# Agricultural Cooperation and its Role in Rural Social Life (1921-1929)

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**Abstract:** This article discusses agricultural cooperation and its role in rural social life in Uzbekistan in 1921-1929 during the period of new economic policy. In the article, the author analyzed the historical conditions of that time, specific aspects of rural social life.

*Keywords:* trade, transport, pud, desyatina, cooperation, tax, credit, craft artels, industry, Supreme Council of National Economy, Glavkhlopkom, Turkkhlopkom, agricultural company, credit company, reclamation.

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After the transition to the new economic policy in the Soviet state, the system of agricultural cooperation began to develop rapidly. The main content of this policy was to establish economic relations between the city and the countryside, between industry and agriculture.

The new economic policy envisioned the establishment of normal economic relations between the city and the countryside based on commodity production and commodity-money relations. This policy would give the state an opportunity to interest the peasants in expanding the cultivated areas, increasing labor productivity and, on this basis, begin to restore the industry.

The new economic policy had several features unique to Turkestan. In particular, as a result of the colonial policy of Tsarism, Turkestan, like other eastern regions of the country, lagged behind Central Russia in all spheres of economic, political and cultural life.

The transition to a new economic policy required abandoning the "military communism" methods of directing state industry and restructuring the industry based on the introduction of economic accounting. Most of the small and medium-sized industrial enterprises were mainly leased to large cooperative organizations and their associations. Due to the lack of state funds, such a reform was carried out in order to spend capital funds primarily on the restoration of large enterprises, and the funds of cooperatives on the restoration of industry.

The Main Cotton Committee (Glavkhlopkom) was established under the Supreme Council of National Economy of the RSFSR and Cotton Committees in the growing republics to lead the revival and development of cotton production. As a result of the establishment of Glavkhlopkom and its local bodies, the leadership and management of cotton cultivation was centralized in the hands of a single organization.

A decision was made to establish agricultural cooperatives instead of the previous union of cotton growers. The cotton cooperative was freed from settling accounts with the farmers, and it was entrusted with the task of organizing cotton planting together with the cotton committees and being a guarantor for the growers to fulfill their state obligations.

In 1922-1923, 3 million soums were given from the budget of the RSFSR in the form of gold for an agricultural loan for the reconstruction of Turkestan agriculture. Turkkhlopkom received 75 billion soums (in old currency) to give advances to growers. One million soums in silver were given to the republic to buy cattle from neighboring countries.

One of the means of combating usury and commercial capital was the establishment of a mutual aid society of peasants. This society appeared in 1923. In 1925, there were 809 branches of this

e-ISSN: 2620 - 3502 p-ISSN: 2615 - 3785

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society in Uzbekistan. Mutual aid societies provided assistance to underpowered farms as best they could. However, their financial support was limited.

The active commodification of agricultural production in the following years influenced the increase of incomes of peasant farms and the creation of favorable conditions for the development of the rural consumer union. In 1923-24, the number of peasant households that were members of rural demand associations increased by 39 percent. In short, the cooperatives began to develop based on the requirements of the new economic policy. On December 28, 1923, the Central Executive Committee of the All-Union and the Council of People's Commissars issued a decree "On the reorganization of cooperatives based on voluntary membership." Cooperatives have played an important role in increasing their financial resources and increasing the material benefits of their membership. The principles of voluntary membership are also at the core of the All-Union Decree "On Trade Cooperation" adopted on May 20, 1924. This decree played an important role in the development of the cooperative as a mass initiative organization.

The confidence and interest of the villagers in the cooperatives grew more and more. At the end of 1925, there were 25,600 associations of cooperatives, which united 9.4 million peasant farms. They served 51,500 different trade establishments. The development of sub-branches of the cooperative in villages and the growth of the number of members were observed throughout the Union. This prompted Centrosouz to intensify its attack on private commercial capital. Matlubot cooperatives began to perform other economic functions as well. The tasks of preparation of agricultural products and their processing in private enterprises began to fall under the management of this organization.

During the period of new economic policy, the demand cooperation of Uzbekistan lagged behind the average indicators for the Union, where the main growth was due to the rural cooperation. Matlubot cooperation was not considered as a creative initiative, but as a body of pressure from above by the state, which allows it to control the circulation of goods, retail trade, and limit the freedom of the private sector in this area. But in general, the patronage policy of the state played a positive role in the establishment of cooperation networks in the republic. The chart below shows the rapid development of the Matlubot cooperative in the mid-1920s.

In addition to the cooperatives of goods, the system of agricultural and handicraft-industrial cooperation also expanded its spheres of activity. They served not for the needs of cooperatives, but for the agricultural needs of the countryside. Agricultural cooperatives focused their activities on the first path. Their task was defined by the party as a basis for the development of production by supporting the weak agricultural sector. The tasks of the agricultural cooperative included the provision of credit, the provision of agricultural equipment, the organization of production on the basis of cooperation, as well as the protection of the interests of the less powerful sections of the village. That is, as stated in party-soviet documents, it was necessary to protect the poor-middle class of peasants from the influence of kulaks and their complications.

