

RESEARCH ARTICLE

The Disintegration Of Economic Relations Under A Planned Economy: The Case Of The Uzbek SSR

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Abstract

This article analyzes the economic processes that took place in the national economy of the Uzbek SSR in 1990 on the basis of statistical reports. The study examines the decline in production volumes, violations of contractual obligations, and the disruption of sectoral and territorial balances. Using the examples of industry, construction, fuel and energy, chemical, and light industry sectors, the article reveals the process of disintegration of economic relations in the final stage of the planned economy. While official statistical indicators continued to present an image of growth, the study demonstrates the intensification of real economic problems, including shortages and rising indebtedness. The crisis of the economic system is interpreted not as a phenomenon limited to individual sectors, but as a manifestation of the systemic degradation of the entire mechanism of economic management.

KEYWORDS

Planned economy, economic relations, contractual obligations, production, distribution system, economic crisis.

INTRODUCTION

By the late 1980s, the economic system of the former Union republics had entered a phase of profound transformation. This process was also evident in the Uzbek SSR. On the one hand, official sources reported that production volumes were being maintained at a certain level or, in some cases, were even increasing. On the other hand, the disruption of economic linkages, the widespread violation of contractual obligations, and the breakdown of distribution mechanisms became increasingly apparent in everyday economic practice. The 1990s marked a period in which these contradictions sharply intensified.

The system of production and distribution formed under the conditions of a planned economy proved incapable of adapting to the new economic environment. As a result, intersectoral and interregional linkages weakened, and economic relations

disintegrated. This article aims to analyze these processes on the basis of statistical reports from 1990 and to reveal the real economic situation concealed behind official indicators.

LITERATURE REVIEW

The condition of the national economy of the Uzbek SSR during the final period of the Union has been examined in historiography from various perspectives. Early studies primarily focused on the impact of the all-Union economic crisis on the republics, whereas later works paid greater attention to territorial and sectoral imbalances.

Some scholars explain the crisis of the planned economy by the inefficiency of centralized management. According to this view, the planned nature of resource allocation and the lack of autonomy of economic actors significantly constrained

economic adaptability. Other studies emphasize the weakening of contractual relations and the disruption of economic linkages as the key factors underlying the crisis.

This research is based on a historical analysis of official statistical reports on the national economy of the Uzbek SSR. The study applies the principles of historicism and systematic analysis, examining economic processes within intersectoral and regional interconnections. Statistical indicators are assessed through a method of dynamic comparison, allowing for the identification of discrepancies between production, distribution, and contractual obligations. The normative and limited character of statistical data under the conditions of a planned economy is taken into account. The results of quantitative analysis are interpreted qualitatively, substantiating the disintegration of economic relations as a systemic process.

RESULTS

The analysis of statistical data indicates the following:

- In the national economy of the Uzbek SSR, the formal growth of production occurred simultaneously with the real disintegration of economic linkages.
- In many sectors, planned targets were not fulfilled, and contractual obligations were violated on a massive scale. The volume of undelivered products amounted to hundreds of millions of rubles, a figure that clearly points to systemic disruptions.
- From a sectoral perspective, metallurgy, machine building, chemical industry, and construction emerged as the most problematic areas. It was precisely in these sectors that decline in output, shortages of resources, and the breakdown of cooperative ties were most pronounced.
- Although the fuel and energy complex appeared relatively stable, the decline in several of its key indicators was insufficient to ensure overall economic stability.
- While production declines were more severe in major industrial centers, growth was recorded in some regions. However, this growth often coincided with failures to meet contractual obligations and therefore did not assume a sustainable character.

DISCUSSION

1. The Discrepancy between Planned Indicators and

Real Economic Linkages

Although economic activity in the republic was formally regulated through plans and contracts, in practice this mechanism did not function consistently. Despite officially high indicators of contractual discipline at the republican level, products worth hundreds of millions of rubles were not delivered. This situation demonstrates that, within the planned economy, obligations fulfilled quantitatively did not correspond to real supply in qualitative terms. As a result, economic linkages existed on paper, while in reality they were effectively severed.

By 1990, the processes observed in the industrial sector were not merely ordinary economic fluctuations. At that time, economic life itself was standing on the threshold of profound change, and the old management mechanisms were increasingly revealing their inability to function effectively. From the beginning of the year, a steady slowdown in production growth rates was recorded. In January–November, the growth of industrial output declined by 1.7 percentage points compared to the initial indicators of the year. A similar trend was observed in the production of consumer goods, where the decline amounted to 1.1 percentage points [1:218–219]. This process was not accidental. Sectors oriented toward the consumer market traditionally served as the most sensitive indicators of imbalance within the industrial system, reflecting structural distortions earlier and more clearly than others.

