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ARTICLE

Linguistic Development from the Perspective of International Business in the Republic of Uzbekistan: The Transaction Cost Approach

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ABSTRACT

The Russian language is still a powerful, prestigious, and respectable language in Uzbekistan's business society, even thirty-five years after independence from the Soviet Union, although it is neither a state/official language nor a statutory language for interethnic communication in the country. This article attempts to examine this contradictory language situation in Uzbekistan and to clearly understand the realities of linguistic development by focusing on the economic rationality of language use and explicitly applying the concept of transaction costs to our discussion. Our findings are summarized as follows: First, not only do individual's preference and behavior toward the Uzbek and Russian languages, but economic rationalism also operates in a reliable way behind each person's choice of language, which makes the Russian language a de facto lingua franca because of its historical prevalence and well-established functionality in Uzbek society. Second, under this rational mechanism for language selection, the Russian language works better than the Uzbek language as a common language both for domestic businesses in Uzbekistan and for specific international markets where Russian is a shared business language. At this moment, English is not a lingua franca because, as compared to Russian, it imposes much higher transaction costs on a majority of Uzbek businesspeople and entities. Our empirical research makes both theoretical and practical contributions to language policy studies. We incorporate a key economic concept—transaction costs—into the analytical framework to explore the logical reasoning behind the plausible difficulties in implementing language policy. As for practical implications, we suggest that upgrading the functionality and enlarging the territory of English rather than

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Uzbek would be a breakthrough for the de-Russification of language in Uzbek business society

Keywords: Republic of Uzbekistan; Linguistic Development; Language Policy; Business Language; Transaction Costs

1. Introduction

The Pushkin State Russian Language Institute (Moscow) has been publishing a report on the world ranking and spatial dissemination of the Russian language since 2020, when it established the Center for Language Policy Research and International Education. According to the 2023 version of the report, Uzbekistan ranks sixth in terms of the stability of Russian language usage in the post-Soviet space[1]. Whereas Belarus, Kazakhstan, and the Republic of Kyrgyz (Kyrgyzstan) are the top three countries where the Russian language enjoys legal status as a state or official language, the bottom five countries consist of such post-Soviet nations that either did not join the Commonwealth of Independent States (Estonia, Latvia, and Lithuania) or have withdrawn from this confederation of states following military engagement with Russia (Georgia and Ukraine). To reflect the diversified linguistic development after the collapse of the Soviet Union, in an earlier paper, we classified the post-Soviet states into three groups and proposed three types of conceptual institutional settings: (1) language planning relying on the Russian language, (2) language planning departing from the Russian language, and (3) inevitable coexistence with the Russian language[2]. Uzbekistan belongs to the last group, because Russian is, even now, a powerful, prestigious, and respectable language in Tashkent and other large cities[3]. Although it is neither a state/official language nor a statutory language for interethnic communication, over one-third of the entire population is estimated to speak this language[4], and over half the people choose Russian (53%) versus Uzbek (26%) for their daily news consumption, according to a UK-based policy think tank[5].

This article attempts to examine such a contradictory language situation in Uzbekistan and to clearly understand the realities of linguistic development after independence in 1991 by focusing on the economic rationality of language use and explicitly introducing a key concept of institutional economics into our discussion as a theoretical backbone: transaction costs. The transaction cost approach cannot be applied entirely to all problems of economic organization because its fundamental argument—that economic activity and organizations are arranged to minimize transaction costs—is strongly assumed to operate, and thus, it is not immune from theoretical deficiencies. Nevertheless, it helps us to realize why language policy or planning for a politically privileged tongue does not work out in an economically reasonable way[2]. One could suggest, in effect, that the usage of a common or shared language should enhance the economic efficiency of business activities due to decreasing transaction costs, even if this would be politically ill-received. The literature has often examined the difficulties and challenges of language policy in Uzbekistan; however, the logical reasoning behind these problems remains less certain. Therefore, in this exploratory study, we attempt to examine why the Russian language is still used in Uzbek society rather than evaluate the inconsistencies or contradictions of policymakers regarding language dynamics in the country.

