

The Impact Of The Soviet Financial And Monetary System In The Social Life Of The Population Of Uzbekistan (In The 20-30s Of The 20th Century)

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Abstract

This study explores the impact of the Soviet financial and monetary system on the social life of the population of Uzbekistan during the 1920s–1930s. Following the establishment of the Uzbek Soviet Socialist Republic in 1925, comprehensive reforms, including nationalization of land and water and monetary regulations, were implemented to align the republic with Soviet economic policies. The research examines how these measures influenced agricultural production, resource allocation, and social relations, highlighting both the intended objectives of modernization and the unintended consequences on local communities. Particular attention is paid to the redistribution of property, changes in land ownership, and the effects of centralized economic planning on the daily lives of ordinary citizens. The findings indicate that while the reforms aimed to integrate Uzbekistan into the socialist framework, they also led to social tension, economic dislocation, and challenges in implementing Soviet monetary policies. This study contributes to a deeper understanding of the early Soviet economic system’s social ramifications in Central Asia.

Keywords: Monetary policy; 1920s–1930s; Uzbek SSR; land nationalization; social impact; economic reforms; agricultural policy; Sovietization; Central Asia; property redistribution; social life; economic dislocation; early Soviet history.

On February 13, 1925, the First Congress of Soviets of the Uzbek SSR opened in Bukhara, and on February 17 of the same year, a declaration was adopted on the formation of the Uzbek Soviet Socialist Republic. It included the Tashkent, Samarkand, Fergana, Kashkadarya, Zarafshan, Surkhandarya and Khorezm regions, as well as the Tajik Autonomous SSR.

At an extraordinary session of the Supreme Council of the Uzbek SSR on December 2, 1925, the laws "On the Nationalization of Land and Water" and "On Land and Water Reform" were adopted¹. According to it, the land of property owners with irrigated land in excess of the established norm was confiscated, along with animate and inanimate agricultural implements, regardless of where they lived². The confiscated lands, together with animate and inanimate agricultural implements, were transferred to the state land fund. As a result of the land and water reform in the Uzbek SSR, 4,801

¹ Ўзбекистон Ижтимоий Шўро Жумҳуриятининг амалдаги қонунларининг мунтазам йиғиндиси. II, III, IV-қисмлар. - Самарқанд - Тошкент, 1930. – Б. 199-204.

² Ўзбекистоннинг янги тарихи. Иккинчи китоб. Ўзбекистон Совет мустамлакачилиги даврида. – Т.: Шарқ, 2000. – Б. 330.

farms were liquidated, surplus lands of 23,036 farms were confiscated, 474,393 desyatina of land were added to the land fund, and land was granted to 89,729 farms³. As a result of the land and water reform, significant changes occurred in the differentiation of social groups and property stratification in the villages of Uzbekistan. On the eve of the reform, the rural poor constituted 76 percent of all peasants in Uzbekistan, but by 1928 this figure had decreased to 43 percent⁴.

According to the All-Union Census of 1926, the rural population of Uzbekistan was 4,170,500 people. This was 79 percent of the total population⁵. The basis of agriculture in Uzbekistan was mainly individual peasant farms. In 1928, they accounted for 98.8 percent of all peasant farms and produced 98.7 percent of the cotton raw materials grown in the republic⁶.

During this period, the labor of sharecroppers was also widely used. They were tied to the land for the entire agricultural season, and if they broke the agreement ahead of time, they were deprived of the payment they would have received for their labor. They also received a very small share in cases of poor harvests. In the 1926-1927 economic year, a seasonal laborer received 255 soms 21 tiyins, a daily laborer received 279 soms 87 tiyins, a sharecropper received 197 soms 51 tiyins, and a landless sharecropper received 210 soms 29 tiyins⁷.

Within the petty bourgeoisie, artisans and craftsmen constituted the largest social stratum. According to the All-Union Population Census of 1926, 100.3 thousand people were employed in crafts and handicrafts in the Republic.

The majority of the population of Uzbekistan was also engaged in trade. In 1926, 29 thousand people were engaged in private trade⁸. Since the spring of 1927, measures were taken to restrict private trade in the Soviet state. By October 1927, the number of private trade establishments had decreased by three times⁹.

In addition, since 1930, closed cooperative stores were established. This meant that one store served only workers and employees of several enterprises.¹⁰

Although the supply card system of 1929-1934 guaranteed workers and employees accurate prices for products, it could not stop the depreciation of the ruble in the free market. During this period, while the prices of food and industrial products rose, prices in commercial trade fell.¹¹

However, the situation of the collective farmers was not much different from theirs. Collectivization actually doomed the rural population to hardship. The villagers worked day and night for meager days of work, hard work bent their heads. At the expense of the brutal exploitation of rural workers, the state solved, first of all, the problems of financing the industrialization of the USSR and increasing its military

³ Ўзбекистон ССР тарихи. –Т.3. - Т.;Фан, 1971. – Б.465.

