



**CENTRAL ASIA IN THE CONTEXT OF
THE FORMATION OF THE RUSSIAN
EMPIRE'S INTERNAL MARKET IN THE LATE
19th - EARLY 20th CENTURIES.**

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Abstract: *This article analyzes the incorporation of Central Asia into the emerging internal market of the Russian Empire in the late 19th and early 20th centuries. It examines the key aspects of the region's economic transformation. The article demonstrates how the region was drawn into the imperial economic space, becoming a strategic supplier of raw materials and an important market for industrial goods. This process contributed to deepening Central Asia's economic dependence on the metropolis and shaped the specific nature of socio-economic changes during this period.*

Keywords: *Central Asia, Russian Empire, internal market, commercial agriculture, railways, russian and foreign capital, trade and industrial relations, economic transformation.*

Many researchers, analyzing the peculiarities of economic development in post-reform Russia, focused on the role of national regions in shaping the country's internal market. Industrial growth, disproportionate development of certain sectors, and limited market opportunities in traditional economic centers encouraged business circles to seek new spheres of sales and expand their influence on national regions.

Consequently, such territories, including the regions of Central Asia, were gradually integrated into the global trade system. Simultaneously, a certain degree of smoothing of their national and cultural specificity was observed.

In Central Asia, the ongoing transformations were driven by the development of agriculture and the formation of sectoral specialization in certain regions for the production of specific types of agricultural products. The majority of the local population was employed in the agricultural sector, which by the beginning of the 20th century was acquiring an increasingly prominent commercial character (particularly in cotton growing, sericulture, viticulture, etc.).

Among commercial crops, cotton occupied a leading position. The Fergana region was the main producer of cotton; however, already at the beginning of the 20th century, the areas under cotton cultivation began to actively expand in the Syrdarya and Samarkand regions as well. Between 1907 and 1915, the volume of cotton production in the Syrdarya region increased from 313 thousand poods to 1.853 thousand poods, while in the Samarkand region this figure rose from 174 thousand poods to 1.346 thousand poods [1].

According to V.I. Masalsky, broad state patronage should have been extended to cotton farming, the further development of which was of paramount importance. He believed that Turkestan alone could provide Russia with all the cotton it needed [2].

Until 1862, more than 90% of cotton imports to Russia came through the European border, while Asian countries accounted for less than 10%, and the share of Central Asia in certain years fell to 7-4% [3]. The situation changed dramatically during the cotton crisis. After the

outbreak of the civil war in the USA, there was an increase in cotton imports along the Asian border, particularly from Central Asia.

In the 1870s, and especially in the early 1880s, the development of cotton farming became one of the key objectives of the Russian Empire's economic policy in this region. Priority in state regulation gradually shifted towards the expansion of the cotton industry. A number of steps were taken to increase the volume of cotton production. In particular, active efforts were made to introduce American cotton varieties. A specialized cotton farm was established in the vicinity of Tashkent, and later an experimental plantation.

The intensive expansion of American cotton varieties began in 1884 when eight bales of cotton fiber, purchased from the manager of a Tashkent cotton firm, were sent to the "Kudrin and Co" trading house in Moscow.

In 1885, the "Turkestan Agricultural Society" was established to develop all aspects of cotton cultivation and agricultural production. The main functions of this association included organizing experimental farming plots, expanding irrigated land areas, improving cotton fertilization systems, and conducting trade fairs and events. At the society's initiative in 1908, 1.500 samples of new American cotton seeds were planted in the Asaka and Shahrison oases of the Fergana region, accompanied by the development of additional irrigated areas [4].

By 1890, the area occupied by American cotton varieties reached 58.900 desyatinas in the Syrdarya, Fergana, and Samarkand regions of Turkestan Krai, while 31.900 desyatinas were allocated for local varieties. That same year, cotton fiber production in Turkestan amounted to 924.000 poods of American and 358.000 poods of local cotton.

The leading cotton-growing region was Fergana, accounting for about 80% of the total raw cotton harvest in Turkestan [5].

The penetration of Russian capital into Central Asia was largely due to the growing interest of trade and industrial circles seeking to transform the region into a key supplier of cotton raw materials for the metropolitan textile industry, as well as a promising market for their goods.

Processing local cotton was an extremely profitable venture, especially for textile producers in Moscow and Lodz. Enterprises in these industrial centers met 70-85% of their raw material needs with Central Asian cotton, primarily from Fergana. According to the Department of Customs Duties, in 1913-1914, over 45% of the cotton purchased by the Russian textile industry came from Central Asia [6].

Starting in 1880, the joint-stock company of paper manufacturers "I.K. Poznansky" (Lodz) carried out large-scale cotton procurement operations in the Central Asian region. From 1890 to 1897, the average annual procurement volume was 1.120.000 poods, including: 162.500 poods in the Bukhara Khanate, 220.000-230.000 poods in the Samarkand region, up to 620.000 poods in the Fergana region, and 32.000 poods in the Amudarya department [7]. The company leased and subsequently acquired ownership of several cotton ginning enterprises in the region. The company's annual turnover reached several million rubles.

In 1905, based on the cotton ginning plants leased and owned by the "I.K. Poznansky" society in the Fergana, Samarkand, and Transcaspian regions (oblasts), as well as in the Bukhara and Khiva khanates, the joint-stock company "Cotton" was established with a declared authorized capital of 3 million rubles [8].

While the Fergana region was characterized predominantly by cotton cultivation, agricultural development in the Samarkand region was more diversified. Along with the expansion of cotton fields, there was an increase in the production of grain crops, vegetables, tobacco, and other agricultural products. The volume of grain exported from the Samarkand region increased: if in 1900 about 2 million poods were exported from the region, by 1905 this figure reached 3 million poods.

