

Ministry of Higher and Secondary Special  
Education of the Republic of Uzbekistan

SAMARKAN STATE INSTITUT OF FOREIGN LANGUAGE

**English philology faculty**

# COURSE PAPER

**Theme:** We are the future Uzbekistan

**Group:** 1<sup>B</sup> group

**Compiled by:** *H E. Normurodov*

**Supervisor:** *dots. B.B.Odilov*

# CONTENTS

<b>I.....</b>	
<b>INTRODUCTION.....</b>	<b>3</b>
<b>II. ....</b>	
<b>MAIN PART .....</b>	<b>5</b>
2.1. ....	
Investing In Uzbekistan's Future.....	5
2.2. ....	
The Uzbekistan in 2030. The Future Demographic report.....	6
2.3. ....	
Uzbekistan at the time of gaining independence .....	7
2.4. ....	
Democracy programs in Uzbekistan .....	13
2.5. ....	
Urbanism, Architecture, and the Use of Space.....	16
<b>III. ....</b>	
<b>CONCLUSION .....</b>	<b>21</b>
<b>IV. ....</b>	
<b>LIST OF USED LITERATURE.....</b>	<b>22</b>

## INTRODUCTION

Uzbeks likely take their name from a khan. A leader of the Golden Horde in the fourteenth century was named Uzbek, though he did not rule over the people who would share his name.

**Actuality of the theme.** With President Karimov firmly in office, Uzbekistan will likely be characterized by political stability, but the policy of import substitution and the lack of sufficient structural reform may further aggravate economic problems. Poor cotton crops and recurrent droughts may add to the crisis. If accompanied by economic crisis, the president's exaggerated security threats—particularly about Islamic groups—could contribute to the authoritarian character of the regime and lead towards further political violence.

**The aim of the work.** Particularly troublesome will be the persistent inconvertibility of the sum, the lack of hard currency, and the growing external debt. The country will not be able to serve its financial obligations in the 21st century without IMF help, but the IMF requires the closure of many loss-making industrial enterprises that would be particularly difficult for the government to effect. Significant reforms were promised in 2000, and there were hints that some harmful old policies would be abandoned.

**The tasks of the research.** The 2% rate tax is based on the historical cost of fixed assets used in production. Legislation specifically includes buildings, machinery, equipment and vehicles. Accumulated depreciation does not reduce the taxable base. The following assets are specifically excluded from the taxable base for property tax purposes:

- housing, social and cultural facilities;
- environmental protection assets;
- agricultural equipment;
- transportation networks (including roads and pipeline);
- communication and power transmission lines (including maintenance structures);
- communication satellites; and automobiles.

Profit tax is deductible for profits tax purposes.

**Practical value of the work.** The results and materials used in the work, given conclusion will be of great use for the students of foreign language departments of philological faculties. The materials of the qualification work may be of practical use for writing self-independent works, reports and synopses in lessons of future **Uzbekistan**.

**Used material includes** the rich and new information taken from Internet, other most valuable information I have taken mainly from the textbooks as Adams, Laura L. "What Is Culture? Schemas and Spectacles in Uzbekistan." *Anthropology of East Europe Review* p 65-71, 1998.

**The structure of the course paper.** The course paper consists of introduction, two chapters of the main part, conclusion and the bibliography.

## **II. MAIN PART**

### **2.1. Investing In Uzbekistan's Future**

In 2030, the population of Uzbekistan will reach 34.1 million, an increase of 19.6% from 2012. As Uzbekistan's population grows between 2012 and 2030 it will age, due to falling birth rates and fertility and an increase in older age groups. Population growth will be driven by huge increases in the population aged 60-79 which will expand by 134%. Within this group the 60-69 year olds alone will increase by 157%, or 1.5 million people.[1.56]

"The Obama Administration places a high priority on building partnerships in Central Asia that could contribute to Central Asia becoming a new crossroads for trade and ideas," said U.S. Assistant Secretary of State for South and Central Asian Affairs Robert Blake at a recent American-Uzbek Business Forum. The forum was a combined effort of the U.S. Department of State and the Government of Uzbekistan, aimed at attracting U.S. investment to the Central Asian country. Last December, high-ranking U.S. and Uzbek officials met at the first U.S-Uzbek annual bilateral consultations to discuss a wide range of issues of interest to both countries, including human rights, political, security, and economic and trade relations.