The rest of the paper consists of five parts. We first elaborate on the concept of transaction costs and give the advantages of using this economic term from the point of view of language studies in Section 2. Section 3 gives a brief description of language policy and linguistic development in Uzbekistan with a concise literature review of this research area. This section summarizes specific features of the country's language policy after independence and explains why the Russian language is still an indispensable communication tool despite a substantial effort to extinguish the Soviet legacy of language. Section 4 presents our research materials and outlines the analytical methods applied. Section 5 provides our research findings and discussion. It examines the current state of business language in Tashkent, the capital of Uzbekistan, and indicates that the Russian language, not English, plays the role of a lingua franca or common language for international business entities from the perspective of transaction cost theory. Subsequently, we discuss the language awareness of young Uzbek adults who navigate in a new multilingual society that radically changed the language configuration in Uzbekistan after independence. Section 6 summarizes our major findings, with some consideration of recent movements in Uzbekistan, with an inevitable coex-

istence of their titular and state language with the Russian language as a de facto lingua franca. We conclude the paper by offering an outlook for this linguistic institutional arrangement in light of the radical transformation of the de-Russification of language in some post-Soviet countries, as well as the diversification of the Uzbek economy during these few years.

2. Transaction Costs and Language

A bold summary of the main argument of *Language and Economy*, written by Florian Coulmas, a pioneering linguist who straightforwardly tackled the problem of interdependency between the two, gives us the next five points of contention: (1) Language is a commodity that can be evaluated as a utility value and an exchange value. (2) There is a certain relationship between economic development/modernization and language development/modernization. (3) Language has a calculable aspect, in the sense that a cost–benefit analysis is applicable under given conditions. (4) Economic factors work on the rise and fall of language. (5) The language system and economic system have several things in common. Based on these arguments, Coulmas draws the provocative conclusion that the world language atlas is best changed by the economic utility of languages, which grows out of the human need to apply the means of communication economically[6].

Since the mid-1950s, the concepts and terms of economics have been incorporated into linguistics; however, the full-fledged development of language economics started around the mid-1990s, and many researchers have debated "language as a resource" or "language as a commodity"[7,8]. According to François Grin, a leading expert in this field, significant research interest in language economics was certainly influenced by three far-reaching events that occurred in the early 1990s—the fall of the Berlin Wall, technical progress in telecommunications, and the rapid progress of globalization[9]. Of these, the first contextual element can be regarded as a driving force for boosting the development of language economics because the (re)appearance of a number of nation states after the dissolution of the Soviet Union and Yugoslavia has resulted in numerous state and official languages, some of which were not even acknowledged as languages (e.g., the Bosnian language). This movement brings the effectiveness and fairness of language policies to the fore within the context of multilingualism in the contemporary world[10–15]. In the context of multilingualism, the commodification of languages that has been appearing as the emergence of the language industry to a managerial way of thinking in language planning is an area of controversy. It has received high praise from business management professionals and language teacher experts; however, researchers—mainly from the field of sociolinguistics—are skeptical of the expansion of capitalistic logic into the world of language[16].

At any rate, one can visualize the functionalities and the economic efficiency of a specific language from an economic and managerial viewpoint when we extend the transaction cost theory proposed by Ronald Coase, a founder of the new institutional economics, then developed by Oliver Williamson and Douglass North, and incorporate linguistic factors into the theorem of transaction costs. As stated by North, an economic historian, "[a]n economic definition of transaction costs is the costs of measuring what is being exchanged and enforcing agreements"[17]. Looking back on the historical process of diminishing transaction costs with a focus on coordination and cooperation costs among people, North specifies three landmarks in the historical reduction of transaction costs: (1) the appearance of the institutions that made possible impersonal exchange, (2) the assumption of the protection and enforcement of property rights by state authorities, and (3) the realization of the economic gains from the revolution in modern science. In Western Europe, generally, and the Netherlands and England, specifically, some institutional arrangements have developed in a manner by which the costs, in relation to the mutual interaction of individuals that Coase underlines in his discussion, could be systematically and efficiently reduced. On the other hand, even today, those major transaction cost-reducing innovations are not utilized in many countries in the developing world[17]. If we perceive transaction costs in the context described above, it is conceivable that language intrudes into many dimensions of economic life—ranging from individual oral communication to the dispersion of scientific and technological achievements into the hands of private business organizations—in which the informational efficacy and communication functionalities of an in-between language are directly linked to the size of transaction costs.

Now, what are transaction costs? Oliver Williamson explains that the transaction costs of ex ante and ex post types are usefully distinguished. The first type consists of the costs of drafting, negotiating, and safeguarding an agreement among the parties concerned. The second type refers to the costs of contracting that include the maladaptation costs incurred when transactions drift out of alignment, the haggling costs to correct ex post misalignments, the setup and running costs associated with dispute-mediation authorities, and the bonding costs of effecting secure commitments [18]. When the discussion goes down to this level of concretization, it is understandable that the presence or absence of a common language in market transactions will have a great influence upon the level of transaction costs. As Williamson suggests in his works, it also leads to the argument that a used language(s) would be an efficient communication tool and one advantage inherent in having an internal organization or a firm with some hierarchies, as opposed to the non-hierarchical market structure. Although Williamson's concepts seem to use in-house jargon and to encode and number final products and assembly parts for the purpose of facilitating communication and efficiency inside an organization, this same issue is basically applicable to the discussion of natural language. This brings us to contemporary and disputable management questions, such as the introduction and promotion of corporate official language(s) in multinational corporations.

