MEDIUM CLASS IN UZBEKISTAN: EVOLUTION AND PROBLEMS

Abstract. The article examines the evolution of the "middle class", the historical conditions of the emergence of the middle class, and the views of great scholars who have done research on the role of this class in society. The article also explains the criteria for the middle class and its various indices. Much of the article focuses on the formation of the middle class in Uzbekistan, its role in building civil society, the challenges it faces and how to solve them.

Keywords: middle class, social structure, social stratification, civil society, private property, "new Uzbeks", proprietors, business.

For many centuries the middle class has existed among the social strata of society. This class brings people together between the poor and the "new Uzbek" segments of society. The professional composition of the middle class is made up of the majority of professional groups. This social unit is often referred to as the so-called "middle class".

In antiquity, philosophers have classified their classification on the basis of three main strata (upper, middle and lower). It focuses primarily on popularity, power and wealth. According to Aristotle, each state can be divided into three components: "free (independent), extremely poor, and the third - those who stand in their midst".

Max Weber's contribution to the development of social stratification and theories of the middle class. As a middle class, he understood the social strata, which "managed all types of property, or could compete in the labor market due to certain training". According to Weber, representatives of the middle class include entrepreneurs (industry and agriculture), traders, bankers and financiers. At the same time, it consists of so-called "middle class people" who appear as "free" professions, who are well-educated and well-trained, and who, without having the financial resources, are able to gain access to the labor market because of their special skills.

Well-known scientist M. Khalbwaks discovered the nature of the middle class in the study of French society. He showed the middle class the following groups: craftsmen, officials, servants, small businessmen, health workers. During this period, based on the social and professional criteria of the middle class, the following features were considered: labor

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activity; the level of knowledge; the particular role of the social structure of society and the attitude of the subject to his or her classical view.

At present, the following approaches to classification of the middle class in social sciences have been formed: objective (approaches to material well-being and resources); subjective (self-referral of people to the middle class) and their generalization. The level of material well-being is associated with the notion of the middle class as a social entity, characterized by relatively high standards of living and consumption. The main criteria for the material welfare approach are as follows:

- income per capita;
- ownership of certain assets (cars, dwellings);
- access to free social services (education, medicine)10.

In Europe, the notion of "middle class" is reflected in the World Bank's 2007 World Economic Outlook report11. It identifies the world class of the middle class as: groups of people with access to high quality imported goods and machinery, international services and higher education12. Of course, this notion of the middle class is based on a property approach.

According to the Global Wealth Report 2015, Swiss Credit Suisse reported $664 million in 2015. There are 14% of the world's adult population, whose total assets are estimated at 32% of the world's wealth (for comparison, more than half of the world's wealth is in the hands of 1% of the population). In the middle class the population is 66% in Australia, over 55% in Italy, the UK and Japan, 38% in the US, 11% in China, 4.1% in Russia, 3% in Africa and India13.

According to the well-known scholars, the middle class promotes economic development of any country, creates economic and social conditions for the development of civil society. In general, the functions of the middle class include:

1. The middle class is the main generator of domestic consumption, and stable domestic demand has a positive impact on the level of investment and employment in the economy.

2. The middle class has a positive impact on the development and use of human capital as they have the opportunity to invest in their education and health. In turn, the high level of inequality in the country affects the quality of human capital and reduces the country's competitiveness in the long run.

3. The middle class affects the amount of entrepreneurs in the country, meaning that the middle class has the capital to get the education and start-up needed to start and run a business. As the main feature of entrepreneurs is the development and implementation of new technologies, they are the most socially active group of human capital.

4. The middle class will increase their demand for political and economic institutions that affect the investment climate and economic development in the country. Examples of such institutions are protection of private property, expansion of social welfare processing, and increased transparency of the judiciary and authorities14.

From an economic point of view, civil society is a civilized market relations, and labor is free in the market economy; every citizen has the right to independently manage his own abilities and to choose what kind of profession and profession he or she is. The economic aspects of civil society are freedom of entrepreneurship and economic activity not prohibited by law. In a civil society, it combines freedom, entrepreneurship, economics, and democracy at the same time15.

The level of civil society development reflects the prevalence of democracy. This is reflected in the various institutions, relationships, and cultures that civil society relies on. The participation of citizens in socio-economic and political processes reflects the interests of all social strata in society, is taken into account in political decision-making, and citizens are involved in the development of political, socio-economic and cultural programs and projects. Therefore, the middle class is inseparably linked with all aspects of civil society and its institutions, the middle class is the socio-economic basis of civil society. In addition, the middle class is seen as the initiator of reforms to build and develop civil society.