One of the top priorities identified at this meeting was the need to promote increased trade and investment opportunities between the 2 countries.

"Since these consultations, Uzbekistan has taken steps to show that it is open for business," said Assistant Secretary of State Blake. Earlier this year, "Uzbekistan hosted both the annual meeting of the Asian Development Bank and the Central Asia Trade and Investment Framework Agreement Working Group meeting in Tashkent. Both of these events helped to highlight Uzbekistan's potential, as well as that of Central Asia as a region, as a bridge between East and West, North and South, as it was during the times of the historic Silk Road."

Uzbekistan is rich in oil and natural gas, and holds large reserves of copper, lead, zinc, tungsten and uranium. It also boasts the world's fourth-largest gold reserves. But Uzbekistan is also interested in developing its technological

capabilities in the manufacturing sector, said Assistant Secretary Blake, and it is looking for investors.

Indeed, although in the past, Uzbekistan's cautious approach to market reform created what many potential investors perceived as an unfavorable climate for investment, the country has gone through a sea change, and today, is courting international corporations and investors, offering good financing and tax advantages.

Nonetheless, Uzbekistan still needs to make a number of changes, such as reforming the tax administration and the exchange system, loosening the monetary and exchange rate policy, and deepening the financial sector. Such changes would remove unnecessary obstacles, making the country more attractive to foreign investment.

"Since Uzbekistan's independence, U.S. firms have invested roughly \$500 million U.S. in Uzbekistan," said Assistant Secretary Blake." And I believe there is room for much more." [2.3-18]

## **2.2. The Uzbekistan in 2030. The Future Demographic report.**

- A snapshot of the population in 2030
- Uzbekistan's place in global population trends

Analysis of changing population structures

- Statistics on ageing
- Vital statistics and population by sex
- Marriage and divorce rates
- A look at the diversity of the population

A breakdown of the biggest cities by population size

- Historic and forecast data covering the period 2005-2030 **Our**

### **Future Demographic reports answer questions such as:**

- What will the population of Uzbekistan be in 2030?
- What will be the age make-up of the consumer market?
- Is the population ageing?

- How diverse is the population of Uzbekistan?

### **Why buy this report?**

Understand the population structure of the consumer market

- Track long-term demographic changes which will impact consumer demand
- Realise growth potential of the biggest cities

Identify target markets in terms of population diversity, age and sex **The Future**

**Demographic reports** originate from the Population and Homes page of our Countries & Consumers database. Countries & Consumers helps international organizations understand the country environments they are operating in, and appreciate the lifestyles of consumers in national markets.

### **2.3. Uzbekistan at the time of gaining independence**

At the time of gaining its independence from the former USSR, Uzbekistan's economy was in shambles and ill-prepared for an independent functioning. The fact that this independence was gained by default and/or inertia partially contributed on the lack of preparedness of the economy. For decades until this break-up, Uzbekistan's economy was, just like that of any other "little-brother" republics' (i.e. except Russia, the "big brother"), geared towards working like a small wheel in the Soviet mega-economy. Mainly, Uzbekistan was a producer of cotton for the textile industry of the former USSR. Besides that, Uzbekistan supplied other raw materials such as silk, wool, produce; and natural gas. Instead of building on its existing strengths, which was the recommendation of various think tanks and foreign advisors, Uzbekistan chose to remain a raw-material supplier as before, and ventured into new fields such as automotive manufacturing.

Shortly after independence, Uzbekistan imposed a strict control over hard currency convertibility (mainly dollar), and since then economists and lay-people alike accused hard currency inconvertibility as the main cause of Uzbekistan's economic problems. However, time showed that this was not so true: Uzbekistan eventually removed its restrictions on hard currency exchange, but most problems did not go away.

