to a free-market economy. This approach would only bring "shock, but not therapy" for the population. It would bring about the rapid disintegration of all existing social structures, values, and relations, destroying them completely. To change structural, economic, financial and credit systems, set up a corresponding legal basis, develop the market infrastructure, train personnel—all this is a time-consuming process. Time required for the introduction of a

new technology will have to be taken into account. And finally, time is needed for the transformation of thinking, for the eliminations of indoctrinated percepts and the creation of new laws, based on harmonizing supply and demand.

Not great leaps, not revolutionary transformations but a consecutive, *step-by-step* evolution is the sure road leading to a free-market oriented economy. This approach must shape our transition to a free market; after completing one stage and setting up the necessary preconditions, we can proceed to the next stage. Moreover, every stage generates its own priorities, creates its own tools for their implementation. The duration of each stage depends largely on the range of problems subject to solution, current external factors, and on how hard the people themselves work toward effecting change.

The failure to create necessary conditions, psychologically preparing people for radical changes in their daily life, the forcible, artificial imposition of market relations, may well discredit the very idea of introducing a free-market economy, to say nothing of achieving the desired results.

Furthermore, any delay in the implementation of economic reforms, any reluctance to make decisions on pressing issues may further aggravate an extremely critical economic and social situation.

It is of primary importance that everyone must understand one simple point: the building of a *society with developed, free-market*

relations is an extended and complicated process. It requires a clear comprehension of the situation and the introduction of corrections whenever necessary. It is vitally important to shift priorities and erase ideological stereotypes in the minds of the people. By educating the populace to gradually perceive the pragmatic advantages of the new system, we will be able to achieve that which took centuries for other countries to build.

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Transformations in rural areas will be carried out through democratic reforms. To achieve this we need to restore the old forms of labor organization which farmers will accept and understand. For centuries the people in the East have lived and worked in communities. The initial task of the agrarian reform is to reconstitute the cooperative forms of production in the village. The complete centralization of agricultural production is unacceptable.

One of the priority tasks is the reorganization of state farms (*soukhoz*) — especially unprofitable ones — into collective farms (*kolkhoz*). In time the collective farms themselves will be transformed into large cooperatives made up of family farms, small-scale enterprises and cooperatives, and contract and leasehold farms. The collective farm board and the farms themselves will have to build their relations on the basis of agreement. The collective farms must stimulate development. A major goal is the servicing of required machinery, supplying of fertilizers and seeds, and the carrying out of measures on land improvement and irrigation construction.

Land released from cultivation of cotton and other unviable farm crops with insufficient productivity and yields will be turned over for the organization of corporation farms and for expanding land area in private use. Two-

and-a-half million families have received and expended their household plots in recent years; the total amount of land in private hands exceeded 550 thousand hectares (1 million 375 thousand acres) compared to mere 205 thousand hectares in January 1, 1990. The average area of household plots exceeded 0.2 ha. This provided an opportunity to increase the production of agricultural output and raise the level of income of the rural population. It is envisaged that the area of household plots will be increased 0.25 ha on the average.

The basis of the agrarian policy is a departure from the direct regulation of agricultural production by the state. The farmer himself will have to determine the share of farm crops in the structure of farmland. With gradual but persistent reduction of the share of compulsory sales of farm produce to the state, farmers will be able to sell ever-greater amounts of their produce at free, contractual prices.

An important stimulating lever is the introduction of a fair maximum procurement price for supplies necessary to the state. For the last two years the procurement prices have been consistently raised on almost all types of farm produce. Prices on cotton alone have been increased six times over. Other measures are being created to balance prices of agricultural and industrial products. The time has come to restore a proper parity between the rural economy and industry.

The state, along with economic regulations, will render direct assistance to agriculture by granting tax benefits and ear-marking subsi-

dies. The whole world uses state subsidies to maintain and support the rural economy.

The structure of rural life needs to be radically reconsidered. The farms should not sell raw cotton but cotton fibre, seeds and the products of their primary processing. This will enable farmers to make fuller use of the results of their labor and assure the just distribution of profits. A broad network of small, independent processing enterprises would promote employment in the country-side, particularly in areas with an excess labor force.

First and foremost, the goal of agrarian policy is to raise the living standard of the rural population to the level of the urban population. The introduction of programs for improving social well-being in our villages is indeed a problem of state significance with far-reaching political consequences.

