**ENTREPRENEURIAL GROWTH STRATEGIES IN CENTRAL ASIA:**

**A MID-TRANSITION TYPOLOGY OF 4S**

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**Abstract**

With empirical evidence gathered from three Central Asian states, we develop a typology of dynamic strategies by which firms adapt to market conditions. These are characterised by “sliding” into vertical expansion, “skipping” from one business into an entirely different one, horizontal expansion by “scooping” up kindred functions, and “specialising” to exploit lucrative niches. This we call the 4S typology. The disadvantage of this exuberance is that most entrepreneurs remain in a disjointed state of skipping as they face competition from fellow imitators and absorption from exploiters.

**Keywords:** transition entrepreneurship, small business strategy, growth typology, Central Asia

JEL Classification: O12, M21, L22, L25, L26

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\*This article is dedicated to Ülker Baykan Seymen, an affectionate and inspiring teacher.

**INTRODUCTION**

Research has shown that generic growth theories have limited applicability to small entrepreneurial businesses. Growth analysis faces additional challenges in economic transition contexts because of the fluidity of new capitalist markets. Private enterprises are new constructs and entrepreneurship is a recent social phenomenon. Diverging practices in business data collection, access issues and the lack of reliable and comparable databases limit comparative analyses for researchers. Studies so far have identified widespread institutional deficiencies for capitalist transition and enterprise growth in the former Soviet Union in the form of weak property rights, the arbitrary rule of law, incomplete intermediary markets and skills shortages (for example see, Dana, 2000 on Kyrgyzstan, Aidis, 2005 on Lithuania; Smallbone and Welter, 2001 on Belarus, Moldova and Ukraine; Welter et al., 2006 on the former Soviet Union). However, transition scholarship have reached a stalemate with ambiguities around stark differences between economic conditions of early versus post transition (see Besley et al., 2010 for post-transition debates). This scholarship remains also weak on exploring actual growth experiences of entrepreneurs beyond institutional narratives and has a geographical bias towards historically more developed parts of the Soviet Union with little to no attention paid to its peripheral regions. Periodical shifts in the economic divergence of former command economies deserve further attention but so far little backward mirror has been shown. This paper fills a gap in the literature with an analysis of entrepreneurial growth strategies during mid-transition years (2004- 2006) with a cross country empirical data from the post-Soviet periphery, Central Asia [[[1]](#endnote-1)].

The evidence of the paper comes from a survey of 182 small business entrepreneurs (employing less than 50 workers) through face-to-face interviews in Kazakhstan, Kyrgyzstan and Uzbekistan. The study of venture changes illustrates the abilities of entrepreneurial trajectories which lead to an empirically grounded typology. The study period coincides with a recovery stage from the major economic downturn of the 1990s under stable macroeconomic and geopolitical conditions.

Analysing how entrepreneurs pursued growth and honed their business skills during mid-transition years allows us to make more nuanced understandings of shifts in transition conditions and business trajectories as well as a better appreciation of enterprise development policies at the time. Transition implies a process of change from one state to another but it is a weakness of the transition literature that it does not use historical periodisation. While the early post-Soviet period was dominated by diverging neo-liberal responses to the collapse of communism exemplified by mass privatisation efforts and fiscal discipline in line with the prescriptions of the World Bank and the International Monetary Fund (see a critique of this in Carothers, 2006; Pickles and Smith, 1998), the mid-transition period of the 2000s was characterised by a positive economic outlook.

Apart from two reluctant reformers, Turkmenistan and Tajikistan, the region’s economic fundamnetals looked positive along with high global commodity prices which national economies relied on, such as cotton, gold, oil and gas exports (EBRD, 2005). By the end of the second decade of economic liberalisation, however, Central Asia was characterised as ‘stuck in transition’ with little change in their reform agenda for private sector growth, even for the leading reformers in the region (see EBRD, 2013). This new era, the end of transition or post-transition, is defined by authoritarian political consolidation, the increasing assertiveness of Russia, and the negative effects of the 2008 financial crisis (Hale, 2014).

The original contribution and novelty of the paper lies in its regional cover of main features of nascent entrepreneurs and their 4S business growth trajectories (4S typology) through an in-depth case by case analysis of venture changes. The research findings demonstrate four patterns of market positioning by entrepreneurs. These are characterised by “sliding” into horizontal expansion through incremental changes, “skipping” from one occupational position and product range into an entirely different one, horizontal and vertical diversification by “scooping” up kindred functions, and “specialising” to exploit lucrative niches with less imitable skills. This “4S” typology captures highly dynamic entrepreneurial behaviours but also the restlessness of the small enterprise sector. Examining venture stages in past, present and future allows us to chart business growth positions when enterprising activities are new and often operate under informal institutions during the early reform years (Dana, 2000; 2002; Dana and Dana, 2003). This kind of analysis provides a contextually rich understanding of entrepreneurial outcomes and superior to large scale general surveys (such as the Enterprise Surveys coordinated by the World Bank). The 4S typology also identifies narrowness of market strategies, routine imitation and restlessness. Our analysis extends support to the strength of typology construct as a tool of analysing and abstracting patterns in business strategy making (as pioneered by Miles and Snow, 1978) and shows how qualities of growth can be examined meaninfully.

The article proceeds with a review of the prevailing theoretical perspectives on firm growth and their relevance for studying enterprising activities in Central Asia followed by the methodology and data analysis. Subsequent section explains the venture changes and examine the factors that characterise the 4S typology. The paper ends with a discussion of the findings and a conclusion which highlights theoretical implications of the growth analysis and policy recommendations.

**LITERATURE REVIEW: THEORETICAL PERSPECTIVES ON BUSINESS GROWTH**

Small business growth analysis is situated at the intersection of different theoretical perspectives with varying disciplinary traditions and methodologies. These can be summarized in three areas: theory of the firm, entrepreneurship and institutional voids.

**Firms**

Most economic analysts assume that the firm has autonomy and power over the allocation of its resources within clear boundaries. The industry, size, age and access to resources shape strategy (Furlan et al., 2014). The pertinent question is why most firms remain small throughout their lives. This is often explained in relation to firms being resource constrained. Scholars seeking a fit among resources, strategy and performance point out that small organisations are different as they fail to reach significant economies of scale and scope due to their resource limitations, frequently identified with financial constraints (Oliveira and Fortunato, 2006) as well as their limited capabilities (Brush and Chaganti, 1998). In industries where entry barriers are low and competitive advantages are easily imitated, the relationship between strategy and performance may not fully apply. Thus, “smallness” of resource capacity is identified as a handicap to growth.

The growth orientation of small firms is also often informal, situational and disjointed (Alpkan, et al., 2007; Brush and Chaganti, 1998). Owners of small firms use a variety of means and indicators to assess business performance but profit measures are not the only or most important ones (Anderson and Ullah, 2014; Jarvis et al., 2000). In addition, due to their opaque business operations and competitive pressures, small firms frequently face problems of legitimacy and pursue secrecy, making a comparable metric growth analysis even more problematic. Growth variations occur within a single industry or among multiple industries according to competitive dynamics. For example, technology usage and product cycles influence business development trajectories more strongly in high technology using firms than trade and commercial activities (Park and Bae, 2004).