The U. S. Department of State says the following about the factors that hinder the growth of Uzbekistan's economy:

Although it is difficult to make an accurate estimate of economic growth in Uzbekistan—because of the unreliable nature of government statistics, which often serve political rather than economic ends-economic growth is far below potential due to:

- the country's poor investment climate;
- failure to attract foreign investment;
- an extremely restrictive trade regime, implemented in order to meet a strategy of limiting imports of consumer goods;
- failure to reform the agricultural sector of the economy, potentially the engine of economic growth for this largely rural economy; and
- the price system in Uzbekistan, which is not functioning properly due to government intervention in markets. [4.102]

#### Population Statistics and GDP per Capita

Uzbekistan has not conducted a population census since 1989. Although there was a very intensive migration during post-Soviet years, for instance many Russians and other ethnicities left the country, Uzbekistan's population size is still only estimated, and in most cases it is believed to be underestimated. According to the opinion of some economists of Uzbekistan, consistent underestimation of Uzbekistan's population mainly serves one purpose: to exaggerate GDP per capita. It is well known that GDP per capita is an important economic indicator for any country's economy. Since population comes in the denominator of this indicator, the smaller population - the higher the GDP per capita.

Uzbek Government might have used this tactic to exaggerate its economic growth achievements, and to attract more foreign investors.

What are the factors that make Uzbekistan an attractive partner in Central Asia?



After the break-up of the Soviet Union, five independent republics appeared on the map of Central Asia: Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, and Uzbekistan. Various countries have been actively trying to establish themselves in this region, and this competition in regional hegemony was called the Great Game. The United States has joined the race quite early. So what attracts the USA in Uzbekistan? These factors probably are: abundance of natural resources, large consumer base and labor resources, and strategic location. Uzbekistan is the most populous country in Central Asia. It has over 25 million people, concentrated in the south and east of the country, who are nearly half the Central Asia's total population. Uzbekistan is rich in oil, gas, uranium, and gold. Since 1991 Uzbekistan has reached self-sufficiency in oil and oil products. The republic was the third largest producer of natural gas in the former Soviet Union behind Russia and Turkmenistan, producing more than 10 percent of the union's natural gas in the 1980s (Library of Congress, 1998). Uzbekistan is the fifth largest producer of cotton in the world (and second largest exporter of it), and also the eighth largest producer of gold [5.105].

Uzbekistan has been able to retain some of the most important trading partners from the former bloc: Russia, Kazakhstan, and Ukraine have been traditionally major trading partners for Uzbekistan. At the same time, it was successful in establishing trading relations with the some of the most developed countries of the world. South Korea, the largest investor in Uzbek economy, has been able to accomplish this mainly through now-bankrupt Korean giant "DAEWOO" - the joint venture with Uzbek government, represented by Uzavtosanoat, "Uz-DAEWOO Auto Co." has been producing passenger cars since 1996. South Korea has invested in Uzbek economy over 1 billion dollars

The United States recognized Uzbekistan's independence in December 1991. In 1992, various of United States aid programs were launched. Operation Provide Hope delivered an estimated US\$6 million of food and medical supplies for emergency relief of civilians affected by the Tajik civil war; the Peace Corps sent its first group of about fifty volunteers to Uzbekistan; an agreement with the

Overseas Private Investment Corporation[6.47] began encouraging United States private investment in Uzbekistan by providing direct loans and loan guarantees and helping to match projects with potential investors; and humanitarian and technical assistance began to move to a wide range of recipients. In 1993 the United States granted Uzbekistan most-favored-nation trade status, which went into force in January 1994. In March 1994, a bilateral assistance agreement and an open lands agreement were signed. In 1995 a variety of investment and other treaties were under discussion, and several United States non-governmental organizations were initiating joint projects throughout Uzbekistan.

In the first two years of Uzbekistan's independence, the United States provided roughly US\$17 million in humanitarian assistance and US\$13 million in technical assistance. For a time, continued human rights violations in Uzbekistan led to significant restrictions in the bilateral relationship, and Uzbekistan received significantly less United States assistance than many of the other former Soviet republics. Because Uzbekistan was slow to adopt fundamental economic reforms, nonhumanitarian United States assistance was largely restricted to programs that support the building of democratic institutions and market reform. By the end of 1995, however, United States-Uzbekistan relations were improving, and significantly more bilateral economic activity was expected in 1996 (U.S. Department of State, 2004). lion's share of which is attributed to DAEWOO. In 2001, American auto corporation GM purchased DAEWOO, and this indirectly has placed the US one step closer to Uzbekistan[ 12.46]. Even though GM did not purchase the manufacturing plant of DAEWOO in Asaka, Uzbekistan, it has been partnering with Uzbekistan through sales of parts.