Secondly, every assistance will be rendered to fostering and shaping the consistent development of free-market structures.

A primary objective is to lay a legal foundation ensuring reliable guarantees of the rights of entrepreneurs, dismantling ineffective administrative command structures and replacing them with efficient free-market regulations.

The gradual, step-by-step transition to free market relations requires the establishment of a broad network of the market infrastructure. First and foremost, it is vital to consolidate, the banking and credit systems, diversify types of granted credits and forms of the banks' participation in investment projects. Of major sig-

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nificance is the further development of the contract system, perfection of stock exchange activities, and the improved organization of commercial centers, trade houses, mediatory firms, and so on.

The dynamic role of insurance and auditing agencies, legal and consulting companies, as well as various training centers, will promote greater stability and better performance by entrepreneurs in the conditions of a free-market.

The tax system, too, is an integral part of the market infrastructure which still needs proper organization. The tax system should not serve as a limited fiscal agency, but, instead, encourage the entrepreneurs to organize their financial activities in an orderly and disciplined fashion.

The implementation of anti-trust laws, and the elimination of the manufacturers' dictatorial grip on consumers will help fill the market with commodities and services. Breaking up the monopolization of separate enterprises and commercial structures will facilitate the emergence of a sound competitive environment resistant to artificial price inflation and monopolistic superprofits.

Decentralization and privatization of state property must play a major role in the creation of a diversified economy. The process of decentralization and privatization is expected to be effected gradually on the basis of special approved programs. These programs will take into account the interests of collectives and will be carried out in observance of the principles

of social justice and under the strict control of the government and the public. First in line for privatization are unprofitable enterprises and organizations in the service industries, trade, public catering and local industries. The process of the decentralization of enterprises in other sectors will be carried out for the most part along the lines of leaseholding and shareholding and through conversion of enterprises to collective forms of ownership.

Careful, in-depth analysis of the experience of foreign countries must precede the realization of decentralization and privatization. Unfortunately, even the experts are of the opinion that the privatization process in itself leads to greater productivity and higher incomes. This misconception will be shattered immediately after the first collision with the reality. Unprofitable enterprises are, as a rule, poorly equipped, have no back orders and, even following the privatization, are in no condition to compete with enterprises out-fitted with advanced technology, with durable economic links and a sound financial position.

There is another thing to keep in mind — without trained management personnel, without entrepreneurs well-educated in marketing, finance and credit policy, it is unwise to decentralize, to place enterprises in unqualified hands, thus bringing them on the brink of bankruptcy. Hence, by no means should privatization be carried out like past campaigns of total collectivization and there should be no competition as to whom will be the first to privatize one or another production enterprise.

The process of decentralization and privatization requires a consistent and comprehensive approach in close combination with other necessary conditions for transition to the free-market economy.

Considering the role played by small businesses in creating new job opportunities and ensuring stable supplies of food products and commodities — as well as their ability to adapt to a changing economic situation — comprehensive assistance will be rendered to the development of small enterprises.

Third, the successful transition to the free market is possible only under stable economic conditions. The existing situation requires the adoption of measures which are sometimes quite unpopular in order to overcome crisis, to prevent a decline in production, to take control of inflation and to curtail a sharp decrease in the living standard of the population.

The stabilization of economy is a natural and inevitable stage on the road to the creation of a free market. To secure this it is vital to:

— conduct strict financial policy directed towards limiting and reducing the Republic's national debt. State expenditures on bureaucratic administration and subsidies to unprofitable enterprises must be further reduced. Only the most urgent state and social needs may receive state subsidies. The objective of the tax policy is on the one hand to ensure stable mobilization of budget receipts, and on the other, to stimulate enterprises to increase the

manufacture of products vitally needed by the Republic;

— consolidate credit and finance systems, money circulation, and currency regulations. Bank credits will be granted, in the first place, for increasing the manufacture of consumer goods, building materials, farm produce and other vital essentials. At the same time the inadmissibility of unsecured credit emission remains a matter-of-principle. Currency regulations will result in healthier monetary circulation. At the same time that these preparatory regulations are instituted, we will introduce our own national currency which — during the initial stage — will be convertible within the territory of the Republic, and will be backed by commodities and foreign currency;

— curtail the plummeting decline in production and growing unemployment. Conditions will have to be created to encourage greater productivity. It is essential to be able to maintain the production, construction and scientific potential of the Republic;

— retain government price control over a narrow range of the most vital commodities during the transition to price liberalization. Placing price ceilings on essential food-stuffs, medicine, certain children's items, and guaranteeing supplies to the population on the basis of rationing will safeguard the domestic consumer market and provide greater opportunities for the purchase of goods;

— carry out effective anti-inflation measures and establish a reliable system for state protection of socially vulnerable groups of the

population. Assure the material well-being of those employed in public education, health services, science, culture and the arts.

