

THE ROLE OF FOREIGN BUSINESSMEN IN THE DEVELOPMENT OF ENTREPRENEURSHIP IN THE FERGHANA VALLEY AT THE END OF THE 19TH CENTURY AND THE BEGINNING OF THE 20TH CENTURY

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Abstract. *In this article, based on historical sources, the activities of foreign businessmen and entrepreneurs in the history of business activity in the Fergana Valley at the end of the XIX century and the beginning of the XX century have been studied.*

Keywords: *economy, shareholding, entrepreneurship, cotton farming, staff training, foreign business, capital, manufacturing, trading house.*

Introduction

The nature of the progress of the economic reforms implemented in Uzbekistan certainly increases our interest and need for a deeper study of knowledge in the history of entrepreneurship. Based on this goal, in this article, we tried to cover issues such as the origin, development and impact of the activities of foreign businessmen and entrepreneurs in our country on the socio-economic life of the country at the end of the 19th century and the beginning of the 20th century.

The degree of study of literature on the topic. On the subject among researchers Аминов А.М. Экономическое развитие Средней Азии (Колониальный период). Т., 1959., Аминов А., Бобоходжаев А. Экономические и политические последствия присоединения Средней Азии к России. Т.:«Узбекистан», 1966., Вексельман М.И. Российский монополистический и иностранный капитал в Средней Азии (конец XIX - начало XX века). Т.:«Фан», 1987, Круковская С.М. Встречи с Кокандом. - Т., 1977, Суворов В. Историко-экономический очерк развития Туркестана. - Т. 1962., Эгамназаров А. И. Фаргона водийсида тадбиркорлик ва банк ишлари тарихига доир. <https://doi.org/10.5281/zenodo.7064063> and in the scientific works of others activities of foreign entrepreneurs and businessmen in the organization and development of business activities in the country are given in depth analysis.[1].

Also, in the scientific literature, we find that the general situation of the history of foreign capital in Turkestan regarding entrepreneurship, its origin and development in Uzbekistan is studied. [2]. But about the entry of these issues (investments) into the Fergana Valley are little studied, almost not studied in archival documents, specific data, figures and by a number of authors.

The purpose of the study is the clarification of issues such as the ways of developing of entrepreneurship by foreign businessmen and entrepreneurs in our country in the late 19th and early 20th centuries, and the origin and development of entrepreneurship in Central Asia, particularly in the Fergana Valley, and its impact on the socio-economic and cultural life of the country.

Research methodology. In the article, we examined business relations using historical, economic, logical principles, deterministic approach and discourse analysis method.

Research results. As we deepen our understanding of the importance of entrepreneurship in the process of transition to market relations, of course, we involuntarily feel the need to know how this issue was implemented in our country at the end of the 19th and the beginning of the 20th centuries. This corresponds to the period of colonialism carried out by Russian imperialism in our country.

At that time, based on the policy of colonialism, entrepreneurship was more prominent in the fields of cotton, cocoon and industry.

The importance of the railway in the development of trade relations between Turkestan and Central European countries has increased. In particular, the purchase of carpet products by many sales agents and company representatives from Paris, Berlin, Vienna and other Western European cities brought the carpet trade to the world market. The best quality carpets were woven in Bukhara, Ashgabat, Marv, and Ferghana regions.[3]

Foreign investments entered the economy of Central Asia in the 70-80s of the 19th century. Due to the conquest of Turkestan, they were interested in all areas of the economy. Before bringing their capital to the country, foreign investors tried to study it well, to know its demand and needs. That's why they started working in the cotton sector. Because cotton was very necessary not only for tsarist Russia, but also for other European countries. As a result of the expansion of cotton fields, by increasing the volume of cotton cultivation, it was necessary to reduce the purchase of cotton from abroad, especially from America. Therefore, the development of cotton cultivation in Turkestan was primarily of interest to the Russian administration. Therefore, the Tsar's administration made use of all possibilities for the rapid development of this industry. In 1883, the American cotton variety was tested for the first time in the lands near Tashkent by the German naturalist A.I. Wilkins.[4]

By 1899, almost all of Turkestan began to grow American cotton seeds. In five years, planting of this seed has increased almost 10 times. It should also be noted that from the 80s of the XIX century to 1913, cotton growing became such an important industry that 90-95% of the lands of the Fergana Valley were converted into cotton fields.

