

**ACTIVITIES OF THE RUSSIAN-ASIAN BANK BRANCH IN TURKESTAN AT THE END OF THE 19TH AND THE BEGINNING OF THE 20TH CENTURY.**

<https://doi.org/10.5281/zenodo.11160123>

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**Abstract:** *The purpose of the research is to analyse the activities of the Russian-Asian Bank branch in Turkestan in the late 19th and early 20th century in order to identify the influence of the banking sector on the economic development of the region. banking sector on the economic development of the region. The objectives of the work include study of the main stages of formation and functioning of the bank in the context of historical and economic changes in the region, identification of key areas of banking activities and their impact on the local economy. The methodological approach includes the analysis of statistical data and historical literature to build a comprehensive understanding of the role and influence of the Russian-Asian Bank in Turkestan. The results of the study will include a detailed description of the specifics of the bank's activities, its contribution to the development of the industrial and financial sectors, as well as a generalisation of the bank's influence on the social and economic development of Turkestan. as well as a generalisation of the bank's influence on the socio-economic situation in the region. The conclusion will be aimed at highlighting the main conclusions and practical recommendations for a better understanding of the role of banking capital in the historical perspective and the possible impact of the bank on the socio-economic situation in the region. capital in a historical perspective and the possible application of this knowledge in a contemporary context.*

**Keywords:** *Turkestan, Russian-Asian Bank, partnerships, cotton, K.M.Soloviev, K, Br. Vadyaevs, joint-stock company "Salolin", financial institution.*

In the late 19th and early 20th centuries, the activities of the Turkestan branch of the Russian-Asian Bank played a key role in the economic development and financial structure of the region. This period was marked by intensive processes of industrialisation and transformation, driven not only by local needs but also by the influence of global economic shifts. The Bank's branch in Turkestan acted as an important instrument of financial support for industrial and commercial enterprises, contributing to the formation and growth of financial capital in the region.

In this context, it is necessary to consider the historical context in which the Russian-Asian Bank branch developed, including key economic, social and political aspects. Understanding this context provides a deeper insight into the nature and significance of banking in the region.

The purpose of this study is to systematically analyse the activities of the Russian-Asian Bank branch in Turkestan, to identify its role in the formation of financial capital, and to assess its impact on socio-economic processes in the region. The analysis of these aspects will allow to better understand the contribution of the banking sector to the formation and development of the regional economy in the late 19th and early 20th centuries.

The mid-19th to early 20th century was a period when the empire was actively expanding its influence in Central Asia, including Turkestan. In this context, the financial system played an important role in establishing and consolidating imperial control. One of the key financial institutions of this period was the Russian-Asian Bank.

The Russo-Asian Bank was established in the late 19th century and became an important instrument of the empire in establishing and maintaining financial control in the regions of Central Asia, including Turkestan. The bank was part of a broad system of financial institutions designed to promote economic development and strengthen the empire's political influence in the newly annexed territories. The main functions of the Russian-Asian Bank in Turkestan included financing infrastructure projects such as the construction of railways and other key facilities, as well as supporting the agricultural and industrial sectors. The bank played a key role in providing loans and financial support to entrepreneurs and businesses in the region, stimulating economic development. [1]

The Bank also influenced the social and cultural aspects of the local community through its financial operations and relationships with community organisations. The study of the activities of the Russian-Asian Bank in Turkestan provides a better understanding of the role of financial institutions in the processes of imperial administration and their impact on the economic and socio-cultural development of the region in the late nineteenth and early twentieth centuries. The Russian-Asian Bank was closely linked to Russia's imperial policy in Asia. Its activities served not only economic interests but also political purposes, such as consolidating control over the region and securing the loyalty of local elites. The bank became an important tool in the process of imperial expansion, facilitating the integration of new territories into the economic system of the Russian Empire and creating dependence on its financial resources.

In order to establish the basis of the study, an extensive literature review will be conducted on the history of the banking sector, economic processes and the historical context of Turkestan in the late 19th and early 20th centuries. In this regard, modern historiographical works, academic articles and primary sources are used to identify the main trends, events and key factors that influenced the activities of the Russian-Asian branch of the Bank.

For example, the works of Egamnazarov A., Alimov N., Suvorov V., Ismoilova P. show that the Russian-Asian Bank included the production of cotton and cotton products in its fixed capital and actively expanded this sector of activity. Steps were taken in this direction to create a conglomerate focused on the production of cotton goods, including in 1911

when two large cotton mills were acquired from Andreev's company. This company was engaged in the production of cotton goods, woollen fabrics and other goods.

**Historical method:** Analysis of historical documents and publications to reconstruct the history of the bank's activities in the region.

**Economic and statistical method:** Use of statistical data on the financial performance of the Bank and the economic development of Turkestan.

**Comparative analysis:** Comparison of data on the activities of the Russian-Asian Bank with similar banks and regions of the time to identify the characteristics of the Bank and its contribution to development.

**Comprehensive analysis:** A systematic approach to research that combines various methods to form a complete and objective picture of the Bank's activities and its role in the regional economy.

The use of these methods provides a comprehensive view of the activities of the Russian-Asian Bank Turkestan Branch and allows for the extraction of insightful research conclusions supported by robust data and analysis.