Our fourth priority in shaping the Republic's domestic policy is to correct the economic imbalance resulting from an emphasis on the sale of raw materials. A country which only produces and sells raw materials is doomed to chronic misery. Our major task is to radically restructure the economy and introduce a structure capable of securing Uzbekistan's economic and political independence, taking into account all of our resources.

The move towards the structural transformation of the Republic's economy is designed to solve the following tasks:

- satisfy the urgent needs of the population for food products and daily essentials, especially those for children and old people;

- reduce the dependency of domestic industries on raw materials, fuel, manufactured articles, technological equipment, as well as ready-made goods imported from the other republics of the CIS and from foreign countries, which the Republic can manufacture itself;

- find meaningful employment for the quickly growing labor force, especially our young people, and create new job opportunities which utilize the historical and traditional skills of the people in addition to meeting modern requirements of technical progress;

- process the agricultural raw materials and mineral resources more effectively, with greater emphasis on creating finished products of competitive quality;

— breach the technology gap by developing modern production methods requiring a new system of economic sectors ranging from the processing of mineral resources to the production of finished products of a scientific nature;

— conversion of farm machinery plants into plants for the manufacture of machinery and equipment for small businesses such as family farms, livestock breeding, food crop cultivation and household plots;

— increase the Republic's export potential and consolidate its financial viability.

Correcting the economic imbalance caused by the dependence on the sale of raw materials will ensure the durable and dynamic development of the Republic's economy. This will encourage new job opportunities for the surplus labor force, raise the professional level of personnel, optimize import/export operations and, most importantly, create reliable guarantees for the independence of Uzbekistan, raising the living standard of its people.

Fifth, the independence of Uzbekistan is inconceivable without its own highly qualified personnel capable of efficiently performing under changeable market conditions. The objective now is to set up a unified continuous system of education, including general secondary education, continuing education and training for professionals and improved personnel qualifications. Moreover, specific characteristics of Uzbekistan, of our ethnic mentality, along with the best achievements of international and Oriental experience in the field of

education will have to be taken into consideration. The entire system of higher and secondary special education will need to be radically transformed. The choice of specialities offered to students will be considerably altered. New forms of educational institutions — grammar schools, lyceums, colleges — will develop and a system of training qualified workers will acquire new features. Great importance is attached to sending talented young people abroad for study and training at leading foreign educational institutions, research centers, firms and companies.

The implementation of these measures will lead the transition to a civilized, free-market system. Such qualitative changes in the socio-economic development of the Republic, help it join the ranks of newly industrialized nations, and guarantee the economic, political and spiritual independence of Uzbekistan.

SPIRITUAL AND MORAL FOUNDATIONS FOR INDEPENDENT DEVELOPMENT OF UZBEKISTAN

There are four fundamental principles on which Uzbekistan's path of reform and development is based:

- adherence to universal human values;
- consolidation and development of the nation's spiritual heritage;
- freedom for the individual's self-realization;
- patriotism.

The source of inspiration for independent

Uzbekistan is our people's commitment to universal human values. Our people have managed to keep alive the sparks of justice, equality, good-neighbourliness and humanism through centuries of adversity. The highest objective of reformation in Uzbekistan is to revive those traditions, fill them with new content, and set up the necessary conditions for achieving peace and democracy, prosperity, cultural advancement, freedom of conscience and intellectual maturity for every person on earth.

