Informal Economies in the Post-Soviet Space: 
Post-Soviet Islam and Its Role in Ordering 
Entrepreneurship in Central Asia

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Post-Soviet Central Asia is still undergoing economic and political crises resulting from both external global forces as well as internal challenges. With non-performing states, non-functioning economies, and ridiculously low state salaries, all levels of society, economics, and politics has become increasingly informalized. This vacuum within the state legal system has been filled by other forms of regulation, such as religion and other traditional forms of obligation, duties, and local arbitration. Informal economies have flourished not only in Central Asia, but all over the post-Soviet space. Economic hardships have provided incentives for creativity and innovation among economic entrepreneurs. Both men and women became mobile entrepreneurs to “find money,” as they explain their actions. Economic activities, sometimes combined with formal employment, have been described in terms of survival strategies such as tirikchilik (“muddling through”).

When I inquired about these activities to four groups of female Turkmen entrepreneurs conducting economic activities (mainly trade) between Tashauz, Uzbekistan, and Dubai, they used phrases such as pul tapish (“find money” or “earning”), qiym bolip qaldi hamma sarson sargardon yolda hatinlaram erkaklaram, arkakla orisda hatinla Dubaida (It became difficult to earn money, so everyone became mobile and went on the road (said in a negative tone); men went to Russia and women to Dubai).

Entrepreneurs have created a kind of social formation comparable to an economic class since the fall of the Soviet Union. Furthermore, informal economies are particularly well-suited for this type of class, as will be discussed in

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2 Author’s interviews with a group of women entrepreneurs from Tashauz, Turkmenistan, and conducted in Urgench, Uzbekistan, in 2008 and 2012.
detail below. Islamic rules and other moral commitments and obligations filled the vacuum created by the dearth of functioning state regulations across Central Asia and Russia. Religious, ethnic, and kinship systems provided the social and economic security that national welfare systems failed to provide after the collapse of the Soviet welfare system. Elders, religious leaders, and other respected figures became the governing body on the ground in the context of withering states.

For migrant workers in Russia or anywhere far from home, Islamic belonging became a stronger marker of identity than ethnicity, and mosque communities have grown in influence. Mosques became places of socializing and meeting where contacts are established and maintained. Entrepreneurs visit mosques to make contacts, arrange deals, and seek justice and punishment for free riders or debtors. As one of my respondents said, “Vse sdelki osushchesvtliatsia v mecheti a gde eshche, v mecheti kogda dvoe zakliuchaiut sdelky mezhdu nimi stojt bog i bog sudia” (All deals are made in the mosques; where else (should someone do this). In the mosque God stands between the two who are making a deal, and God is the only judge for them). Mosques back in Central Asia have not taken on the important role of regulating informal activities if other safety-net structures, such as family and kinship networks, do this job.

In the context of failed states and flourishing informal economies, uncertainty, increased mobility, and globalization, people became increasingly innovative, and a growing number of mobile entrepreneurs have found their niches within and outside of these processes and structures. Since mobility does not recognize rigid state legal systems and boundaries, mobile entrepreneurs have found alternative ways to regulate and administer their economic activities. Today mobile entrepreneurs are the largest category of people who have formed a distinct new economic class.

The chapter is structured as follows. First, I trace the formation of informal economies, including the emergence of entrepreneurs in the early Soviet

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4 The respondent is a Moscow-based religious and political leader among Central Asian migrants and widely connected both in Russia and Central Asia. Informal conversations with the author since 2014, both face-to-face and, more recently, via Viber mobile application.

5 Author’s interviews with migrants and their families in Uzbekistan, Tajikistan, and Turkmenistan. Interviews and informal conversations were conducted in 2012, 2013, 2014, and 2015 in Uzbekistan; 2015 in Tajikistan; 2012 in Uzbekistan with 8 Turkmen families from Tashauz; and follow-up conversations via Line and Telegram mobile messenger during 2014 and 2015.