

The Development Of Banking Institutions In The Turkestan Region In Historical Memoirs Of The Late 19th And Early 20th Centuries

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Abstract: This study is devoted to analysing the formation and functioning of the banking system in the Turkestan region during one of the key periods of its integration into the economic space of the Russian Empire. The main focus is on a unique source – historical memoirs, diaries, notes of contemporaries and bank employees of that time, which have so far remained on the periphery of scientific interest. The aim of the work is to reconstruct and comprehensively study the development of banking institutions (branches of the State Bank, private commercial banks, mutual credit societies) through the prism of the subjective perceptions of their employees, customers and observers.

Keywords: Turkestan region, Oglobin, Masalsky, Krivochein, Gulishambarov, Slutsky, Poniatovsky , cotton industry.

Introduction: After the conquest of Central Asia, an intensive process of integrating the region into the economy of the Russian Empire began. Financial institutions and industrial centres became the main instruments for implementing this process. Through these financial institutions, the empire ensured the economic expansion of the region. Primary sources play a key role in the objective study of this process.

The subject of discussion for the vast majority of authors in the late 19th and early 20th centuries was the agricultural situation in the region, in particular the state of cotton farming and the importance of this industry for Russian entrepreneurs. Their works raised the issue of financing cotton farming in the region, as harvesting and processing the plantations cost a considerable amount of money.

METHOD

In this regard, source studies of that period focused primarily on the activities of trading houses and firms that issued small loans. According to the observations of Central Asian researcher V.I. Masalsky, partnerships, firms, and trading houses provided loans to local cotton growers on certain terms and on the basis of contracts. According to the author, cheap loans provided to landowners could contribute to the further

development of cotton growing in Central Asia [1:p. 80].

A. Krivoshein notes that in order to expand cotton cultivation, it is necessary to increase the working capital of the local population. He emphasises that cotton is an expensive and labour-intensive crop. A simple landowner, sowing one dessiatine of cotton, must spend 70 to 80 roubles if he and his family are involved in the work. If workers are hired, the costs increase to an average of 150 roubles, as the owner is obliged to provide them with food from the beginning of sowing until the harvest. Thus, more than 70 roubles had to be spent on just one dessiatine of sowing [2].

A. Krivoshein rightly mentions the fact that cotton cultivation required significant costs and efforts, and perhaps these costs were too high for a simple farmer. As can be seen from the author's calculations, even a small plot of land required a considerable amount of money. This confirms that it is impossible to develop cotton farming without additional capital. As a result, this situation could lead to economic difficulties in the region.

B. S. Gulishambarov's work also notes that loans were issued by both banks and large industrial enterprises. This process contributed to the widespread

development of cotton farming in the region [3:p.48.]. At the same time, another author, V. Kuznetsov, noted in his 1866 work that credit notes at that time were primarily available to large merchants who had business ties with Russia, i.e., in the early stages of the development of the credit system in Turkestan [4:p.301.].

However, at the beginning of the 20th century, the situation changed: cheap credit was no longer provided only to large capital merchants, but also to landowners, which significantly expanded the circle of recipients of financial support.

The question of how local residents accepted this type of financial mechanism is mentioned in the work of I. Slutsky. He conducts a comparative analysis of the perception of the credit system in the Samarkand and Fergana regions. According to his observations, the residents of the Fergana region were more suspicious of the credit system than the residents of the Samarkand region. The reason for the doubts of the Fergana population was that the working population of the region was intimidated by moneylenders on all sides and lived in the hope of eventually paying off all their debts one way or another, so they treated any new loans with particular caution [5:p.61.].

The importance of cheap credit in the formation of a new culture in the region was emphasised by another expert on the cotton industry, S. Poniatowski. According to him, the Ministry of Agriculture and State Property was interested in encouraging small loans to the people. This interest was justified by the fact that cheap credit could provide cheap working capital for cotton growing in the Turkestan region [6:p. 311.].

