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The Concept of further deepening the democratic reforms and establishing the civil society in the country

Address by the President of the Republic of Uzbekistan Islam Karimov at the joint session of the Legislative Chamber and the Senate of the Oliy Majlis of the Republic of Uzbekistan

Dear friends!

The year of 2010 is coming to end and we stand on the eve of 2011 – the year of the 20th Anniversary of Uzbekistan's Independence.

On the occasion of this landmark date it is quite natural that there is a need to assess the following: how the quality of our life and image of the country have changed and are changing now; what achievements we have made for over the past period; how fast we are advancing along the path of building an open democratic state with socially oriented market economy, and establishing the civil society.

Briefly speaking, it is put forward the task from today's perspective to objectively assess the course of implementing the long-term objective that we set, i.e. to join the ranks of the modern developed and democratic states, ensure our people the decent living standards and worthy place in the world community.

It is well known that Uzbekistanafter gaining its independence in 1991, having denied the obsolete totalitarian, administrative-command and planning-distributive system chose its own "Uzbek model" of development.

The essence and substance of the model, which was elaborated and is being put into practice today, are as follows: radical changing and renewal of the state and constitutional order; implementing political, economic and social reforms based on such principles as deideologization of economy and its priority over politics, giving the state the role of a major reformer, i.e. the functions of an initiator and coordinator of reforms, ensuring rule of law, providing strong social policy, implementing the reforms on the step-by-step and gradual basis.

We consciously rejected the revolutionary option of reforms by the methods of "shock therapy" in favor of evolutionary and phased development. By this we have saved our people from the severest economic and social turbulences.

Today the world community, as well as such high-profile international financial institutions as the International Monetary Fund, the World Bank, the Asian Development Bank and others do recognize the sustainable high growth rates, the

stability and reliability of the functioning financial and banking system, successful structural reforms in the economy and in general Uzbekistan's confident steps on the way of modernizing the country.

It is obvious that no one remains indifferent to the following facts: the growth of Uzbekistan's GDP during less than 20 years of our independent development made up 3.5 times, and per capita ratio accounted for 2.5 times, the growth of population's real incomes made up 3.8 times and in particular the achieved successes in social and humanitarian dimension – the growth of state expenses for social security of population to 5 times, considerable improvement of living standards, which have resulted in decrease of maternal mortality rate to more than 2 times, children's mortality rate – to 3 times, increase of average life expectancy made up from 67 to 73, and the life expectancy of women – up to 75 years.

The international structures, experts and specialists display a keen interest in the fact that in 2008-2010, i.e. during the period, when practically most of the countries of the world have experienced a considerable decrease of economic growth rates and stagnation of production, in 2008 Uzbekistan's GDP growth rates made up 9 percent, in 2009 – 8.1 percent, and in 2010 it is expected to be 8.5 percent, and in 2011 it is estimated to be 8.3 percent.

At a time, when the serious concern, particularly in the developed countries, is aroused by continuous growth of foreign public debt, Uzbekistan's foreign debt does not exceed 10 percent, and the State budget is executed with surplus for over the past five years.

One could continue such a list of Uzbekistan's extensive achievements.

All of this does confirm the obvious fact (phenomenon) that within a historically short period of our country's independent development Uzbekistan, once a republic with one-sided hypertrophied raw-oriented economy, destructive monopoly of raw cotton production, primitive industrial and social infrastructure and the lowest per capita consumption index in the former USSR, - has stepped to praised horizons, which had completely changed its image and place in the world community.

However, what we have achieved is just a part of a long and difficult road to the goal that we have set forward – to build an open democratic and law-governed state with a stably developing economy and the society respected in the world, in which a man, his interests, his rights and freedoms are the highest value not in words, but in practice.

The most dangerous thing that may await us on this road is euphoria and the feeling of complacency about the achieved, alienation from reality, which can negatively affect the efficiency and prospects of the country's development.

In the century of globalization and ever more intensive competition we have to realistically and self-critically assess our place in the ongoing cardinal changes in the world today, keep pace with growing demand of the time.

The life never stops, the particular country and the particular nation will be victorious, if it has a deeply thought-out program and the strategy of its implementation with clear-cut guidelines and priorities, and what is mostly important, capable to preempt possible crises and various cataclysms, the highs and the lows of the world economy.

In this context, I would to underscore that summing up the outcomes of what was accomplished during the past period of our independent development is quite necessary not only to objectively evaluate and introduce certain alterations to the reform program, but first of all, proceeding from demand of the future, to give a fresh and powerful impetus to our progressive movement along the path of reforming and modernizing the country.

While undertaking this, it is of a principle importance to proceed from the fundamental provisions and norms of the Main Law – the Constitution adopted in December 1992, which defined the main principles of democratic development and establishing the civil society in the country.

This work has acquired its highest intensity, scale and purposefulness during the last decade – from 2001 to 2010.

As a result, today we have all grounds to assert that we have achieved the main thing – the process of reforming and democratization of the country has acquired an irrevocable, irreversible and consistent nature. Our people change, their political and civic activeness, as well as their consciousness and complicity to everything, what is taking place around them, and finally, their faith in the country's future are growing.

In fact, it is these changes and these transformations in the mindset of people and our entire society that now become a dominant powertrain which ensures the country's advancement along the path of progress and prosperity.

The objective assessment of the path we have passed and accumulated experience, and the analysis of achievements secured during the past years of independence convincingly prove that we have chosen the right model of evolutionary, step by step and gradual development of the country, and the need to follow up with this path.

Proceeding from this, we deem it necessary to take the following measures as the most important priorities of further deepening the democratic reforms.

I. Democratization of the state power and governance

The reforms being carried out for over the past period in this sphere were aimed at consistent implementing the constitutional principle of separation of powers, creating an effective system of checks and balances, strengthening the role of powers and controlling functions of the legislative and representative branch of power in the center and on the local level, as well as accomplishing measures on liberalization and independence of judicial system.

A profound attention has been paid to changing the functions of governing structures of central executive power and administrative bodies, radical reduction of their powers, regulatory and distributive authorities, as well as their direct interference in the activity of economic entities. In other words, we have brought their powers in line with market principles and finally - reduced the role of the state in managing the economy.

We have paid a lot of attention to decentralization of governance, delegating the part of functions from republican level to the bodies of regional, city and district levels, and establishing such a unique system of local self-governance in Uzbekistan as *makhalla*.

The outcomes of referendum held on January 27, 2002 on establishing the bicameral national parliament as well as adoption of the Law "On the results of referendum and the main principles of organizing the state power" defined the basis for a deep reforming the legislative power.

The major goals, which are pursued along this process, are to create the system of checks and balances in exercising by the parliament of its authorities, to raise considerably the quality of lawmaking, to provide the balance between the national and regional interests taking into account that the upper house of parliament – the Senate, which mainly represents the local *Kengashes* (Councils), will represent the regions, and the lower house – the Legislative Chamber – will undertake its activity on the permanent professional basis.