The former Soviet Union, in an effort to become self-sufficient in cotton, diverted tributaries of the Aral Sea, Amu Daria and Sir Daria, for massive irrigation of cotton fields throughout then-Uzbek SSR. The result has been environmental devastation: since 1960, the sea level has dropped 50%. Residents of Uzbekistan and Turkmenistan are paying the price, as winds whip tons of contaminated dust from the dry seabed into the air, leading to respiratory

infections, diarrheal diseases, and some of the highest rates of tuberculosis in the former Soviet Union. Besides health problems, Aral Sea disaster has made hundreds of acres of agricultural land unfit for use. If the issue shall not be resolved in the nearest future, the Aral Sea disaster's impact on Uzbek economy will be devastating.

The USA could have extended long-term, substantial credit lines for Uzbekistan to implement major projects to solve the Aral Sea problem, but that did not take place to the date. American involvement with the Aral Sea problem remains at superficial level - mainly through some international organizations.

How does the current situation in Afghanistan affect Uzbekistan's economy

#### Fight Against Terrorism: Soft Ways

Militant Islamic groups, such as Islamic Movement of Uzbekistan (IMU), have been causing problems in Uzbekistan long before the USA faced Taliban of Afghanistan. In fact, removal of Taliban regime had been a blowing impact towards IMU as well, since they lost many fighters and training centers in Afghanistan. Besides the current military presence in the South of Uzbekistan, namely in Khanabad Military Base of Karshi region, the United States has been actively using and teaching "soft" ways of combating terrorism, such as economic development in the region. Ferghana Valley of Uzbekistan has been the most volatile region in the entire Central Asia. Below is an excerpt from Beth Jones, Beth Jones, Assistant Secretary for European and Eurasian Affairs:[20.25]

In Central Asia, poor economic and social conditions are contributing to the appeal of extremist Islam in the volatile Ferghana Valley. We seek to head off conflict by improving infrastructure, creating employment opportunities, and helping develop and strengthen civil society. We are creating jobs through marketing assistance and establishing credit for agricultural processors. We are maintaining a high level of student and professional exchanges.

Therefore the US presence in Uzbekistan, both military and economic can be seen as a positive factor in Uzbekistan's economic development. On the other hand, the USA's presence in the region did not prevent Afghanistan from

becoming number one producer of narcotics (UN Press Release AFG/269 SOC/NAR/917 ), and notably a major portion of this dreadful crop passes through Uzbekistan. Uzbekistan take pride for being at the crossroads of the ancient Great Silk Road that until the discovery of seaways, connected the East with the West. In reality, the ancient Great Silk Road has turned into an undercover Great Narcotics Road. Truckloads of narcotics are passing through Uzbekistan into other former Soviet republics and on to Europe.

The figures are appalling. If we add to that the words of Mr. Costa that "... drug developments in Afghanistan contradict trends in the rest of the world. Drug production is decreasing on every continent," - then we can realize how horrible the situation is. Firstly, Uzbekistan is a major drug-trafficking route for the Afghan narcotics industry. Second, large portion of Afghan narcotics settles in Uzbekistan and causes numerous social and economic problems.

It is well-known that corruption is widespread in Uzbekistan, and that comes handy for drug traffickers. Therefore, the USA has to commit some serious assistance in strengthening customs control at Uzbek-Afghan border - but to the date the USA did not get involved in this matter.

Since the independence was gained in 1991, Uzbekistan's government has been overwhelmed with myriad of issues that it has to deal. This is explained by the fact that the government structure of Uzbekistan had been designed by the Soviet Headquarters in Moscow mainly as an executive body, with little or none authority for on-site problem solving. Although Uzbekistan's government built itself many new offices, and re-named most of its former governing bodies, much of the government structure and its main executives remain the same. The fact that the U.S. financial assistance to Uzbekistan comes to predetermined fields makes it more effective.