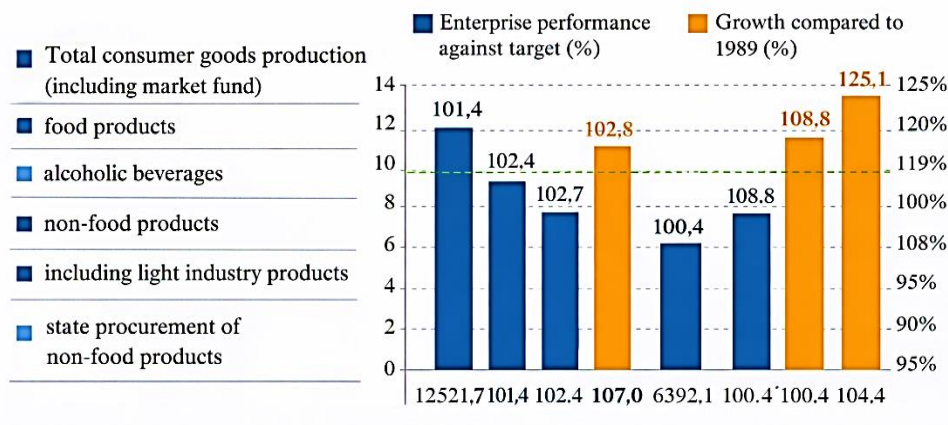
The fulfillment of contractual obligations for product deliveries amounted to 98.0 percent, which represented a decline compared to the same period of the previous year. Although this indicator appeared high in absolute terms, it concealed systemic disruptions beneath the surface. One fifth of associations and enterprises failed to meet state orders as well as contracts concluded with consumers. As a result, products worth nearly 383 million rubles were not delivered to consumers [2:4].

This situation also had a negative impact on financial discipline. Within a short period, consumers' indebtedness to enterprises almost doubled. Under the conditions of a planned economy, such indebtedness signified not merely payment difficulties, but rather the breakdown of the entire production chain.

2. Consumer Goods Production and the Factor of Social Shortages

Although certain positive shifts were recorded in the production of consumer goods, their limited nature was clearly evident. Plans were overfulfilled, and output increased noticeably compared to the previous year. However, these

growth rates failed to reach the targets approved for 1990. Consequently, the observed growth did not serve to overcome the crisis, but rather to temporarily mask it.



Source: Data on consumer goods production for the population (million sums) from January to November 1990 and indicators relative to the target (%) and the previous year's same period (%)

Figure 1. Consumer goods production in January-November 1990.

In the light industry sector, on the one hand, an overall increase in production volumes was recorded. On the other hand, a decline was observed precisely in those key products that directly met the population's everyday needs. This situation highlights the discrepancy between statistical growth and real consumption possibilities.

According to official data, the output of light industry goods increased by 182.2 million rubles compared to January-November of the previous year [3:2]. However, a structural analysis of this figure reveals a far more complex situation. Production targets were not met for cotton fabrics, woolen fabrics, hosiery, and knitwear. For certain product categories, output not only failed to reach planned levels but even fell below the indicators of the previous year.

The situation in the food industry was no exception. Declines in the production of meat, butter, and canned goods directly affected the supply available to the population. Particularly notable was the sharp reduction in the production of beverages and tobacco products. Overall, these indicators in the light and food industries demonstrate that in 1990 the expectations associated with economic reforms collided with real production conditions. The formal growth of output did not serve to satisfy the population's actual needs; on the contrary, it further deepened shortages and structural

imbalances.

3. The Fuel and Energy and Chemical Complexes: The Relativity of Stability

Indicators in the fuel and energy complex during this period reveal the internal contradictions of the industrial system on two levels. Official reports noted that targets for coal, oil, and gas extraction were fulfilled and that electricity generation increased. At first glance, these figures created an impression of stability. However, the 1.1 percent decline in gas extraction compared to the previous year demonstrates how relative this "stability" actually was [1:176].

The performance of the chemical and fertilizer complex complements this overall picture. In this sector as well, production volumes declined compared to the previous year. The fulfillment of planned targets in certain branches was unable to conceal the broader crisis. Core production chains were disrupted, cooperative ties disintegrated, and as a result, the key sectors of industry simultaneously entered a phase of decline.