Adoption in 2003 of constitutional laws "On the Legislative Chamber of Oliy Majlis of the Republic of Uzbekistan" and "On the Senate of Oliy Majlis of the Republic of Uzbekistan" had a special significance in terms of development of national parliament and clearly defined the status, powers and mechanisms of activity of separate chambers and the new parliament as a whole.

The exclusion in 2007 of the norms from the Constitution of the Republic of Uzbekistan which stipulated that the President of the country was simultaneously the head of executive power became one of the political and legal acts of enormous importance of that period. The Article 89 of the Constitution stipulates that "the President of the Republic of Uzbekistan is the Head of the State and ensures the concerted functioning and interaction of bodies of state power".

The abolishment of the post of chairman of the Cabinet of Ministers, which was initially occupied by the President of the Republic of Uzbekistan, was an important step in the course of liberalization. In accordance with the adopted laws, now the Prime Minister not only organizes, but also leads the activity of the Cabinet of Ministers, bears personal responsibility for efficiency of its work, chairs the meetings of the Cabinet of Ministers, signs its documents and adopts decisions on the issues of state and economic management.

Along with this, the growing level of political culture and public awareness of the country's population and dynamically developing processes of democratization and liberalization of society, as well as consolidation of the multiparty system create the necessary prerequisites to ensure more balanced distribution of powers among the three subjects of state power: the President – the Head of the State, legislative and executive branches of power.

It is proposed to state the Article 98 of the Constitution of the Republic of Uzbekistanin the following wording:

"The executive power shall be exercised by the Cabinet of Ministers of the Republic of Uzbekistan. The Cabinet of Ministers of the Republicof Uzbekistan shall be composed of the Prime Minister of the Republic of Uzbekistan, his deputies, ministers, chairmen of the state committees. The Head of the government of the Republic of Karakalpakstan shall be a member of the Cabinet of Ministers.

The Cabinet of Ministers shall provide the leadership for effective functioning of the economy, social and spiritual spheres, implementation of the laws of the Republicof Uzbekistan, decisions of Oliy Majlis, decrees, resolutions and ordinances of the President of the Republic of Uzbekistan.

The Cabinet of Ministers in accordance with the current legislation shall issue resolutions and ordinances binding on all bodies, enterprises, institutions, organizations, officials and citizens on the entire territory of the Republic of Uzbekistan.

The Prime Minister of the Republic of Uzbekistan shall organize and direct the activity of the Cabinet of Ministers, bear a personal responsibility for efficiency of its work, preside at meetings of the Cabinet of Ministers, sign its decisions, on the instruction of the President of the Republic of Uzbekistan represent the Cabinet of Ministers of the Republic of Uzbekistan in international relations, exercise other functions stipulated by laws of the Republic of Uzbekistan, decrees, resolutions and ordinances of the President of the Republic of Uzbekistan.

The Cabinet of Ministers, in its work, shall be responsible before the President of the Republic of Uzbekistanand the Oliy Majlis of the Republic of Uzbekistan.

The Cabinet of Ministers shall tender its resignation to the newly elected Oliy Majlis.

The procedure of organizing the work and competence of the Cabinet of Ministers shall be defined by law.

The candidature of the Prime Minister of the Republic of Uzbekistan shall be proposed by a political party, which gains the biggest number of deputies' seats in the elections to the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan, or by several political parties, which gain equal number of deputies' seats.

The President of the Republic of Uzbekistan, after considering the proposed candidature to the post of the Prime Minister, in ten days' time, shall propose it for the consideration and approval by the chambers of the Oliy Majlis of theRepublic of Uzbekistan.

The candidature of the Prime Minister shall be considered approved, if more than half of votes out of the total number of, respectively, deputies of the Legislative Chamber and the members of the Senate of the Oliy Majlis of the Republic of Uzbekistan is given for him.

The members of the Cabinet of Ministers of the Republicof Uzbekistan shall be approved by the President of the Republic of Uzbekistan upon the nomination of the Prime Minister.

In case of arising persistent contradictions between the Prime Minister of the Republic of Uzbekistan and the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan, upon the proposal officially submitted to the President of the Republic of Uzbekistan by the deputies of the Legislative Chamber, whose number is not less than one third of their total number, the issue of passing the vote of no confidence in the Prime Minister shall be put for discussion of the joint sitting of the chambers of the Oliy Majlis of the Republic of Uzbekistan.

The vote of no confidence in the Prime Minister shall be considered adopted, if not less than two thirds out of total number of, respectively, deputies of the Legislative Chamber and members of the Senate of the Oliy Majlis of the Republic of Uzbekistan vote for it.

In this case, the President of the Republic of Uzbekistan makes a decision on relieving the Prime Minister from the post. In this case, the entire Cabinet of Ministers of the Republic of Uzbekistan resigns together with Prime Minister.

The new candidature of the Prime Minister, to be submitted for consideration and approval by the chambers of the Oliy Majlis, shall be proposed by the President of the Republic of Uzbekistan after relevant consultations with all fractions of the political parties represented in the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan.

In case the Oliy Majlis refuses twice the candidature to the post of the Prime Minister, the President of the Republicof Uzbekistan shall appoint an acting Prime Minister and dissolve the Oliy Majlis of the Republic of Uzbekistan."

In their essence and substance these amendments to the Article 98 of the Constitution of the Republic of Uzbekistan introduce the new procedure of nomination and approval of the Prime Minister, which meets democratic principles, and gives the Oliy Majlis the right to pass a vote of no confidence in the Prime Minister. The right of the President of the Republicof Uzbekistan to take decisions on the issues related to the competence of the Cabinet of Ministers of the Republic of Uzbekistan shall also be eliminated.

The next proposed amendment is related to the Article 96 of the Constitution of the Republic of Uzbekistan.

In order to rule out the ambiguity, vague interpretations of this article in case of the situation when the President of the country, due to various reasons, shall not be able to exercise his duties, it is proposed to introduce its new wording as follows:

"If the functioning President of the country is not able to exercise his duties, his duties and authorities shall be temporarily entrusted to the Chairman of the Senate of the Oliy Majlis of the Republic of Uzbekistan, with holding the elections of the President of the country within three months in full accordance with the Law "On the elections of the President of the Republic of Uzbekistan".

In the context of amendments proposed to the Article 98 of the Constitution of the Republic of Uzbekistan, it is necessary to introduce relevant changes to the Articles 78 and 93 of the Constitution of the Republic of Uzbekistan.

The Clause 15 of the Article 78 shall be added with following words "…as well as hearing and discussion of the reports of the Prime Minister on outstanding issues of social and economic development of the country".

In the Clause 15 of the Article 93 after the words "shall appoint and relieve…" the following words shall be added: "upon nomination by the Prime Minister of the Republic of Uzbekistan…", and hereinafter according to the text.

In the Clause 8 of the Article 93 the following words shall be excluded: "shall form the Office of executive power and direct it".