Another positive thing is that according to Section 568 of the FY 04 Foreign Operations

Appropriations Act requires the Secretary of State to determine that Uzbekistan is making "substantial and continuing" progress in meeting its commitments towards

improving respect to human rights, ensuring free and fair elections (all the elections and referendums of Uzbekistan since the Independence had been criticized by international observers as unfair), multi-party system (Uzbek political life is still “owned” by People’s Democratic Party, former Communist party of Uzbekistan, headed by the President Karimov), freedom of speech and independence of media. For instance, in July 13, 2004 U.S. Department of State threatened to suspend its financial aid to Uzbekistan due to its poor record Below is the information from the U.S. Department of State on how this aid is distributed among various programs.

The Uzbekistan assistance program focuses on micro-credit and agribusiness development, health and education reform, democracy, human rights, and community development. Security, nonproliferation, and law enforcement programs address narcotics smuggling, improved treatment of suspects and detainees, trafficking in persons and weapons, and the proliferation of nuclear and biological materials and expertise. The Secretary of State’s decision not to make the determination required for assistance to the central Government of Uzbekistan by section 568(a) of the Fiscal Year 2004 Foreign Operations Assistance Act affected a range of security assistance programs, including but not limited to Foreign Military Financing (FMF) and International Military Education and Training (IMET) programs using FY 2004 funding.

#### **2.4. Democracy programs in Uzbekistan**

Democracy programs in Uzbekistan focus on strengthening the institutions of civil society, supporting human rights, and addressing the problem of torture. Civil society centers provide training, grants, and technical assistance to indigenous non-governmental organizations (NGOs). The program supports human rights through training, grants, resource centers throughout the country, and a growing dialogue between officials of the Government of Uzbekistan and human rights defenders. Funding also supports a judicial reform program, a human rights

law clinic, several legal assistance centers, training for legal professionals, and development of law school curricula.

U.S. Government assistance seeks to improve citizen participation and transparency through community development, housing associations, and civic advocacy. Community development programs mobilize stakeholders to improve social conditions through small-scale infrastructure projects such as rehabilitating schools or irrigation canals. Print and broadcast media programs seek to strengthen independent media outlets. Anti-trafficking in persons programs are carried out in close cooperation with the Government of Uzbekistan and focus on public awareness, law enforcement education, identification and protection of victims, and prosecution of perpetrators.

Training and exchange programs reach out to the next generation of Uzbek leaders and give them first-hand experience with the day-to-day functioning of a market-based, democratic system. Last year, the U.S. Government sent over 475 Uzbek citizens to the U.S. on academic and professional exchange programs. Since 1993, the U.S. Government has funded the travel of over 2,900 Uzbek citizens to the U.S. on these programs. The U.S. Government also promotes access to information through programs like the Internet Access and Training Program.

In an effort to counteract the deterioration of the basic education system, a new program trains teachers in interactive teaching methods and in integrating critical thinking and learning techniques into curricula and teaching materials. Other program goals include increasing parent and community involvement, strengthening school administration, and improving school infrastructure.

The U.S. Government is developing models of primary health care that emphasize essential care to families at the community level. Infectious disease programs are fighting the spread of Tuberculosis, HIV/AIDS, and hepatitis B. A maternal-child health program works to improve pre- and post-natal health care for mothers and newborns. A drug prevention program targets vulnerable groups with information and counseling on the dangers of drug use and abuse.

Market reform assistance focuses on small and medium enterprise (SMEs) development, microfinance, credit union development, and agribusiness development. U.S. assistance helps the Government of Uzbekistan reach its goal of accession to the World Trade Organization (WTO). A new water user's association project will focus on increasing community participation in efficient water use and irrigation management systems. Using FY 2003 funds, the U.S. Government provided a grant to the Uzbek Agency for Communications and Information for technical assistance to implement an E-Government plan and taxation pilot project. The grant will allow the Government of Uzbekistan to further its goals of greater online communication between government ministries as well as facilitate communication and transparency for Uzbek citizens.