Humanism is an integral trait of the Uzbek people's national identity. Cruelty and violence are something alien to us. Our people have lived through thousands of years of history, replete in dramatic events — the flowering of culture, science, and statehood along with the sorrow of strife and discord, foreign occupation, and the loss of our best sons and daughters. But even the vicissitudes of history, brutality of wars, natural calamities and famine could not undermine the humaneness of the people. *And today the Uzbek family is an embodiment of kindness and affection characterized by love of children, esteem for elders, tactful respect for neighbours and sympathy for others' sorrows and misfortunes.*

Following the best traditions of Oriental civilizations, Uzbekistan is widely known for its hospitality and friendliness. The exiled, those deprived of their homeland, victims of wars and persecutions have always found refuge in Uzbek homes. "You ain't no orphan!" — these heartfelt words addressed to

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those who lost their parents and homes came straight from the heart of the Uzbek people during the grim years of the Great Patriotic War, when People's Poet Ghofur Ghulom wrote his innermost thoughts:

You ain't no orphan,
little one.
All misfortunes fade in time...
Vast and tender
like the Sun
Gentle heart of Mother-Land
Breaks, concerned with
plight of sons;
And the nation,
big and strong,
Tills and toils to bring 'em joy.
Sleep in peace,
my little boy.

When misfortune befell our homeland and the earthquake of 1966 severely damaged Tashkent, the brotherly nations of the former Union came to help the Uzbek people restore their capital city. Uzbekistan has become the native land for representatives of more than 120 nationalities and they are all dear to the Uzbek people. This sacred memory has been preserved up to our present difficult times, making us wiser and more humane in the face of History and Eternity.

Since ancient times the people of our land have lived and reasoned in harmony with the whole of Humanity. There are many proofs of that. The Great Silk Road linked the heart of

Asia with the Middle East, Europe and Africa. The creations of our remote illustrious ancestors, profound scholars and thinkers, founders of great states, and the cities of Samarkand, Bukhara, Shakhrisabz, and Khiva—are known far and wide, still astonishing the civilized world with their magnificence and beauty. Generation after generation had an ardent love for the land of their fore-fathers but were never indifferent to the fate of neighbouring tribes and outlying nations. In recent history our capital city, Tashkent, became a venue for hosting major inter-republic dialogues promoting the reconciliation of disputes between states and peoples. International meetings of public figures and writers, festivals and scientific forums in Tashkent will always serve as a brilliant symbol of friendship and cultural cooperation.

The independence of Uzbekistan, with its openness to the outside world, is fertile soil for our fast-growing spiritual potential backed by ever-expanding international relations, both at the state and public levels. Today, our emancipated people daringly strive towards world-class achievements in the fields of education, science and technology, culture and arts. *Again, as has occurred many times in our history, the Uzbek soil will be home to a unique, progressive, talented and essential people.*

Such universal values as human rights and democracy fully correspond to the national and state interests of the Republic, reflecting the character of our nation and its traditions. Human rights are guaranteed in our society

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not only by law but through the self-awareness of the people, their moral upbringing, goodness and compassion.

Of top priority among all essential human rights is the sacred right to a peaceful life. It is the duty of the state and society to guarantee this right through all available legal means. The implementation of this rights is a major condition for the humane democratization of the state and the society. Human blood cannot be shed and people should not live in fear for the lives of their children because of the tyranny of one or another ideology or force. Uzbekistan has appealed and continues to appeal to all warring factions to support and maintain peace throughout our planet. Let us remember the fact that people are still subject to murder and killings. This, in the final, most humane, accounting devalues even the highest of aspirations.

The world is one; we are all interrelated. It is our common duty to leave for our children and grandchildren a planet which is a healthy and hospitable place to live a decent and happy life. Uzbekistan faces a serious and tragic misfortune. The water resources of Central Asia are almost exhausted. The catastrophe of the Aral Sea, which has shocked the entire world, is an ecological disaster on a global scale which Uzbekistan and its neighbours cannot cope with alone.

The ecology of the environment and the ecology of the spirit are something indivisible. "Strong health" — this is what our ancestors wished each other in their greetings

and at partings. The traditional cult of health should be revived and raised to the place of honor next to the cult of the family. For ages, Uzbekistan has born and bred *palvans* (epic heroes) and *botyrs* (defenders). Our traditional national sports are being revived today in all parts of the country: Uzbekistan is firmly establishing itself in the international sports community. Tashkent is prepared to host the Olympic Games—that great and eternal symbol of universal peace, youth and health.

Concern for one's own health should be inculcated in the young at an early age through the joint efforts of the family, school, neighbourhood system of health services, physical education and sports. It is vital that the people value health in deeds, not just in words and care about it as an object of national wealth.