The Clause 16 of the Article 93 shall be added with following words: "…shall have the right to preside in the meetings of the Cabinet of Ministers of the Republic of Uzbekistan".

In the Clause 12 after the words “shall appoint and relieve the Prosecutor General of the Republic of Uzbekistan…” the word “deputies” shall be excluded and it shall be added: “and the chairman of the Chamber of Accounts” and hereinafter according to the text “with further approval of them by the Senate of the Oliy Majlis of the Republic of Uzbekistan”.

Dear participants of the meeting!

It is necessary for all of us to clearly comprehend that the establishment of constitutional order when the candidature of the Prime Minister nominated by a political party, which wins the elections, is submitted for consideration and approval of the Parliament; introduction of the institute of vote of no confidence in the government and other consequent measures which have to be implemented in the course of modernization of political system, in fact stand as a new stage in reforming and democratization of the country.

Along with this, we must not forget that the success of this reform to much extent depends on dynamics with which we have been advancing along the path of democratization and liberalization, raising the social and political activeness of our citizens, their political and legal culture, and certainly, first of all, on the level of maturity of political parties, their readiness to take such an enormous responsibility for the fate and future of Uzbekistan.

II. Reforming the judicial and legal system

One of the key priorities of democratic renewal of the country is a consistent democratization and liberalization of judicial and legal system aimed at ensuring rule of law, reliable protection of human rights and interests. In short, establishing a law-governed state and nurturing legal awareness of people.

This is the very reason why since the early years of Independencea special importance has been given to this direction of reforms.

In Uzbekistan we have implemented a set of organizational and legal measures aimed at consistent consolidation of judicial power, ensuring independence of court, turning it from the repressive instrument and punitive apparatus in the past into a truly independent institution of state called upon to reliably protect and safeguard the rights and freedoms of a man and citizen.

According to the new wording of the Law “On courts”, the amendments and additions introduced in this period to criminal procedure and civil procedure legislation, and with an aim to consistently implement the constitutional principle of separation of powers **the judicial system was taken out of control and influence of bodies of the executive power.** The functions of nominating the candidatures for judges’ posts, relieving and early termination of judges’ authorities, as well as instigating disciplinary

proceedings against them have been eliminated from the authorities of the Ministry of Justice.

The special body – the Higher qualification commission on selection and recommending for the posts of judges at the President of the Republic of Uzbekistan is in charge of matters of organizing the activity of courts, in particular, the judges' corps.

We have established a specially authorized body at the Ministry of Justice of the Republic of Uzbekistan– the Department for implementing the court decisions, material, technical and financial logistics of courts, which significantly relieved the courts of non-relevant functions and allowed them to concentrate on accomplishing their main task – to administer justice.

The specialization of general jurisdiction courts was undertaken and the courts for civil and criminal cases were established, and this facilitated efficiency of their work in terms of qualified consideration of criminal and civil cases, reliable protection of human rights and freedoms.

The guarantees of judicial protection of citizens have been significantly reinforced. The measures to ensure its accessibility have been implemented.

It was in this period of time when we reformed the cassation instance and introduced the appellate procedure of review of cases. Now according to these amendments the higher appellate instance may hear a case without referring it to a new hearing. The citizens gained the opportunity, in case of disagreement with the decision of the court of first instance, which entered into force, to immediately protect their rights and lawful interests at the cassation instance with participation of their defense lawyer. Thus, the practice of private and closed consideration of citizens' complaints about the decisions of courts of first instance was completely eliminated. The analysis of practice reveals that these changes served as an important guarantee to timely correct the errors made by courts of the first instance and avoid the red-tape in the legal procedure. In 2000 about the half of judicial errors was corrected through supervisory procedure, and on the outcomes of 2009 inmore than 85 percent of cases they were corrected enacting the appellate and cassation procedure.

We have been consistently implementing the set of measures aimed at ensuring equality of prosecutor and defense lawyer, competitiveness at all stages of criminal and civil legal procedure, as well as improving the quality and timeliness of administering justice.

In this context, it was greatly important to adopt in 2008 the Law "On introducing amendments and additions to some legislative acts of the Republic of Uzbekistanto improve the institution of advocateship". The set of amendments and additions was introduced into the current legislation to further consolidate independence of the advocateship as the fundamental component of the process of liberalization of judicial and legal system, and protection of human rights.

According to the law, the defense lawyer is given the right to render a qualified judicial assistance at any stage of criminal process independently of state bodies and officials responsible for procedure on criminal case.

At the moment, the criminal procedure legislation does not have the norms, which used to oblige the defense lawyer to get a written confirmation from law-enforcement agencies on the access to the case, as well as permission to see defendant. To implement this right now it is sufficient to have an identity card of attorney and an order issued by the Lawyers' Association.

The law envisages the responsibility for obstruction of lawyer's professional activity, attempts to exert pressure on him by any means to make him change his position towards defendant.

Liberalization, humanization and decriminalization of the criminal and criminal procedure legislation became the most important direction of development of penal policy.

We may confidently state that the measures adopted in this sphere, in particular, the Law "On introducing amendments and additions to the Criminal, Criminal Procedure codes and the Code of the Republic of Uzbekistan on administrative responsibility in connection with liberalization of criminal punishments" of 2001 had enormous social and political significance.

According to them, the classification of crimes was changed. About 75 percent of *corpus delicti* was shifted from the category of grave and the gravest crimes to the category of crimes, which do not represent serious public danger and the lesser grave crimes.

The chances were considerably expanded in terms of cases related to the crimes in the sphere of economy – instead of arrest and detention the economic sanctions in the form of fines are applied. Such a type of punishment as deprivation of property is excluded from the punishment system.

The Article 11 of the Criminal Code now envisages provisions in accordance with which in case of compensation of damage the punishment in the form of imprisonment is not enforced.

Doing this we thought that it was not essential to imprison people for the criminal cases related to economic activity, as it costs a lot for the state and does not tackle the problem of education and rehabilitation of the convicted.

At the same time, thanks to these and other measures on liberalization of the criminal punishments, today Uzbekistan has one of the lowest indicators in the world in terms of the number of imprisoned per 100 thousand people of the country, i.e. 166

people. Let us compare: in Russia this indicator makes up 611 and in the United States – 738 people. **In our country for over the last 10 years the number of imprisoned in the places of confinement decreased twofold.**

It was an act of exclusive importance to abolish the death penalty in Uzbekistan from January 2008 and introduction instead of it of the punishment in the form of life and long-term imprisonment.

The international community has extensively reacted to the abolishment of death penalty in Uzbekistan. The foreign experts say that with implementation of the aforementioned and certain other measures in this sphere Uzbekistanhas managed to create one of the most liberal systems of criminal punishment in the world. In this context, they cite the results of a comparative analysis. In such countries as Germanyand Poland the life imprisonment can be enforced for 5 types of crimes, in Belgium and Russia– for 6, inDenmark – for 9, Sweden – for 13, France– for 18, the Netherlands– for 19 types of crimes, etc. In Uzbekistan the life imprisonment is an exceptional punitive measure and is enforced only for two crimes – for premeditated murder in aggravating circumstances and terrorism.