With the background of the prevalence of English in the international business world, or in the words of distinguished French sociolinguist Luis-Jean Calvet, "a single hyper-central language" that was born as a result of globalization [19], English has been increasingly adopted as a prime corporate official language in profit-making organizations on a global scale. However, this is not necessarily linked directly to rising management efficiency because the coercive or factual use of English as a common language has multifaceted effects both internally and externally. Some factors cannot be evaluated or even calculated like normal market transactions, such as ignorance of or the avoidance of using specific languages by those who have limited linguistic abilities and the imposition of some tasks on colleagues who are fluent in these languages [20]; the symbolic functionality of common languages that could contribute to a corporate identity and equality among employees [21]; or radical changes in the manner and style of in-house communications [22]. Hence, we should keep it mind that it is impossible to reduce all language-related economic affairs to transaction costs.

3. Language Policy and Linguistic Development in Post-Soviet Uzbekistan

According to Birgit Schlyter, an expert on Turkish linguistics, Uzbekistan was the only Central Asian state to have a language policy at the turn of the twenty-first century with a strategy for fundamentally changing the language practice in the country. Although there were some delays in the language reform agenda as they faced more urgent problems in other areas of society, an impressive amount of language reform work had been done in Uzbekistan before the tenth anniversary of their independence [23]. The same author, however, warned that there was no indication that the Uzbeks always knew what they were doing or what they wanted to do in relation to their language polices at that time, partially due to the fact that Uzbek language policy has been highly centralized and follows a design that has not yet been able to fully rid itself of outdated Soviet reasoning [24]. A local linguist from Uzbekistan also said: "Language policies laid out more than 80 years ago still influence the way today's language policy is formed in Uzbekistan" [25]. More recently, a researcher on multilingualism in Uzbekistan went a step further: "What the language policy makers [in Uzbekistan] did not foresee, however, was the linguistic chaos that would be caused by the new language policy" [3].

Following this discussion, other experts in this field [11,26–34] have agreed that, first, the linguistic development in post-Soviet Uzbekistan has been highly politicized, in the sense that the Uzbek language has been substantially changed by top-down bureaucratic procedures and has been strongly influenced by international political affairs. Second, the new Uzbekistan was the only state in post-Soviet Central Asia that did not designate Russian as an official language or a language of interethnic communication (in its 1992 constitution or in the 1995 revised Law on Language). Third, in spite of this hardship, to this day, the Russian language is widely used both for commercial and official documentation, and demand for Russian education in the country has increased since Uzbekistan's relations with Russia have

improved. Intriguingly, English and other foreign language teachers both in an urban area (Samarkand) and a rural district (Bulungur) give evidence of the high degree of expectation for Russian fluency for a career path in Uzbekistan [34]. Also, an internal report explores the reality that Russian is an indispensable language for student life even at Westminster International University, an English-medium-instruction university in Tashkent [35]. Finally, but not least, overall interest in language reform has decreased after an enthusiastic period of change in the last decade of the twentieth century, which makes the implementation of the Uzbek alphabet and vocabulary reforms too slow and unsystematic, and deadlines set by the government are frequently ignored. All of these circumstances seem to provide sound evidence that we could categorize the linguistic situation in Uzbekistan as a pattern of inevitable coexistence with the Russian language [2].

Altogether, even though it is not authorized as a state or official language, Russian still is used on a regular basis in both official and private sectors in Tashkent, the capital and largest city of Uzbekistan, although ethnic Russians have already retreated from the political and business elite, which consists chiefly of non-Russian ethnicities [36]. On top of this, contemporary language practices among Uzbek-Russian bilinguals suggest that these two languages have been entangled beyond code-switching, which leads to a sort of "linguistic hybridization" [37]. To put it another way, the de-Russification process of the language environment seems to be on a bumpy road to success in Tashkent. There are theoretical reasons for this on the side of two languages: Russian and Uzbek. On the former point, it has been expected that the usage of Russian as an intermediary language should reduce transaction costs in the business sphere in Uzbekistan, which has been recognized as a multilingual society. On the latter, even a decade after the 2010 deadline for transitioning to the new Latin alphabet, as stipulated in the orthographic rules of Uzbek, the Cyrillic script remained in use in Uzbekistan; the share of publications in Latin had not radically increased, and a substantial part of the government and administrative paperwork was still in Cyrillic throughout the 2010s [25,31,38]. Even in the mid-2020s, our local informants suggest that Cyrillic-based paperwork should amount to 10–20% of documentation in the government sector (Interview 1 in **Table A1**). In the general book genre, more than half of publications are still produced in Cyrillic (Interview 2 in **Table A1**).

