

BANKING SYSTEM OF TURKESTAN IN THE PERIOD FROM THE END OF XIX TO THE BEGINNING OF XX CENTURY: HISTORICAL ANALYSIS, KEY STAGES AND FACTORS OF DEVELOPMENT.

Parvina Ismoilova,

Lecturer in the Department of
the History of Uzbekistan, FSU
parvinahistorian@gmail.com

Abstract: This research is devoted to the study of historical development of banking practice in Turkestan at the turn of the 19th and 20th centuries. It traces the process of formation and evolution of the banking sector in the region, from the emergence of the first modern banks to the introduction of innovative financial instruments. Special attention is paid to the impact of banking on the economy and social stability of the region.

Keywords: Turkestan, factors, banking activity, developing, financial infrastructure, Russian Empire, Russian-Asian Bank, branches, State Bank

In the late 19th and early 20th centuries, Turkestan experienced rapid economic development, which affected the banking sector as well. This period, marked by key historical events, witnessed the birth of the modern banking system in the region.

The geographical position of Turkestan at the crossroads of trade routes between Europe and Asia turned it into an important economic centre by the end of the 19th century. The rapid growth of trade and industry required efficient financial mechanisms. In response to this demand, the first banks appeared in Turkestan, providing financial support to local entrepreneurs and trading companies.

The establishment of banking infrastructure catalysed the development of the region's economy by providing access to credit, financial services and investment. However, the impact of colonial policy on the formation of the banking system in Turkestan was significant.

The construction of the Orenburg-Tashkent railway in the late 19th century was a turning point in the development of banking in Turkestan. The railway not only accelerated the economic growth of the region, but also attracted new banking institutions seeking a place in the promising market. Among them were the Russian-Asian, Volga-Kama and Azov-Don banks, which not only provided financial support to local entrepreneurs, but also played an important role in regulating banking rates and foreign exchange operations.

The emergence of new banks and their active participation in the financial life of Turkestan contributed to the development of the region. However, along with successes, banking faced certain challenges. Political instability and social tension characteristic of that time complicated the work of banks. Nevertheless, the banking system in Turkestan continued to grow and its role in the economic development of the region became increasingly important.

An important factor in the success of banks in Turkestan was their ability to adapt to difficult conditions and offer new financial instruments that met the requirements of the



developing economy. They were actively involved in financing infrastructure construction, trade and industrial development, which contributed to the economic growth of the region.

Despite some obstacles, the banking system of Turkestan successfully fulfilled its role in stimulating the economic development of the region, creating conditions for prosperity and attracting new investments. This dynamic and adaptive system became an important component of Turkestan's economic landscape in the late 19th and early 20th centuries. [1, 123].

These banks not only provided financial support, but also played the role of regulators of bank rates and foreign exchange operations.

Alongside the successes, however, banking in Turkestan faced certain challenges, such as political instability and social tensions. Nevertheless, banks in the region continued to grow and their role in economic development became increasingly important.

In the late 19th and early 20th centuries, Turkestan experienced a period of rapid economic growth caused by trade and industrialisation. This period required the creation of efficient financial mechanisms to support economic development and ensure stability in the region. In this essay, we will examine the evolution of banking practices in Turkestan in the late nineteenth and early twentieth centuries by conducting a historical analysis and identifying the main trends.

By the end of the 19th century, Turkestan had become an important economic centre due to its geographical position at the crossroads of trade routes between Europe and Asia. During this period, new banks emerged that not only provided financial support, but also fulfilled an important role as regulators of bank rates and foreign exchange operations. These banks contributed to the development of the region's economy by financing trade, industry and agriculture. They also participated in the construction of infrastructure, which gave a new impetus to economic growth.

However, banking in Turkestan also faced certain challenges. Political instability and social tensions made it difficult for banks to operate, but despite these obstacles, they continued to grow and play an increasingly significant role in the economic development of the region.