In our country this type of punishment cannot be applied to women, persons who commit crimes at the age under 18 and the males elder than 60.

For over the past period the set of measures has been adopted to enhance the judicial review at the stage of pretrial investigation and liberalization of the legal procedure in this sphere.

The introduction of "habeas corpus" became a principle step forward, i.e. in 2008 the prosecutor's office delegated to court the right to issue the arrest warrant as a measure of restraint. The time has proved that it was timely and right decision since introduction of this institution served as an important factor to protect constitutional rights and freedoms of a citizen and his personal immunity. Since enforcement of this institution in January 2008 the courts more than 700 times denied the investigation bodies to apply this measure of restraint.

According to the amendments to criminal procedure legislation, the terms of investigation and custody were reduced.

Since 2001 the institute of reconciliation was introduced to the law-enforcement and judicial practice and it is now effectively working. According to this practice, the person who commits a crime that does not pose grave public danger and fully compensates material and moral damage to victims shall not be a subject for criminal liability.

This institution proved to be effective and it meets the centuries-old traditions of the Uzbek people, such as mercifulness and ability to forgive, and these factors have

served as a platform to consistently expand it. Today the opportunity to enforce this institution is envisaged on 53 types of crimes.

As a result of introduction of the institution of reconciliation for over the past period about 100 thousand citizens were released from criminal liability.

During the recent years we have accomplished a considerable work to ensure lawfulness in the operations of law-enforcement agencies and, first of all, to reform the activity of prosecutor's office in order to turn it from a repressive instrument in the hands of party elite in the past into a body, which provides a steadfast implementation of laws and progression of democratic reforms in the country, as well as firm protection of human rights and freedoms.

In accordance with the Law "On prosecutor's office" in the new wording of 2001, the citizens are not the subjects of prosecutor's supervision, and what is more, we have increased the responsibility of the prosecutor's office in terms of observance of rights, freedoms and lawful interests of people.

The prosecutor's offices are now also deprived of the right to suspend execution of court decisions, and the city and district prosecutors are deprived of the right to prolong terms of investigation and holding the accused in custody.

At the same time, the large-scale tasks in the sphere of modernization of an entire system of political, economic, state and legal relations, and the objectives in terms of establishing the civil society, protecting the human rights and freedoms, put on the agenda the issue of further democratization of the judicial and legal system.

With an aim to effectively resolve the tasks in this sphere it is proposed to implement the following package of organizational and legal measures.

First. It is proposed to adopt the **Law "On normative legal acts"** in the new wording. The law in force was adopted ten years ago. Meanwhile, the lawmaking process has expanded and become more complex, and there are high demands in terms of the quality standards and reasonableness of the normative legal acts. The aforesaid requires creating the new and more effective mechanisms to secure observance of law in this sphere so that the normative legal acts correspond to the laws, as well as meet the needs of social, economic and political reforms.

Second. It is proposed to introduce amendments and additions to the chapters 29 and 31 of the Criminal Procedure Code of the Republic of Uzbekistan, envisaging the order, according to which such measures of procedural coercion applied at the stage of pretrial proceeding as removal from the post and sending a person to medical institution can be carried out only by the sanction of a judge.

Delegation of these powers from prosecutor to courts will allow to enhance the judicial review while instituting an inquiry and in pretrial investigation, expand the

sphere of application of “habeas corpus” in criminal procedure, ensure implementation of the universally recognized principles and norms of the international law in the field of protection of human rights and freedoms.

Third. It is proposed to make amendments to the Article 439 of the Criminal Procedure Code of the Republic of Uzbekistan envisaging the norm according to which the duty to announce indictment on the case in the court of the first instance is entrusted exclusively on the prosecutor. The legislation in force does not clearly define the duty of a public prosecutor with regard to announcement of an indictment at the court hearing. Therefore, an indictment is often read out by a judge and this is the practice, which doesn’t correspond to functions and the mission of court. The introduction of the mentioned norm to the criminal procedure legislation shall promote independence, fairness and impartiality of court, as well as enhance the competitive nature of the criminal process.

Fourth. It is expedient to exclude from the Article 321 of the Criminal Procedure Code of the Republic of Uzbekistan the authority of court, in accordance with which it has the right to file a criminal case. It is well known that instigating a criminal case is, first of all, the duty of agencies of inquiry and pretrial investigation, other law-enforcement agencies that carry out criminal prosecution. Meanwhile, the court is required to fairly assess observance of law and reasonableness of charges brought against a person. At the same time, filing a criminal case by court, i.e. exercising a procedural act by it, which in fact means the start of criminal prosecution with all relevant consequences, makes the court a participant of this prosecution. This does not meet its high mission, i.e. to administer justice.

Fifth. It is proposed to adopt the Law “On operational investigation search activities”, which defines the principles, grounds, forms and methods of undertaking the operational investigation search activities, and the system of bodies which are to execute this activity. The law, the adoption of which would meet the recognized practice of democratic states, shall create the real legal guarantees to observe law, ensure the rights and freedoms of citizens in undertaking operational investigation search activities. At the same time, the law shall facilitate efficiency of measures to prevent and timely cut short the crimes at their early stage, as well as the quality of inquiry and pretrial investigation, provide further liberalization of work of law-enforcement agencies in this sphere, and in the first instance, the structures of the Ministry of Interior.

Sixth. Taking into account the dynamically developing processes of democratization, it is necessary to comprehensively work out and adopt the Code of the Republic of Uzbekistan on administrative responsibility in the new wording.

The code in force was adopted in 1994 and since that time the amendments and additions were introduced more than 60 times. And its new wording should reflect on a systematic and complex basis the large-scale and principle changes took place in the penal policy and administrative law due to liberalization of the judicial-legal system.

In particular, it should reflect the trends related to decriminalization of criminal law and shifting the certain offences from criminal to administrative jurisdiction. It should provide unification of legislation on administrative responsibility now reflected in tens of normative legal acts.

The new wording of the code should also stipulate the measures to improve and democratize the procedural mechanisms of examining the cases on administrative offences, ensuring observance of law and solid protection of citizens' rights in this sphere.

Seventh. It is necessary to draft and adopt the legislative acts that after the example of the developed democratic countries stipulate establishment of legal mechanisms, which define a special role of bodies of justice in undertaking review on observance of requirements of law, ensuring rule of law in the work of bodies of state power and law-enforcement agencies, including the prosecutors' offices. The delegation of relevant authorities to the bodies of justice that enhance their role in carrying out a single state policy in lawmaking and law-enforcement practice shall permit to create an effective mechanism of checks and balances in the system of law-enforcement and supervisory bodies of the country, which ensures observance of law and rule of law in the course of their work.