**Entrepreneurs**

Entrepreneurship studies have overcome the soullessness of models of the firm common in neo-classical economics (as called for by Baumol, 1968). Researchers identified opportunity creation and exploitation processes as a function of the entrepreneurial environment and resources (Companys and McMullen, 2007). Individuals’ emotional capacity, cognitive abilities and life experience were recognised to be critical to business success and growth. Westhead, Ucbasaran, and Wright (2005), for example, pointed out how past business experience contributes to entrepreneurs’ cognitive skills showing variations among novice, serial and portfolio entrepreneurs. However, the growing scholarship analysing the impact of individual traits and cognitive characteristics of entrepreneurs has also been criticised for being too subjective. Although human capital dimensions, as in the form of skills, are well recognised in development agendas, the implications of individuals’ emotional and psychological traits are far less well understood, limiting their relevance for policy making (see Frank and Landstrom, 2016; Piispanen, et al, 2018).

As for growth analysis, entrepreneurship studies are highly fragmented. Levie and Lichtenstein’s (2010) assessment of growth models in 104 such studies published between 1962 and 2006 showed that there has been no agreement on growth features. In another extensive literature analysis on entrepreneurship and growth, Wright and Stigliani (2013) pointed out that scholars are not in agreement on how entrepreneurs’ cognitive processes shape growth. According to this analysis, there is still no clear understanding of how the interactions among mind, environment and entrepreneurial action take place. This discussion supports the view that a general theory of entrepreneurship is not a viable quest.

**Transition institutions**

Institutional approaches have been particularly popular in analysing business development in post-command economies. Scholars identified that market distortions, weak property rights and skill shortages undermine market development (see Aidis, 2005 on Lithuania; Ahlstrom and Bruton, 2010 on Russia; Smallbone and Welter, 2001 on Belarus, Moldova and Ukraine). In their study of Poland, Russia, China and Vietnam, McMillan and Woodroff (2002) pointed out that trade and services were neglected in command economies and this affected new firm formation. Firms relied on informal enforcement and contracting in most post-Soviet states and experienced slower entrepreneurial development dominated by the incumbent elites. Dana and Dana (2003) showed how in transitional societies there was a lack of developed market institutions and this led to a high proportion of underground activities (see also Dana 2015).

There is a dynamic interplay between entrepreneurs and institutions shaped by the social context. In their analysis of Global Entrepreneurship Monitor (GEM) data on Russia, Aidis et al. (2008) identify the negative impact of a weak institutional environment on low levels of entrepreneurship showing how business networks provide advantages to entrepreneurial insiders versus not so well-connected ones. Many small firms did not have a single or clear product focus, which meant that entrepreneurs were often engaged in several different activities. In another study, Skosples (2012) investigates how legal extensiveness (the law on the books) and legal effectiveness (law in practice) affect availability of bank finance using a survey of over 4,000 firms in 21 transition economies. Their findings suggest that both law on the books and law in practice are important, but that they influence firms of different sizes differently. Small firms appear to be the most credit constrained in countries with weak creditor rights and with weak contract enforcement.

**Research perspective**

The literature analysis above shows no single theory is well-equipped to elucidate growth patterns in small businesses as growth orientations vary over time and between firms. McKelvie and Wiklund (2010) argue that a major reason for this lack of development is the impatience of researchers who prematurely address the question of “how much?” before adequately providing answers to the question “how?” Few studies look at “how firms attempt to grow”. This paper agrees with those who show that the focus should be placed on “growth as a process,” rather than as a “change in amount”.

Entrepreneurial shifts have been identified as an early transition phenomenon (Dana and Dana, 2003; Özcan, 2006). These studies suggested that in the early stages of transition, or in countries where market reforms are slow or not properly installed, a lack of stability in the external economic and political environment is often reflected in the characteristics and behaviour of firms at the micro level. Many small firms did not have a single or clear product focus, which meant that entrepreneurs were often engaged in several different activities, some of which were based on individual trade deals (Dana, 2000; Smallbone and Welter, 2001).

Distinguishing entrepreneurial trajectories through venture changes requires further calibration. Typologies provide meaningful research tools and categories to identify processes as well as patterns of structure in entrepreneurial pursuits. There have been other attempts in analysing characteristics and traits of SME owners and entrepreneurs through typological research (for example see Margiono, et al., 2018). Based on this analysis, a venture-based examination of entrepreneurial growth strategies and their typological configurations would be a suitable methodological approach in a highly fluid context within which nascent entrepreneurs experiment with their business ideas.

In the light of above discussion, the paper explores the following research questions:

* What are the characteristics of small business entrepreneurship in Central Asia in mid-transition years ?
* What kind of business ventures do entrepreneurs run and how do they pursue growth opportunities?
* What are the determinates of venture growth in the region?
* How do institutional deficiencies affect entrepreneurship growth under stable mid-transition conditions?
* What can we learn from the past experience of mid-transition for future policy making?

**METHODOLOGY AND DATA**

The evidence was collected through face-to-face interviews with 182 enterprises with a questionnaire consisting open and closed ended questions in Kazakhstan, Kyrgyzstan and Uzbekistan between March 2004 and October 2006 and funded by a Leverhulme Trust Research Fellowship. The enterprises were selected from decentralised micro-finance brunches in selected countries affiliated with the micro-finance programme led by the European Bank of Reconstruction and Development (EBRD). At the time there was no consistent single regional data base of small firms we could have accessed. This is an ongoing difficulty which reflects on limited scholarly reseach on entrepreneurship and small businesses in the region. Upon getting an approval from the London headquarters of the bank, we were introduced to the local project partners and programme leaders and selected our sample through their lending lists. The EBRD’s micro and small loans programme operated in all Central Asian states except Turkmenistan. Tajikistan was not included in the survey due to access problems and post-civil war conditions. The bank’s lending for small businesses started in 1992 and significantly expanded in Central Asia with the “Early Transition Countries Initiative” in 2004. A multi-donor fund was established to provide further credit lines to SMEs with an investment of more than 316 million Euros. Kazakhstan was the largest recipient (246 million Euros) followed by Uzbekistan (34 million Euros) and Kyrgyzstan (30 million Euros) (EBRD, 2006). The micro-lending programme was highly decentralised and coordinated by different consultancy firms in the region. Each brunch had a number of loan officers who presided over a portfolio of business credit lines. Access to firms was arranged through local branch officers. Most firms used between 1,000-10,000 USD per loan, only a few reached the upper limit of 50,000 USD, mostly in Kazakhstan. In Kyrgyzstan and Uzbekistan, micro-lending was much smaller (mostly around 1,000-2,000 USD per loan) than in Kazakhstan where the average credit was 8,000 USD. In all countries about 50 percent of the clients took more than one loan. A great majority of these enterprises were individually operated under a license (known as a patent) given by the authorities.