Living in a sovereign state in peace and accord, emancipated from ideological idols and the "iron curtain", we have gradually come to better understand the sources of national humanism as the original basis of universal human values. These common values are the most durable guarantee of our progress and our unity with the whole of humanity.

The strengthening and development of the spirituality of the nation is a major concern for the state and society in Uzbekistan. Spirituality is like a precious fruit which ripened along with the love for freedom and the appreciation of the value of independence in the big family of humankind. The individual

drinks in spirituality along with his mother's milk and is further guided by the example of his fore-fathers. Our mother-tongue is of great significance in the spiritual unification of the nation into a single entity. Our closeness to nature and the exceptional beauty of our native land inspires the spirituality which becomes a powerful force when augmented with a deep understanding of our national history, culture and destiny. History should be treated as the living memory of a nation, since that is what it truly is. Since there can be no talk about humanity without memory, similarly there can be no future for a nation deprived of its national history.

Spirituality links the people of different nations and countries and, through mutual respect, unites their destinies. Our immeasurable and inexhaustable spirituality has emerged from the personal fate of millions and millions. It is the universe of mankind.

Human beings need spirituality like they need to breath air and drink water. Like a traveller in the desert who quenches his thirst at a life-giving spring, humanity is also in constant, sometimes painful and arduous, search of a spiritual source. The land, family, mother, father, children, relatives, neighbours, nation, devotion to our independent state, respect for others, faith, memory, conscience, beauty—there is so much wisdom in spirituality! Man can hardly grasp the entire essence of this primary principle, which actually makes him a human being. Spirituality appears when man feels himself to be an integral part

of the nation and devotes his life and work to his people. It is a distressing experience for our people to live apart from their native land—far from their source of spirituality. This is something painful for the entire nation, for our common spirit is sensitive to the hardships of every countryman.

Spirituality is not a blessing from above. It is the hard work of heart and conscience, of mind and hands. This treasure provides man with a balanced outlook on life, and keeps him from seeking only self-profit and personal gain. It sustains him in times of trouble and strengthens his resolve in times of material adversity. The names of illustrious, erudite personalities have been preserved in the hearts and minds of our people: Beruni, Al-Kwarazmi, Abu Ali ibn-Sino, Imam Al-Bukhari, At-Termezi, Akhmad Yassavi, Ulughbek, Navoi and other creative personalities of world renown were people of profound spirituality. They devoted their lives fully to the people who were in need of the truth and who are, in fact, themselves the truth. These great names of genius, and the memory of the nation and its destiny deserve to be kept alive.

It is nonsense to think that people first need material wealth before they can think of spirituality. But spirituality is an energizer for the individual, nation, society and state. Without spirituality there can be no real prosperity. Proof of this can be found not only in antiquity but in recent history, too.

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ourselves of our future. Favorable conditions will have to be created to make the achievements of national and world culture, literature and art accessible to every household regardless of its material well-being. Of no less significance is the emancipation of the spiritual energy of creative workers, rendering them every possible support.

Special attention must be given to the renaissance of our traditional natural culture. However, such a revival of national self-awareness cannot depart from the ideals of the humanistic world culture, universal human values and the traditions of our multinational society.

Education provides creative inspiration for the spirituality of the people of Uzbekistan. It helps us discover the best abilities of the up and coming generation, while continuously improving the skills of professionals. Education helps elucidate and pass down the wisdom and experiences of the older generation to the younger. Young people, with their budding talents and thirst for knowledge, begin to understand spirituality through education.

Our state will attract on a broad scale the experience of advanced countries in training specialists and establishing conditions for high-quality education in Uzbekistan itself. During the era of cultural renaissance in Transoxania (Mawerannahr) in the 10—12th and 14—16th centuries A.D. there were many cities with institutions of higher education and scientific centers. This excellent tradition is now being revived. The tenacious search for

the truth, for which our nation has always been noted, will have to be channelled into studying and mastering world achievements in science, engineering, technology, management and communications. Then, and only then, will Uzbekistan become the genuine master of its own riches and turn into a civilized state with a highly developed culture.

Personal readiness to work for one's own benefit and for the benefit of one's family makes up the inner potential of the individual. Large-scale socio-economic plans grew from our people's love for life. The pride of our citizens for their independent state feeds their readiness to personally contribute to its strengthening and prosperity. Only thus can a citizen become the backbone of the state.

