STATE-BUILDING IN KAZAKHSTAN

CONTINUITY AND TRANSFORMATION OF INFORMAL INSTITUTIONS

DINA SHARIPOVA

Copyright 2018. Lexington Books. All rights reserved. May not be reproduced in any form without permission from the publisher, except fair uses permitted under U.S. or applicable copyright law.

EBSCO Publishing : eBook Collection (EBSCOhost) - printed on 2/12/2023 10:11 PM via
AN: 1823006 ; Dina Sharipova.; State-Building in Kazakhstan : Continuity and Transformation of Informal Institutions
Account: ns335141

State-Building in Kazakhstan

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

CONTEMPORARY CENTRAL ASIA: SOCIETIES, POLITICS, AND CULTURES

Series Editor

Marlene Laruelle, George Washington University

At the crossroads of Russia, China, and the Islamic world, Central Asia remains one of the world's least-understood regions, despite being a significant theater for muscle-flexing by the great powers and regional players. This series, in conjunction with George Washington University's Central Asia Program, offers insight into Central Asia by providing readers unique access to state-of-the-art knowledge on the region. Going beyond the media clichés, the series inscribes the study of Central Asia into the social sciences and hopes to fill the dearth of works on the region for both scholarly knowledge and undergraduate and graduate student education.

Recent Titles in Series

The Central Asia–Afghanistan Relationship: From Soviet Intervention to the Silk Road Initiatives, edited by Marlene Laruelle

Eurasia's Shifting Geopolitical Tectonic Plates: Global Perspective, Local Theaters, by Alexandros Petersen

The New Geopolitics of the South Caucasus: Prospects for Regional Cooperation and Conflict Resolution, edited by Shireen T. Hunter

Constructing the Uzbek State: Narratives of Post-Soviet Years, edited by Marlene Laruelle

Language, Literacy, and Social Change in Mongolia: Traditionalist, Socialist, and Post-Socialist Identities, by Phillip P. Marzluf

The Dialectics of Post-Soviet Modernity and the Changing Contours of Islamic Discourse in Azerbaijan: Towards a Resacralization of Public Space, by Murad Ismayilov

The European Union's Influence in Central Asia: Geopolitical Challenges and Responses, by Olga Alinda Spaiser

Central Asia in the Era of Sovereignty: The Return of Tamerlane?, edited by Daniel L. Burghart and Theresa Sabonis-Helf

State-Building in Kazakhstan: Continuity and Transformation of Informal Institutions, by Dina Sharipova

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

State-Building in Kazakhstan

Continuity and Transformation of Informal Institutions

Dina Sharipova

LEXINGTON BOOKS
Lanham • Boulder • New York • London

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Published by Lexington Books
A wholly owned subsidiary of The Rowman & Littlefield Publishing Group, Inc.
4501 Forbes Boulevard, Suite 200, Lanham, Maryland 20706
www.rowman.com

Unit A, Whitacre Mews, 26-34 Stannary Street, London SE11 4AB

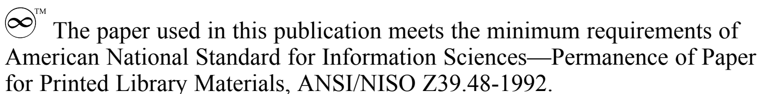
Copyright © 2018 by The Rowman & Littlefield Publishing Group, Inc.

All rights reserved. No part of this book may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems, without written permission from the publisher, except by a reviewer who may quote passages in a review.

British Library Cataloguing in Publication Information Available

Library of Congress Cataloging-in-Publication Data

Names: Sharipova, Dina, author.
Title: State-building in Kazakhstan : continuity and transformation of informal institutions / Dina Sharipova.
Description: Lanham, MD : Lexington Books, [2018] | Series: Contemporary Central Asia : societies, politics, and cultures | Includes bibliographical references and index.
Identifiers: LCCN 2018009893 (print) | LCCN 2018017311 (ebook) | ISBN 9781498540575 (Electronic) | ISBN 9781498540568 (cloth : alk. paper)
Subjects: LCSH: Kazakhstan—Social policy. | Kazakhstan—Social conditions—1991– | Institution building—Kazakhstan. | Post-communism—Kazakhstan.
Classification: LCC HN670.23.A8 (ebook) | LCC HN670.23.A8 S528 2018 (print) | DDC 306.095845—dc23
LC record available at https://lccn.loc.gov/2018009893


The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI/NISO Z39.48-1992.