In the middle of 1923, 247 agricultural companies were established in Turkestan. 169 of them were established in Syrdarya region and 71 in Fergana region. The task was to develop the agricultural cooperation and attract the villagers to this cooperation.

The most developed cooperative network in the Turkestan ASSR was the credit cooperative. At the beginning of 1924, the number of credit companies operating in the republic reached 1168. Loans were provided to the population through credit companies and agricultural cooperatives uniting 250,000 farmers. The loan was given mainly for the reconstruction of cotton and livestock farms1.

With the transition to a new economic policy in Turkestan, other branches of cooperation began to form and develop. In particular, in the middle of 1922, 7 cooperative amelioration companies were formed in the republic, and a lot of work was done to attract the mass of farmers to irrigation construction.

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By the end of 1923, there were 29 reclamation companies involved in the construction of irrigation facilities and the organization of machine irrigation in the Turkestan ASSR. 54,220 deciles of irrigated land and 127,850 deciles of non-irrigated land were attached to these companies, which included 22,160 farms. These companies made a great contribution to irrigation and cotton cultivation in Turkestan ASSR.

The value of all agricultural products of the Turkestan ASSR increased from 130 million soums to 161 million soums in 1923 compared to 1922. This was about 1/3 of the pre-war level. (the gross income of agriculture was equal to 480 million soums in 1913). The gross cultivated area increased from 1 million decitas to 1.5 million decitas, and in 1923 it reached 1 million 632 thousand decitas. Instead of 12,000 farms in 1922, 52,000 farms were engaged in cotton planting in 1923. These farms were given a loan of 13 million soums in terms of gold.

The farmers of Turkestan were also helped with agricultural tools. In the first half of 1923, agricultural implements worth 344,000 soums were sold to farmers. Great work was done in the fight against agricultural pests, in 1924, 300,000 soums were allocated in the form of gold.

In 1924, 2/3 of the arable land was processed, ¼ of the total farms were co-operative. The area of irrigated land has reached 2.4 million decitas, including the area for cotton cultivation to 500,000 decitas. The income of farmers has increased significantly.

According to the data of July 1, 1924, the number of agricultural and credit companies established in the Turkestan ASSR reached 905. The largest number of cooperatives (69.5 percent of all cooperatives in the republic or 629 cooperatives) of credit companies in the cotton-growing regions accounted for 10.2 percent of the total number of cooperative farms.

Agricultural, food, memorization and credit cooperatives began to serve as a means of moving the development of peasant farms to the socialist path, strengthening the connection between the city and the countryside, between the working class and the peasants.

Private capitalists took advantage of the weakness of the commodity cooperatives to control rural trade. They also provided poor farmers with seeds, implements and working animals on harsh terms.

In May 1924, the VIII Congress of the Turkestan Communist Party took place. Sezd determined new activities in the fields of accelerating the development of agriculture and industry, accelerating the construction of cooperatives.

The land and water reform of 1925-1929 did not bring the expected results in the agrarian sector. Despite the increased centralization of poor farms after the reform, a large part of the peasantry remained weak until collectivization and, in fact, unable to run an independent farm. Suffice it to say that the share of poor households in Uzbekistan was 43 percent in 1928, while it was 35 percent in the entire USSR. The large number of poor, weak peasant farms in the republic hastened their unification into cooperatives.

Agricultural co-operation, first in the field of sales and supply, and then in the field of providing production services to farmers, was interpreted as a very favorable form of co-operation for farmers. The agricultural cooperative, with its marketing, supply, credit, and production functions, was directed at saving small producers from economic dependence on local usurers. At the same time, the cooperative envisaged the unification of scattered farms.

Agricultural cooperation in Uzbekistan developed on a particularly large scale after the national delimitation of the Central Asian republics. The percentage of cooperative farming in Uzbekistan was much higher than in a number of allied republics and in the whole country. In 1927, it averaged 31.5% in the USSR, 28.4% in the BSSR, 30.5% in the USSR, 29.8% in the RSFSR, and 66.8% in the UzSSR.

The reason for the higher level of cooperativeization of peasant farms in Uzbekistan was the high productivity of agriculture, which led to the development of sales and supply operations, which

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could not be carried out by every farm. In this regard, during the years of the new economic policy, the activity of the agricultural cooperative was mainly focused on sales and supply operations. Its task was not only to provide assistance to peasant farms, but also to gradually exclude private individuals from the circulation of goods. This situation has become particularly important in the conditions of the republic's agriculture, which is closely connected with industry.

