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BUILDING STATES AND MARKETS: ENTERPRISE DEVELOPMENTS IN CENTRAL ASIA

Gul Berna Ozcan

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Reviewer: **Sevket AKYILDIZ**[1]

In contemporary Central Asian research, the text *Building States And Markets: Enterprise Developments In Central Asia* (2010), written by Gul Berna Ozcan, is a useful addition. As a Reader in International Business and Strategy, Ozcan combines knowledge from the business sector with a detailed examination of the developing region of Central Asia. In doing so, the author explains how and why Western capitalist-influenced business practices function in the way they do across the region. Many texts on Central Asia analyse nation-state-building. Ozcan's work is unique because she introduces market-building into the discourse. In particular, her book touches upon an important but neglected theme in Central Asia studies since 1991: business practices and morality in contemporary Uzbekistan, Kazakhstan and Kyrgyzstan.

Ozcan's work is based on her fieldwork in the region between 2004 and 2007. Employing local translators, she investigated the nature and development of private business and entrepreneurial operations in the former Soviet Central Asian republics noted above. She focuses on the relationships between business communities and state and international agencies and how these compare and contrast.

This is an important topic, as before 1991 the centralised planning of the Soviet economic model advanced a one-size-fits-all approach. Theoretically, private enterprise and the concept of the entrepreneur were forbidden. In reality, small-scale economic activity had occurred in Central Asia during Soviet rule, and this thrived in the rural sector post-1950. See

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the works written in the 1980s and 1990s by Shirin Akiner, J. Qvortrup and Michael Rywkin for further evidence on private trade. However, post-1991, a group of local economic actors: ‘entrepreneurs’, took advantage of the changing politico-economic landscape and established themselves as private economic actors willing to navigate the risk issues, legal loopholes and existing social structures of privilege. Ozcan defines entrepreneurs as '*all those who run businesses and endure risks and uncertainty in the market, irrespective of their enterprise size*' (p. xiv).

This book is structured into eight chapters and a conclusion that addresses specific elements of the new markets, entrepreneurs and their identity, their moral influences and behaviour, gender issues and the role of external economic actors and aid organisations. Chapter One analyses the type of governments formed post-1991, the reliance upon natural resource extraction (something of a Soviet legacy), and the emigration of the regional youth to other, more prosperous countries (notably Russia).

Chapter Two discusses the new post-Soviet entrepreneurial middle classes and social stratification caused by economic factors. Ozcan uses the metaphor of the ‘Mikado game’--I think she does this very well. Ozcan explains the fluid and problematic nature of businesspeople and entrepreneurs as they scramble to access resources and accumulate profit in the context of partially democratic states.

In Chapter Three, she categorises Central Asian entrepreneurs based on their ethnic makeup, age, and gender; Ozcan details their perceptions of the new state economic institutions and their expectations of the political elites. Chapter Four discusses the importance of the bazaar in the 'commercial landscape'. Gender and female entrepreneurs are debated in Chapter Five. Chapter Six argues that the working relationship between the business groups and the state is complex and defies simple accusations of coercion by the state elites. However, this raises questions about law enforcement and operational practices such as '*self-governing syndicates*' (p. xxi). In Chapter Seven, Ozcan introduces the critical theme of international actors in this new economic milieu, particularly about Kyrgyzstan. Here, the author examines community-based tourism as one route out of the macro-level economic problems.

The entire work leads the reader to consider (in Chapter Eight) an essential factor in economic modelling (and ideological influence), whether one is considering Central Asia or any other country. This factor refers to moral behaviour and practices in financial decision-making. Ozcan uses empirical analysis as well as a review of core secondary literature; her investigation draws on classic moral philosophy: '*I examine the moral positioning among entrepreneurs in three analytical categories: the core morality of doing business, the virtue of duty, and the greater good*', remarks Ozcan (p. xxii). With the demise of Soviet (European Enlightenment-influenced) collective civic values and civic identification, the result has been the re-emergence of Islamic values. These Islamic values do not mean a wholesale adoption of Islam and Islamic practices in society but the use of select elements, in a pragmatic context, to give their society experiencing flux and social uncertainty some semblance of order and shared purpose. Thus, the return of Islam in the social sphere comes not from religious criteria but from ethical and philosophical needs. Indeed, most Imams do not understand the nuances of the modern market building (p. 218). Ozcan comments that building markets requires *'the promotion of harmonious moral regimes, safeguarded by formal and informal institutions. However, the weaknesses of intellectual cadres and the greediness of political leadership delay reforms for a lawful society and consequently hinders market growth*' (p. 218).

Ozcan's book investigates the emergence and functions of entrepreneurs in society. It returns our analytical framework to the economic sphere (though not this time towards the Marxist-Leninist economic view). Instead, it seeks to explore and explain how the capitalist neoliberal model is developing and evolving in Central Asia (through globalisation). Indeed, Ozcan's book is readable and original; we wait to see how the Central Asian republics develop economically in the coming years at a local level and with their powerful neighbours of China and Russia, as well as Europe, Turkey, Iran, India and Japan. (China's Belt and Road Initiative was launched in 2013, three years after Ozcan's book; however, its New Silk Road economic idea was commonly known for some time.) The book is recommended for students and academics interested in the region, business people considering investing in Central Asia, and anyone wishing to gain insight and understanding into the economic landscape of Central Asia and the economic psychology of Central Asian entrepreneurs today.

Sevket Akyildiz's review of Gul Berna Ozcan, *Building States and Markets: Enterprise Developments in Central Asia*, London: Palgrave, 2010.