Printed in the United States of America

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

To my parents

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Contents

Acknowledgments ix

Introduction: Understanding Informal Institutions in Kazakhstan xi

1 Explaining Informal Institutions 1

2 State Welfare Support and Informal Exchanges: Quantitative Evidence 21

3 Provision of Healthcare Services and Informal Exchanges: Qualitative Evidence 39

4 Informal Payments and Connection in the Education System 71

5 Who Gets What, When, and How? State Housing and Informal Institutions in Kazakhstan 105

Conclusion 127

Appendix: Administration of Surveys and Data Analysis 133

References 141

Index 159

About the Author 163

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Acknowledgments

I would like to thank my family and friends for their kind and endless support during all this time. I also express my deep appreciation to William Fierman, Lauren MacLean, and Gardner Bovingdon, who constantly encouraged and generously shared with me their expertise, knowledge, and time and without whom the completion of this book would not be possible.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Introduction

Understanding Informal Institutions in Kazakhstan

Over the past two and a half decades Kazakhstan has experienced a number of landmark changes, such as transition to market economy, the emergence of private property, and rapid urbanization, to name a few. Scholars and market economy advocates, particularly in the West, have argued that formal institutions should structure political life and dominate the social fabric of transitioning economies. In contrast, informal institutions, defined as "socially shared rules, usually unwritten, that are created, communicated, and enforced outside officially sanctioned channels,"[1] should disappear or, at least, decline under conditions of liberal markets, urbanization, and industrialization. This, however, has not happened in Kazakhstan. Informal rules—clientelism, informal payments and help, and corruption—are the "rules of the game" that continue to shape state-society relations and determine people's everyday life in the country.

Given the importance of informal institutions for various economic and political outcomes, it is crucial to understand what happened to the Soviet legacy of informal reciprocal exchanges in the post-independence period. This book offers answers to the following questions: Why do informal exchanges continue to exist despite market reforms? And how have the Soviet-era informal institutions changed over time? I argue that the under-provision and unequal access to quality welfare goods make informal institutions critical channels for citizens to gain access to scarce resources in Kazakhstan. State retrenchment from the welfare sphere coupled with partial decentralization in the 1990s has negatively affected the provision of public goods, which in turn has influenced informal exchanges. In the past, the Soviet state provided universal health care, free education, and housing to everyone, but these public goods have become less accessible to citizens in the post-independence period. Today informal exchanges are used to gain access to

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

quality health services, public housing, good jobs, or education, rather than to gain access to *basic* consumer goods and foodstuffs, as it was in the Soviet Union.[2] The market economy helped to overcome the shortage of consumer goods that existed in the Soviet period; however, state benefits have become scarce and less accessible. State retrenchment and partial decentralization decreased both the quantity and quality of public goods and services available to the population. To cope with the under-provision of public goods, people resort to "access networks,"[3] make informal payments, and rely on informal interpersonal relations with their family members, friends, and acquaintances. Citizens help each other through informal financial transfers and loans as well as provide foodstuff and other material goods. While informal payments are often utilized to compensate state underinvestment in education, connections are widely used to gain access to good jobs in the state, private companies, and civil service, and to receive quality medical services, bank loans, and subsidized housing. Thus informal exchanges perform an important function in providing and mediating access to quality goods and services for the population. The reduction of the state role in the provision of various goods, liberalization, and privatization led to a Kazakhstani society that was more fragmented than it was in the Soviet Union. Scarcity and unequal access to goods and services, in turn, increased the need for informal exchanges and "access networks."[4]

Scholars have identified weak state capacity and market deficiencies as the main reasons for the poor provision of welfare goods.[5] The effective delivery of quality goods and services by the state is subverted when government officials prefer to divert "state revenues to the private bank accounts of officials or their families."[6] Bureaucrats may also distribute public goods and services unevenly, rewarding those who are affiliated with them through kinship or familial ties and loyalty, and thus undermining equity of access to welfare goods. Finally, incomplete markets and market failures can also lead to the under-provision of social benefits in a country.[7] In the case of Kazakhstan, despite the dismantling of the "economy of shortages" and the introduction of market mechanisms in the 1990s, people have continued to experience scarcity and unequal access to *quality* goods and services. As will be shown later, after deep state retrenchment from the social sphere, the market and the state have failed to provide both an adequate quantity of welfare goods and equal access to public resources. As a corollary, people resort to informal channels and informal payments to obtain quality goods and services in demand.