Provision of preferential credit, supply of industrial products at cheap and regularly decreasing prices, and gradual increase in prices for the preparation of agricultural raw materials ensured that the cooperative was in a dominant position in the village over private processors. The share of cooperatives in all aspects of the preparation of agricultural raw materials increased year by year. It was only 5.9 percent in 1924-25, 15 percent in 1925-26, 49.4 percent in 1926-27, and 68.7 percent in 1927-28.

The role of the agricultural cooperative was that it instilled in the peasants a sense of collective economy, prepared them for production cooperation, and helped to strengthen the influence of the state on agriculture.

Agricultural cooperation in Uzbekistan was not limited to the scope of providing and selling its activities. He also began to carry out to a certain extent the work in the field of implementation of production connection between industry and agriculture, provision of equipment to cooperative farms, organization of agro-technical and zoo-veterinary assistance.

After the establishment of the Uzbek SSR, the political leadership of the republic began to find additional sources of strengthening the production activity of agricultural cooperatives. Differentiation of cooperatives was chosen as a way to solve this problem. Therefore, at the beginning of 1926, the Cooperation Commission in the presence of the Central Committee of the UzKP(b) put the issue of specialization of agricultural cooperation on the agenda. First of all, it was proposed to establish an independent cooperation in the "Uzpakhtasoyuz" system, specialized in cotton cultivation. Later, other branches of agricultural cooperation - livestock, grain, horticulture-viticulture-vegetable and sericulture cooperatives were separated as a separate system and specialized. Agricultural cooperation of Uzbekistan has become a powerful system consisting of various artels. In 1928, it had 13 associations and 2 organizational bureaus. Each specialized system contained all the functions of the respective network.

Initially, agricultural cooperation was widespread mainly in cotton-growing regions (Andijan, Fergana, Tashkent), but in 1926-1928 it developed intensively in other regions as well. From January 1, 1926 to October 1928, the number of cooperatives in Zarafshan district increased by 3 times, in Kashkadarya district by 9.7 times, and in Khorezm district by almost 11 times1.

The Agricultural Bank had a significant impact on the development of agricultural cooperation. The loan funds issued by this bank were mainly directed to the purchase of agricultural equipment and the organization of irrigation-memorization works. In 1924-1925, the Bank of Central Asia distributed 3,975,200 soums to poor farmers in Uzbekistan. At the same time, car rental centers and repair shops were also established in order to provide practical assistance to farmers. At the end of 1928, more than 100 car-rental points and about 110 repair workshops were operating in the republic.

In 1927-1928, 51 machine-rolling points and 44 workshops were established in the cotton cooperative system. Despite the existing difficulties, the cotton cooperation gave positive results. The importance of the cotton cooperative in supplying the country's industry with cotton raw materials was higher than that of other industries. In 1927-1928, almost all of the cotton sent to the industry of the RSFSR was grown in cooperative associations of Uzbekistan. (p. 270).

The activity of press associations also grew intensively. Only from October 1924 to April 1926, the network of matlubot societies grew by 80 percent, and the number of share-members increased by 166.6 percent. Along with quantitative growth in this area, qualitative changes were also observed. His positive actions were manifested in the increase of exchange of goods in trade

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unions. For example, the capital funds of rural cooperatives were 46,720 soums on October 1, 1925, and 110,216 soums on April 1, 1926. The role of trade unions in the establishment of trade organizations in villages and villages has also increased dramatically.

It should be noted that from 1925 to 1928, the total volume of cooperative trade in the village increased from 17.1 percent to 45.3 percent. In other words, the network of cooperative trade in villages occupied almost half of all types of trade. It became a serious competitor to private trade. Matlubot unions began to more actively sign contracts with state and cooperative organizations for the delivery of goods to villages. The goods under the contract were sold through the chain of stores of Matlubot societies. At the same time, Matlubot cooperation expanded the purchase of agricultural products for sale to city residents or exchange for industrial products.

By the end of the period of reconstruction of the national economy (1926), the scale of work reached a level beyond the capacity of universal agricultural cooperation. In order to improve the production service to farmers, taking into account the specific characteristics of each crop, the cooperation began to be specialized from the second half of 1926. From "Uzbekselsoyuz", a universal cooperative, in 1926 cotton cooperative, and later livestock. Vegetable growing, cocooning and other types of cooperatives were separated. In addition, in 1923, the reclamation cooperative began to operate. In 1925, credit cooperatives began to operate. All these types of cooperatives were formed according to the central management-district union-company scheme.

Specialized cooperatives contracted crops, gave loans to farmers, provided them with tools, seeds, fertilizers, grain, and fodder for livestock. Along with production and sales-supply activities, they also carried out great cultural-public and political-educational work among the peasants.

The 15th Congress of the CPSU (b) approved the establishment of specialized types of agricultural cooperatives and considered that such types of cooperatives should be further developed as the most appropriate means of gradual transition from cooperatives of sales and supply to the generalization of production of individual farms.

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