Rural Infrastructure Development in Uzbekistan

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Abstract: During the years of independence, the government of Uzbekistan has done a lot of work on the creation of industrial and agricultural infrastructure in order to revive the feelings of a dehkan of a true owner in relation to land, property and manufactured products. The priority task of the agrarian policy was that new jobs are being created due to the opening of mainly small enterprises with modern technologies, folk crafts, handicraft and handicraft workshops are developing.

Keywords: financially, such mechanisms, organizational and economic structures.

After gaining independence in Uzbekistan, the issue of improving the quality and quantity of agricultural products received was acute. To do this, it was necessary to solve one of the important tasks in rural areas, such as providing agriculture with mineral fertilizers. And therefore, in February 1992, by order of Uzselkhozkhimiya No. 32, the association "Agricultural Chemistry" was created in the republic. In order to further deepen economic reforms in rural areas, in August 1996, by Resolution of the Cabinet of Ministers No. 274, the association "Agricultural Chemistry" was transformed into a joint-stock company "Kishlokhuzhalikkime" with territorial branches in the regions.

During the transition period, such mechanisms of rural support as preferential lending, taxation, insurance, etc. are of great importance for the effective use of agricultural land, strengthening the economic interest of agricultural producers in the final results of labor and the creation of strong, financially stable farms in rural areas.

In order to improve the financial condition, eliminate chronic unprofitability and economic insolvency of agricultural enterprises in the republic, the Law "On the rehabilitation of agricultural enterprises" was adopted. 104 agricultural enterprises were sanitized in 1998, 150 farms in 1999 and 82 farms in 2000.

As a result of the rehabilitation, 96 farms out of 104 agricultural enterprises have improved their economic condition since 1998 and 119 out of 150 farms have improved since 1999. According to the results of 1999, these farms received a profit of 2072.7 million soums. The reorganization of agricultural enterprises was carried out according to the following directions: reduction of the number of employees to the established standards, training and retraining of personnel, streamlining accounting and reporting, exclusion of excess fixed assets from the balance sheet and transfer of infrastructure facilities to the balance of local government bodies, reduction of accounts receivable, application of advanced methods of production and labor organization, etc. This allowed them to overcome their economic insolvency.

In order to successfully carry out the rehabilitation of these farms, along with other organizational and economic measures, the repayment period of their debts on bank loans, arrears on payments to the budget was extended, as well as the repayment periods of debts to extra-budgetary funds were extended, the unsecured accounts payable of the rehabilitated farms

were reissued with a preferential loan from the Ministry of Finance of the Republic of Uzbekistan.

In the general course of reforming organizational and economic structures, certain transformations are taking place in the industries that provide agriculture, primarily with material and technical resources, repair and engineering services. This area of rural infrastructure has overcome significant structural changes over the years of independence of the republic, taking into account the requirements of a market economy. In this system, in addition to the divisions of the association "Uzagromashservice", joint ventures "Uzkeystraktor", "Uzkeysagroleasing", the holding company "Uzselkhozmashholding" and others have been created and are successfully functioning.\(^3\)

Since May 1998, the Uzkeysser-vis joint venture has been operating in the republic for servicing foreign agricultural machinery, the shares of the founders have been determined (51% - the share of the Keycorporation Corporation, 49% — the share of the founders of Uzbekistan).

Organizational and structural transformations have been carried out in agriculture, the principles and management system of this industry are changing. In order to improve the management structure of agriculture and water management, to ensure their close interaction, a single Ministry of Agriculture and Water Management has been formed. The systems of agricultural service and logistics of rural enterprises are being improved. A network of machine and tractor parks has been created.

At the beginning of 1999, a Fund for payments for agricultural products purchased for State Needs was established under the Ministry of Finance in order to ensure timely advance payments and settlements for products supplied by agricultural producers.

With the creation of the Fund, the following urgent tasks have been solved in the republic:

- timely payment of advances and final payments for cotton, grain and rice produced and supplied for state needs has been ensured;
- control has been established over the targeted use of the allocated funds for advance payments and final payments for the specified agricultural products purchased for state needs;
- coordination of the activities of all units providing payments for purchased products (Ministry of Finance, banks, procurement organizations, agricultural producers, enterprises) that provide services and supply equipment, spare parts, etc.