⁴ Изменение классовой структуры общества в Узбекистане за годы: Советской власти (1917-1980 гг.). - Т.: Фан, 1984. – С. 130.

⁵ Всесоюзная перепись населения 1926 г. - С. 2.

⁶ Хлопководство Узбекистана за 50 лет. Справочник. – Ташкент, 1967. - С. 28.

⁷ Джамалов О.Б. Социально-экономические предпосылки сплошной коллективизации сельского хозяйства в Узбекистане – Т.: Госиздат УзССР, 1950. – С. 35.

⁸ Всесоюзная перепись населения 1926 г. – С. 2.

⁹ Обзор советского, хозяйственного и социально-культурного строительства Ташкентского округа. – Ташкент, 1929. – С. 112.

¹⁰ Сафаров З. Кўрсатган асар. 73-74 бетлар.

¹¹ Айзенберг И.П. Развитие валютной система Советского Союза. Автореф. дисс... докт.экон.наук. – М., 1960. – С. 25.

power. In addition, the population included in the collective farms was deprived of all civil rights and did not even have a passport. It was forbidden to leave the collective farms freely. Anyone who violated this order was sentenced to 5 to 10 years in prison. In the 1930s, individual farmers were squeezed out of the social structure of the Soviet state by organizing various measures. In addition to the agricultural tax, individual farms also paid such types of taxes as taxes for local needs, taxes on economic and cultural constructions. In 1932 and 1934, a "one-time tax from individual farms" was collected. A "class approach" was followed in collecting taxes and fees. Farms that had to pay a large amount of money were obliged to pay the tax first and at once. Such measures served to completely destroy the traditional structure of the Uzbek village. In Uzbekistan, in 1937, 96.9 percent of peasant farms were united into collective farms¹². According to the 1939 All-Union Population Census, collective farmers made up 62.6 percent of the entire population of the republic, while individual farmers made up only 1.2 percent¹³.

In the 1929-1930 economic year, the situation became much worse due to the lack of funds in almost all sectors of the national economy. The shortage in the Union bread market, in turn, had a serious impact on the Central Asian bread market. In April of this year, the price of bread rose rapidly. There were also difficulties in supplying the population with meat and fruit and vegetable products. Crisis situations were also observed in the industrial products market. The assortment of consumer goods remained the same, and the population did not have the necessary goods. In other collective farms, wages were slightly higher. For example, in 1933, members of the "Communism" collective farm in the G'idhuvan district of the Bukhara region received a daily wage of 7 rubles and 7 kg of grain¹⁴. As the collective farms' income increased, they built hydroelectric power plants, baths, and clubs at their own expense.

Collective farms exceeded their cotton production plan and earned 61,652,000 rubles in 1936¹⁵. By 1939, this figure had reached 383 million rubles.

The 331.5-hectare arable land of the Frunze collective farm in the Bukhara region yielded 700,000 rubles in 1936, and 1.3 million rubles in 1938, which amounted to 6,372 rubles per family. The collective farm built 2 stables, a kindergarten with 50 places, a barn, a secondary school, and a recreation park at its own expense¹⁶.

The funds allocated for the material well-being and cultural leisure of the population were also increased. In 1935, 27,312.8 thousand rubles were spent from the budget of the Kashkadarya district for these purposes, and in 1938, 38,884 thousand rubles¹⁷.

The purchasing power of the population also increased. For example, in 1938, the turnover of goods in the Bukhara, Kashkadarya, and Surkhandarya regions amounted to 569,058 thousand rubles. The turnover of public catering was 49,687 thousand rubles. However, there were few public catering establishments in the villages.

In 1933-1935, the average salary of workers and employees in Uzbekistan increased from 173.6 rubles to 297.4 rubles. The income of collective farms also increased.

¹² Правда Востока, 4 ноября 1937 г.

¹³ Итоги Всесоюзной переписи населения 1959 г. Узбекская ССР. - Москва, 1962. – С. 43.

¹⁴ Узбекистанская правда, 4 январь 1934 г.

¹⁵ Основные показатели выполнения народнохозяйственного плана Уз ССР за 1936 г. – Ташкент, 1937. – С. 67-68.

¹⁶ Красная Бухара, 16 июля, 1939 года.

¹⁷ Қашқадарё Вилояти Давлат Архиви, 83-фонд, 2-рўйхат, 7-иш, 170-177-варақлар.

During these years, the income of a collective farmer's family increased from 24.5 rubles to 197.9 rubles¹⁸.