The credit data had some limitations: 1) the penetration of the credit scheme was mainly in large urban areas and was more developed in the Kyrgyz Republic, less so in Uzbekistan; 2) access to full business data was not possible due to varying local banking practices; 3) the credit lines had a bias towards trade and services since post-Soviet small firm creation was highest in these sectors (EBRD, 2007). Despite these shortcomings, the data and the bank consultants’ involvement allowed us to have a meaningful cross-country analysis. These allowed us: 1) to access bona fide entrepreneurial businesses in highly erratic business environments; 2) to locate business premises in hectic urban settings with no business directories; [[[2]](#endnote-2)] 3) to make meaningful cross-country comparisons; and 4) to secure the trust of entrepreneurs who were suspicious of inspectors and government related surveys. Loan officers first contacted entrepreneurs by telephone and asked their consent to participate in an academic study. The first contact response rate was very high (around 70%).

Our data set has advantage over other gereal surveys. The lack of systematic and comparable enterprise records by national governments, access issues and poor infrastructure hinder cross country studies. International organisations developed purpose specific large-scale surveys to account for the business environment (such as BEEPS) [[[3]](#endnote-3)] but offered little scope on the development of small business entrepreneurship. The Global Entrepreneurship Monitor (GEM) lacked broad coverage by including only Kazakhstan from the region. To compensate for this weakness, large teams or mass mailings were employed to gather information in some studies (Aidis, 2005). While such mass surveys are important to illustrate broader trends, they are less sensitive to context specific issues and tend to produce generic information rather than a deeper understanding of actual growth experiences.

The survey questionnaire collected data about the entrepreneurs’ background, details of present and past business ventures, perceptions about regulatory and government institutions, sources of market information, and future business plans with open-ended questions and a selection of Likert scale and multiple-choice questions. The questionnaire was translated into national languages as well as in Russian and conducted in the preferred language of the business owner with the help of multi-lingual fieldwork assistants in each country. A pilot survey was carried out to overcome linguistic misunderstandings. Almost all interviews took place in business premises and lasted between 45 to 60 minutes. The respondents were registered business owners, who drew credit from the micro-lending agencies. This empirical data was codded and analysed through SPSS and it remains as the first and the most compheremsive collection of small business data for the region (Özcan, 2010).

The following criteria were used in forming the sample: 1) geographical and sectoral spread were taken into consideration by including all major cities in the region as the survey covered about 5 percent of EBRD clients in each town; 2) only entrepreneurs who completed at least one round of micro-credit were chosen; 3) those who defaulted were excluded. The major cities studied were Almaty, Astana, and Karaganda in Kazakhstan, Bishkek, Karakol and Osh in Kyrgyzstan, and Bukhara, Tashkent and Samarkand in Uzbekistan.

**FINDINGS**

**Basic features of Central Asian states**

Kazakhstan, Kyrgyzstan and Uzbekistan all inherited resource-driven economies from Soviet Union. Although industrial assets in mining, armaments and mechanical engineering were built during communism, they were functionally dependent on far-flung regions and rapidly obsolete. The command economy re-allocated and managed resources and input and out-put quotas centrally (Dana, 2000). This further disadvantaged Central Asia while bringing deep industrial asymmetries (Dana, 2002). One of the major limitations of this land-locked region has been its dependence on international transit routes. Expanding energy resources based primarily on oil and gas are difficult to export without using Russian infrastructure. Following the first flush of liberalisation in the early 1990s economic divergence was accentuated among the independent states. Private sector growth has been greater in Kazakhstan and Kyrgyzstan while it stagnated in Tajikistan, Turkmenistan and Uzbekistan by mid-transition (see Table 1).

Kazakhstan is territorially the largest and economically most advanced country in the region after Russia. It managed to achieve a degree of macro-economic stability from the late 1990s and retained much of its industrial strength. During the mid-transition, Kazakh per capita income reached over 3000 USD, the highest in the region. The Kyrgyz Republic, in contrast, is small and resource poor. But, it fared better than its civil war torn neighbour of similar size, Tajikistan, and was a forerunner of economic reforms. The region’s most populous state Uzbekistan’s GDP per capita growth has been small and its private sector development trailed behind its neighbours, bar Turkmenistan. With high tariffs and import substitution policies, the Uzbek government has diverted resources to an uncompetitive and obsolete industrial sector.

Table 1 presents the basic features of Central Asian states along with their comparative economic outlook. This summary data points out the relative tranquillity of the mid 2000s as opposed to high inflation rates during the 1990s and negative consequences of the 2008 economic crisis along with worsening international aid and market reforms. Despite their size and economic differences the regions’ economies have been driven by commodity prices (such as gold, cotton, oil and gas) and remained sensitive to global trends.

**Insert Table 1 – The economic and demographic indicators of Central Asian states during the mid-transition period**

**Entrepreneurial Characteristics**

Central Asian entrepreneurs come from a multi ethnic and highly educated Soviet professional class (see Table 2). They are learning entrepreneurship by doing. Women are highly visible and family involvement in business operations is an essential part of enterprise formation. However, there are no entrepreneurial family genealogies as the region’s aristocracy and trading families either emigrated or dispersed during the past one hundred years and more. Rather than large extended families, often spouses, children and parents are involved in business. Almost half operate in low entry sectors, retail and trade activities (81 cases, about 47%), one third in the services sector (54 cases, about 32%) and one fifth in manufacturing (33 cases, about 20%). Most businesses are micro and small (only 6 firms employed more than 50 persons). These are broadly in line with findings on new firm creation in the region (EBRD 2016).

**Ethnicity**

Multi-ethnic entrepreneurship is associated with population movements to the region under the Tsarist rule, Stalin’s mass deportations, and Slav migration under the “Virgin Lands” policy of Khrushchev (Matley, 1994). Kazakhs and Kyrgyz are underrepresented in the entrepreneurial stock. More than a million Kazakhs died during the great famine (1932-1933) and subsequently became a minority in the Kazakh SSR (Shayakhmetov, 2006). Ethnic varieties in the sample reflect this historical legacy. The majority of entrepreneurs (60%) are ethnic Uzbeks within Uzbekistan. Other ethnic groups include Crimean Tatars, Koreans, Meshketians, Tajiks and Uyghurs. Russians constitute 4 percent of entrepreneurs surveyed. However, in Kazakhstan almost one third of entrepreneurs are Russians (31%). Kazakhs are the largest single group in Kazakhstan but make up only slightly more than one third of enterprises (38%). In Kyrgyzstan, ethnic Kyrgyz entrepreneurs occupy almost half of the sample (49%) and the country’s second most populous minority, Uzbeks, constitute a fifth. Ethnic Russians account for a little less than one tenth (8%). The rest come from a variety of communities (24%). These include Volga Germans, Tajiks, Uyghurs, Han Chinese Muslims, Meshketian Turks and other ethnic groups. Despite this diversity, an overwhelming majority of respondents stated that ethnic differences have no negative affect on business practices (this was 93.3% in Kyrgyzstan, 91.4% in Kazakhstan and 87.2% in Uzbekistan). This is evidence of a highly tolerant urban environment (see Table 2).