From the table below, we can observe the intensive growth of cotton cultivation areas in Turkestan in 1890-1915:

Years	Regions				
	Fergana	Syrdarya	Samarkand	By country	Caucasian
1890	51141	23500	17348	92889	900
1895	109701	14104	15223	142527	3500
1900	186326	15123	22825	234274	10 000
1905	166789	13312	18737	191111	11 000
1910	235891	35675	25224	324790	28 000
1915	336525	74050	55573	523614	57466

So, in comparison to other regions, the area under cotton cultivation in Fergana region increased rapidly during 25 years and reached 65.8%. Area of cotton cultivation from 1880 to 1913 was reached:

- in Fergana region from 34668 to 278897 desyatins or 700%;
- in Samarkand region from 7980– to 31858 desyatins –298 %;
- in Syrdarya region from 25841 to 62691 desyatins - 139%. [5]

It can be seen that in a short period of time, almost all cultivated areas of the country were converted into cotton fields. With this, the Russian government focused all its resources on growing cotton and ensuring the non-stop operation of metropolitan factories. The increase in customs fees also clearly proves this. For example, in the years 1864-1878, no duty was charged on cotton exported to Russia, and from 1879 to 1886, a duty of 40-45 tiyins was charged for one pood of cotton, and since 1887, the duty was set at 1 ruble and 15 kopeycks, and it gradually increased, in 1903 a pood of cotton was paid a duty of 4 rubles for export to Russia. [6]

Because entrepreneurship was unconventional in areas where the local population was not involved, it was mainly engaged in by Russian and foreign businessmen and entrepreneurs.

Branches of firms and trading houses Belyakov Plantation (“Плантация Белякова”), Big Yaroslavl Manufactory (“Большая Ярославская Мануфактура”), Meyerkort Company (“Товарищество Мейеркорта”), Kraft Brothers, Knop Trade House, Shlosberg Firm, Osser Firm, Andreev Trade joint-stock company, Ludwig Rabenek association, Zavertse, which were especially famous at that time, could be found in all the cities of the valley [7].

If we consider that the criterion that determines the size of entrepreneurship is measured by the purchase or sale of products, we observe that foreign trade between foreign countries and Russia has greatly expanded due to the direct efforts of entrepreneurs and businessmen (mainly at the expense of Russians and foreigners). For example, the total trade of Russia with foreign countries in 1886-1899 was 3.6 mln. poods, and 16.3 million in gold account, in 1912-1914 amounted to 9.3 million poods, and 44.9 million roubles in gold account.

Thus, in 15 years, cargo transportation has increased almost 2.6 times, and the amount of trade has increased by 2.8 times. Russia's trade with the countries of Turkestan region from 1898 to 1914 amounted to more than 32.7 million rubles, amounting to 170.7 million rubles in gold account.[8]

Based on the above information, it should be noted that such a large-scale exchange of goods required labor and a large amount of money from all responsible companies, firms, trading houses, associations, and companies.

At the beginning of the 20th century, the railway, which entered the Fergana valley, accelerated business activities even more. According to the archive information of the Central Asian Railway Administration, in 1913, cottonseed oil exported from Turkestan was 2 million 115 thousand 119 poods, 252 thousand poods in local routes, a total of 2 million 267 thousand 119 poods.

Cotton cultivation and production of cottonseed oil in Central Asia was organized mainly in the Fergana Valley. In 1913, 1 million 912 thousand 899 poods of cottonseed oil was exported from Fergana. [9]

At the end of the 19th century and the beginning of the 20th century, the Ferghana Valley was considered the main industrial center of Turkestan, while Kokand was the industrial and production center of the Ferghana Valley. In her research, S.M. Krukovskaya described this

situation as "merchants in the markets, whether Russian, Uzbek, German, Polish, English, Turkish, Iranian, regardless of their nationality, traded easily." In 1900, there were 58 production enterprises in Kokand, where about 2500 people worked.