During its existence, the Russian-Asian Bank played a key role in financing and developing industry in Turkestan. It actively supported the production of cotton and cotton products by investing in the establishment of factories and syndicates. This approach contributed to the development of the textile industry, creating new jobs and increasing the economic potential of the region.

It should be noted, however, that the Russo-Asian Bank's activities were not limited to economic aspects. The Bank had a significant impact on the social structure, relations between entrepreneurs and traders, and the formation of production syndicates. It thus became an important element in the formation of social and cultural norms in the region.

Suvorov noted that in November of the same year, in order to strengthen his leadership in the textile industry, a syndicate (association of monopolists) was organised for the purchase of cotton raw materials. This syndicate included three large cotton goods manufacturers: the K.M. Soloviev and K. Company, the Namangan Partnership for the Production of Cotton and Woollen Goods, and the Andreev Partnership. The bank's participation in this syndicate was realised through Andreev's partnership in the bank's Namangan branch [2].

In addition, there was competition between the two banks, Russian-Asian and foreign, in the sale of cotton goods, which caused concern among small businesses and banks. In response, they also organised a counter-syndicate to protect their interests. In April 1913 M G Flaxman's large cotton ginning and manufacturing business joined this syndicate"[3].

In 1911, the Russian-Asian Bank acquired 1,800 (out of 2,000) shares in the Andreyevsky partnership. The management team included representatives of the bank: D. V. Stuken (deputy director of the Moscow branch of the bank), A. A. de Sevo (director of the Moscow branch), G. D. Chamansky (former trustee of the Moscow branch), A. V. Sirvint

(director of the Moscow branch), A. V. Khodorkovsky (director of the Moscow branch). A. V. Sirvint (director of the St. Petersburg branch) and then, from the beginning of 1916, one of the bank's directors, F. S. Milyashkevich. With the support of the Russian-Asian Bank, the I.G. Stakheev Partnership developed extensive activities in Central Asia through the I.G. Stakheev Partnership. On 16 May 1916, at a meeting of the Bank's Board of Directors, it was decided to grant loans to the Partnership for cotton operations in Turkestan. Thus, the Bank financed cotton operations through the partnership of I.G. Stakheev"[4].

In 1912, the Russian-Asian Bank began supporting the Vadiyaev partnership with shares, increasing its initial capital to 3 million rubles. The bank bought 50 per cent of the shares in the partnership for the sum of 1,501 thousand rubles. The management of the partnership consisted of the same people as in the Andreevsky partnership. Despite the fact that the other half of the shares in the partnership remained in the hands of the trading house "Br. Vadyaevs", which, like Andreevsky, was the owner of the partnership, the bank now became its owner.

The Vadyaev partnership concentrated on buying raw cotton, cleaning it in its own mills, and then selling cotton fibre to textile mills through the Moscow branch of the Russian-Asian Bank. [5]

It is worth noting that although these partnerships were considered autonomous, there was in fact a merger, as can be seen from the bank's documents on these partnerships. At the head of this unified organisation was the former manager of the bank's Kokand branch, Knabe, as managing director, who retained the post of chairman of the accounting committee of the bank's branch. The unified organisation had a single accounting department. [6]

In 1916 it was decided to establish a new company - the "Russian-Asian Cotton Partnership on Shares" in Moscow for the purchase and trade of cotton. The authorised capital was 1 million roubles and the representatives of the partnership were I.G. Stakheev. P.P. Vatolin, a member of the Council of the Russian-Asian Bank, was the Chairman of the Partnership's Board of Directors. [7]

As a result, the bank became an active participant in financing not only cotton operations through the I.G. Stakheev partnership, but also other companies that produced oil. It also acquired shares in other companies, such as the Andreevsky partnership (1911-1913) and the joint-stock company Salolin (1913-1915).

The Bank continued its active financial support of enterprises, promoting industry and trade in the Central Asian region, indicating its key role in economic development during this period.

Based on the discussion, the following results were given, namely positive and negative impacts on the local population in Turkestan:

Positive impacts on the local population:

1. Financial stability: The bank branch demonstrated a high level of financial stability, which played an important role in ensuring the economic sustainability of the region.

2. Promotion of industrial development: Bank capital was actively used to finance industrial enterprises, facilitating the creation of new ones and modernisation of existing ones.

Negative impact on local communities:

1. Social exclusion: The activities of Russo-Asian Bank may have contributed to the social exclusion of part of the population, as access to banking services was not always universal.

2. Inequality in access to credit: Possible inequality in the provision of credit may have created an imbalance in the development of the entrepreneurial environment and exacerbated social disparities. [8]

3. Dependence on financial institutions: Intensive penetration of the banking sector may have led to dependence of the local population on financial institutions, creating risks for stability in economic crises.

4. Economic pressure: Credit conditions may have created pressure on local businesses to comply with bank requirements, which may have negatively affected local industry. [9]

5. Loss of financial autonomy: The introduction of banking practices may have led to a loss of financial autonomy in some segments of the population, increasing dependence on external financial structures.

The activities of the Russian-Asian Bank branch in Turkestan in the late 19th and early 20th century had a significant impact on the economic and social dynamics of the region. Economic development was stimulated by the provision of loans and financial support for entrepreneurship. The establishment of a banking branch contributed to the development of financial infrastructure, supporting the diversity of banking services. Banking strengthened social stability through job creation and financial literacy. It also stimulated trade and the exchange of goods, helping to expand the region's trade links.

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