**Education**

Almost 60 percent of all entrepreneurs surveyed have bachelor’s degrees and above. This high educational attainment is associated with the middle-class character of entrepreneurship. It is also related to entrepreneurs’ previous social status as Soviet professionals. Others are graduates of technical and vocational high schools with background in crafts and artisanship. Those with lower educational attainments tend to be from small towns or rural communities. There are some differences among the countries in relation to educational attainments. The significance test shows that entrepreneurs are more likely to have higher educational attainments in Kazakhstan. Rural and semi-rural backgrounds are more likely to be observed in Uzbekistan. This is consistent with the strong agrarian and traditional culture of Uzbekistan, which is associated with its Soviet status as a centre for cotton mono-culture. However, Uzbekistan historically had several urban centres with regionally important educational institutions (see Table 2).

**Age and gender**

The age distribution shows the dominance of the Khrushchev generation (born between 1953 and 1964). While they support subsequent cohorts, the Khrushchev generation also seem to distort market opportunities. Young people overwhelmingly dominate the region’s population and often resort to seasonal migration for work. This finding shows the dependence of post-Soviet generations on the income and jobs generated by middle-aged Soviet era professionals, the new entrepreneurs during mid-transition years. This finding points out how demographics influence the level of entrepreneurship and future opportunities (see Levesque and Minniti, 2011).

The mean age of surveyed entrepreneurs is 41, spread from 21 to 63 years old, and the Khrushchev generation dominates the set. Slightly more than half of entrepreneurs interviewed in Kazakhstan and Kyrgyzstan were female. The visibility of businesswomen in this predominantly Muslim region is associated with Soviet modernisation projects and urbanisation from the 1960s onwards as well as liberal attitudes of prevailing Tukic nomadic traditions. Women mostly work in new trade centres but are also numerous in professional services such as dentistry, pharmacy, and legal advice. Uzbekistan, a centre of cotton during the USSR, there is a male dominated business life (71%). While women are often confined to their homes in agrarian communities, more liberal attitudes prevail in urban areas. The vast majority of entrepreneurs are married (83%). Traditional attitudes towards the maintenance of marriage as part of the social fabric are most frequently observed in Uzbekistan. As urbanites, entrepreneurs tend to have smaller than the average families, with 65 percent having two and fewer children.

**Employee numbers and organisation**

One of the important characteristics of the Central Asian market is the preponderance of micro and small businesses. Only in Kazakhstan is there a significant proportion of somewhat larger firms, with 41 percent of the sample employing between 11 and 50 workers. This compares with 24 percent of firms between 11 and 50 employees in Uzbekistan and 27 percent in Kyrgyzstan. The significance tests also confirm that countries differ with respect to the size of the employee numbers (see Table 2). Positive economic growth in Kazakhstan contributed to modest increase in organisational size.

The majority of businesses have flat organisational structures; they are either individually owned and operated businesses or simple partnerships. They very rarely employ accountants, secretaries, engineers or managers. Families and relatives are frequently involved in enterprises instead.

**Insert Table 2 - Personal attributes of the surveyed entrepreneurs**

**GROWTH TYPOLOGY**

We examined growth positions of each enterprise in the sample through an analysis of temporal venture changes and later developed a typology driven by these empirical results. This method captures the changes that entrepreneurs initiate and is able to differentiate activities that extend, develop out of, or deviate from existing business activities.

The analysis examined entrepreneurs’ business activities in a time frame of past and present as well as intended future plans. The study explored growth positions for each enterprise based on the responses given to the following questions during the face-to-face interviews:

1) Is this your first private business [open ended]?

2) What was your previous occupation/enterprise before setting up your current venture [explain]?

3) What are your future business plans for the next five years (this identifies short-to-medium time growth intentions, see Verreynne and Meyer, 2010) [with 5 options and comments]?

4) Is there a family member working with you [explain]?

Each answer was probed to obtain clear explanations by the researcher and a fieldwork assistant. Further discussions allowed us to address misunderstandings. In Kazakhstan and the Kyrgyz Republic most interviews were conducted in Russian along with Kazakh, Kyrgyz and Uzbek. In Uzbekistan it was mostly in Uzbek and Tajik.

After checking and coding the data, a business profile for each entrepreneur was developed in an exel file along with details of products and services offered. Then, the analysis determined if an entrepreneur’s current venture was in a continuum (i.e. the same product and service range) with their previous activity.

All venture changes were recorded to detect if the enterprise has gone through any vertical and horizontal expansions or sharp industry deviations compared to the previous venture. Entrepreneurship was still growing with the increasing participation of salaried professionals. For novice entrepreneurs, the analysis used their previous occupation or professional position as a comparative measure. For example, if a formerly state employed pharmacist was running a drug store, this showed a relationship to his/her previous occupational attainment. Through a case-by-case analysis ventures were mapped for all enterprises in relation to minor horizontal alterations, multiple diversifications, industry discontinuities and expanding specialisation. At the end of this process there emerged some recognisable patterns. The study further refined the venture mapping under four modes which led to a 4S typology. These were:

1. *Sliding mode:* horizontal sliding into various related ventures with minor modifications;
2. *Skipping mode:* abrupt changes and discontinuities with skipping from one business venture into an entirely different one;
3. *Scooping mode*: multiple diversification through horizontal and vertical expansion to scoop up kindred functions;
4. *Specialising mode*: specialising to exploit lucrative and high entry barrier niche businesses. Some respondents displayed two or more qualities of these types. In those circumstances, the dominant category is coded.

This examination placed 168 entrepreneurs in the typology. The skipping mode contained the largest number of cases (97) followed by sliding (35) and specialising (20); the scooping mode was the least observed (16).

The 4S typology provides an in-depth understanding of venture dynamics in three ways:

1) it provides scope for a more nuanced analysis of actual growth, especially when detailed business and financial transaction information are not available or suitable to detect changes;

2) it shows how market deepening occurs and in what way entrepreneurs respond to mid-transition conditions;

3) it is sensitive to detect entrepreneurial development when overwhelming population of new firms are small and remain marginal in product markets.

There are also some limitations: 1) the typology has only a three-stage analysis with previous undertakings, present ventures and future plans within the next five years as used by other scholars (Verreynne and Meyer, 2010); 2) past venture failures are not accounted for; 3) there is no data on joint family investments.

***Sliding***

Entrepreneurs in the sliding mode have followed an incremental expansion in similar product or service lines through horizontal movements. This is a form of growth that is steady but also cautious. Growth of demand in consumer goods has fuelled the development of small firms in all major cities. The cross-border shuttle trade of the early transition era evolved into new supply chains, which allowed diversification. In the sliding mode most firms show steady horizontal growth following the expansion in variety, quality, and location choices. One fifth of the observed cases (35 out of 168) are in this group. As the illustrative cases below show, entrepreneurs recognised new opportunities and/or responded to market circumstances and moved to related areas, albeit in an incremental fashion. For example, selling garments in large retail and wholesale bazaars provided low entry conditions early on. By the 2000s markets grew to be highly competitive and were organised in new commercial shopping areas and large bazaars (Spector 2008). Retailers who moved to slightly better product lines in ready-made garments found new opportunities as seen in Cases 1 and 2. Others had changes in business ownership (see Case 3).