The main financial agents of the Fund for financing the production, procurement and processing of cotton, as well as grain and rice-shaly are "Pakhta-Bank" and "Galla-Bank", and the commercial agents of the Fund for the purchase, storage, processing and sale of cotton, grain and rice-shaly are the association "Uzgoskhlopkopromsbyt" and GAK"Uzkhlebproduct".\(^4\)

To increase competitiveness, alternative machine and tractor parks were created on the site of the liquidated shirkat machine and tractor parks. Each year, these parks provide services to farms for 10.5 million soums. The created alternative MTP became competitors to the MTP joint-stock companies operating in the region. Accordingly, the share of services in the mechanization of joint-stock MTP decreased to 20-30%. During 1995-1997, 180 machine and tractor parks (MTP) have been created and are functioning in all regions of the republic, which included enterprises of the district level (RPP, Techzhivservice, carpool depots, supply bases and other organizations).

As of January 1, 2001, 9610 tractors are available, of which 3972 are arable and 2709 are tilled, including 16 units of the Case brand; trucks — 3061 units; grain harvesters — 3798 units.

including 1274 combines of the Case brand and the Klaas brand; 1683 pieces of cotton harvesters, including 636 pieces of the Case brand.

In 2000 alone, machine and tractor parks for agricultural organizations and farms performed works and provided various services in the amount of 37.1 billion soums, including plowing on an area of 2.5 million hectares, harvesting of grain crops from an area of about one million hectares. Machine and tractor fleets have provided flexibility, maneuverability in the use of equipment and a significant reduction in the timing of agricultural activities.

In the conditions of the transition period, when many agricultural enterprises cannot provide large investments of financial resources in the intensification of production and technical renewal, there is a need to increase the role of the leasing agreement, which creates the opportunity to attract investment for the development of the production sector and support domestic producers. In order to equip agriculture with modern high-performance agricultural machinery, to create the necessary conditions for the development of domestic engineering, including with the participation of leading foreign companies, the Cabinet of Ministers adopted a resolution "On measures to provide the village with agricultural machinery on leasing terms".

For the development and improvement of leasing activities in the agro-industrial complex during 2001-2007, modern agricultural machinery (tractors and harvesting equipment) produced by the enterprises of the holding company "Uzselkhozmashholding", including with the participation of leading foreign companies, is supplied to machine and tractor parks, agricultural shirkats and farms by leasing it for a period of 7 years under the following conditions:

- 15% of the cost of tractors and harvesting equipment are paid in advance by territorial associations of machine and tractor parks, agricultural cooperatives, farms at their own expense;
- 85% of the cost of tractors and harvesting equipment is financed by the Uzselkhozmashleasing company at the expense of funds provided to it on a loan basis by the State Incentive Fund for Equipping the village with Agricultural Machinery under the Ministry of Finance.
- completion, mainly, of denationalization and privatization of property in rural areas;
- providing agricultural enterprises and organizations with economic independence in organizing and conducting production and commercial activities;
- a sharp increase in the processing of products within the republic due to the import of imported equipment and the improvement of existing technologies. So, if until 1990 only 9% of cotton fiber was processed in the republic, then by 2000 this indicator had risen to a level above 38%;
- creation of an MTP (Machine and tractor Park) in all agricultural areas on the basis of the association of regional agricultural machinery. Agricultural machines, including seasonally used ones: combines, cotton harvesters, etc., were transferred to their balance. They are also provided with various powerful and versatile agricultural machinery of foreign production of the brand "Class", "Magnum", "Case", etc.;
- substantial state support has been provided to all agricultural enterprises, as a result of which the repayment periods of bank loans, loans and payment amounts for them have been extended;
- abolition of value-added taxes on mineral fertilizers and fuels and lubricants supplied to agricultural producers;
- introduction of a new system of contracts and mutual settlements.

5 Statistical Yearbook of the Republic of Uzbekistan, 2001
6 Hikmatov A.H. "Uzbekistan: ten years on the way to the formation of a market economy". – Tashkent, 2001. – p.106
Thus, during the years of independence, the government of Uzbekistan has done a lot of work on the creation of industrial and agricultural infrastructure in order to revive the feelings of a dehkan of a true owner in relation to land, property and manufactured products. The priority task of the agrarian policy was that new jobs are being created due to the opening of mainly small enterprises with modern technologies, folk crafts, handicraft and handicraft workshops are developing.

**Used literature**