4. Materials and Methods

We use our original qualitative data to understand the language awareness of young adult Uzbeks who have a certain level of English proficiency. English is now a more privileged and perspective language than Russian and other foreign tongues in Uzbekistan [3,39]. English is also the primary language for global business, which stimulates interest among those who struggle to enter the international arena. In theory, therefore, those Uzbeks who have a certain fluency in English are more inclined not to rely on Russian in their life and work if the situation allows, which could be reckoned as an index of the advancement of de-Russification. Considering this, in September 2019 and March 2021, we conducted a questionnaire survey for college students and staff aged forty or younger in Tashkent to capture their subjective evaluation of English, Russian, and other major foreign languages. The primary aim of this questionnaire survey is to see the extent to which English-speaking Uzbeks evaluate the functionality of Russian in their subjective views and whether respondent attributes influence viewpoint differences in a meaningful way. The first round of the survey was conducted among university students and staff at the Tashkent State University of Oriental Studies (TSUOS) and the Tashkent Institute of Finance (TIF) in September 2019. As this was our first joint fieldwork in Uzbekistan, the research was positioned as a preliminary survey. Based on the findings of this first round survey, the main study was originally scheduled to be conducted in the fall of 2020. However, the COVID-19 pandemic forced its cancellation. Instead, in March 2021, the same questionnaire survey was repeated, mostly for the sake of increasing the sample size. This follow-up survey was administered with the support of local collaborators. For the second round of the survey, we collected additional questionnaire answers, mainly from TSUOS students. There were a total of 122 questioners (78 people from TSUOS and 44 people from TIF), all of whom were more or less fluent in English. The number of respondents seems to be satisfactory for our modest quantitative analysis. The chi-squared test for independence is applicable to the following tables in the text. It is a non-parametric tool designed to analyze group differences; most importantly, the chi-squared statistics (χ^2) can provide information on the significance of any observed differences [40].

In addition to this, semi-structured interviews were car-

ried out with the aim of gathering background information on the language dynamics as well as obtaining deeper insight into the individual's personal views about the functionalities of English and Russian. Survey respondents, regardless of ethnicity, were primarily English speakers, most of whom were recruited through Japanese business entities and educational institutions that acceded to our survey requests. They included practitioners and researchers already engaged in international business or international cooperation, university students with potential for such careers, and university faculty members involved in their education. Each interview was done in person in English and/or Russian in most cases (exceptionally in Japanese for those who teach or study this tongue). Twenty-two local informants have so far accepted an interview, mainly in Tashkent from February 2019 to May 2025 in an intermittent manner due to the COVID-19 pandemic and other practical issues. We individually interviewed twelve people and interviewed ten people in a group. Additionally, we gathered information about working languages, both for oral communication and documentation, in the Tashkent offices of Japanese public and private entities. For privacy and security reasons, all interviewees are anonymous in this study. This may diminish the nuances of narratives that interviewees shared with us, and the limited number of samples both for questionnaire and interview surveys does not allow us to generalize the results presented in this exploratory study; however, our first-hand sources produce a unique dataset to analyze the linguistic development in post-Soviet Uzbekistan from the perspective of international business and deepen our understanding of language dynamics on the basis of the literature of institutional economics.

5. Results and Discussion

5.1. An Overview of Business Languages in Tashkent: the Transaction Cost Approach

Any business language needs to function as an oral communication tool in the party and play a stable role as a written tongue for commercial documents such as contracts, specifications, and manuals. The Uzbek language seems to have less functionality in this area because of repeated changes in the orthographic rules since the adoption of the first Uzbek state language law in 1989 [24]. Immediately after the new Latin alphabet was introduced at the end of 2018, with the purpose of overcoming a few technical and visible difficulties in reading and writing [41], a local employee who has been working for a Japanese automobile maker complained in February 2019: "After our country decided to move from the Cyrillic alphabet to the Latin one, we've very often been faced with the difficulty of how to spell words in Latin. So, in fact, we are returning to Cyrillic. And this confusion makes us go ahead toward Russian…. It is true we were encouraged to acquire Uzbek in the early days, but recently many Uzbek speakers demand Russian-medium education" (Interview 3 in **Table A1**).

