

## IMPACT OF NEW ECONOMIC POLICY ON TRADE AND INDUSTRY

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**Annotatsiya:** Ushbu maqolada Yangi iqtisodiy siyosat sharoitida o‘zbek qishloqlarining umumiy holati, yerdan foydalanish, qishloq xo‘jalik, ishlab chiqarish munosabatlarining o‘ziga xos xususiyati, yangi iqtisodiy siyosatning savdo va sanoat sohasidagi ahamiyati yoritib berilgan.

**Аннотация:** В данной статье освещено общее состояние узбекских сел в условиях новой экономической политики, землепользование, особенности сельскохозяйственных производственных отношений, значение новой экономической политики в торговле и промышленности.

**Abstract:** In this article, the general condition of Uzbek villages under the new economic policy, land use, specific characteristics of agricultural production relations, the importance of the new economic policy in trade and industry are highlighted.

**Kalit so‘zlar:** Yangi iqtisodiy siyosat, sanoatmetall, qurilish tresti, Turksoyuz, tovar, savdo, sanoat, natural, teri mahsulotlari, mo‘yna, jun, pilla, quruq meva.

**Ключевые слова:** НЭП, промышленный металл, строительный трест, Тюрксоюз, товары, торговля, промышленность, натуральные, изделия из кожи, меха, шерсти, коконов, сухофруктов.

**Key words:** New economic policy, industrial metal, construction trust, Turksoyuz, goods, trade, industry, natural, leather products, fur, wool, cocoons, dried fruit.

The introduction of a new economic policy in Turkestan in the first half of the 20th century and the formation and development of the first buds of market relations in this process, as well as the history of accumulated experiences in this regard, are of great interest. Analysis of the historical experience of the 1920s is also important because of the creation of a state-controlled and controlled market mechanism during the New Economic Policy era. During the period of the new economic policy, i.e. mainly in



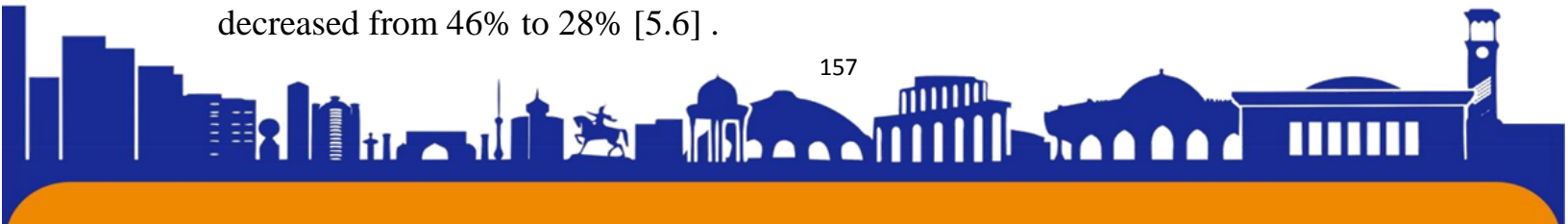
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1921-1929, market relations were settled in Turkestan, private ownership developed in the countryside, and the production of agricultural products increased significantly.

By 1920, as in the agriculture of Turkestan, a deep crisis occurred in its industry. In particular, the processing, mining and transport sectors were completely destroyed. In 1920, the total volume of the gross product of the country's industry decreased by 80% compared to 1914, the production of cotton fiber, cotton oil, and shulkha decreased 17 times. A fifth of the locomotives on the railways were barely working. Coal and oil production did not even cover their daily needs [6.363-364].

One of the structural elements of the application of new economic policy reforms in the industrial sector was Lenin's idea of "state capitalism". It envisaged a temporary restoration of non-socialist forms of economic management, but important sectors, primarily large-scale industry, were kept in the hands of the state, which was the main executor, owner and manager of socialist restructuring. The New Economic Policy, leading in the socialist sector of industrial production, focused on a large-scale restructuring of management based on the introduction of strict planning and economic accounting in industry and enterprises, which was controlled by the *soum* and to some extent the democracy of production. would provide expansion. In 1921, a reorganization of the management of the industry was carried out. Its main essence was to centralize production in large and important enterprises. Those producing the same products were consolidated, and those that were not profitable were closed. In the conditions of the new economic policy, production associations - centralized trusts were recognized as the most acceptable form of the state's industrial reorganization policy. By the end of 1921, 10 such trusts were established in Turkestan, which united 99 large enterprises transferred to the economic account. For example, fuel industry enterprises were merged into "Turkyogilgi trust", metalworking industry enterprises into "Sanoatmetall" trust, building materials enterprises into "Kurilish trust", flour mill industry enterprises into "Untrest" [4.77].