**Case 1**: A university graduate female entrepreneur has been selling readymade clothes in the southern city of Jalalabad in Kyrgyzstan. She was doing her business first in an open market and later moved to a store. She sells up-market children’s and ladies’ garments in a Central CUM, an old Soviet retail complex turned into a shopping mall. She is a divorcee and her mother is helping with the business. (KG 28)

**Case 2**: A high school graduate male was selling readymade clothes in a market place in Tashkent, Uzbekistan. His current enterprise is in a new store and he sells ready-made men’s suits. His wife works with him. (UZ 80)

**Case 3**: A university graduate male was running a furniture making business with a partner in the northern Kazakh city of Karaganda. The partnership ended, as they could not get along. After the split, he continued with furniture production and decoration. His daughter helps him with the design. (KAZ 179)

***Skipping***

When they operate in skipping mode, entrepreneurs move drastically away from their previous business venture or professional position. More than half of the cases are observed in this category (97 out of 168). Unlike many entrepreneurs who feel compelled to maintain continuity with their previous experiences, here there is a high degree of sectoral and occupational discontinuity and restlessness. There are some novice entrepreneurs who left their salaried state employment and moved into enterprising activities that are not associated with their past professional qualifications. Some have prospered. Others managed to survive but had resentment along with nostalgia about their stable lives under the Soviet Union. In the sample there were medical doctors who owned retail stores, engineers who ran taxi services and teachers had bazaar shops (such as Case 6). Many professionals entered the market as novice entrepreneurs, initially to supplement their incomes and later left their professional positions (Cases 4 and 5). These findings show that entrepreneurship continued to be an evolving and highly uncertain process years after the collapse of the Soviet Union.

**Case 4:** A high school graduate male used to work at a state sewing company as the deputy manager, then did shuttle trade with Russia. He runs a restaurant and wedding hall in Osh, a southern city of the Kyrgyzstan. His partner is a housewife and he employs other relatives. (KG 11)

**Case 5:** A university graduate female used to be the head of a factory lab during Soviet Union. She was running a café before the current business. At the time of the survey she owned a beauty saloon in Bishkek. Her daughter-in-law and son are also working for her. (KG57)

**Case 6:** A male medical doctor found that as his salary began to shrink he was not earning enough to get by. He left the profession and now sells dried nuts, fruits and other foodstuffs in a newly built market in Tashkent. He cooperates with his bother and cousins who have their own units in the same complex. (UZ94)

***Scooping***

When an entrepreneur takes their business activity to a higher level of specification and/or sophistication, this was identified as scooping. This level of operation is different from skipping or sliding as it involves diversification both horizontally and vertically. Poor public services and the meltdown of state enterprises created major gaps in production and distribution channels with many needs unmet. Small enterprises have expanded through these new opportunities but they also aimed to secure their inputs, provide continuity and flow or sought ways to protect their market position. Scooping often happens by multiplying kindred services and product ranges. However, roughly one in 10 business cases (16 out of 168) show this capacity. For example, from only selling bridal costumes, an entrepreneur moved into additional services such as renting cars, video recording and photography for weddings and celebrations (Case 7). Similarly, moving from making furniture to owning a business that delivered an interior design and furniture production shows how scooping can operate by using earlier skills and know-how (Case 9).

**Case 7:** Auniversity graduate male was selling bridal costumes with the support of his sister in the Kyrgyz city of Osh. He expanded the business with imports, retailing and renting bridal costumes along with other wedding services (including photography, video recording and car rental). His wife makes alterations in addition. Other relatives A also employed. (KG13)

**Case 8:** A university graduate male was previously selling CDs and music cassettes in Bukhara, a historic city in Uzbekistan. He expanded the business with video recording, music CDs and cassette production and sale. No family member is employed. (UZ123)

**Case 9:** A university graduate male entrepreneur used to work for a state firm and later began making furniture in Karaganda. He then developed his current business in interior design, decoration and custom made furniture. His partner is a housewife and no family member is involved. (KAZ173)

***Specialising***

The specialising mode is observed among entrepreneurs who employ specialist knowledge and higher skills to expand. These are not easily imitable ventures as they often involve specialist know-how and/or higher educational attainments such as private medical practices. About 12 percent of observed cases (20 out of 168 businesses) are in this mode. Particularly high entry barrier businesses, such as private health clinics, legal advice or engineering and training services, offered increased earning potential for well-connected professionals. Those who occupied managerial positions relocated more easily in new markets to specialise in service and manufacturing ventures. For example, a dental school graduate established a dentistry assistant training school (Case 11). A former manager in a state-owned shoe factory went into the production of shoes. Another manager who worked in a construction glass workshop formed his venture to design and produce high spec window frames and related glass products (Case 12). Interviews highlighted that these entrepreneurs benefitted from their professional networks in obtaining necessary tools and machinery. The rapid meltdown of state enterprises presented ample opportunity for insiders to take advantage of the re-distribution of material assets and building sites.

**Case 10**: A university graduate female doctor used to work for the health services at a government-run factory. She established a medical centre and anti-stress clinic in Bishkek. She employs doctors and nurses. Her son works for the business. (63KG)

**Case 11**: A university graduate male used to work for a state lab and had further training at a commercial lab in Moscow. He opened training centre to educate dental assistants. His wife is being trained there and nephew works for him. (Tashkent, UZ86)

**Case 12**: After leaving the army, a male entrepreneur briefly did small trade then worked for a glass production and trading business in Almaty, the former capital city of Kazakhstan. He set up the current ready-made designs and high specification edged glass business. He is divorced with no family involvement in the business. (KAZ 135)

**Insert Table 3a - The Distribution of 4S typology**

**Insert Table 3b - The 4S by country**

**ATTRIBUTES OF THE TYPOLOGY**

Following from above typological analysis we investigated if these growth trajectories showed any assoictaions with four hypotheses:

Hypothesis 1: The 4S typology shows associations with entrepreneurs’ personal attributes such as gender and education;

Hypothesis 2: The 4S typology shows associations with firm’s age, country and industry context;

Hypothesis 3: The 4S typology shows associations with future business ambitions of the entrepreneur;

Hypothesis 4: The 4S typology shows associations with entrepreneurs’perceptions of institutional deficiencies.

**Hypothesis 1: Gender and education**

There is a positive correlation between females and the sliding mode indicating that women are more likely to expand their business in similar product or service lines through an incremental horizontal manner than men (see Table 4). Women entrepreneurs are more risk averse: they are less willing to move into new businesses and less likely to close down their business. Anecdotal information during the fieldwork suggested that business growth ambitions are tempered by women’s efforts to maintain family livelihoods and social obligations. These findings indicate a dynamic but watchful female entrepreneurship as the 4S mode varies between female and male entrepreneurs. This result contributes to the growing literature on the nature of female entrepreneurship (see Daulerio, 2018).

Educational attainments show some significant results as well (see Table 5). Technical and high school education is more likely to be observed among skipping entrepreneurs than scooping and specialising ones. Those who seek further sophistication in their ventures with specialist markets are more likely to be highly educated university graduates or those with further qualifications. This is an expected outcome and shows how post-Soviet entrepreneurship is closely associated with Soviet era capabilities and opportunity structures. Professionals also have better access to resources, wealthy networks and market information. However, the presence of doctors and engineers in skipping mode also shows that there is a degree of instability.