According to this informant, while public documents submitted to administrative institutions should be written in both Uzbek and Russian, only Russian or dual-language (Russian/English) documentation has been accepted by other business partners. One reason for these business practices seems to be related to a lack of stable orthographic rules for the state language, which raises the transaction costs for using the Uzbek language, as the informant above described in a straightforward way. In March 2025, another Uzbek interviewee, who has been working as a secretary for a Japanese manager in a higher education institution, confessed: "It takes me just one minute to write down sentences in Russian as compared to ten minutes when I try to write in Uzbek" (Interview 4 in **Table A1**). The statement here gives us a simple, nonetheless powerful, assertion of the higher transaction costs as well as opportunity costs or lost profits for writing in Uzbek, as compared to Russian. This problem is partly caused by linguistic practices during the Soviet time; before 1990, some original Uzbek sounds were not recorded in the official documents because the presence of these sounds had been interpreted as parochial to those fluent in Russian as a sophisticated language [42].

Another reason seems to be that many technical terms in accounting, finance, and tax affairs, as well as common business document forms (receipts, etc.), were established in the Russian language during the Soviet era. With this historical track record, communication in Russian undoubtedly reduces the transaction costs for businesses with non-Uzbek counterparts. As a matter of fact, the Japanese businesspeople who have cooperated with our interviews in both February 2019 and March 2025 reported that there is no documentation in Uzbek, and Russian–English business writing skills

are indispensable for effective communication with their external counterparts in Uzbekistan. English is necessary mainly for contracts, agreements, and memoranda concluded with foreign business partners, as well as for internal reports submitted to the headquarters of foreign companies. English must be a common workplace language for both oral and written communication if expatriate personnel dispatched from headquarters are not Russian speakers (Interview 5 in **Table A1**). At the same time, several expatriates from Japan confessed that they intentionally avoid English documentation in cases where their Uzbek counterparts do not seem to take care of English-written business documents. This suggests that English imposes relatively higher transaction costs of communication and the decision-making process for both parties. This fits the case of foreign companies that have developed their business activities in the Russian market [43]; it is not necessarily a business custom specific to Uzbekistan.

Turning to the public sector, the Japanese Embassy in Uzbekistan draws up most diplomatic papers for the Republic of Uzbekistan in Russian, not in their state language, with the original documents in Japanese. Official documents from the Uzbek government are regularly translated into Russian before the embassy receives them. Japan's diplomats sporadically see some English correspondence sent from their Uzbek counterparts (Interview 6 in **Table A1**). According to another Japanese diplomat, it looks as if, although Uzbekistan emphasizes and is expanding the usage of Uzbek—their titular language—in cultural and ethnic areas, reminiscent of nationalism, Russian is still prevalent in pragmatic fields such as business and diplomacy. Therefore, in the words of this diplomat, it is indispensable for Uzbek people to master the Russian language if they hope to get a high-paying job in Tashkent, irrespective of whether that is so in the public or private sector (Interview 7 in **Table A1**). Regardless of age and gender, our local interviewees support this view and agree that Russian fluency is more desirable than that in English for job hunting and application, which has led to the increasing popularity of schools and classes with instruction in Russian (Interview 8 in **Table A1**). This fact clearly signifies a higher functionality of Russian as a common business language with the backdrop of lower transaction costs for business. Considering all of this, we can conclude that the Russian language works well enough to be called a de facto lingua franca for both domestic and international business communications in Tashkent, if nowhere else.

Most local interviewees agree that Russian is much more important than English for business in Uzbekistan. Although young people and their parents have demonstrated high levels of enthusiasm for English study in recent years, their main goal in obtaining English fluency has been for students to get good scores in school, pass an entrance exam for university, and study abroad, if possible, not necessarily considering future business success, such as a high salary and promotion in the workplace. This is mainly because, whereas English is needed only for specific jobs and selected companies in Uzbekistan, Uzbek and Russian are indispensable for work and life, at least in Tashkent (Interview 9 in **Table A1**). Turning to a relationship beyond the border, the Russian language is still an effective communication tool among those who have a shared history with the Soviet Union and is indispensable for migrant laborers from Uzbekistan to Russia and Kazakhstan, among others; their remittances are estimated to be the biggest source of "export" revenues—more than those of gold and natural gas [44]—and have been compensating for the huge trade deficit of Uzbekistan as it transitions to economic liberalization [45,46]. This fact has enhanced its utility value in the Russian-speaking market or the Russosphere, with Russian as the intermediary language [43]. Delving into the Russosphere, the Russian language plays a crucial economic role—one that is irreplaceable—given the various ethnic languages of each country in the region. This promotes the establishment of the Russosphere via a reduction in transaction costs, although it faces a quite challenging situation after full-scale military conflict began in Ukraine, one of the countries belonging to the Russosphere [46].