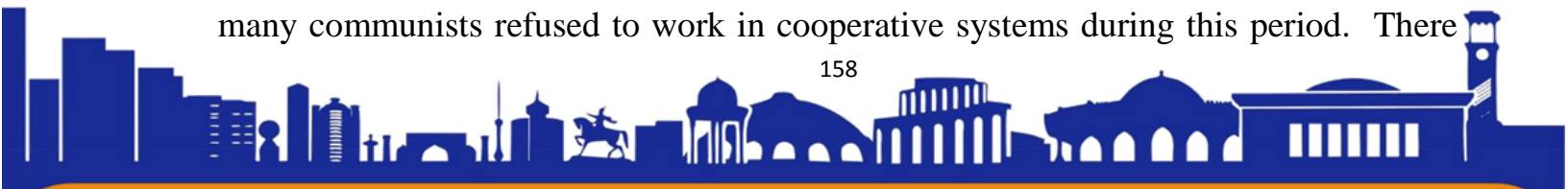
In addition, there were other trusts covering many areas of economic life in Turkestan. The trusts, which replaced the centralized bodies of economic management, played a positive role in the development of the economy as part of the newly formed economic mechanism. As a result, the number of non-working enterprises under the jurisdiction of the High People's Economic Council of the Republic of Turkestan decreased from 46% to 28% [5.6].





Turkestan industry was restored and developed primarily as a means of socialist production. In 1924, the share of the public sector in the total gross product production was 97.1%, the share of the private capitalist sector was 1.8%, and the share of the cooperative sector was 1.1%. Private capital could be used in non-essential core industries and would be under strict state control. One of the forms of capital recovery was the introduction of rent. Leasing of enterprises subordinated to the OXXK was established by the decree of the RSFSR KKK dated July 5, 1921. According to this decree, it was recommended to lease only unprofitable, small and suspended enterprises. Tenants are mostly private individuals, and in many cases they were former owners of enterprises or cooperative organizations. In practice, the Soviet state tried by all means to limit the spread of private initiative in the industrial sector, to put an effective barrier to the strengthening of the position of private capital. Nevertheless, despite the strict conditions, new forms of economic management were introduced. As early as 1921, 86 enterprises were leased in TASSR. Although the state monopoly prevailed, private capital was very interested in cotton cultivation. Private capital was leased small and half-broken cotton ginning and oil factories. The weak development of the large-scale factory industry in Turkestan created an opportunity for the development of handicrafts. Realizing the benefits of joint production of raw materials and sale of products, the artisans joined their artels and established a craft cooperative. In 1921, there were 1,270 cooperative-craft artel networks of various branches of production in the country, and about 30,000 craftsmen joined them.

In the conditions of NEP, agricultural and craft-industrial cooperative systems faced a number of problems. They were entrusted with the tasks of economically unifying small individual farms, providing them with technical means based on electrification and mechanization, and increasing production efficiency based on scientific and technical achievements. The Central Committee of the Communist Party mobilized specialists and communists in these institutions to activate political campaigning among urban and rural residents in the matter of cooperation. However, the scope of activities of cooperatives during this period was aimed at the expansion and development of small private production, which was in some way contrary to the programs of the Communist Party. Support for small-scale private production literally meant the development of the bourgeoisie or a return to capitalism. For this reason, many communists refused to work in cooperative systems during this period. There





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were many opponents to the idea of developing cooperatives in the higher party bodies, even in the Central Committee. Therefore, issues of cooperation construction were widely discussed at the X, XI, XII party conferences and at the XI party congress.

Restoration of economic independence of cooperatives from the bottom to the top was determined by the recognition of the following principles in its work: voluntary membership, material benefit, distribution of profits by membership fees and shares. The recognition of these principles ensured the economic independence of cooperatives. The restoration processes in the village began with the revival of commodity exchange. This is based on the relatively dynamic development of information cooperation. The function of Matlubot cooperatives was specified by the decree of the Council of People's Commissars of April 7, 1921 "On Matlubot cooperatives". In accordance with the decree, Centrosoyuz was assigned the task of organizing product exchange, immediately improving food supply to city residents, providing industry with raw materials, and rural residents with industrial products. The entire content of the decree was aimed at establishing and developing the exchange of products between the city and the countryside [1.230].