Eighth. The progressive movement of the society towards democracy and successful democratic reforms to much extent depends on the level of legal awareness and legal culture of people. The high legal culture stands as the basis of a democratic society and an indicator of maturity of the legal system.

In this connection, taking into account the modern political and legal realities, it is important to create targeted and comprehensive program of measures to radically improve the legal education and enlightenment in the country, as well as propaganda of legal knowledge in the society. The implementation of this program should nurture a respective attitude of people to human rights and freedoms, and law-abiding behavior of citizens.

III. Reforming the information sphere and ensuring freedom of speech and information

Without ensuring the freedom of information and without turning the mass media into the stage, where the people can freely express their views and ideas, positions and attitude to the ongoing events, one cannot speak about deepening the democracy, political activeness of the population, about its real participation in political and social life of the country. Providing freedom and rights of the citizens in the information space, which includes such components as freedom and realization of the rights to obtain, disseminate information and own ideas, stands as a cornerstone of building the democratic society in Uzbekistan.

For over the past years, and particularly, for over the last 10 years, the large-scale set of organizational and legal measures was implemented in the country to ensure the freedom of speech and liberalize the mass media.

We have established the improved legislative basis of developing the mass media, which meets the democratic requirements and standards. For over this period about 10 acts of legislation were adopted to provide the effective functioning of the information space, dynamic and free development of the mass media.

The adoption of the Law **"On the principles and guarantees of freedom of information"** was greatly important to implement the rights of each person to freely and without obstacles receive and use information, as well as to protect information and information security of a person, society and state.

The amendments and additions, which were introduced for over the last years to the laws **"On mass media (the new wording)", "On telecommunications"**, **"On advertisement", and the Law "On copyright and adjacent rights"** and other acts of legislation provided deepening the democratic changes in the sphere of mass media in the new political conditions. We have implemented the large-scale institutional reforms aimed at developing the non-state mass media and their active participation in the process of democratization of the information space.

With an aim to support the non-state mass media, enhance their material and technical logistics and human potential, we have set up several public organizations, namely: the National association of electronic mass media, which now includes more than 100 electronic mass media, the Social fund to support and develop independent print media and news agencies of Uzbekistan.

In the process of dynamic modernization of the mass media it was of a great importance to adopt the new wording of the Law **"On informatization"**, which defined the mechanisms of access of juridical and physical entities to information resources with using the information technologies and systems.

During these years Uzbekistan has set up the satellite network of broadcasting the television and radio programs. Today the national system of telecommunications has direct international channels on 28 directions with an access to 180 countries worldwide. There is an on-line broadcasting over the Internet.

The improvement of the national system of training and retraining of personnel, with adapting the experience of the developed countries, had a decisive significance along implementing the set of measures to upgrade the level and quality of information activity.

As a result of this extensive work for over the last ten years alone, the number of print mass media grew to 1.5 times, and the number of electronic mass media – to 7 times and now makes up about 1200 mass media outlets. About 53 percent of all

television channels and 85 percent of radio channels are the non-state. The mass media broadcast in more than 7 languages of nations and ethnic groups living in Uzbekistan, and there are print materials and television broadcasts in the English language, as well. The latest digital and multimedia technologies are being implemented to make broadcast production. There is a rapid growth of Internet users, the number of which now makes up more than 6 million.

Critically assessing the accomplishments in terms of ensuring the freedoms and rights of citizens in the information sphere, it is necessary to pay a special attention to a correct setting of priorities with regard to relations between the mass media and the bodies of state power. This matter includes addressing such problems as elimination of economic mechanisms of controlling the mass media, closedness of information sources and pressure which the editorial boards of the mass media experience on the part of authorities and administrative structures.

The implementation of the following measures is seen to be quite urgent:

First. The adoption of the **Law "On transparency of activity of bodies of state power and governance"** could eliminate the bottlenecks in terms of realizing the constitutional rights of citizens to information and to much extent enhancing the responsibility of authorities and governing bodies for the quality of their decisions.

The law shall clearly define the procedures of informing the public about activity of bodies of state power, ensure a broad access of people and public associations to information regarding their decisions and, first of all, the decisions that touch on the rights, freedoms and lawful interests of citizens.

The implementation of the law must provide the transparency and openness of activity of bodies of executive power, the policy of reforms carried out in the country, foreign and domestic policies of the state with due consideration of political pluralism, diversity of opinions about the events taking place in the country and abroad.

Second. It is proposed to adopt the **Law "On television and radio broadcasting"** to develop this extremely important sphere of information communications, which plays an ever more significant role in the processes of democratization. At the moment, the activity of this sphere is regulated by separate articles of the laws on the mass media, radio frequency spectrum, telecommunications, and informatization.

Meanwhile, upgrading the television and radio broadcasting into an independent and powerful industry, emergence of new forms and types of television and radio broadcasting make it necessary to pass an integral law which would regulate on a systematic and complete basis the relations that take place in creating and disseminating the television and radio programs.

The adoption of this law shall allow to create the conditions to further extend competition in the sphere of making and disseminating the television and radio programs, and introduction of the new and perspective broadcasting technologies, such as mobile and digital television, and setting up the new promising sectors of television industry.

The law is called upon to define the mechanisms of legal regulation and the principles of activity of national broadcasting systems, such as independence of financial sources, providing transparency and democracy in holding contests to obtain the broadcasting radio frequencies, creating the conditions for fair competition and avoiding the monopoly in the sectors of electronic media market and tackling many other problems.

Third. Further strengthening of independence of the mass media is immediately related to reinforcing the legal guarantees and mechanisms of ensuring reliable protection of copyright and intellectual property, introduction of market mechanisms in the information space.

In order to tackle these tasks it is proposed to adopt the **laws "On economic foundations of activity of the mass media", "On the guarantees of state support of the mass media"** aimed at promoting the efficiency of activity and protection of economic interests of participants of information market, creation of additional economic preferences, implementation of other organizational and legal measures, which would ensure the progressive development of the national information space.

Fourth. In order to establish the effective legal mechanisms aimed at extending the role of the mass media in providing the public and parliamentary control over the activity of the bodies of state power and governance, the close links between the authorities and society, it is expedient to adopt respective amendments and additions to the **laws "On the mass media", "On the principles and guarantees of freedom of information"** and some other legislative acts, which would stipulate in particular the set of measures to reinforce the activity of press services of state bodies and public associations, as well as the media structures. It is necessary to work out the legal mechanisms to cut the terms of considering the requests of the mass media for information, reinforce the administrative responsibility of juridical entities and officials, who infringe the provisions of law in the sphere of access to information, and other measures.

It is also necessary to broadly use the latest information and communication technologies in the system of state and social construction, as they play an ever more important role in the processes of political modernization.

The implementation of this task would be facilitated, if we further improve the norms of the law **"On telecommunications",** elaborate the State program of actions on switching over to the digital television and radio broadcasting aimed at setting up the

digital broadcasting infrastructure and effective system of legal regulation of broadcasting with using the digital format.