5.2. Language Awareness of Young Uzbek Adults in Tashkent

The results from our original questionnaire in Tashkent support the view described above (see **Figure 1**, **Figure 2**, and **Table 1**). As mentioned in Section 4, the aim of this survey is to reveal the subjective evaluation of the functionality of the Russian language among young Uzbek English speakers; their answers can be used as a proximate parameter for comparing the transaction costs for these two international languages. The overall results demonstrate that, first, nine of ten respondents with varying degrees of English fluency believe that Russian is still needed in their current life and

work; second, as was highly expected, Russian is much more necessary than English within the country; third, Russian is considered to be no less important and promising than English as a foreign language for future success. In summary, even English-speaking Uzbeks still regard Russian as a necessary communication tool and, willingly or not, accept this language as having smaller transaction costs for contact in their domestic lives and work.

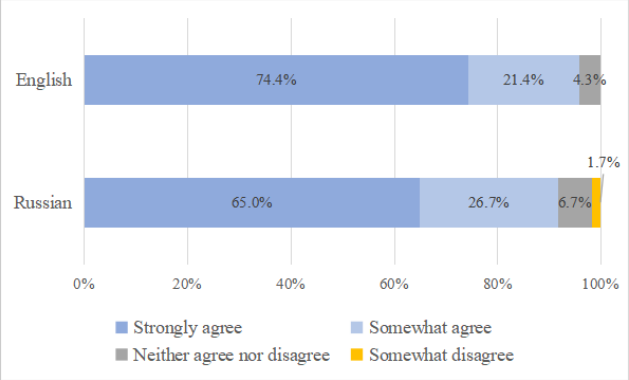

Figure 1. Subjective evaluation of the functionality of English and Russian in Uzbekistan.
Note: Aggregation of answers to two questions: "Is the Russian language still needed to do your work (school and/or business life) successfully?" and "Is English needed to do your work (school and/or business life) successfully?"
Source: Compiled using the survey data.

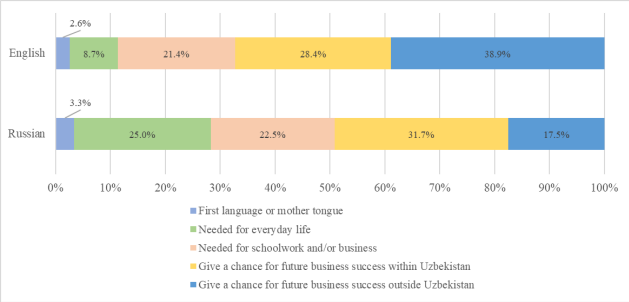

Figure 2. Motivation to use or study English and Russian.
Note: Aggregation of answers to two questions: "What is your motivation to use or study the Russian language?" (multiple answers allowed), and "What is your motivation to use or study English?" (multiple answers allowed).
Source: Compiled using the survey data.

Table 1. Subjective evaluation of foreign language for prospective success.

Language	Number (%)
English	116 (25.8)
Russian	100 (22.3)
Japanese	81 (18.0)
Chinese	39 (8.7)
German	32 (7.1)
Korean	29 (6.5)
Arabic	20 (4.5)
Turkish	17 (3.8)
Others	15 (3.3)
Total	449 (100.0)

Note: Aggregation of answers to the question, "What foreign languages look most promising for your future success?" (multiple answers allowed).
Source: Compiled using the survey data.

Dividing the answers from two groups of questionees—Tashkent State University of Oriental Studies (TSUOS) and Tashkent Institute of Finance (TIF)—quantitatively reveals that the latter has a more Western-oriented mindset, probably due to the fact that their areas of expertise—finance and accounting—have been strongly influenced by the development of discipline and terminology in the Western world (see **Table 2** and **Table 3**). Furthermore, the same statistical analysis shows that those from Tashkent, as opposed to the rest of Uzbekistan, are more likely to emphasize the future of English for young adult Uzbeks (see **Table 4**). Nonetheless, from a big-picture perspective, the results of this questionnaire endorse what many local collocutors have mentioned: the Russian language works well enough to be called a de facto lingua franca in Tashkent. Other past and present surveys have reached the same conclusion, which suggests that the power and prestige of the Russian language have not been altered radically in Uzbekistan over the last decade [3,33–35,42].