The chemical industry also clearly demonstrates how severely intersectoral linkages within the national economy had weakened. The shortage of modern chemical materials and products was not a problem confined to a single branch, but

had become a factor that slowed down the entire economic system. Every disruption in the chemical industry had a direct cascading effect on other sectors along the production chain. The downward trend in the output of basic chemical raw materials persisted. The significant reduction in the production of synthetic ammonia and sulfuric acid was not accidental. These products constituted essential inputs for agriculture, machine building, and light industry. Their shortage inevitably led to declines at subsequent stages of production.

The reduction in the output of plastics and synthetic resins required for consumer goods production further illustrates how problems in the chemical industry were directly connected to household consumption. The entire segment of light industry dependent on chemical raw materials came under pressure. As a result, statistical declines converged with shortages experienced in everyday life.

A similar pattern was observed in the production of mineral fertilizers. Half of the fertilizer-producing enterprises failed to fulfill their eleven-month production targets. Only the Chirchiq Electrochemical Production Association operated with relative stability, while the remaining enterprises reduced output compared to the previous year. This situation indicates growing disruptions in the supply of essential resources for agriculture.

4. Decline in Core Industrial Sectors and the Disruption

of Cooperative Linkages

The metallurgical complex became one of the sectors in which crisis processes manifested themselves most acutely. Overall industrial output declined by 8.9 percent. Two thirds of the production associations and enterprises within the complex reduced their output. This downturn was not limited to individual enterprises alone. Even large basic producers, including the Almalyk Mining and Metallurgical Combine and the Uzbekistan Refractory and High-Resistance Metals Combine, experienced declines in production volumes [4:9]. The failure to fulfill eleven-month targets for steel and rolled metal, together with a 6.1 percent decrease in steel production, indicates that the metallurgical industry had turned into a “bottleneck” within the broader economic chain.

The situation in the machine-building complex emerged as a direct consequence of the crisis in metallurgy. A downward trend persisted in the production of tractor cultivators, cotton harvesters, electric motors, diesel engines, and chemical equipment. Overall output declined by 2.8 percent. One third of enterprises failed to produce goods worth a total of 62.8 million rubles compared to the previous year [5:26]. Given the leading role of machine building in the republic’s industrial structure, these figures appear particularly alarming. The causes of this decline are indirectly acknowledged even within the statistical reports themselves.

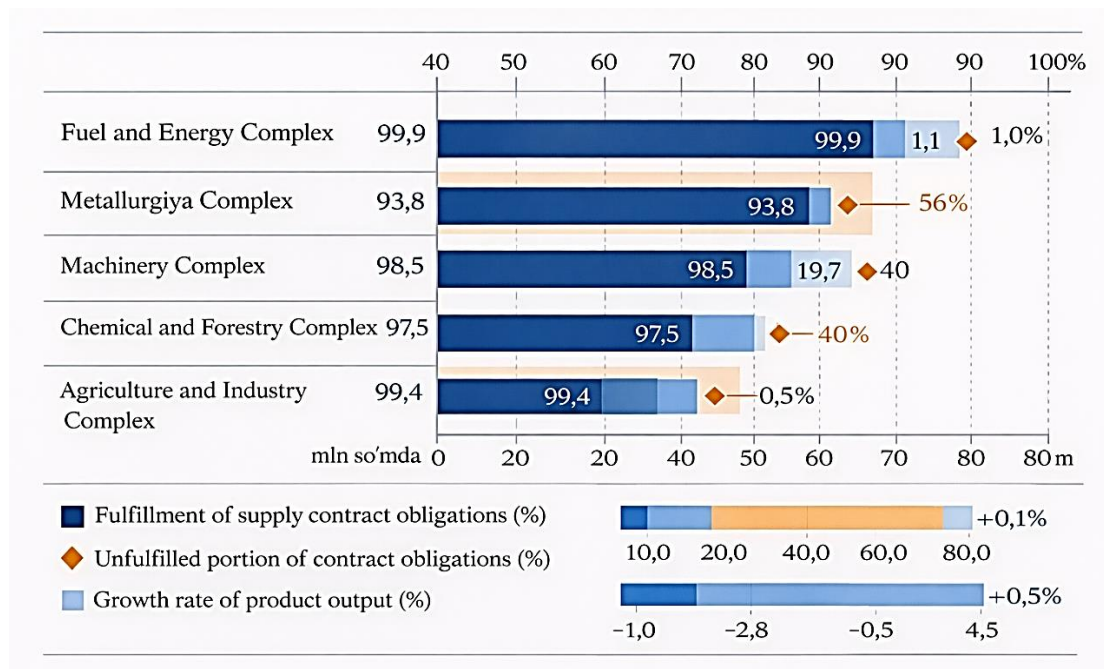


Figure 2. Sector-level indicators of consumer goods production.