In general, the implementation of the aforementioned measures shall help to strengthen the place and role of the mass media in the system of civil society institutions and fuller realization of the constitutional rights of citizens to the freedom of speech and freedom of choice.

IV. Ensuring the freedom of choice and development of the electoral legislation in Uzbekistan

The principles of freedom of choice and expression of will, and, first of all, the constitutional right of each person to vote and to be elected to the representative bodies of the state power are laid in the foundation of the model of our national statehood. **The elections stand as a crucial matter of how democratic the legal norms are in the country, an inalienable attribute of democratic and law-governed state, the principal form of expression of the will of people and involvement of citizens in governing the affairs of state and society.**

In this connection, for over the past period the deepest changes were implemented in the sphere of creating and developing the effective and democratic electoral system.

The amendments and additions adopted in 2003 and 2008 to the Constitution, the Law “On the guarantees of the rights of voters”, the new wording of the laws “On the elections to the Oliy Majlis of the Republic of Uzbekistan”, “On the elections to the regional, district and city *Kengashes*(Councils) of people’s deputies”, “On elections of the President of the Republic of Uzbekistan”, and other acts of legislation passed during this period developed the legal basis which ensured the phased and consistent liberalization of the national electoral system, holding the elections to the bicameral parliament in full harmony with provisions of law and generally recognized international principles and norms.

These laws provided a principle provision on holding elections to the representative bodies of power exclusively on multiparty basis; that the candidatures for the President of the country and deputies of the Legislative Chamber are nominated by political parties, and the candidates to deputies of the local *Kengashes* (Councils) – by respective bodies of political parties on the local level. The practice of nominating the candidates to deputies from executive bodies of state power was eliminated and this became a principle step forward along the path of deepening the democratic reforms in our country.

It was an enormous event of a principle importance to adopt amendments to electoral legislation. According to them, the Central Election Commission is given the exclusive authorities to prepare and hold elections, which is a rare practice in the most developed democratic states. According to the law, any attempts to interfere in the

election campaign by the state bodies and authorities, as well as the public associations are prosecuted by law.

On the eve of elections of 2009 the Central Election Commission released the Concept on preparing and holding the elections to the Oliy Majlis of the Republic of Uzbekistan, regional, district and city *Kengashes* (Councils) of people's deputies. The foreign experts assessed the Concept as "a unique document". Putting it into practice in implementing the constitutional rights of citizens to the freedom of choice and free expression of will ensured holding the elections in full conformity with provisions of law with the most active participation of political parties and without interference on the part of bodies of state power in the capital and on the local level in the election process.

The law rules out any privileges and preferences to any participant of the election campaign.

In accordance with the provisions of the Constitution of the Republic of Uzbekistan, the elections of the President, parliament and the local representative bodies of state power are now held in one day fixed by law, i.e. the first Sunday of the third decade of December in the year of expiration of their constitutional terms.

The amendments to the law on elections of 2008 became an important stage in developing the electoral system. With increasing the number of seats from 120 to 150, of which 135 deputies are elected from political parties, 15 seats in the Legislative Chamber are allocated to the deputies from the Ecological movement of Uzbekistan due to the importance and growing urgency of the environmental issues. The law envisages some norms that ensure further liberalization of the electoral process.

The six months' term provided for registration of political parties needed for them to participate in the elections was reduced from 6 to 4 months.

The number of signatures of voters necessary to provide political parties an access to take part in the elections was reduced from 50000 to 40000 citizens.

The allowed number of proxies of a candidate for deputy was increased from 5 to 10. There is a new institution in the electoral legislation – the authorized representative of political party with a right to participate in examining the correct filing of subscription lists and counting ballots at the polling stations.

There are some new norms of law to secure greater transparency in the work of election commissions on preparing and holding the elections.

One observer from a political party, mass media and the observers from foreign countries, international organizations and movements have the right to participate at all stages of preparation and holding the elections being present inside the premises for voting in the day of elections and at the time of counting ballots.

The electoral system became an important factor of enhancing the social and political activeness of women and their role in the sphere of state and social construction. The electoral law now stipulates the norms that women should make up not less than 30 percent of nominees from political parties for deputy seats.

The implementation of this norm in the course of elections of 2009 allowed to elect the parliament, in the lower house of which there are 33 female deputies, or it makes up 22 percent of the total number of deputies. 15 percent of the members of the Senate are women. Today in the local representative bodies women make up more than 20 percent of the total number of deputies.

At the same time, the electoral system being the most important component of the democratic reforms and modernization of the country is constantly developing, and it is the practice and experience, especially, accumulated during the last elections that make it even more urgent the issues of further democratization of the electoral processes.

In this regard, it is expedient to implement the following legislative initiatives.

First. It is proposed to introduce amendments and additions to the Article 27 of the Law “On the elections to the Oliy Majlis of the Republic of Uzbekistan” and the Article 25 of the Law “On the elections to the regional, district and city *Kengashes* (Councils) of people’s deputies”.

It is reasoned primarily by the fact that with a tougher inter-party rivalry the forms and methods of the election campaign are becoming more diverse and extensive. In this connection, the electoral law should envisage the norms aimed at improving efficiency of mechanisms of providing equal opportunities for candidates and political parties in the course of holding this vital stage of election campaign.

It is essential to give a clear definition to the notion “election campaign” and define by law the conditions, types, allowed forms and methods of its holding.

Such a practice is broadly used in the electoral law in various democratic countries.

Second. It is expedient to stipulate a norm in the Article 27 of the Law “On the elections to the Oliy Majlis of the Republic of Uzbekistan”, according to which it is prohibited to canvass not only in the election day but also in the day prior to polling.

The introduction of this norm, used in the legislation of several developed foreign countries, would permit to give voters an additional time necessary to make up their mind and choose political preferences, in other words, to make a conscious decision in favor of whom and what political programs to vote for. The improvement of law in this regard shall also allow to rule out possible abuses and violations on the eve of elections.

Third. It is proposed to introduce additions to the Article 41 of the Law "On the elections to the Oliy Majlis of the Republic of Uzbekistan", the Article 38 of the Law "On the elections to the regional, district and city *Kengashes* (Councils) of people's deputies". It is well known that the local election commissions often face various situations and problems, which require more clear stipulation in the law of terms, order and procedure of holding the early vote. It would be another step forward along the path of reliable ensuring the voting rights of citizens, their free expression of will, transparency of the work of local election commissions, and preventing possible violation of the electoral law.

Fourth. It is expedient to introduce the norm to the laws "On the elections to the Oliy Majlis of the Republic of Uzbekistan" and "On the elections to the regional, district and city *Kengashes* (Councils) of people's deputies", which envisages that "within five days prior to the voting day and in the voting day it is prohibited to publish (publicize) the results of opinion polls, prediction of election results and other researches related to elections being held, including their posting to the information and telecommunication networks of common use (including Internet)". Enacting this norm would contribute to more effective protection of voters' rights, ruling out preconceived attitude towards a certain candidate and the very possibility of violation of electoral law on this regard.

