

RAILWAY EXPANSION AND FINANCIAL INSTITUTIONS AS DRIVERS OF TRADE TRANSFORMATION: THE CASE OF THE TASHKENT FAIR (LATE 19TH – EARLY 20TH CENTURY)

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Abstract; This article examines the transformation of trade relations in the Turkestan Governor-Generalship during the late nineteenth and early twentieth centuries, focusing on the role of railway expansion and the emergence of banking institutions in reshaping the Tashkent Fair. The study argues that the introduction of railway infrastructure fundamentally altered the spatial and temporal organization of trade, replacing caravan-based exchange with a continuous and integrated market system. Furthermore, the development of financial institutions facilitated the transition from cash-based transactions to credit-based economic relations, accelerating capital circulation and enabling the expansion of wholesale trade. Drawing on statistical data, archival materials, and contemporary periodicals, the article demonstrates that by the early twentieth century the Tashkent Fair had evolved into a specialized trade and financial center, playing a key role in integrating the regional economy into the broader economic system of the Russian Empire.

Keywords; Tashkent Fair; Turkestan economy; railway development; Trans-Caspian Railway; banking institutions; trade transformation; economic integration; wholesale trade; Russian Empire

The transformation of traditional economic institutions under the influence of industrial modernization is a central theme in economic history. In the context of Central Asia, particularly within the Turkestan Governor-Generalship, these transformations were closely associated with the expansion of imperial infrastructure and financial systems. Among the most illustrative examples of this process is the evolution of the Tashkent Fair, which underwent significant structural and functional changes between the late nineteenth and early twentieth centuries. Before the introduction of railway transport, the regional economy was largely dependent on caravan trade routes that connected major commercial centers such as Bukhara, Kokand, and Kashgar. These routes were characterized by long transportation times, high costs, and vulnerability to environmental and political disruptions. Trade was seasonal in nature, and fairs played a crucial role as temporary marketplaces where goods were exchanged within limited timeframes. However, the arrival of the Trans-Caspian Railway in Tashkent in 1888 marked a turning point in the economic history of the region. This infrastructural development not only improved transportation efficiency but also fundamentally transformed the organization of trade. The reduction in transportation time from several months to a few days significantly increased the volume and frequency of production exchange, thereby altering the economic functions of fairs. This article aims to analyze the impact of railway expansion and the development of banking institutions on the transformation of the Tashkent Fair. It argues that these factors played a decisive role in shifting the fair from a traditional seasonal marketplace to a modern, specialized, and financially integrated trade center. The study of economic transformation in Turkestan has attracted the attention of various historians and economists. Earlier works primarily focused on the political and administrative aspects of

Russian imperial expansion, often overlooking the economic mechanisms underlying regional integration.

More recent scholarship has emphasized the importance of infrastructure, particularly railway construction, in facilitating economic change. Scholars argue that railways served not only as a means of transportation but also as instruments of economic integration, linking peripheral regions to central industrial markets.

Similarly, the role of financial institutions has been increasingly recognized as a key factor in economic modernization. The introduction of banking systems in Turkestan enabled the development of credit relations, which were essential for large-scale trade operations. Despite these contributions, the specific case of the Tashkent Fair remains underexplored. This article seeks to fill this gap by providing a comprehensive analysis of the fair's transformation within the broader context of infrastructural and financial development. The construction of the Trans-Caspian Railway represented a major technological and economic breakthrough in the region. By connecting Tashkent to the wider railway network of the Russian Empire, it facilitated the rapid movement of goods and

Statistical data highlight the dramatic increase in freight transportation:

- 1890: approximately 1.8 million poods
- 1895: 3.2 million poods
- 1898: over 4 million poods

This growth reflects not only an increase in trade volume but also a transformation in the nature of trade itself. The regularity and reliability of railway transport eliminated many of the uncertainties associated with caravan trade. As a result, trade became less dependent on seasonal cycles and more integrated into a continuous economic system. The Tashkent Fair, which had previously functioned as a temporary marketplace, began to operate as a permanent center of trade and distribution. The expansion of railway infrastructure led to the gradual decline of traditional caravan trade. While caravan routes had historically played a vital role in regional commerce, they were increasingly unable to compete with the efficiency of railway transport.

This transition had several important consequences:

- reduction in transportation costs
- increased speed of delivery
- expansion of market reach
- standardization of trade practices

The decline of caravan trade also contributed to the centralization of economic activity in urban centers such as Tashkent. Merchants increasingly preferred railway transport, leading to a concentration of trade in areas with developed infrastructure. The growth of railway transport was accompanied by significant changes in trade infrastructure. The Tashkent Fair saw the emergence of permanent facilities, including warehouses, wholesale trade establishments, and storage complexes. These developments improved the efficiency of trade operations and

facilitated the handling of larger volumes of goods. They also contributed to the institutionalization of the fair, transforming it into a structured economic entity. Municipal reports indicate that the expansion of trade infrastructure led to increased revenues for the city, highlighting the growing economic importance of the fair. The early twentieth century marked the rise of banking institutions as key actors in the regional economy. The expansion of trade created a demand for financial services, particularly credit and capital investment.

Banks such as the Russo-Asiatic Bank provided essential financial support to merchants, enabling them to engage in large-scale trade operations. These institutions introduced modern financial instruments, including:

- credit systems
- bills of exchange
- banking transfers

The transition from cash-based transactions to credit-based systems significantly increased the efficiency of trade and reduced financial risks. One of the most significant outcomes of these transformations was the specialization of trade. The Tashkent Fair increasingly focused on specific commodities, reflecting the integration of the regional economy into the industrial system of the Russian Empire. Cotton emerged as the dominant товар, accounting for nearly half of total trade turnover. This reflects the role of Turkestan as a supplier of raw materials to industrial centers. Other important commodities included silk, leather, and agricultural products, each contributing to the diversification of the regional economy. The transformation of the Tashkent Fair had significant social and economic implications. It led to the emergence of new professional groups, including:

- transport workers
- financial agents
- warehouse operators
- intermediaries

These changes contributed to the development of a more complex economic structure and facilitated the integration of local populations into market relations. The transformation of the Tashkent Fair in the late nineteenth and early twentieth centuries represents a key example of economic modernization in Central Asia. The expansion of railway infrastructure and the development of banking institutions played a decisive role in reshaping trade relations. These changes led to the decline of traditional caravan trade, the emergence of wholesale markets, and the integration of the regional economy into the broader system of the Russian Empire. By the early twentieth century, the Tashkent Fair had evolved into a modern trade and financial center, reflecting the broader processes of industrialization and economic integration.

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