**Insert Table 4 – The typology by gender**

**Insert Table 5 – The typology by education**

**Hypothesis 2: Country and industry context**

The statistical analyses showed no identifiable association between the firm age, its country of origin or sector in relation to the 4S modes (See Table 3b). This is an interesting result since for other factors geography is significant. There is a more dynamic business climate in Kazakhstan as opposed to Uzbekistan when measured in the form of future intentions to increase and/or produce and sell new products and services. Female entrepreneurship is more common in Kazakhstan and the Kyrgyz Republic than in Uzbekistan. The enterprises are fairly young; 63 percent are below 10 years old (one third of the sample being 5 years and younger). The average enterprise age in sliding and skipping modes is around 8 years. Although small in sample size, there seems to be some specific features: younger firms are more common in the scooping mode (5 years and younger, 53%) and specializing mode (6 to 9 years, 45%). This suggests that stability and growth in national economies allowed some business sophistication and market deepening.

**Hypothesis 3: Future business ambitions**

To explore future business plans, especially with regard to the propensity to remain within a particular mode or not, entrepreneurs were asked about their intentions in eight categories: 1) to maintain the same business with no change; 2) to produce and sell new products and services; 3) to increase production/service in the current service/product line; 4) to modernise technical equipment and machinery; 5) to move into new business fields; 6) to increase the number of employees; 7) to re-organise the company; 8) to close down the business.

|  |
| --- |
|  |

Future plans show a buoyant business climate as entrepreneurs simultaneously plan to explore increasing their business and move into new areas, most notably in scooping mode. These are important indicators that entrepreneurs are motivated and have aspirations to grow. As shown in Table 6, scooping entrepreneurs are more likely to stay in the same business and wish to increase their production and service as opposed to specialised and sliding ones. Along with the skipping mode, these two groups exhibit growth ambition. In particular, skipping entrepreneurs who have had discontinuities wish to maintain and grow in their current ventures. This indicates a desire for business stability. The scooping entrepreneurs are likely to maintain the same business compared to others, showing the benefits of deepening. The specialised entrepreneurs seem to display stable positions in relation to increasing their production and services, modernise technology and equipment and expand the number of their employees. The sample size in this category does not allow us to make further claims. However, there is a relative lethargy among sliding entrepreneurs and this further supports the observation on cautious female entrepreneurship, which is most observed in this mode.

**Insert Table 6 – The typology by future business plans**

**Hypothesis 4 - Perceptions about institutions**

Additional tests were carried out to examine if institutional deficiencies were perceived differently among the 4S business positions by assessing the satisfaction levels with legal systems, the judiciary, the customs service, and the police. Widespread discontent points to a deep sense of insecurity across all the modes in the typology. There is no identifiable division among 4S modes but a country specific analysis shows some differentiation (see Table 7). The overwhelming majority of respondents complain about arbitrary charges and inspection levies. They do not trust the justice system and avoid courts for addressing business and personal problems. Only one entrepreneur in the entire sample said that the judiciary in their country is “very good”. Kyrgyzstan had relatively better satisfaction levels as 30 percent rated the judiciary and courts as “good”. However, in Kazakhstan and Uzbekistan, there is deep dissatisfaction; none of the respondents rated their legal system and judiciary as “very good” and only around one in every ten entrepreneurs said the judiciary was “good”. The low level of satisfaction is linked to the widespread concerns over lack of legal protections and arbitrary law enforcement. Extensive anecdotal data and personal stories collected during the fieldwork supported this finding.

Only fewer than 2 percent of respondents classify their customs service as “very good”. The main problems are identified as the colossal bureaucracy, out-dated Soviet rules and widespread corruption (McCann, 2014). In Uzbekistan, import-substitution policies led to closed borders and encouraged illegal border trade. Those who had limited exposure to customs or managed to get by through their special contacts and means, opted out by stating “I don’t know”; this was the highest in Kazakhstan (38%) and Uzbekistan (30%). Those who reported that it was “bad” were highest in Uzbekistan (37%) followed by Kyrgyzstan (33%) and it was much lower in Kazakhstan (14%). In conversations, entrepreneurs pointed out that their dealings with customs officials differed according to the type and size of the transaction. Many business owners used their social networks with various forms of kickbacks and reciprocal deals. Others employed intermediary groups without personally being involved.

The police service is another source of discontent as only 4 percent of respondents say the police force in their country works “very well” and only one in five say it is “good” across the region. However, as presented in Table 7, significance tests show a marked difference among countries. Paradoxically, both satisfaction levels are lower and indifference levels are higher in Kazakhstan as 43 percent say they “don’t know” and only 14 percent say the police service is “good”. This indicates a general apathy towards the police in Kazakhstan where there is less police presence in cities. In Uzbekistan, 40 percent of respondents ranked the police as “bad”.

**Insert** **Table 7 – Entrepreneurs’ perceptions about institutions**

**DISCUSSION**

The 4S typology allows us to gauge the scope of entrepreneurship development and business growth strategies through an analysis of venture changes. The findings point out that highly educated and multi-ethnic urban entrepreneurial stock was squeezed in limited growth opportunities in Central Asia during mid-transition years. Our analysis have shown that 4S is sensitive to personal characteristics of entreperenurs supporting Hypothesis 1. Generation and gender matter in market positions of enterprises (Levesque, and Minniti, 2011). While female business owners are mostly cautious survivors, the age distribution points out a demographic limitation: middle-aged Soviet educated professionals dominate the business landscape (Özcan, 2006). New research is necessary to re-assess if younger post-Soviet generations show different attitudes towards business doing as the gender gap may be narrowing in motivational attitudes (Daulerio, 2018).

We found no significant association with firm’s age, country and sector in 4S positions. Hence, Hypotheses 2 is not supported. This should be further tested by other scholars but our results indicate broader issues. The majority of entrepreneurs follow incremental moves in narrow product/service spectrums through skipping between disjointed ventures or sliding horizontally. There is a high degree of imitation but also restlessness. The absence of a more pronounced trend toward differentiation in scale and scooping/specialising activities or larger scale operations require further analysis of transitive character of entrepreneurship and business environment.

Entrepreneurs’ future intensions point out that skipping and scooping entreprenuers are highly motivated. This result extends support to Hyptheses 3 and shows that 4S positions signal future growth orientation. Instutional defficienies seem to be pervasive with no significant variation among 4S positions. Thus, Hypothesis 4 is not supported.

By imitating each other, Central Asia’s well-educated middle class entrepreneurs reduce uncertainty, move along new market opportunities and compensate for their lack of entrepreneurial know-how. Imitation is recognised to be a facilitating process as entrepreneurs emulate the strategies of other firms from their own strategic group. This is acknowledged especially for start-up firms (Gentry et al., 2013: 526). Although the drivers of imitation are spatially and socially structured, it is beneficial to firms operating in uncertain environments. Entrepreneurs follow role models in the market and aspire to emulate them. Hence, imitation, however distorted it may be in relation to perceptions of entrepreneurs, provides a learning process for Central Asian entrepreneurs.

