



# Press Release

## Tübingen University coordinates study into the informal economy in post-Soviet Eurasia

### VW Foundation sponsors international collaborative project

Dr. Karl Guido Rijkhoek  
Director

Antje Karbe  
Press Officer

Phone +49 7071 29-76788  
+49 7071 29-76789

Fax +49 7071 29-5566  
karl.rijkhoek[at]uni-tuebingen.de  
antje.karbe[at]uni-tuebingen.de

[www.uni-tuebingen.de/aktuell](http://www.uni-tuebingen.de/aktuell)

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The Volkswagen Foundation is funding a Tübingen-led international research project on informal economy in post-Soviet Eurasia. The project, entitled 'Informal Markets and Trade in Central Asia and the Caucasus,' brings together social anthropologists, historians and political scientists from Armenia, Georgia, Germany, Kazakhstan, Kyrgyzstan, Pakistan, and Switzerland to investigate economic practices and their socio-cultural, political and historical background. The Volkswagen Foundation is contributing € 480,900. The project starts in April 2016 and runs for a period of three years.

The project, coordinated by Dr. Susanne Fehlings, University of Tübingen, explores local market structures and the mobility of traders and goods across the Caucasus, Central Asia, northern Pakistan, and the Xinjiang Uighur Autonomous Region (XUAR) in western China. The focus is on commercial activities and exchanges that take place outside of state regulation, which are often described as informal economic activity. "Even though individual traders have only a small circle of customers and move only a small volume of goods, we shouldn't underestimate the influence of informal trade. According to some estimates, it comprises some 35 percent of GDP in Armenia, for instance," says Susanne Fehlings. "Some of these markets have been growing since 1991 – the Dordoy Bazar in the Kyrgyz capital Bishkek, for example, is one of the biggest markets in Central Asia."

Besides the emergence of actual market places, a set of new values, social and cultural realities, and identity changes have come into being resulting from the informal transnational connections. Hence, another key focus of the research project is on how markets construct social hierarchies, identities, values and how they support intercultural flows and the exchange of ideas, values and identities. In Soviet times, traders had a very low status and their moral attitude was considered highly questionable; but today, successful traders are gaining prestige, which they are using to their advantage in the political arena. Less successful

traders however – many of them intellectuals plunged into unemployment by the collapse of the Soviet Union – see their new line of work as a loss of social status. The team members will work on different aspects of these phenomena linked to markets and trade by applying methods coming from economics, economic anthropology, history and political science.

The research team consists of eight senior researchers, two PhD students and five MA students.



Market stall in Tbilisi, Georgia. Photo: Susanne Fehlings



Informal trade in Tbilisi, Georgia. Photo: Susanne Fehlings

**Contact:**

Dr. Susanne Fehlings  
University of Tübingen  
Institute of Asian and Oriental Studies  
Department of Social and Cultural Anthropology  
Phone: +49 7071 29-73997  
[Susanne.fehlings@ethno.uni-tuebingen.de](mailto:Susanne.fehlings@ethno.uni-tuebingen.de)