The U.S. Government also provided a grant to the National Bank of Uzbekistan that funded a U.S. consultant who helped in the preparation of projects to be financed under a \$50 million U.S. Export-Import Bank credit line for Uzbek SMEs. Under this credit line, Uzbek SMEs will be able to access U.S. equipment and technology to assist them in their development efforts.

Using FY 2004 funding, security and nonproliferation assistance continues to focus on supporting military reform, improving Uzbekistan's counterproliferation capabilities, promoting regional cooperation, and improving border security to help stop the flow of illegal narcotics, weapons of mass destruction (WMD), and other illicit items through Uzbekistan. Our Export Control and Related Border Security Assistance (EXBS) program continues to work with Uzbek export control officials, customs, and border guard to improve their prevention capabilities against weapons proliferation and other illicit trafficking. The U.S. also provides nonproliferation assistance for Uzbekistan, including funding to secure biological pathogens and to conduct joint research and disease surveillance activities with biological and chemical scientists. The U.S. funds science centers and bio-chem redirect, and bioindustry initiative programs and works through the multilateral Science and Technology Center in Ukraine to

engage scientists in transparent, sustainable, cooperative civilian research projects.

The U.S. also provides nonproliferation assistance to the Civilian Research and Development Foundation (CRDF). The Department of Energy is helping to secure nuclear materials.

Law enforcement assistance programs seek to strengthen counter-narcotics capabilities, help reform and restructure the Prosecutor's Office and law enforcement agencies, and introduce Western methods and standards for the conduct of criminal investigations and prosecutions. U.S. Government funding promotes proper treatment of prisoners through prison service training and seeks to prevent the use of torture in the course of police investigations. Initial assistance to the Uzbek border guards and customs services has been provided to begin interdicting narcotics trafficking across the Uzbek/Afghan border.

Humanitarian programs are shipping approximately \$10 million in privately donated medicines, pharmaceuticals, medical equipment and supplies, emergency shelter items, school equipment and supplies, food, and clothing to the most needy individuals, families, and institutions.

Uzbek - US economic relations could be considered to be on a very basic level. The relations are far from Win/Win situation, and probably Lose/Win at best. A lot of issues are still waiting to be seriously addressed.

## **2.5. Urbanism, Architecture, and the Use of Space**

In ancient times the cities of Samarkand and Bokhara were regarded as jewels of Islamic architecture, thriving under Amir Timur and his descendants the Timurids. They remain major tourist attractions.

During the Soviet period, cities became filled with concrete-slab apartment blocks of four to nine stories, similar to those found across the USSR. In villages and suburbs, residents were able to live in more traditional one-story houses built around a courtyard. These houses, regardless of whether they belong to rich or poor, present a drab exterior, with the family's wealth and taste displayed only for guests. Khivan houses have a second-story room for entertaining guests. Since independence, separate houses have become much more popular, supporting



something of a building boom in suburbs of major cities. One estimate puts two-thirds of the population now living in detached houses.

The main room of the house is centered around the dusterhon, or tablecloth, whether it is spread on the floor or on a table. Although there are not separate areas for women and children, women tend to gather in the kitchen when male guests are present.

Each town has a large square, where festivals and public events are held.

Parks are used for promenading; if a boy and a girl are dating, they are referred to as walking together. Benches are in clusters, to allow neighbors to chat.

Food Customs at Ceremonial Occasions. Uzbeks celebrate whenever possible, and parties usually consist of a large meal ending with palov. The food is accompanied by copious amounts of vodka, cognac, wine, and beer. Elaborate toasts, given by guests in order of their status, precede each round of shots. After, glasses are diligently refilled by a man assigned the task. A special soup of milk and seven grains is eaten on Navruz. During the month of Ramadan, observant Muslims fast from sunrise until sunset.

Basic Economy. The majority of goods other than food come from China, Turkey, Pakistan, and Russia. It is very common for families in detached homes to have gardens in which they grow food or raise a few animals for themselves, and if possible, for sale. Even families living in apartments will try to grow food on nearby plots of land, or at dachas.

Land Tenure and Property. Beginning in 1992, Uzbekistanis have been able to buy their apartments or houses, which had been state property, for the equivalent of three months' salary. Thus most homes have become private property.