S. Poniatowski describes in detail the process of organising small loans in the region, established at congresses of rural landowners and government agronomists in 1901-1903. In accordance with the decisions taken, the organisation of small loans was entrusted to the State Bank, and the district loan fund was to act as an intermediary between the bank and the population. The process of obtaining a loan was tied to a specific deadline, and the loan term did not exceed one year — the transfer of debt from one year to another was not allowed.

The development of industry in the region was also mentioned in sources from that period, which emphasised the importance of attracting Russian industrialists and capital. L. Kostenko noted in his work that for Tsarist Russia, the main task in the Turkestan region was to attract Russian industrialists and capital, for which incentives were needed, such as exemption from duties, except for guild duties, as well as the freedom to engage in their trades [7:p. 336.].

In his work, he compares Russia and England, showing that England not only reduces taxes but even increases them, while Russia exempts the local population from all taxes and duties. In his opinion, the prosperity of the Turkestan region was due to two circumstances:

- 1) the protection of property rights;
- 2) the influx of Russian capital into the region.

RESULTS AND DISCUSSION

In our opinion, although L. Kostenko emphasises the massive influx of Russian capital into the region, the author's perception should not be limited to this one-sided feature. Most of the funds that arrived in the region served the interests of Russian merchants or entrepreneurs themselves. Merchants arrived in the region with ready capital and goods, dominated trade and displaced local producers, which led to the decline of cottage industries. Economic activity in the region was largely under external control, and the tangible benefits for the local population were probably limited.

According to another author, V. Oglobin, the availability of free land, abundant water, favourable climatic conditions and migrant labour is not enough to introduce industry to the region. The development of industry requires an influx of capital into Turkestan, as well as the establishment of a small loan system. The author also emphasises that the need for small loans for the development of industry in the region, in particular cotton growing, was no less relevant in Turkestan than in other regions of Russia [8: p.75.].

Based on V. Oglobin's observations, it can be noted that the development of small, mortgage and land improvement lending could improve the situation of industry in Turkestan. Perhaps such types of loans would help the population and enterprises to develop. But the idea of transferring financing to private banks raises questions. On the one hand, it simplified the process of obtaining money, but on the other hand, there was a risk, since private banks would be primarily interested in their own profits and would not be concerned with the needs of the region. Therefore, state control was beneficial.

Thanks to steady demand from the population and stable prices, trade in manufactured goods allowed large firms to conduct transactions throughout the year without investing their own funds and even without resorting to bank loans. Profits from the sale of cotton then compensated for both the costs of importing manufactured goods and the costs of selling them. [9: p.75.].

A. Dobromyslov's work contains detailed material revealing the history of the formation of the first financial institutions in the Turkestan region. Thus, the

first such institution was the revenue and expenditure cash desk, opened in Tashkent on 1 January 1866. However, during its operation, two cases of embezzlement were recorded. A similar incident occurred in the Turkestan Treasury Chamber, established on 14 October 1869, where several cashiers and officials were accused of organising a 'false robbery'. [10: p.407.].

CONCLUSION

Thus, the data presented indicates the beginning of an important stage in the economic life of the region. The growth of banking institutions and the development of various industries all point to the fact that the region was integrated into the economic life of the Russian Empire, despite the difficulties and contradictions of this process.

In general, the works of authors from the tsarist period focus mainly on the achievements of the Russian Empire in the Turkestan region. Researchers emphasise the development of trade, industry, financial institutions and infrastructure, but make virtually no mention of measures taken in the interests of the local population. The image of the people is usually portrayed as 'ignorant' and passive, incapable of independent development without outside intervention.

At the same time, although some sources mention forms of economic life in the region that existed before the Russian conquest, this information remains fragmentary and has not been properly analysed. Thus, the colonial reality in these sources is presented in a one-sided manner, from an imperial perspective, without taking into account local experience and potential.

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