Since 1933, bread has been freely sold in Tashkent and 11 industrial centers. This led to a decrease in the price of bread in the markets. In 1934-1937, the sale of bread and bakery products in Uzbekistan increased by 21 times. Department stores and other specialized stores were opened in large cities. In 1934, the first model "Gastronom" store was established in Tashkent. Retail trade also developed in the regions. For example, in 1936-1937, the production of goods in the Kashkadarya region amounted to 118,431.6 thousand rubles, which was 14 times more than in previous years. In 1939, retail trade in Uzbekistan amounted to 530 million rubles. Public catering increased by 2.4 times in 1940 compared to 1937¹⁹.

But on the eve of the war, a decrease in retail trade indicators was noticeable. In 1939, the retail trade plan was fulfilled by 81.7 percent. This was 74 percent in Khorezm, and 75 percent in Fergana. The situation was especially difficult in rural areas, and the sale of meat, chicken, sugar, confectionery, tea and similar goods decreased.

Shortages of small coins in circulation were frequent. On May 13, 1936, the People's Commissariat of Finance of the Uzbek SSR "On providing trade organizations with small coins" was announced. As a result of the inspection of 133 organizations in the republic, representatives of this commissariat revealed 55 cases of a shortage of small coins, and in 67 cases, due to a shortage of small coins, customers were not given refunds or matches, thread, etc. were given instead of small coins.

The amount of spending on social needs was partially increased. For example, in 1937, 188.4 million rubles were allocated from the state budget for socio-cultural events in Uzbekistan, while in 1938 this amount amounted to 824.3 million rubles²⁰. For example, the funds allocated to the health sector also increased slightly. In 1927-1928, 14,415 thousand rubles were allocated to this sector, and in 1932-1933, 32,461 thousand rubles. When distributed per capita, it amounted to 2 rubles 48 kopecks in 1927-1928, 3 rubles 15 kopecks in 1928-1929, and 5 rubles 16 kopecks in 1932-1933. However, the allocated funds were spent mainly on urban medical institutions. In 1927, 935 doctors worked in Uzbekistan, with a ratio of 1,263 people per doctor in cities and 33,597 people in villages. The material and technical base of rural medical institutions was in a very poor state, and they lacked buildings, equipment, and medicines. Due to poor provision in the kindergartens, many of them ceased their activities. The local budget contributed a large share of the funds allocated to the sector. Due to uncertainties and errors in the planning of the system's activities, there were incorrect divisions in the distribution of treatment places and personnel by region, and medical services were provided mainly to the urban population.

Thus, in Turkestan, Bukhara and Khorezm, improper measures in financial and monetary policy during the early years of Soviet power, as well as failure to take into account the interests of the population, became an important factor in the deterioration of the living conditions of the population. It is no exaggeration to say that the financial system in the country was completely out of order. During this period, the country was experiencing political and economic turmoil, in particular, the existence of various monetary units in circulation, the lack of a clear budget policy by

¹⁸ Отчеты Правительства Уз ССР V Всеузбекскому Съезду Советов. -(1931-1934). Изд. СНК Уз ССР. Ташкент, 1935. -С. 74.

¹⁹ Сафаров З. Қўрсатган асар. - С. 95-97.

²⁰ Узбекистан за 15 лет. Статические сборник. - Т., 1939. - С. 76.

the state, and tax payments and measures to replenish the treasury fell on the shoulders of the population. The allocation of funds from the budget for the social sphere was approached as a secondary issue. Problems in the fields of education and healthcare became extremely acute.

During the formation of the Uzbek SSR, financial and monetary problems also seriously affected the living conditions of the population. Efforts were made to achieve social homogeneity. Individual peasants were excluded from the social structure of the Soviet state and turned into collective farmers. During this period, a “class approach” was applied to the collection of taxes and fees. As a result of the lack of funds in almost all sectors of the national economy, the social life of the population became difficult, and the shortage of bread in the market paved the way for widespread famine. The difficulties in supplying meat and fruit and vegetable products to the population also increased. The types of consumer goods were the same, and the market did not have the goods that the population needed.

CONCLUSION

The analysis of the Soviet financial and monetary reforms in Uzbekistan during the 1920s–1930s demonstrates that while the policies were designed to modernize the economy and integrate the republic into the socialist framework, they had significant social and economic repercussions. The nationalization of land and water, along with the introduction of centralized monetary controls, disrupted traditional agricultural practices, altered social hierarchies, and imposed new administrative structures on the local population. Although these measures aimed to increase efficiency and promote socialist principles, they often led to social tension, economic instability, and challenges in adapting to the new system. Ultimately, the early Soviet economic interventions in Uzbekistan shaped both the trajectory of the republic’s economic development and the social dynamics of its population, highlighting the complexities and trade-offs of implementing a centrally planned financial and monetary system in a diverse and traditionally agrarian society.

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