Fifth. In order to provide the openness and transparency of elections of deputies from the Ecological movement of Uzbekistan to the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan, it is expedient to make additions to the Article 6 of the Law "On the elections to the Oliy Majlis of the Republic of Uzbekistan", which stipulate the right of observers to be present at the conferences of the Ecological movement of Uzbekistan on the election of deputies to the Legislative Chamber.

The implementation of the aforementioned legislative initiatives shall contribute to more comprehensive realization of the principle of freedom of choice and further democratization of the country's electoral system.

V. Establishing and developing the civil society institutions

The past years were the time of dynamic formation and development of various institutions of civil society and non-state and non-profit organizations, which enjoy the support of a broad public of the country.

The stipulation in the Constitution of the principles of activity of non-state public organizations since the early years of Independencecreated conditions for development of extensive network of NGOs which reflect the interests of different strata of population. At present there are over 5100 NGOs in Uzbekistanfunctioning in various spheres of life, and this 2.5 times more than in 2000. The number of citizens' gatherings and the self-governance bodies – *makhalla* make up more than 10 thousand. Among them there are such public organizations as the Public Youth Movement "Kamolot", the Women's Committee of Uzbekistan, the Fund "Soglom avlod uchun" (For healthy

generation), the Fund of Artists of Uzbekistan, the Public Organization "Nuroniy", the National Association of Non-State and Non-Profit Organizations, and others. **The civic institutions and non-state and non-profit organizations are now becoming an important factor of protecting the democratic values, rights, freedoms and lawful interests of people, as well as create conditions for citizens to realize their potential, raise their social and economic involvement and legal culture, and contribute to maintain the balance of interests in the society.**

With developing and strengthening their authority in the society there is a stronger role of the civil society institutions in implementing an effective public supervision over the activity of state bodies and authorities. Today the institution of public and civil control becomes one of the significant elements to provide an effective feedback between society and government, reveal the mindset of people and their attitude towards the ongoing changes in the country.

In Uzbekistanthere are such national institutions on human rights as the Ombudsman, the National center on human rights, the Institute for assessing public opinion, the Institute of monitoring the current legislation, and many other organizations.

For over the past period, in the process of democratic renewal of the country we have adopted more than 200 legislative acts aimed at reinforcing the role and importance of civic institutions and resolving the urgent social and economic problems of citizens.

The adoption of the **Law "On guarantees of activity of non-state and non-profit organizations"** was greatly important in dynamic development of the NGOs in the system of civil society institutions and providing them true independence. This law was aimed at protecting the rights and lawful interests, enhancing organizational, legal, material and technical support of activity of non-state and non-profit organizations.

During recent years we have adopted the laws **"On social funds", "On charity",** and **the Resolution of the President of the Republic of Uzbekistan "On measures to support development of the civil society institutions in Uzbekistan"**. These and many other documents became a tangible stimulus to extend social activeness of civil society institutions.

The adoption of the Joint resolution of the *Kengashes*(Councils) of the Legislative Chamber and the Senate of the Oliy Majlis of the Republic of Uzbekistan **"On the measures to reinforce the support to non-state and non-profit organizations, other civil society institutions"**, as well as setting up of the Social fund at the parliament and the Parliamentary commission, which includes the authorized representatives of the NGOs and public organizations, members and officials of financial structures, - became a milestone event in developing the civil society in Uzbekistan.

The work of the Parliamentary commission permits to provide more transparent, open, targeted, and what is of a special importance, democratic distribution of funds from the State budget to support "the third sector" and this has a fruitful affect on strengthening the organizational, technical and economic potential of operations of the NGOs.

Within the last three years alone the Social fund at the Oliy Majlis allocated more than 11 billion soums to implement various social projects initiated by the civil society institutions.

I believe that there is no need to persuade anyone that at the modern stage of development of the country, further consolidation of the role of NGOs and other civic institutions, without exaggeration, is turning into a vital factor to reach the set objectives of democratization, formation of the civil society and integration of our country into the world community.

The adoption of the **Law "On social partnership"** may have a profound significance in ensuring further development of the civil society institutions, strengthening their role in providing transparency and efficiency of the ongoing reforms. The law shall stipulate a clear differentiation of boundaries and improve the organizational and legal mechanisms of interaction between the NGOs and government structures in implementing the programs of social and economic development, resolving the humanitarian problems, protecting the rights, freedoms and interests of different strata of population of the country.

It is high time to further improve organizational foundations of functioning the citizens' self-governance institution – *makhalla*, extend the functions and ensure its close interaction with bodies of state power and governance.

The implementation of this task could be facilitated by introducing the amendments and additions to the Law of the Republic of Uzbekistan **"On the citizens' self-governance bodies"** aimed at turning *makhalla* into the center of targeted social protection of population, developing the private entrepreneurship and family business, as well as further extending its functions within the system of public control over the activity of bodies of state governance.

It is also proposed to adopt the amendments and additions to the Law of the Republic of Uzbekistan **"On the election of the chairman (*aksakal*) of citizens' gathering and his advisers"**, which would envisage the measures on further improvement of the election system of chairmen of citizens' self-governance bodies, ensure election of *aksakals* and their advisers from among the most respected citizens, and upgrading the importance and role of *makhalla* in promoting the social activeness of citizens.

It is high time to adopt the Law **"On public control in the Republic of Uzbekistan"** aimed at creating the systematic and effective legal mechanism of control

on the part of society and civic institutions over implementation of laws by bodies of state power and governance. In the law we must define the types, forms and subjects of public control, the subject of control and legal mechanisms of its implementation, as well as the conditions when the officials are accountable for the failure to implement the legislation in force in this sphere.

In this regard, it is essential to elaborate the National program of action in the sphere of human rights which would stipulate the measures on carrying out the public monitoring over observance of laws, first of all, by law-enforcement and controlling agencies, in the spheres of protection of human rights and freedoms, and forming the culture of human rights in the society, etc.

It is also necessary to introduce amendments and additions to the Code of the Republic of Uzbekistan **"On administrative responsibility",**which shall stipulate enhancement of responsibility of officials of state bodies for infringement of provisions of law that define the rights of NGOs in various spheres of social and state construction, social and economic development in the regions.

It is quite significant to work out the package of laws that create the legal basis for participation of NGOs in implementing the priority state programs in the spheres of public health, protection of environment, employment, especially, among youth, social protection of vulnerable groups of population, and other problems of great social importance.

In particular, it is high time to draft the Law **"On ecological control"** aimed at defining the role and place of the NGOs in the system of environmental protection, as well as some other legislative acts.