Nevertheless, the high propensity of skipping between disjoined ventures with no links to previously accumulated business experience and knowledge points out a dilemma. Why do entrepreneurs not form ventures similar to their past experience and/or use their educational attainments? For example, why would a medical doctor run a food retail shop? Why is there a high degree of discontinuity and restlessness between ventures? There are two possible explanations: first, entrepreneurs, given their former civil servant Soviet positions, lack business mentality to forge ahead. The Soviet system crushed individualism and nurtured a servant mentality among professionals with high degree of uncertainty avoidance. Second, their strategic role models (within their spatial and social context) offer only meagre possibilities (see for example Case 5 and 6). This is pertinent especially for family involvement with no entreprenurial geneologies. The paper’s findings on human capital inputs (Davidsson and Honig, 2003; Iyigun and Owen, 1998) show that despite high educational attainments, Central Asian entrepreneurs lack experience in and cognition of doing business (Westhead et al., 2005). Contracted imitation prospects were broadly associated with very low levels of business know-how in the region.

**CONCLUSION**

The 4S typology developed here captures inherent restlessness in small business behaviour when entrepreneurs act with limited information and capacity to manoeuvre. The research findings support views on the disorderly nature of strategy making in small businesses but also highlights the weaknesses of entrepreneurial know-how (Alpkan, et al., 2007; Brush and Chaganti, 1998).

This paper makes three distinct contributions to small business growth analysis in emerging regions. First, we develop a case sensitive 4S typology which is able to capture nuances in business development. Our analysis highlights that neither general business statistics nor a generic transition institutions approach is sufficient to identify small business growth paths and entrepreneurial responses in peripheral regions (Frank and Landström, 2016). The geographical and historical context of entrepreneurial development show significant variations in the former Soviet Union (Özcan, 2008; Dana, 2015). Second, in addition to exploring alternative measures of growth, chronological examinations provide better perspectives on entrepreneurial positions and growth orientation. We further suggest that the lack of entrepreneurial genealogies and capital accumulation has been critical on business formations. In particular, the post-colonial nature of economic dependencies and cultural norms have had long lasting implications for indigenous communities as opposed to settled people (Peredo et al., 2008). Third, the analysis of small business venture process in 4S illustrates to what extent entrepreneurs purse growth, imitation and innovation. The narrow product and service range between venture changes point out a dense competition with low entry barriers.

Overall, the 4S typology shows that micro-finance energised entrepreneurship in mid-transition years and a motivated entreprenurial stock emerged. The main lesson for policy making is that these benevolent years should have been used better for economic development in Central Asia. The international agencies assisting market transition and national governments missed the chance to build effective enterprise development and industrial policies to support entrepreneurial SME growth. Economic fundamentals of the region over the last two decades remained dependent on commodity prices maintaining their Soviet era legacies. Although there has been a diverging trajectory (such as better performing Kazakhistan versus an aid dependent Kyrgyz economy), the situation for small and mediumsized businesses did not change fundmanetally in the region (hence the ‘stuck in transition’ syndrom named by EBRD 2013).

The narrow positions in 4S typology further point out that despite its contributions to family survival and leading to occasional innovative ventures, the skills of former civil servants, engineers, teachers and doctors were misplaced in small-scale trade and services in Central Asia. Scholars frequently point out that entrepreneurship contributes to economic growth. However, there is a long-term developmental cost of placing professionals in the position of entrepreneurs. The myths about lucrative business fortunes and entrepreneurialism combined with poor salaries contributed to the deterioration of public services and loss of high level skills in large scale. While the region today lacks good hospitals, schools and public institutions, those who would have run them were forced out by small government salaries and encouraged by international development agencies to focus on small-scale enterprising activities.

**LIMITATIONS AND FUTURE RESEARCH**

This analysis coincided with a stable and favourable period, analyses under political and economic stress conditions may lead to interesting variations. The 4S typology can be tested for present day post-transition conditions as well as developing country contexts to identify meaningful growth versus restlessness of entrepreneurial ventures. Such analysis will better inform policy making and support for small firms. By taking into account longer time periods, researchers may be able to detect other trends in relation to market development and entrepreneurial growth positions.

To elucidate further on how entrepreneurial ventures grow in emerging markets scholars should explore the nature of imitation, degree and source of restlessness, and the landscape of role models in developing and emerging economies.

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**ENTREPRENEURIAL GROWTH STRATEGIES IN CENTRAL ASIA:**

**A MID-TRANSITION TYPOLOGY OF 4S**

**Table 1– The Economic and demographic indicators of Central Asian states during the mid-transition period**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Central Asian  States | **Population1** | | **Land Area** | **GDPPer Capita** | | **Inflation** | | | **Aid4** | | **Private Sector 5** | |
| **2004** | **2014** | **(sq. km)** | **20042 ($)** | **2014 ($)2** | ***Early Transition***  **1997-2001 Average3** | ***Mid- Transition***  **2004-2005 Average3** | ***Post-Transition***  **20084** | ***Net ODA 2004*** | ***Net ODA***  ***2014*** | **Share in employment**  **2006** | **Share in GDP (%)**  **2006** |
| **Kazakhstan** | 15,012,985 | 17,289,224 | 2,699,700 | 3,468.5 | 5,580.9 | 10.9 | 7.2 | 17.2 | 0.7 | 0.0 | 77.0 | 65.0 |
| **Kyrgyzstan** | 5,104,700 | 5,835,500 | 191,800 | 482.8 | 637.1 | 19.1 | 4.2 | 24.5 | 12.4 | 8.6 | 81.2 | 75.0 |
| **Tajikistan** | 6,666,628 | 8,295,840 | 139 960 | 223.33 | 507.4 | 46.0 | 7.1 | 20.5 | 12.7 | 3.1 | 28.0 | 55.0 |
| **Turkmenistan** | 4,696,876 | 8,295,840 | 469 930 | 1,526.4 | 3,873.8 | 15.0 | 6.0 | Na | 0.8 | 0.1 | Na | 25.0 |
| **Uzbekistan** | 25,864,350 | 30,757,700 | 425 400 | 517.0 | 959.6 | 32.1 | 5.7 | Na | 2.1 | 0.5 | Na | 45.0 |

Source: 1 World Bank development indicators; 2 World Bank. Data are in constant 2005 U. S. Dollars; 3 Based on the analysis of Dowling and Wignaraja (2006); 4 The World Bank data, Net ODA received (of % of GNI); 5 *Transition Report 2007*, EBRD.