In the metallurgical industry, the fulfillment of contractual obligations fell to 93.8 percent. In the fuel and energy complex, although the level remained relatively higher, products worth tens of millions of rubles were nevertheless not delivered. This indicates that supply was unstable even within the core resource sectors themselves.

The slowdown in the process of concluding contracts revealed another important layer of the problem. Enterprises explained this by difficulties in the supply of raw materials and inputs, delays in documentation procedures, and a reduction in the volume of imported goods. One third of the republic's industrial enterprises reduced their output over eleven months by a total of more than 705 million rubles. The decline in production in Tashkent city and the Tashkent and Fergana regions is particularly noteworthy, since these areas constituted key pillars of industrial capacity [6:2].

The crisis becomes even more apparent when examined at the level of individual enterprises. The Chirchik Electrochemical Production Association failed to fully meet its contractual obligations and underdelivered thousands of tons of its main products. At the Fergana Azot Production Association, indebtedness to consumers continued to grow. These cases indicate that enterprises were facing problems not so much with production capacity as with supply and management.

5. Disruptions in the Construction Industry and the Infrastructure Crisis.

The data on the construction industry indicate that by the end of 1990 the gap between production and distribution was most acutely manifested precisely in the sphere of infrastructure. The failure to fulfill plans for the production of construction materials was not accidental. Like many other branches, this sector relied on centralized supply and contractual discipline; therefore, any disruption within the system was felt here particularly quickly. The inability to reach planned output levels in the production of building bricks, prefabricated reinforced concrete, slate, and glazed ceramic tiles heightened the risk of construction processes coming to a halt.

Especially revealing was the emergence of indebtedness amounting to 13.5 million rubles to consumers at enterprises subordinate to the Ministry of Building Materials of the Uzbek SSR, which constituted a clear sign of financial and organizational crisis. Every second enterprise failed to fulfill its contractual obligations. In this case, the problem lay not in the

inefficiency of individual enterprises, but in systemic management failures at the ministerial level. Half of the enterprises did not meet their obligations to consumers, and as a result, goods worth 4.3 million rubles were not delivered in January-November. It is noteworthy that a large share of the undelivered products was concentrated among several major producers.

6. Regional Disparities and the Fragmentation of the Economic System

An analysis by region further complicates this picture. The shift to negative production growth in Tashkent Region and the city of Tashkent indicates that the crisis unfolded more deeply precisely in major industrial centers. Given that these areas traditionally functioned as industrial locomotives, such a decline intensified problems at the republican level. In some regions, relatively higher production growth seemed to mitigate the situation; however, the large share of enterprises that failed to fulfill contractual obligations reveals the instability of this growth. The situations in Andijan and Samarkand Regions clearly confirm this pattern. By contrast, the relatively high level of fulfillment of obligations in Kashkadarya, Syrdarya, and Khorezm Regions indicates a sharpening of regional disparities. This, in turn, suggests that the unified economic mechanism had begun to fragment in practice.

When viewed by sectors and ministries, the overall picture becomes even clearer. The sharp decline in the metallurgical and machine-building complexes directly affected the construction industry as well. Although the fuel and energy complex appeared relatively stable, limitations in resource supply were insufficient to ensure overall stability. In light industry, the large volume of undelivered consumer goods intensified social tensions. The stagnation in construction and building materials industries emerged as the logical culmination of these processes, since construction plans were directly dependent on this sector.

CONCLUSION

The analysis based on statistical data from 1990 demonstrates that the crisis that emerged in the national economy of the Uzbek SSR was not a problem confined to individual sectors or enterprises. Rather, it was a complex phenomenon associated with the systemic disintegration of economic linkages in the final stage of the planned economy.

Disruptions between production, distribution, and contractual relations indicate that the economic management mechanism had effectively ceased to function. Certain positive indicators recorded in official statistics did not fully reflect the real economic situation; on the contrary, they partially obscured the crisis processes. For this reason, the condition of the national economy of the Uzbek SSR acquires historical significance as a period in which the internal contradictions of the planned economy manifested themselves with particular intensity. This analysis provides an important scholarly basis for understanding the conditions under which subsequent economic reforms became necessary.

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