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Research Article

DO THE CONSTITUTIONAL NORMS REFLECT ECONOMIC CHANGES AND REFORMS?

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ABSTRACT

Issues such as the reflection of economic changes and reforms in the norms of the Constitution, the strengthening of the constitutional foundations for the protection of private property, and state guarantees for the rights of investors were covered in detail.

KEYWORDS

Economic changes and reforms, private property, inviolability of property, guarantees of investors' rights, entrepreneurial activity, land as an object of private property.

INTRODUCTION

Today, the efforts to amend the Constitution of the Republic of Uzbekistan are the subject of public debate.

So, does economic change and reform in Uzbekistan today require changes to the Constitution? In general,

is Uzbekistan economically ready to amend the Constitution?

According to article 53 of the current Constitution of the Republic of Uzbekistan, the basis of the economy



of Uzbekistan, aimed at the development of market relations, is property in its various forms.

It should be noted that over **the past 5 years**, large-scale reforms have been carried out in all sectors of the economy.

In particular, the protection of private property, the strengthening of guarantees for the rights of investors, the provision of employment and poverty reduction, the development of entrepreneurial activity and the provision of benefits and preferences to entrepreneurs, the reduction of state intervention in the economy, the digitalization of the economy, the improvement of land use efficiency, as well as improving the tax and banking systems.

As for some of the economic reforms carried out in Uzbekistan over the past short period, on December 25, 2019, 3 laws regulating investment relations were merged into a single law and was adopted the Law of the Republic of Uzbekistan **"On Investments and investment activity"**. This law strengthened the guarantees of the rights of investors and further improved the investment climate in the country.

On August 3, 2019, the Decree of the President of the Republic of Uzbekistan **"On additional measures to ensure the unconditional guarantee of property rights of citizens and businesses"** was adopted, which created a new system of protection of property rights of citizens and businesses and thereby further strengthened guarantees of their property rights.

Also, the Law of the Republic of Uzbekistan **"On privatization of non-agricultural land"** adopted on November 15, 2021, for the first time in the history of independent Uzbekistan gave individuals and legal entities the right to privatize land and use land as an object of civil law.

With the new **Tax code**, the tax system has been radically improved and the type of taxes has been reduced **from 16 to 9**, with the tax authorities becoming a taxpayer assistance body rather than a regulatory body.

In addition, the Law of the Republic of Uzbekistan **"On public-private partnership"** introduced a new direction in the economy of Uzbekistan and created a legal framework for the development of the economy through the implementation of public-private partnership projects.

Moreover, the Decree of the President of the Republic of Uzbekistan dated September 2, 2017 **"On priority measures for the liberalization of currency policy"** was adopted and radical reforms on the liberalization of foreign exchange policy were implemented.

In particular, individuals have the right to freely sell and buy foreign currency through commercial banks and dispose of the acquired funds without any restrictions. Also abolished the requirement for all exporters, regardless of ownership, to sell their foreign currency earnings, payments for goods, works and services on the territory of the Republic will be made only in national currency.

The reforms listed above have been implemented directly as a result of the development of economic and social relations in society.

The Constitution, which is the basic law of the state, must reflect its reaction (impact) to these changes and adapt to the times.

In the XXI century, amendments to the Constitution are considered normal in countries of the world and many states, due to the development of economic and social



relations in society, are making appropriate changes to their constitutions.

For example, in the last 22 years, 57 countries have adopted new constitutions, and constitutional changes have been made in about 90 countries. In particular, during this period, the Swiss Constitution was amended 19 times, the Austrian Constitution 18 times, the Israeli Constitution 17 times and the Constitution of India, the largest in the world, 15 times.

The reflection in the Constitution of the country on the essence of significant changes and reforms taking place in the life of society will further increase the effectiveness of these reforms.

For example, on November 15, 2021, the Law of the Republic of Uzbekistan **"On privatization of non-agricultural land"** was adopted, giving individuals and legal entities the right to privatize land and free use of land as an object of market relations.

It should be noted that the granting of this right is a very important reform of economic relations in the context of Uzbekistan, and there are no obstacles to its consolidation in the Constitution. On the contrary, **the strengthening of the norm in the Basic law on the transfer of land to citizens as private property** will increase the confidence of citizens in the state and strengthen the guarantees of economic rights of citizens by the state.

Similar provisions can be found in the constitutions of foreign countries. For example, there are rules that land can be granted to individuals as property belonging to the constitutions of the states of the Russian Federation, Kazakhstan, France, Greece, Italy and Romania.

Taking into account the ongoing economic reforms in the country and foreign experience, it is expedient to include in the Constitution of the Republic of Uzbekistan (as part 2 of Article 55) the norm **"Citizens and legal entities may own land as private property"**.

It should be noted that **over the past 5 years**, the state has paid special attention to the development of entrepreneurial activity and in this direction a number of important measures have been taken by the state.

In particular, in 2017 the Institute of **the Commissioner for protection of rights and legitimate interests of entrepreneurs under the President of the Republic of Uzbekistan** was established, and today this body plays an important role in protecting the rights and legitimate interests of business entities.

The Entrepreneurship Development Agency (now the Mahallabay Employment and Entrepreneurship Development Agency) was established in 2019 under the Ministry of Economic Development and Poverty Reduction, and its main task was determined to support entrepreneurship and involve the general population in entrepreneurship.

Also, the head of state launched a system of **open dialogue with entrepreneurs** in August every year from 2021, which allowed entrepreneurs to address directly to the head of state on systemic issues that arise in their activities and bother them.

In addition, with the Decree of the President of the Republic of Uzbekistan on december 3, 2021, established **the activities of assistant governors** on the development of entrepreneurship, employment and poverty reduction in the mahalla, tasked with providing employment to the unemployed in the mahalla, assisting them in creating a stable source of



income and developing entrepreneurship in the regions.

These important reforms aimed at developing entrepreneurship, one way or another, require amendments to the Constitution of the state.

President of the Republic of Uzbekistan January 28, 2022 adopted the Decree **"On the Development Strategy of the new Uzbekistan for 2022-2026"**. In this Decree, as in other areas of public life, in the field of economy was planned important reforms for the next 5 years.

It should be noted that the implementation of the goals and objectives set out in this Development Strategy may also create the need for further amendments to the Constitution of the country.

For example, in the Development Strategy, one of the important tasks in the development of the state economy in the near future is to attract **\$120 billion**, including **\$70 billion of foreign investment** in the country's economy over the next 5 years.

Achieving this goal, in turn, requires the state to strengthen the guarantees of the rights of investors and create the necessary legal conditions for them, and only then it will be possible to attract investors to the national economy.

Attracting investment is important in the economy of any country, because foreign investment, **firstly**, contributes to the development of the economy of this country, **secondly**, allows using the economic experience of investor countries, **thirdly**, helps to develop export-import relations with these states and creates conditions for integration with foreign countries.

In this regard, it is advisable to reflect in the Constitution of the country a norm related **to the guarantee and protection of the rights of investors by the state**, which will serve as an important tool for further accelerated development of the economy of our country.

Such norms are enshrined in the constitutions of foreign countries such as Turkey, Bulgaria, and the Philippines.

In conclusion, it should be noted that the ongoing economic reforms in Uzbekistan and the changes taking place in the economic life of society require amendments to the Constitution and the Constitution must adapt to these changes.

Taking into account the changes and reforms in the economic sphere, which is an integral part of society, all segments of the population should participate in this important process with their proposals to amend the Constitution and thereby actively exercise their political rights.

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