Table 2. Subjective evaluation of the functionality of English and Russian by respondent groups.

	English			Russian		
	TSUOS	TIF	Subtotal	TSUOS	TIF	Subtotal
Strongly agree	57	30	87	51	27	78
Somewhat agree	12	13	25	16	16	32
Neither agree nor disagree	4	1	5	8	0	8
Somewhat disagree	0	0	0	2	0	2
Strongly disagree	0	0	0	0	0	0
Total	73	44	117	77	43	120

Note: All figures denote the number of corresponding answers. See the note in **Figure 2** for the question text. The chi-squared test for independence gives $\chi^2 = 3.230$ ($p = 0.199$) for English (three items from the above) and $\chi^2 = 8.428$ ($p = 0.038$) for Russian (four items from the above).
Source: Compiled using the survey data.

Table 3. Subjective evaluation of a foreign language for prospective success by respondent groups.

Language	TSUOS	TIF	Subtotal
Russian	60	40	100
English	72	44	116
German	9	23	32
French	3	6	9
Italian	3	0	3
Chinese	24	15	39
Korean	20	9	29
Japanese	64	17	81
Arabic	15	5	20
Persian	0	0	0
Turkish	9	8	17
Total	279	167	446

Note: All figures denote the number of corresponding answers. See the note in **Table 1** for the question text. The chi-squared test for independence gives $\chi^2 = 33.447$ ($p = 0.000$) for all items other than Persian. When German and Japanese are removed from the samples, the test gives $\chi^2 = 5.950$ ($p = 0.546$) for all other items, which means that there is no quantitative difference in answers between the two respondent groups.
Source: Compiled using the survey data.

Table 4. Subjective evaluation of the functionality of English by birthplace.

	Tashkent	Others	Subtotal
Strongly agree	46	39	85
Somewhat agree	6	18	24
Neither agree nor disagree	1	3	4
Total	53	60	113

Note: All figures denote the number of corresponding answers. The chi-squared test for independence gives $\chi^2 = 7.170$ ($p = 0.028$).
Source: Compiled using the survey data.

Finally, and quite interestingly, some respondents from regions other than Tashkent unexpectedly confessed that they have difficulty writing their birthplace with the Latin alphabet. It seems that three different spellings found in their answers—*Jizyakh*, *Jixzax*, and *Djizzak*—stand for the region *Jizzax* in Latin Uzbek (*Жиззах* in Cyrillic Uzbek, *Джизак* in Russian, and *Djizzak* in English), where the incumbent president of Uzbekistan, Shavkat Mirziyoyev, was born. However, the most prevalent Latin spelling used for this region is said to be *Jizzakh*; the Investment Promotion Agency under the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan uses this spelling [47]. This incident suggests the high transaction costs for counting on a Latin-based Uzbek orthography, mainly because of the difficulty of writing in a suitable way, which should make older people rely on the heritage of Cyrillic letters established in Soviet Uzbekistan [41].

6. Conclusions

Relying on the theory of transaction costs of institutional economics, we have attempted to reveal the logical reasoning for the difficult-to-achieve language transition in the Republic of Uzbekistan. Considering the economic rationality of language use from the viewpoint of transaction costs, this paper indicates two main findings. First, not only the individual's preferred behavior toward the Uzbek and Russian languages but also economic rationalism operates in a reliable way to guide the language selection for each person. This makes the Russian language a de facto lingua franca because of its historical prevalence and well-established functionality in Uzbek society. On the contrary, frequent orthographic reforms of the titular language have undoubtedly raised transaction costs for applying the new Uzbek alphabet to business paperwork, as many local informants suggested in our interview survey. In this sense, if the Uzbek people could have continued using the stable Cyrillic script, a totally different language environment would be in place. However, at the height of nationalism in the early 1990s, it seemed

difficult to choose this option, considering that Latinization reforms have been part of the language policy for the nationwide movement of de-Russification [3,23,24,42]. At that time, the "pride" discourse of ethnic language frequently outranked the "profit" argument about using the Russian language in many post-Soviet countries, including Uzbekistan. All of this has changed since the turn of the century, as the Russian economy enjoyed unprecedented economic growth and the Russian language was acknowledged as a global business tool and as a way to intake Russian capital and wealth [48].