**Table 2- Personal attributes of the surveyed entrepreneurs**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Kyrgyzstan (A)** | **Uzbekistan (B)** | **Kazakhstan (C)** | **TOTAL** |
| **Number of interviews (n)** | | **76** | **48** | **58** | **182** |
| **Gender** | *Male* | 45 | 71AC | 43 | **51** |
| *Female* | 55B | 29 | 57B | **49** |
|  | **Total** | **100** | **100** | **100** | **100** |
| **Ethnic Origin** | *Kyrgyz* | 49 | 0 | 0 | **20** |
| *Russian* | 8 | 4 | 31AB | **14** |
| *Uzbek* | 20 | 60A | 0 | **24** |
| *Kazakh* | 0 | 0 | 38 | **12** |
| *Other* | 24 | 37 | 31 | **30** |
|  | **Total** | **100** | **100** | **100** | **100** |
| **Education** | *Middle School* | 11C | 7 | 2 | **7** |
| *High School or technical lycee* | 33 | 42 | 31 | **35** |
| *University* | 55 | 40 | 62B | **54** |
| *Postgraduate* | 1 | 11A | 5 | **5** |
|  | **Total** | **100** | **100** | **100** | **100** |
| **Marital Status** | *Married* | 82 | 88 | 83 | **84** |
| *Single* | 9 | 6 | 9 | **8** |
| *Divorced* | 5 | 6 | 3 | **5** |
| *Widow* | 4 | 0 | 5 | **3** |
|  | **Total** | **100** | **100** | **100** | **100** |
| **Sector** | *Trade/retail* | 40 | 46 | 59A | **47** |
| *Manufacturing* | 17 | 27 | 19 | **20** |
| *Service* | 43C | 27 | 22 | **32** |
|  | **Total** | **100** | **100** | **100** | **100** |
| **Number of Employees** | *1-5* | 54C | 55C | 29 | **46** |
| *6-10* | 17 | 18 | 22 | **19** |
| *11-50* | 28 | 25 | 41 | **31** |
| *50+* | 1 | 2 | 7 | **3** |
|  | **Total** | **100** | **100** | **100** | **100** |
| **Age of business** | *After 1991* | 92 | 94 | 100A | **95** |
| *Before 1991* | 8 | 6 | 0 | **5** |
|  | **Total** | **100** | **100** | **100** | **100** |

Notes:

* Values are in percentages (%)
* Statistical differences at the 95% confidence level and are shown with CAPITAL letters (i.e. A, B, C).

**Table 3a - The Distribution of 4S typology**

* Values are in percentages (%)

**Table 3b - The 4S by country**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Kyrgyzstan (A)** | **Uzbekistan (B)** | **Kazakhstan (C)** | **Total** |
| **Number of interviews (n)** | **69** | **43** | **56** | **168** |
| *Sliding* | 22 | 23 | 20 | **22 (35)** |
| *Skipping* | 58 | 58 | 57 | **57 (97)** |
| *Scooping* | 12 | 7 | 7 | **9 (16)** |
| *Specialized* | 9 | 12 | 16 | **12 (20)** |

Notes:

* Values are in percentages (%). Case numbers are given in the last column in parenthesis.
* Column percentages are given
* Statistical differences at the 95% confidence level and are shown with **CAPITAL** letters (i.e. A, B, C).

**Table 4 – The typology by gender**

|  |  |  |
| --- | --- | --- |
|  | **Male**  **(A)** | **Female**  **(B)** |
| **Number of interviews (n)** | **83** | **84** |
| Sliding | 13 | **30A** |
| Skipping | 64 | 51 |
| Scooping | 12 | 6 |
| Specialised | 11 | 13 |
| **Total** | **100** | **100** |

Notes:

* Values are in percentages (%)
* Column percentages are given
* Statistical differences at the 95% confidence level and are shown with CAPITAL letters

(i.e. A, B, C)

**Table 5 – The typology by education**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Sliding (A)** | **Skipping (B)** | **Scooping (C)** | **Specialised (D)** | **Total** |
| **Number of interviews (n)** | **35** | **97** | **16** | **20** | **168** |
| *Middle School* | 3 | 5 | **27A** | 5 | 7 |
| *High School or technical lycee* | 33 | **42CD** | 13 | 20 | 35 |
| *University* | 64 | 48 | 53 | 65 | 54 |
| *Postgraduate* | - | 5 | 7 | 10 | 5 |
| **Total** | **100** | **100** | **100** | **100** | **100** |

**High Education:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *University and postgraduate* | 64 | 53 | 60 | **75B** | 59 |

Notes:

* Values are in percentages (%)
* Column percentages are given
* Statistical differences at the 95% confidence level and are shown with **CAPITAL** letters (i.e. A, B, C).

**Table 6 – The typology by future business plans**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***% of those who mention ‘YES’ to each criterion*** | **Sliding (A)** | **Skipping (B)** | **Scooping (C)** | **Specialised (D)** |
| **Number of interviews (n)** | **35** | **97** | **16** | **20** |
| *To maintain the same business* | **77D** | **84D** | **100ABD** | 37 |
| *To produce and sell new products and services* | 40 | 46 | 56 | 31 |
| *To increase production/service* | 43 | **66A** | **81AD** | 49 |
| *To modernise the technical equipment and machinery* | 43 | 38 | 38 | 37 |
| *To move into new business fields* | 29 | 33 | 31 | 17 |
| *To increase the number of employees* | 37 | 34 | 44 | 34 |
| *To re-organise the business* | 11 | 15 | 25 | 14 |
| *To close down the business* | 9 | 1 | 0 | 3 |

Notes:

* Table shows those who say ‘YES’ to the mentioned criterion for future plans
* Values are in percentages (%)
* Column percentages are given
* Statistical differences at the 95% confidence level and are shown with CAPITAL letters
* (i.e. A, B, C).

**Table 7 – Entrepreneurs’ perceptions about institutions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **% of those who mention ‘*good’***  **and ‘*very good*’** | **Kyrgyzstan (A)** | **Uzbekistan (B)** | **Kazakhstan (C)** | **Total** |
| **Number of interviews (n)** | **76** | **48** | **58** | **182** |
| *Judiciary and courts* | **31BC** | 13 | 10 | **23** |
| *Customs* | **27C** | 19 | 11 | **19** |
| *Police* | 31 | 22 | 17 | **23** |
| *Presidency* | **37B** | 17 | **34B** | **27** |
| *National assembly* | 31 | 19 | 18 | **23** |
| *Municipality* | **53BC** | 35 | 24 | **38** |
| *Transportation* | 55 | **66C** | 41 | **40** |
| *Mail and telephone services* | 66 | 76 | 67 | **48** |
| *Electricity, water and sewage* | 56 | 41 | 53 | **41** |
| *Education* | 47 | 30 | **49B** | **31** |
| *Health* | **43B** | 25 | 36 | **34** |

* Values are in percentages (%)
* Column percentages are given
* Statistical differences at the 95% confidence level and are shown with **CAPITAL** letters (i.e. A, B, C).

1. Present day Central Asia covers five land-locked former Autonomous States of the Soviet Union: Kazakhstan, the Kyrgyz Republic (also known as Kyrgyzstan), Tajikistan, Turkmenistan, and Uzbekistan. The Soviet Union formed the new nationalities and their political boundaries in the region by consolidating Russian colonial institutions out of the Turkestan Autonomous Soviet Republic, created in 1918, and divided up into autonomous Republics in the 1930s (Soucek, 2000). [↑](#endnote-ref-1)
2. Many enterprising activities took place in apartment blocks and old industrial sites as well as in commercial zones outside city centres. [↑](#endnote-ref-2)
3. The Business Environment and Enterprise Performance Survey (BEEPS) is a joint initiative of the EBRD and the World Bank. This is a firm-level survey and aims to gain an understanding of perceptions about the business environment. The first survey was undertaken in 1999 – 2000, with approximately 4,100 enterprises in 25 countries of Eastern Europe and Central Asia. [↑](#endnote-ref-3)