Agricultural land had been mainly owned by state or collective farms during the Soviet period. In many cases the same families or communities that farmed the land have assumed ownership, though they are still subject to government quotas and government guidelines, usually aimed at cotton-growing.

About two-thirds of small businesses and services are in private hands. Many that had been state-owned were auctioned off. While the former nomenklatura

(government and Communist Party officials) often won the bidding, many businesses also have been bought by entrepreneurs. Large factories, however, largely remain state-owned.

**Major Industries.** Uzbekistan's industry is closely tied to its natural resources. Cotton, the white gold of Central Asia, forms the backbone of the economy, with 85 percent exported in exchange for convertible currency. Agricultural machinery, especially for cotton, is produced in the Tashkent region. Oil refineries produce about 173,000 barrels a day.

The Korean car maker Daewoo invested \$650 million in a joint venture, UzDaewoo, at a plant in Andijan, which has a capacity of 200,000 cars. However, in 1999 the plant produced just 58,000 cars, and it produced far less in 2000, chiefly for the domestic market. With Daewoo's bankruptcy in November 2000, the future of the plant is uncertain at best.

**Trade.** Uzbekistan's main trading partners are Russia, South Korea, Germany, the United States, Turkey, and Kazakhstan. Before independence, imports were mainly equipment, consumer goods, and foods. Since independence, Uzbekistan has managed to stop imports of oil from Kazakhstan and has also lowered food imports by reseeded some cotton fields with grain.

Uzbekistan is the world's third-largest cotton exporter.

Uzbekistan exported about \$3 billion (U.S.), primarily in cotton, gold, textiles, metals, oil, and natural gas, in 1999. Its main markets are Russia, Switzerland, Britain, Belgium, Kazakhstan, and Tajikistan.

**Social Problems and Control.** The government has vigorously enforced laws related to drug trafficking and terrorism, and reports of police abuse and torture are widespread. The constitution calls for independent judges and open access to proceedings and justice. In practice, defendants are seldom acquitted, and when they are, the government has the right to appeal.

Petty crime such as theft is becoming more common; violent crime is much rarer. Anecdotal evidence points to an increase in heroin use; Uzbekistan is a

transshipment point from Afghanistan and Pakistan to Europe, and access is relatively easy despite tough antidrug laws.

People are often reluctant to call the police, as they are not trusted. Instead, it is the responsibility of families to see that their members act appropriately. Local communities also exert pressure to conform.

**Military Activity.** Uzbekistan's military in 2000 was skirmishing with the Islamic Movement of Uzbekistan, a militant group opposed to the secular regime, and numbering in the hundreds or thousands. Besides clashes in the mountains near the Tajikistani border, the group has been blamed for six car bombings in Tashkent in February 2000.

Uzbekistan spends about \$200 million (U.S.) a year on its military and has 150,000 soldiers, making it the strongest in the region.

#### Nongovernmental Organizations and Other Associations

Most domestic nongovernmental organizations are funded and supported by the government, and all must be registered. Kamolot, registered in 1996, is the major youth organization, and is modeled on the Soviet Komsomol. Ekosan is an environmental group. The Uzbek Muslim Board has been active in building mosques and financing religious education. The Women's Committee of Uzbekistan, a government organization, is tasked with ensuring women's access to education as well as employment and legal rights, and claims three million members.

The government also has set up quasi nongovernmental organizations, at times to deflect attention from controversial organizations. The Human Rights Society of Uzbekistan, for example, was denied registration from 1992 to 1997, before the government set up its own human rights monitor.

The leaders of these groups may receive privileges once granted to the Soviet nomenklatura, such as official cars and well-equipped offices.

There are no independent trade unions, though government-sponsored unions are common. The Employment Service and Employment Fund was set up in 1992

to address issues of social welfare, employment insurance, and health benefits for workers.

Ironically, some truly independent organizations from the Soviet period, such as the Committee to Save the Aral Sea, were declared illegal in 1994. Social groups associated with Birlik also have been denied registration.