Banks in Turkestan were able to adapt to the difficult conditions and offer new financial instruments to meet the requirements of the developing economy. They created conditions for attracting investments and stimulating economic growth. In general, the banking system of Turkestan in the late 19th and early 20th centuries played a key role in the economic development of the region despite the challenges of the time. [2: 76].

In the late 19th century, Turkestan became an important economic centre due to its geographical position at the crossroads of trade routes between Europe and Asia. This period was marked by the growth of trade and industry, which created a need for the development of modern financial institutions to support economic growth and stimulate trade links.

One of the important milestones in the history of banking practices in Turkestan was the construction of the first branch of the Russian State Bank in Tashkent in 1875 [3: 85]. This was the starting point for the development of modern banking practices in the region, providing financial services to support local business and industry.

With the construction of the Orenburg-Tashkent railway, new banks such as the Russian-Asian, Volga-Kama and Azov-Don banks came to Turkestan. These banks expanded the region's banking network and introduced innovative financial instruments to meet the growing needs of businesses and individuals.



Despite the rapid growth of the banking sector, Turkestan faced certain challenges such as political instability and social divisions. However, banks have shown resilience by adapting to changing circumstances and continuing to support economic growth through lending and investment activities.

The transformation of banking practices in Turkestan in the late 19th and early 20th centuries had a profound impact on the socio-economic life of the region. The emergence of modern banking institutions contributed not only to economic growth, but also to the creation of new jobs, increased financial literacy of the population and stimulated trade.

This period laid the foundation for the modern banking system of Turkestan by introducing new instruments and expanding the banking network. The introduction of modern banking practices initiated further development of the financial system in the 20th century and served as a basis for its modern state.

During this period Turkestan was integrating into the world economy and banks became a key link in this process. They contributed to the development of trade relations with other countries and attraction of foreign investments.

Awareness of the historical path of development of the banking system of Turkestan provides valuable information for analysing modern financial processes and forming strategies for the development of the banking industry. Understanding the historical context helps to assess the impact of past decisions on the current state of the financial sector and identify promising directions of its development.

The experience of banking system development in Turkestan can serve as an example for other regions undergoing a similar development path. Understanding the historical context helps to assess the role of banks in shaping the economic and social landscape of the region.

In general, the evolution of banking practices in Turkestan in the late 19th and early 20th centuries became a key factor in the economic growth and social development of the region, laying the foundation for the modern financial system. [4: 256].

The evolution of banking practices in Turkestan in the late 19th and early 20th century reflects an important period of growth and transformation. Through the creation of modern financial institutions, expansion of the banking network, and resilience in the face of challenges [5: 37], Turkestan's banking sector played a key role in supporting economic development and stability in the region. Understanding this historical evolution provides valuable insights for analyzing the dynamics of financial development and formulating strategies for the banking industry in Turkestan.

Thus, in the late 19th and early 20th centuries, Turkestan experienced rapid economic development, which affected the banking sector as well. This period, marked by key historical events, witnessed the birth of the modern banking system in the region.

The geographical position of Turkestan at the crossroads of trade routes between Europe and Asia turned it into an important economic centre by the end of the 19th century. The rapid growth of trade and industry required efficient financial mechanisms. In response to this demand, the first banks appeared in Turkestan, providing financial support to local entrepreneurs and trading companies.

The establishment of banking infrastructure catalysed the development of the region's economy by providing access to credit, financial services and investment. However, the impact of colonial policy on the formation of the banking system in Turkestan was significant. The government of the Russian Empire paid special attention to the development of the cotton



industry in Turkestan, using the banking system as a tool to manage this industry. State banks provided loans to cotton growers, but set strict conditions and controlled cotton production.

Despite this influence of the colonial power, the banking system in Turkestan contributed to the development of the region by providing financing for trade, industry and agriculture. In general, this period was characterised by the formation of the foundations of the modern banking system in Turkestan, which had a significant impact on the economic and social development of the region.

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