Second, the Russian language works well as a common language, both for domestic businesses in Uzbekistan and international business activities within the Russian-speaking market or the Russosphere, where Russia plays a pivotal role, and, to a lesser extent, Kazakhstan. At this moment, English is a subject at school rather than a tool for business in Uzbekistan; in other words, as compared to Russian, English imposes much higher transaction costs on a majority of Uzbek businesspeople and entities. At the same time, English carries much smaller transaction costs to international companies from outside the Russosphere, such as American, European, Turkic, Chinese, Korean, and Japanese business entities. This means that upgrading the functionality and enlarging the territory of English, instead of Uzbek, would rather be a breakthrough for the de-Russification of language in Uzbek business society. We have already seen a careful approach to trade and financial operations with Russian business partners mostly due to severe economic sanctions by the United States against Russia after full-scale military conflict in Ukraine as well as the long-term diversification process of trade and investment counterparts. Currently China, not Russia, is the largest trade partner as well as the overseas loan and investment supplier for Uzbekistan. Turkey has been a third (loan and investment) or fourth (international trade) partner during these few years, which would seem likely to change the weight of Russian, English, and other foreign languages in international business dealings [46]. Although it is hard to predict the future pathway of language dynamics in Uzbekistan, we need to keep in mind that transaction costs are relative and variable for any language use, and an exogenous event, such as the war in Ukraine, could serve as a trigger for new linguistic development in a country that must inevitably coexist with the Russian language.

Our empirical research makes both theoretical and practical contributions to language policy studies. We incorporate a key economic concept—transaction costs—into an analytical framework to explore the logical reasoning behind the plausible difficulties in implementing language policy. Our model is applicable to other countries where official language policy—in pursuit of independence from a dominant or colonial language(s)—is stuck in turmoil and finds no way to escape this impasse. As for practical implications, we suggest that upgrading the functionality and enlarging the territory of English rather than each ethnic language would be a breakthrough for the de-Russification of linguistic circumstances in the business societies of post-Soviet countries. We now see such a dynamic transition in Ukraine, which has been transformed from the Russosphere to a supposedly European emerging market with a Western-style business culture and English for communication with international partners after driving the Russian language and Russian-minded culture out of the public space of the country.

Author Contributions

Conceptualization, M.T.; methodology, M.T.; software, M.T.; validation, M.T.; formal analysis, M.T.; investigation, M.T.; resources, R.S.; data curation, M.T. and R.S.; writing—original draft preparation, M.T.; writing—review and editing, M.T.; visualization, M.T.; supervision, M.T.; project administration, M.T.; funding acquisition, M.T. Both authors have read and agreed to the published version of the manuscript.

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Institutional Review Board Statement

Not applicable.

Informed Consent Statement

Informed consent was obtained from all subjects involved in the study.

Data Availability Statement

The survey data cannot be disclosed in order to safeguard the privacy and security of the informants.

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Conflicts of Interest

The authors declare that they have no conflict of interest.

Appendix A

Table A1. Overview of interviews and informants.

Interview record	Overview
Interview 1 (Tashkent, March 3, 2025)	A local informant working for a higher educational institution showed us a sample of public documentation, in which only the cover letter was made in Latin script, with the entire text body written in Cyrillic letters.
Interview 2 (Osaka, May 19, 2025)	Personal communication from international students from Uzbekistan.
Interview 3 (Tashkent, February 22, 2019)	Personal communication from a local businessperson whose first language is Uzbek, but who mostly speaks Russian even at home and is fluent in English as well.
Interview 4 (Tashkent, March 6, 2025)	Personal communication from a local administrator working for an institution of higher education.
Interview 5 (Tashkent, February 18–22, 2019, and March 3–7, 2025)	Personal communication from Japanese managers and local employees who work for the Uzbek affiliates of Japanese multinational companies.
Interview 6 (Tashkent, March 7, 2025)	Personal communication from an attaché in the Embassy of Japan in Uzbekistan.
Interview 7 (Tashkent, September 11, 2019)	Personal communication from a diplomat in the Embassy of Japanin Uzbekistan. This description is based on his personal views, not those of the Japanese government.
Interview 8 (Tashkent, March 3–7, 2025, and Osaka, May 19, 2025)	Almost all local informants refer to this point when asked about the advantage and the necessity of Russian fluency today.
Interview 9 (Tashkent, February 18–22, 2019, and Osaka, May 19, 2025)	Personal communication from university staff and students in Tashkent.

Source: Compiled using the survey data.

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