Railway construction played a significant role in the formation and subsequent development of the all-Russian market. The creation of railway infrastructure ensured the connection of Central Asia with the all-Russian and global economic space. The completion of the Trans-Caspian Railways contributed to the accelerated influx of Russian capital into Turkestan.

Built between 1880 and 1888, the Trans-Caspian Railway covered a section from the Caspian Sea to Samarkand with a length of 1,343 versts [9].

In 1896, the construction of the Krasnovodsk section of the Trans-Caspian Railway was completed, resulting in the final point of the line being moved to the port of Krasnovodsk. In May 1895, construction began on a railway connecting Samarkand and Tashkent, with a branch to Andijan; the total length of this route was 645 versts [10].

In December 1898, after the commissioning of the Samarkand-Andijan railway, direct railway communication was established along the entire Trans-Caspian mainline. Considering the rapid growth of its commercial importance, discussions began in government circles as early as 1892 about transferring the mainline from the jurisdiction of the Military Department to the management of the Ministry of Railways.

The final decision on this matter was made only in 1899, when the Trans-Caspian mainline was merged with the lines of the Samarkand-Andijan railway.

The completion of the Trans-Caspian Railway contributed to the accelerated influx of Russian capital into Turkestan. By 1900, 171 industrial enterprises had been built in the Fergana, Syr Darya, and Samarkand regions [11].

With the expansion of commercial agriculture and industrial production, the volume of imported and exported goods increased significantly, which could no longer be transported solely by the Trans-Caspian Railway. The Tashkent railway, built at the beginning of the 20th century, provided Turkestan with the shortest transport route to the industrial centers of Russia, as well as to the grain-producing regions of the Volga area.

According to the cost estimate approved by the State Council, the cost of the Orenburg-Tashkent line (including rolling stock) was determined to be 115.370.251 rubles, which, with the line's length of 1.762 versts, amounted to 65.000 rubles per verst [12].

The freight turnover of railway transport showed steady annual growth. By 1912, the volume of commercial cargo transported at low speed exceeded the 1900 figure by 8.7 times. The most economically developed Fergana region held the leading position in terms of transportation volumes: while in 1895 it dispatched 444 thousand poods of cargo, by 1910 this figure reached 11.013 thousand poods [13].

Railway lines connecting major trade and industrial centers of Turkestan with the main highway played a significant role in the development of the regional economy. In 1912-1915, branch lines were

constructed linking the district centers of the Fergana region to the main line. These routes passed through densely populated areas specializing in cotton production and providing significant volumes of cotton fiber and oil.

The railway lines transported not only cotton and grain but also other types of agricultural products. For instance, in 1900, 59.6 thousand poods of potatoes, 10 thousand poods of cabbage, 18 thousand poods of onions, and 36 thousand poods of dry tobacco were dispatched by rail from the Samarkand region. By 1905, the volume of vegetable exports from the region reached 120 thousand poods [14].

Banks significantly influenced the development of the region's economy. In 1878, a branch of the State Bank opened in Tashkent, which became the starting point for the further development of banking infrastructure. In subsequent years, branches of private joint-stock banks began operating. Thus, in the Fergana region alone, 20 bank branches were operating by 1910. The main economic operations, including the purchase of cotton, were carried out primarily through banking institutions. Their activities contributed to strengthening financial and economic ties both between individual areas of the region and between Turkestan and the Russian Empire as a whole.

The Russian imperial administration sought to integrate the economy of colonial Turkestan into the economic system of the metropolis, subordinating it to its own strategic interests. To protect Russian entrepreneurs and trading structures from external competition, the "Regulations on the Administration of the Turkestan Krai" stipulated restrictions prohibiting foreign subjects from owning real estate and holding leadership positions in regional enterprises.

Nevertheless, such protectionist measures proved insufficiently effective in preventing foreign capital from entering the economic space of Central Asia.

Foreign investors actively entered the region through an extensive network of branches of Russian banks, in which a significant share of the capital structure belonged to foreign financial groups. For instance, foreign capital accounted for 79% in the Russian-Asian Bank, 40% each in the Siberian Trade Bank and the Russian Bank for Foreign Trade, and 36.6% in the Azov-Don Bank. Most of these financial institutions had representative offices in Central Asia. According to data from 1910, 47 branches of 15 Russian commercial banks were operating in the cities of the region[15].

At the beginning of the 20th century, Central Asia saw an active proliferation of offices, agencies, and representative offices of foreign companies, establishing strong economic ties with local producers and trade structures. These firms launched intensive operations to purchase wool, silk cocoons, alfalfa seeds, leather, karakul, and other highly valuable raw materials.

French entrepreneurs were key exporters of Central Asian cocoons. American companies exported wool, karakul, and licorice root from the region, while German firms controlled the purchase of karakul in Bukhara.

Concurrently, there was an expansion of the influx of foreign-manufactured industrial goods into the region. American, English, German, and other entrepreneurs actively sold their products in Central Asia, including cotton ginning equipment, engines, scales, and other technical products.

Thus, at the end of the 19th - beginning of the 20th centuries, Central Asia became one of the important regions in the formation of the Russian Empire's domestic market. The growth of commercial agriculture, primarily cotton cultivation, coupled with the development of transport infrastructure and the expansion of banking and industrial activities, ensured the deepening of the region's economic integration with the metropolis. Central Asia became a strategic supplier of raw materials for the Russian textile industry and, simultaneously, a promising market for industrial goods. These processes led to the restructuring of the region's economic structure and the strengthening of its economic dependence, which determined the nature of further socio-economic transformations in the region.

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