Private ownership in Uzbekistan was completely abolished by the Soviet government in the early 1930s. It reappeared almost 60 years after Uzbekistan gained independence. Certainly, in the first decades of independence collective farms were preserved, but since the second decade there have been formed farms and small businesses. At the same time the middle class of owners also began to form.


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12 Всемирный банк в России. Доклад об экономике России. № 19. Июнь 2009.
15 Федоренко Д.В. Политико-правовые механизмы взаимодействия институтов гражданского общества и государства в современной России: Дис. ... канд. юрид. наук. Ростов н/Д, 2007.-С.18,19.
24, 2012, played an important role in the formation of the middle class. This law has appeared in the country as the legal basis of state protection of the social strata of owners. Specifically, Article 4 states: “An owner owns, uses and disposes of his property at his own discretion and in his own interests. The owner has the right to carry out any unlawful action on his property. He may use his property to carry out economic and other activities not prohibited by law, to transfer it for free or for use to other persons. The use of property must not violate the rights and lawful interests of citizens, legal entities and the state, nor harm the environment”.

Creation of legal bases of the class of owners in Uzbekistan by the state, sufficient conditions for their activity began in September 2016, when Sh.M. Mirziyoyev became the President of the Republic. On June 19, 2017 were adopted the Presidential Decree “On Measures for Radical Improvement of the System of State Protection of Legal Interests and Further Development of Entrepreneurship” and on July 27, 2018 “On Improvement of the System for Protection of the Rights and Legal Interests of Entities”. The decrees provide economic and financial conditions for small and medium-sized businesses in the country. Also, as a result of the President Sh.Mirziyoyev’s reforms, the reform of the society and state bodies to bring them into line with the requirements of civil society, democratic reforms in Uzbekistan began to be recognized by the United States, Japan, South Korea, China and Europe. Developed countries are beginning to get interested in the reforms in Uzbekistan: large investments have been made in the country, and the number of foreign tourists has increased significantly. All types of inspections of state-owned enterprises and firms have been abolished, the procedures for issuing permits for a number of licensed business activities have been simplified. The solution of all problematic issues in this area has been transferred to the jurisdiction of the judiciary.

In 2017-2019, the number of property owners in the country increased as a result of the reforms. For example, as of April 1, 2018, the number of small business entities (excluding dekhkan and private farms) in the Republic amounted to 238,500. In particular, 8.2% of them are small enterprises and 91.8% are micro firms. Analysis of these indicators by sector shows: 9.1% of small business entities in agriculture, 20.9% in industry, 11% in construction, 34% in trade and public catering, 5.2% in freight and 19.7% in other sectors worked in the fields.

In the regions, the share of small business in industry was 71.3% in Tashkent, 68.4% in Namangan region, 61.3% in Jizzakh region and 55.5% in Samarkand region. The same indicator was 29.6% in Tashkent region, 23.1% in Kashkadarya region, 18.8% in Navoi region and 18% in Karakalpakstan. As a result of the measures taken over the past 5 years by 2019, Uzbekistan has risen from 76th to 76th place in 190 countries of the world in the Doing Business rating of the World Bank and the International Finance Corporation.

However, it is important to compare the wealth of the society in assessing the role of the middle class in society. Uzbekistan is approaching India by wealth level. However, by the number of people in the middle class, our country lags far behind the global average. These indicators are 2 times lower than the global average and 10 times lower than the global average.

At present, the criterion for determining the middle class is to compare the average income level in the countries. To facilitate its calculation, the following annual income is set:

- The lower class - earns less than $ 10,000 a year;
- Middle class - earning between $ 10,000 and $ 100,000 a year;
- Higher society (class) - $ 100,000 and above.

The table below shows the average wealth per person in different countries:

<table>
<thead>
<tr>
<th>Countries</th>
<th>Average per capita wealth (in US dollars)</th>
<th>Wealth of countries (in US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>388 585</td>
<td>93.56 trillion</td>
</tr>
<tr>
<td>Switzerland</td>
<td>537 599</td>
<td>3.63 trillion</td>
</tr>
<tr>
<td>Japan</td>
<td>225 057</td>
<td>23.68 trillion</td>
</tr>
<tr>
<td>China</td>
<td>26 872</td>
<td>29.00 trillion</td>
</tr>
<tr>
<td>Russia</td>
<td>16 773</td>
<td>1.89 trillion</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>6 637</td>
<td>134 billion</td>
</tr>
</tbody>
</table>

Analysis shows that during the years of independence, especially in the last three years, the development of the middle class has risen to the level of public policy. The state should take such measures as legal protection for the formation of the middle class in the short term, creating conditions for doing

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business, applying tax privileges for them, protecting them from various inspections, and increasing investment in firms of this class. began to give results. The middle class began to form many members of society.

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