However, due to the difficult economic conditions, cooperatives were still directed to provide services for the state's interests. This one-sided goal has also caused a number of negative consequences. For example, when the activities of cooperatives were analyzed at the end of 1921, the general situation was such that the main activity of cooperatives was to provide industrial workers and urban residents with food products, and the food-growing rural population insufficient attention was paid to the provision of necessary equipment and supplies.

The support provided by the state had the main effect on the revival of cooperatives. Centrosoyuz was placed as the main tool between socialist industry and agriculture. Cooperatives have received a number of benefits in the fields of credit, tax, pricing, and product supply. These had a serious impact on the growth of product exchange through the cooperative. Only from September 1921 to mid-December, the volume of trade operations of Centrosoyuz increased from 2 billion to 80 billion soums, i.e. 40 times. The volume of products delivered to state bodies under the contract increased 5 times, from 30 billion soums to 146 billion soums [2,266] .

Simultaneously with the development of economic relations between the city and the countryside, the credit functions of cooperatives were revived. The ruined village

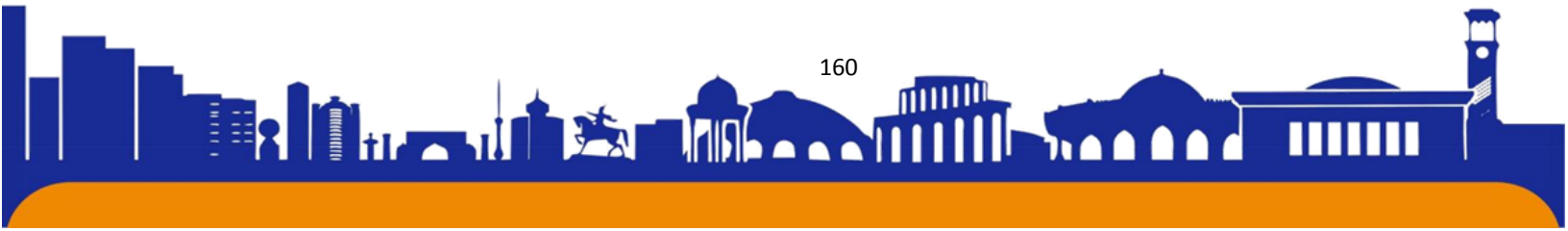




gradually came to life, began to move to intensive methods of land use, the number of livestock increased, agricultural equipment began to be renewed and improved, and market relations began to settle. These processes, in turn, created a great need for credit funds for farmers. At the beginning of the new economic policy, the state was unable to provide sufficient financial support to farmers. The NEP bourgeoisie and the kulaks were the main providers of credit to the poor peasants. Therefore, the co-operation of credit relations was important. The unification of all layers of peasant farms in the circle of cooperatives was an important date from the point of view of targeting the capital of wealthy layers and taking credit relations under the control of the state and society. In the conditions of the new economic policy, the cooperative movement gained its solid foundation. Trade relations grew, and the production productivity of peasant farms increased. The coverage of certain areas of agricultural production activity by various cooperative systems prepared the ground for the transition from lower to higher forms of cooperatives in the future. The economic achievements of the Renaissance posed a number of new political, social and economic problems for the cooperative system. The rise in industry, transport and agriculture required the regulation and correct establishment of market relations and the further improvement of the cooperative system.

The organization and management of market relations required, first of all, the increase of agricultural productivity, the formation of the commodity production apparatus, and the support of the poor and middle-class peasants as the main agricultural producers. For this, it was necessary to control prices, credit and other sources of finance. For this, it was considered necessary to establish a strong connection between peasant farms and socialist industry [3.233].