In Kokand, silk production was also developed as a third industry, all of which were connected with Russian and foreign capital.[10]

If we look at the press of that time, a commodity exchange was formed for the first time in the history of Turkestan throughout Turkestan, including in Kokand, and special attention was paid to the advertising of trading firms' products. There were 19 manufacturing trade firms in Kokand only, and their branches also operated in the cities of the Fergana Valley. Although most of them were run by Russian names, they operated with the funds of foreign businessmen.

At that time, Kokan was considered not only a production and industrial center, but also a trade center. In particular, foreign trade, associations, companies - Emil Tsindel, Gardner and Kuznetsov's Porcelain Factory, Schliserburg Manufactory, German Julius Pinti Joint Stock Company, Nobel Company, Zinger Sewing Machine Company, etc. were not limited to opening a representative office in Kokand, but also had trade halls, warehouses, and branches, and were engaged in free entrepreneurship.

For example, the "Brothers Kraft" trading house, established in Kokand in 1897, engaged in the sale of cotton and cotton fiber, first opened branches of enterprise first in Kokand, and later in Andijan, Margilon, and Namangan districts of the valley. The first head of the enterprise, the German Nikolay Yulevich Kraft, built a hygroscopic cotton factory in Besharik, the only one in Turkestan.

Louis Zalm was the only one at that time to buy raw hides and furs in Kokand. The firm was first established in Russia and Kazan in 1884, and from 1894 it was opened in all cities of Turkestan. The head of the company was the German Lui Aleksandovich Zalm, a merchant of the first guild.

In 1914-15, the firm had tanneries, gut processing plants and large warehouses in Central Asian cities. The price of enterprises around Tashkent, Kokand, Margilan was 44 thousand 450 rubles. The annual production capacity of the main clothing factory in 1915 was 2 million 134 thousand 405 rubles. [11]

If we pay attention to historical data, we will find many repeated foreign, especially German names in it - Knabe, Koch, Kraft, Schmidt, Schultz, Behr, Brun, Tsindel, Gardner, Ziegel, Stefani, Guy, Gerhard, Boom and others. This shows that German specialists had a special place in the socio-economic and cultural life in Kokand.

While thinking about entrepreneurship and commerce, it is necessary to briefly touch on the Stock Exchange Committee established in 1906 in Kokand. Heads of the committee of the Kokand Stock Exchange Committee were A.I. Zigel, Ya.Kh. Vadyaev, S.A. Knabe, V.E. Koch, and representatives of large banks, manufactures, trade firms and individual large capitalists were also members.

The activities of the Kokan Exchange Committee were extensive. Although its main field was cotton farming, it was also involved in agricultural pest control, irrigation, organization of meteorological stations and solving other issues.

Also, the Committee was involved, along with controlling the cotton trade throughout Turkestan, in issuing small loans, customs work, building storage areas for products and other tasks.

At the beginning of the 20th century, German experts showed enthusiasm for organizing trade and entrepreneurship outside of Turkestan in Kokand, they created the ground for the emergence of great entrepreneurs and merchants from the local cadres.

For this purpose, in 1908, in order to improve the training of entrepreneurs and merchants in Kokand, the period of study at the Kokand Commercial Educational Institution was extended from 6 to 8 years. These works were sponsored by the Committee.[12] About 80% of the members of the Kokand Exchange Committee belonged to the German nationality.

In conclusion, the rapid implementation of these processes led to the rapid development of other sectors of the national economy in the country through cotton farming. The fact that the Fergana Valley was the most developed area of cotton farming also attracted related industries such as cocooning and oil industry. As a result, a new layer of the working class was formed in the country.

The comprehensive development of entrepreneurship led to an increase in the demand for national personnel.

It should also be noted that the issue of training local personnel by foreign entrepreneurs is one of the most pressing issues today.

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