ETHNIC ENTREPRENEURSHIP AND POST-SOVIET TRANSFORMATION OF KOREANS IN CENTRAL ASIA

Ashurova Ulgozi Isroilovna
Basic doctoral student of Termez State University
ulguzisroilovna@gmail.com

Abstract

Following the dissolution of the Soviet Union in 1991, the Korean diaspora in Central Asia faced a new challenge: adapting from the planned economy to the market system. This paper examines how Koreans in Kazakhstan, Uzbekistan, and Kyrgyzstan developed ethnic entrepreneurship models rooted in social trust, kinship, and cultural discipline. The analysis shows how traditional practices such as the kobonji (brigade-based semi-legal work structure) evolved into legitimate small and medium enterprises (SMEs) during the post-Soviet transition.

Keywords: Ethnic entrepreneurship; Koryo-saram; post-Soviet economy; Kazakhstan; Uzbekistan; social capital; kobonji system; diaspora networks; Confucian collectivism; small and medium enterprises.

The collapse of the USSR opened a new chapter for the Koryo-saram, the Soviet Koreans. Unlike other ethnic minorities that migrated abroad, most Koreans remained in Central Asia, choosing adaptation over emigration. They drew upon community networks and cultural capital to establish a strong presence in the new market economies [2,6].

As Kim notes, the Koreans had already internalized entrepreneurial habits through informal “second economy” practices under socialism. This experience positioned them advantageously for success in the new capitalist environment [1,3].

Ethnic entrepreneurship, as defined by Waldinger et al. [5], refers to the formation of economic enterprises among co-ethnic networks based on mutual trust, shared identity, and collective resources. Light and Rosenstein [6] further argue that ethnicity functions as a form of social capital that facilitates information exchange, reduces transaction costs, and promotes cooperation.

In the case of Soviet Koreans, ethnic entrepreneurship emerged not from migration but from the diaspora’s long-term settlement and internal cohesion.

Their enterprises were thus both "ethnic" and "embedded" within post-socialist transformations [2,7].

By the 2000s, Kazakhstan's Koreans became one of the most successful ethnic minorities in business. According to Kim [1], by 2008 more than 30% of working Koreans in Kazakhstan were self-employed or ran small and medium-sized enterprises. Their businesses ranged from retail and catering to pharmaceuticals and finance. Urbanization, education, and bilingualism contributed to their success [4,8].

Uzbekistan's Koreans largely retained their agricultural orientation, transforming kobonji-style cooperative labor into private farming and export-oriented agribusinesses. In the Tashkent, Qashqadarya, and Surxondaryo regions, Korean farmers became leading producers of onions, rice, and greenhouse vegetables for both domestic and foreign markets [1,6]. Their ability to mobilize extended family labor ensured economic resilience despite limited access to credit.

In Bishkek and Chuy regions, Korean entrepreneurship focused on trade, beauty services, and urban food industries. Many businesses were family-based, employing multiple generations, which reflected Confucian filial values and intergenerational cooperation [2,5].

The success of Korean entrepreneurs cannot be understood outside their ethnic institutions. The Association of Koreans in Kazakhstan and the Republican Korean Cultural Centers in Uzbekistan provided not only cultural preservation but also business mediation, networking, and lobbying opportunities [4,8]. These associations acted as both cultural and economic platforms linking the diaspora to South Korea's investment programs, notably the KOICA and KOTRA initiatives in the 2000s [3,8].

Kim [1] highlights that the traditional kobonji structure — semi-legal agricultural brigades of the Soviet period — evolved into legitimate SMEs under market reforms. These enterprises maintained cooperative labor organization and profit-sharing principles but operated transparently. This transformation showcases how informal ethnic economies can evolve into formal capitalist systems while retaining their communal ethics [6,7].

Post-Soviet Koreans in Central Asia demonstrate a unique case of ethnic economic resilience. Their success lies not merely in adaptation but in innovation — the transformation of cultural solidarity into market competitiveness. As small and medium entrepreneurs, they bridged socialist collectivism and capitalist

entrepreneurship, embodying a hybrid model that remains vital to understanding ethnic economies in Eurasia today.

REFERENCES

1. Kim, G.N. (2008). Ethnic Entrepreneurship of Koreans in the USSR and Post-Soviet Central Asia. IDE-JETRO.
2. Light, I. & Rosenstein, C. (1995). Race, Ethnicity and Entrepreneurship in Urban America. New York: Aldine.
3. King, R. & Kim, G.N. (2001). The Koryo Saram: Koreans in the Former USSR. Korean Studies Bulletin, 2–3.
4. Waldinger, R., Aldrich, H. & Ward, R. (1990). Ethnic Entrepreneurs: Immigrant Business in Industrial Societies. Sage Publications.
5. Baycan-Leven, A., Masurel, E. & Nijkamp, P. (2005). "Ethnic Entrepreneurship: Dimensions and Dynamics." Tinbergen Institute Discussion Paper, No. 05-089/3.
6. Freitas, A. (2003). "Beyond the Ethnic Shop: New Forms of Entrepreneurship in Europe." Migration Studies Journal, 12(3), 41–59.
7. Acs, Z. & Audretsch, D. (2003). Entrepreneurship, Innovation and Economic Growth. Oxford University Press.
8. Park, K. (2004). Korean Diaspora and Economic Modernization in Central Asia. Seoul: Academy of Korean Studies.