In the economic years of 1923-1924, the production of all large and medium-sized industrial products in TASSR increased more than 1.7 times compared to 1921. The revival and development of industry significantly accelerated the class differentiation in the republic, as the Bolsheviks wanted. From January 1922 to January 1925, the number of workers and servants increased from 6,244 to 14,824. 30% of the workers were representatives of local nationality. Therefore, it should be emphasized that the rate of recovery of industrial production in Turkestan was completely incompatible with the opportunities created for economic growth due to the introduction of YIS. In



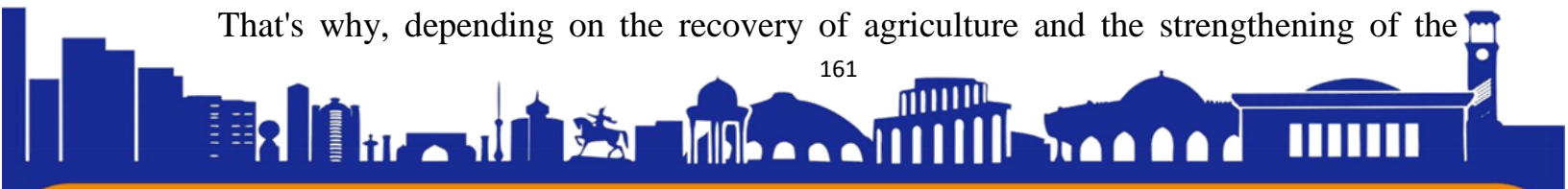


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economic years 1923-1924, the amount of the gross product of the republic's industry was only 65% of the level of 1914 [6,317].

In connection with the transition to a new economic policy, trade and economic structures were started to be organized, which deal with the commercial preparation and sale of agricultural raw materials. Among such trade and economic organizations were the Union of Trade Societies of Turkestan (Turksoyuz), the Union of Cotton Growers of Turkestan, the office of RosSredaz in Russia, and others. They exchanged goods using market mechanisms within the limits of the allowed possibilities. For example, in accordance with the decision of the Republic of Turkestan on October 19, 1921, Turksoyuz was allowed to exchange goods both within the republic and with regions of Russia using any one of the following forms of exchange: 1) in-kind exchange 2) mixed exchange 3) exchange of goods with money the right to increase was given. The Soviet regime sought to make the most of Turkestan's mineral resources and all raw material products. In addition to cotton raw materials, black leather and leather products, fur, wool, cocoons, dry fruits, etc. were constantly transported from the Republic of Turkestan to the Center.

In 1923, instead of the local monetary system, a single currency, the soum, was introduced in the three republics. In addition, the banking system of the republics became part of the banking system of the RSFSR. The policy of occupying the markets of the region, which was started by the Tsarist Empire, finally reached its infamous end in the Soviet era with the establishment of the Central Asian Economic Council. Turkestan peasants welcomed the decision of Turkestan MIQ on April 22, 1922 "on the tax in kind" with great joy. Because by these years, the government had no choice but to ignore the growing anger of the villagers. With this decision, the "food rationing" that is hated by all would be canceled. The implementation of this decision not only reduced the tax levied on different categories of farmers, but also allowed to develop the economic factors of production regulation. However, in the first year, the idea of a food tax was implemented very weakly. Food tax in Turkestan consisted of 8 types of taxes. The introduction of the food tax in kind in Turkestan was determined by the acute shortage of food, the rise of inflation, and the derailment of money circulation. However, this form of food tax created a number of difficulties for both taxpayers and tax authorities related to the transportation and storage of products. That's why, depending on the recovery of agriculture and the strengthening of the





financial situation of farmers, measures have been taken to unify taxes. On June 13, 1923, the Turkish MIQ and TASSR issued a decree on the transition from a food tax to a single agricultural tax. As a result, the role of peasants, who are subjects of commodity-money relations, has significantly increased. The application of YIS not only in the field of agricultural and industrial production, but also in the fields of urban economy, trade, household and cultural assistance to the population helped to strengthen the processes of formation of a new system of commodity-money relations. Experiments have been started everywhere to rent shopping malls, catering establishments, houses, theaters, baths, markets, plots of land and other objects. The positive side of the reality of the new economic policy was that the relations of the state with private capital, tenants, owners of various properties and farms were established through taxes.

So, by making a general assessment of the economic situation that arose in Turkestan in the first half of the 20s, it can be said that the process of free activity that began in all areas of society, the principles of the new economic policy and the joint efforts of its components will gradually end the destruction and economic recovery. led to the recovery of his life. Economic revitalization covered industry, agriculture and trade and was reflected in commodity-money relations.

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