### III. CONCLUSION

As a conclusion I mention that Uzbekistan is a key US ally in the Central Asian region in the international war against terrorism efforts to counter illegal narcotic traffic and also is an important U. S. economic partner in this region. Uzbekistan continues to rebuild its economy after gaining its independence from the former Soviet Union in 1991. Improving international trade ties and attracting more foreign direct investment into the country remain on the top list for policy makers of Uzbekistan, and policymakers there are attempting to design strategies to boost Uzbekistan's international competitiveness.

The United States and Uzbekistan have maintained close relations since Uzbekistan gained its independence in 1991, cooperating in a large array of areas, such as defense and security, designing measures against illegal narcotics trafficking, liberalization of trade, promotion of democracy in the region, and, more recently, combating international terrorism. Uzbekistan- U. S. economic relations can not be viewed separately from all of the above, since Uzbekistan is a new country and requires strong international support in facilitation of development in almost every field.

A lot of foreign and international companies and organizations have long been reluctant to rely on Uzbek statistical data. In fact, right before the brake-up of the Soviet Union, there was a large investigation by authorities from Moscow about notorious statistics manipulation by Uzbeks in cotton production and delivery to Russian textile factories. Millions of rubles changed hands, echelons of EMPTY trains traveled all the way to Moscow, large amounts of bribes were paid to special interest groups, mafia was involved - and at the end the cotton in the statistics was never produced. Therefore it was labeled "Pahta Ishi". The main investigator, Mr. Gdlian died in an airplane crash - reportedly set up after the roots of the case led him back to Moscow.

#### **IV. LIST OF USED LITERATURE**

1. Adams, Laura L. "What Is Culture? Schemas and Spectacles in Uzbekistan." *Anthropology of East Europe Review* p 65-71, 1998.
2. Ali, Muhammad. "Let Us Learn Our Inheritance: Get to Know Yourself." *AACAR Bulletin* p 3-18, 1989.
3. Allworth, Edward A. *The Modern Uzbeks: From the Fourteenth Century to the Present; A Cultural History*, 1990.
4. Freedom House 2000. *Freedom in the World, The Annual Survey of Political Rights and Civil Liberties, 1999-2000: Uzbekistan Country Report*, 2000.
5. Griffin, Keith. *Issues in Development Discussion Paper The Macroeconomic Framework and Development Strategy in Uzbekistan*, 1996.
6. Human Rights Watch. *Human Rights Watch World Report 2000: Uzbekistan*, 2000.
7. Jukes, Geoffrey J.; Kirill Nourzhanov, and Mikhail Alexandrov. *Race, Religion, Ethnicity and Economics in Central Asia*, 1998.
8. Kalter, Johannes, and Margareta Pavaloi. *Uzbekistan: Heirs to the Silk Road*, 1997.
9. Khan, Azizur Rahman. *Issues in Development Discussion Paper The Transition of Uzbekistan's Agriculture to a Market Economy*, 1996.
10. Kharimov, Islom A. *Uzbekistan on the Threshold of the Twenty-first Century: Challenges to Stability and Progress*, 1998.
11. Nazarov, Bakhtiyar A., and Denis Sinor. *Essays on Uzbek History, Culture, and Language*, 1993.
12. Nettleton, Susanna. "Uzbek Independence and Educational Change," *Central Asia Monitor* 3, 1992.
13. Paksoy, H. B. "Z. V. Togan: The Origins of the Kazaks and the Ozbeks," *Central Asian Survey* 11 , 1992.
14. Prosser, Sarah. "Reform Within and Without the Law: Further Challenges for Central Asian NGOs," *Harvard Asia Quarterly*, 2000.

15. Schoeberlein-Engel, John. "The Prospects for Uzbek National Identity," *Central Asia Monitor* 2, 1996.
16. "Tamerlane v. Marx;" *Bulletin of the Atomic Scientists* 50 (1), 1994.
17. U.N. Development Project. *Human Development Report: Uzbekistan 1997*, 1997.
18. UNESCO, *Education Management Profile: Uzbekistan*, 1998.
19. U.S. Department of State. *Background Notes: Uzbekistan* , 1998.
20. U.S. Department of State, Central Intelligence Agency. *The CIA World Factbook*, 2000.
21. U.S. Library of Congress. *Kazakistan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan: Country Studies*, 1997.