VI. Further deepening the democratic market reforms and liberalization of economy

At the initial stage of the country's independent development (the period from 1991-2000) our main attention in terms of carrying out the large-scale reforms was paid to destruction of the centralized administrative and command system and creation of conditions to establish the foundations, and first of all, the legal basis of market economy.

We can mention the following important laws and normative acts adopted at that period: the Civil, Land, Tax and Customs codes, the Laws "On denationalization and privatization", "On banks and banking activity", "On foreign investments", and "On guarantees and measures to protect the rights of foreign investors".

The elaboration and implementation at the next phase of our reforms of such laws as "On guarantees of freedom of entrepreneurship", "On private enterprise", "On currency regulation", "On foreign economic activity", "On farms", the new wording of the tax code and more than 400 laws on reforming the economy, served not only as a

solid legal foundation of further liberalization and modernization of economy, but also stood as a guarantee of irreversibility of market reforms underway.

Meanwhile, the objective analysis, logics and pace of our reforms and assessment of their conformity with modern market norms dictate a persistent demand for further deepening, improvement and liberalization of the system of management of economy.

In the first instance, we need to strengthen the rights and protection of private ownership, create a system of solid guarantees in which any private owner must be confident that legally purchased or created private property is inviolable. Each businessman should know that he can without fear invest in his business, expand industrial activity, increase the volume of production and income, as well as own, use and dispose his property keeping in mind that the state is on the watch over the lawful rights of a private owner. For these purposes it is necessary to work out and adopt the **Law"On protection of private property and guarantees of rights of owners"**, which would fix the principal guarantees of the state with regard to private ownership that represents the basis of market economy.

In order to improve the system of management and eliminate the excessive bureaucratic obstacles, it will be important to draft and adopt the Law **"On licensing procedures in the sphere of entrepreneurial activity"**. We need to clearly define the strictly limited shortlist and types of licensing procedures required to do business, thus resolutely cutting the excessive restrictions and setting forward the legislative prohibition on introduction of the new types of licenses and licensing procedures not envisaged by law.

To expand the small business and entrepreneurship, **the time has come to define by law the new organizational and legal form of business – the family business**. In Uzbekistanthis form of business completely corresponds to the developed national traditions of doing business and objective realities of economic activity. I am confident that establishing the legislative basis for its organization shall allow to improve legal guarantees of family business, bring about the conditions for a rapid and extensive development of family business in different branches of economy, and creation of new jobs.

Our financial and banking system has proved its sustainability and reliability during the financial and economic crisis. Meanwhile, its further consolidation is also linked to **attracting a private capital to the banking and financial sphere through establishing the legislative foundation of setting up private banks and such financial institutions as leasing and insurance companies, credit unions and micro-financial organizations based on private ownership**. This shall contribute to intensifying competition and raising the quality of banking and other financial services, and create conditions for developing modern market infrastructure that meets the highest international standards.

Paying tribute to an enormous work accomplished in the past years to establish a reliable legislative basis of market reforms, we have to acknowledge that many existing laws need a serious review with due consideration of practices of their application and the new realities of development of market relations in the country.

For example, in our country practically all industrial facilities were set up in the form of joint-stock companies. However, let us ask a question: to what extent the joint-stock companies operate in conformity with their status and to what extent they are using the relevant rights. What mechanisms we need to enact so that the joint-stock companies operate in line with their market status. In this context, we need to critically reassess, draft and adopt the new wording of the Law **"On joint-stock companies and protecting the rights of shareholders"**. The law shall more clearly define the authorities, rights and responsibility of bodies of corporate management and control to raise the role and importance of Supervisory Boards, general meetings and auditing commissions of the joint-stock companies, ensure greater guarantees to minority shareholders, expand the access of all shareholders and potential investors to information about the operations of the joint-stock companies.

We still face a pressing question about **adoption of the laws, which would ensure further expanding the scales, role and share of small business,** and first of all, **the private entrepreneurship in the country's economy**.

Despite the fact that this year the share of small business in the GDP will exceed 50 percent, nevertheless it does not take a leading role in the sector of real economy, primarily, in the industry. To address this task we ought to draft the new wording of the Law **"On guarantees of freedom of entrepreneurial activity"**, which shall envisage the followings: to streamline the scheme of access to set up small business and private entrepreneurship, provide greater freedom for their operations, give incentives for this sector through such mechanisms as crediting, access to resources, **obtaining the government contractual work**, granting the new benefits for marketing their production, phased transition, according to the international practice, to procedure of annual declaration of income, to further streamline the system of financial and statistical report, including submitting it to the authorized state bodies in electronic form.

In developing competition, which makes up the core of market relations, the antimonopoly legislation plays a great role. However, the existing Law "**On competition and restricting monopolistic activity on the commodity markets"**is outdated and does not meet the modern requirements. **We need to draft and adopt the new Law "On competition"**, which would stipulate the norms that regulate the monopolistic activity not only on the commodity, but also on the financial markets, introduce the norms on antimonopoly regulations on operations in the stock market, to simplify the procedure of control and regulation of operations of merger, takeover and purchase of shares.

Today more than 80 percent of the GDP of the country is provided by the non-state sector. We should acknowledge that the Law **"On denationalization and**

privatization" of 1991 now requires review and adoption in the new wording, despite the fact that for over the past period we have managed to consolidate more than 80 by-laws.

We need to continue expanding the share of non-state sector and attract the private investors to the leading and most important branches of economy preserving in the hands of state the controlling package or the "golden" share of strategically important sectors and enterprises of the country. Meanwhile, we should envisage the openness and publicity of privatization deals, extend participation of the private sector in privatization, and ensure equal access to privatization for all categories of potential investors.

To develop the aforementioned basic laws, we will need to adopt other new laws, which would facilitate our further advancement towards free market economy, for example: "On activity of credit bureaus and exchange of credit information", "On mortgage register", "On real estate activity", "On investment and mutual funds", "On innovations and modernization of economy" and other laws in line with logics and dynamics of market reforms underway in Uzbekistan.

Defining the most important priorities of the country's economic development, we need to pay a special importance to stimulate the domestic demand. The implementation of this policy within the Anti-crisis program on neutralizing the consequences of the global financial and economic crisis has fully justified itself for over the past years. We should emphasize that now it is this position that is pursued by many Asian countries.

Proceeding from this, our priority task for the nearest future is to continue what we have started, i.e. to pay a special attention to further increasing the consumer demand of population, primarily, through development of the social sphere and services, priority implementation of the infrastructure, transport and communication projects, as well as progressive raising wages.

Dear participants of the meeting!
Distinguished deputies!

In conclusion, I would like to express a confidence that the proposed Concept of further deepening the democratic reforms and establishing the civil society in the country shall become a basis for the Oliy Majlis to draft and implement the concrete and long-term action program in order to continue the process of reforms and modernization of Uzbekistan that we started almost 20 years ago.

I am addressing you with an appeal: let us do our utmost so that the course of reforms and renewal becomes a common mobilizing goal for all our society, each and every person living on our land of plenty today.