The potential of the individual has a most favorable genetic base with the Uzbeks. The Republic is rich in capable, gifted people who have managed to associate themselves with the best achievements of the world in science, technology, philosophy, and law while retaining their affiliation with their people. They are path-finders into the 21st century for Uzbekistan. They are the most enterprising section of the society and have the most positive impact on the whole of the nation, instilling confidence in its capabilities.

The reforms in progress open up new opportunities for the citizens of the Republic to reveal their industriousness. An increasing number of people display economic independence, search for ways of efficient application of their labor, abilities and knowledge. The

search for self-improvement and self-perfection ennobles man, adding to his dignity and pride. Every man is unique in himself. Through maintaining and preserving this uniqueness society, drop by drop, grain by grain, acquires new qualities, raising it to a higher level of civilization.

Our people have a "down-to-earth" character, thoughtfully considering all the facets of a problem whether big or small. Our is the distilled experience of desert-oasis civilizations, Asian methods of production, Islamic philosophy, a multinational society and the legacy of the Bolshevik revolution. This kind of ethnic identity enables us to face the future, carefully preserving the achievements of the past. First we build the new, practically testing its effectiveness, then utilizing it in a new way instead of destroying it.

The patriotism of Uzbek citizens is a guiding star, a reliable compass pointing to the road of reforms — there can be no deviation from our designated goal. Love for Uzbekistan, its land, nature, and people; our search for deeper knowledge of its history, culture, traditions of the region; our pride in the might and achievements of the Republic; our compassion for those less fortunate than ourselves — all these characterize our multinational Uzbek society.

The patriotic sentiments of the people, their aspiration for freedom and happiness find embodiment in the new state symbols of independent Uzbekistan which have acquired

a sacred meaning for every citizen of Uzbekistan.

The symbols of our state — our flag, seal, and national anthem — reflect the honor, dignity, historical memory and aspirations of the peoples of Uzbekistan. Respect for these symbols strengthens our pride and confidence in our country and in ourselves. Those who are proud of their country can do much to glorify both their own families and their native land.

The pride in one's family, in one's good name, is deeply consonant with the feeling of patriotism. It means, first and foremost, the careful preservation and promulgation of family traditions. It reflects the desire to protect the good name of one's ancestors, while earning one's own reputation through diligence and hard work, winning people's recognition and respect.

Loyalty to one's native land is deeply rooted in respect for the honor of one's family and progenitors, personal conscience, a sense of duty, and a pride in one's word. The patriotism of our people has always been characterized by respect for the honor, dignity, culture and the traditions of our beloved people. Sometimes we face hardships in life, acute injustices which sometimes provoke a burst of wrath, but even then to insult our homeland and our compatriots means to commit a sacrilege, for which there can be no excuse.

The great dignity, glory and national honor of the Uzbek people are based on pro-

found kindness and honesty. We shall further elevate the national dignity of Uzbeks while, at the same time, striving to live in fraternity with all other nations sharing our common motherland and loyalty to the Republic of Uzbekistan.

A feeling of nationalism is natural to human beings, since it is inherited from one's parents, and expressed in the first words spoken by a child to his mother, father—to the whole world. Without a proper upbringing which stresses love and respect for one's people, there is little chance to bring up a true human being, a patriot of one's homeland, who believes one's own country to be an equal among the world community of nations. Patriotism, civil unity, inter-ethnic accord—such is the basis on which the newly independent state of Uzbekistan is being built. These specific qualities will help overcome difficulties on the road to societal transformation and aid us in achieving mutual understanding and cooperation.

The reliable legal guarantees of the new society will be created and consolidated in the first Constitution of Independent Uzbekistan. This Fundamental Law will be adopted by democratic means following comprehensive and thoughtful nation-wide discussions. It is impossible, without unifying ideals, to create a lasting place for spirituality in our multinational country. The Constitution will outline the building of a just, democratic, law-based state committed to protecting human rights,

respecting freedom, securing stability and ensuring prosperity.

The people of Uzbekistan feel confident in their future. They rely, first of all, on their own abilities and the tremendous natural and economic resources of their nation. They will find their own way to a healthy life, filled with happiness, wealth and culture. A great future awaits us. And it instills us with vigour and energy to fulfil our common efforts for the benefit of the citizens of Uzbekistan.

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Ислам Абдуганиевич
КАРИМОВ

УЗБЕКИСТАН
свой путь обновления
и прогресса

(на английском языке)

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