This book examines the nature and dynamics of informal reciprocal relations, focusing on micro-experiences of people who seek to gain access to quality public goods—medical services, education, and housing. It compares the Soviet and post-Soviet periods to reveal the different patterns in informal

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

reciprocal exchanges over time. I look at the impact of state retrenchment and decentralization on informal institutions in health care, education, and housing, which are important spheres of people's lives. While healthcare and education sectors are largely characterized by institutionalized informal payments and informal horizontal mechanisms of gaining access to quality medical services, the housing sector reveals mostly *clientelist* exchanges. In addition, the selection of these sectors provides a more systematic overview of the mechanisms at work between state retrenchment and decentralization, on one hand, and informal institutions on the other. The book also traces the emergence of new, nonstate actors who replaced the state in the provision of public goods in 1991. Through statistical analysis, I define factors that determine the frequency with which people are involved in informal exchanges.

WHY KAZAKHSTAN?

The objective of this book is to explain and test hypotheses on the linkage between public goods provision and frequency of informal exchanges. Kazakhstan presents a case of particular interest for that purpose. First, mainstream research on informal institutions has largely focused on Africa, Latin America, South East Asia, and Eastern Europe, while little attention has been paid to Central Asia.[8] Second, the country offers a particularly rich terrain for the investigation of informal institutions. It is characterized by dense informal networks, patronage, corruption, clientelism, clans, and many other informal practices. It thus represents a good testing site for various theories and provides a good opportunity for scholars to generate theoretical propositions on informal institutions. A number of scholars have discussed informal institutions such as clans, tribes, and corruption; however, most of them focused on the elite level. This book offers a "from-below" perspective by looking at informal help and daily practices of ordinary people.

Third, the country is an excellent candidate for a "quasi-experiment" since it has undergone profound economic and political changes since 1991. Tracing the evaluation of informal institutions before and after the collapse of the Soviet Union provides a good opportunity to control and compare different contextual factors and identify their impact on informal institutions.

Next, although Kazakhstan is similar to other Central Asian states such as Uzbekistan and Kyrgyzstan in terms of its colonial history, cultural and institutional legacies, and market reforms (in the case of Kyrgyzstan), it differs in the type of informal exchanges that take place and particularly in terms of patron-client relations. For instance, post-independence Kyrgyzstan, due to its different political trajectory, has produced so-called subversive

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

clientelism.[9] In that country, the autonomous business and political elites, particularly members of the parliament, had an incentive to establish close ties with local communities through the provision of patronage goods in order to gain political support of the people. This kind of informal exchange is absent in Kazakhstan due to the lack of vibrant political competition—both at the national and regional levels—and the lack of resource endowments, as well as weakened ties between legislators and their constituencies. At the same time, the emergence of an independent business class in Kazakhstan has allowed for the diversification of informal clientelist relations beyond the state. In contrast to Kazakhstan and Kyrgyzstan, Uzbekistan has maintained a centrally planned economy that does not allow for the development of informal clientelist relations involving independent business elites. Most important, Kazakhstan differs from other ex-Soviet states in its degree of state retrenchment from the social sphere in the post-independence period.[10] In comparison to other post-Soviet states, the Kazakh government conducted the most radical social reforms and carried out deep cuts in state expenditures in the 1990s (see Table 0.1). For instance, according to the World Health Organization (WHO) report, Kazakhstan's total health expenditures as a share of gross domestic product (GDP) were among the lowest in the WHO European regions (except for Turkmenistan and Azerbaijan). This, in turn, affected the provision of state benefits and influenced the level of informal reciprocal exchanges at the micro-level.

Table I.1. Total health expenditure as share (%) of GDP in the WHO European Region, WHO estimates, 2008

Moldova	10.7
Georgia	8.7
Ukraine	6.8
Kyrgyzstan	6.6
Belarus	6.5
Tajikistan	5.6
Russian Federation	5.2
Uzbekistan	5.0
Armenia	3.8
Kazakhstan	***3.7***
Azerbaijan	3.6
Turkmenistan	1.8

Source: Alexander Katsaga, Maksut Kluzhanov, Marina Kranaikolos, and Bernt Rechel, "Kazakhstan: Health System Review," *Health Systems in Transition* 14, no. 4 (2012): 43.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

LESSONS FROM KAZAKHSTAN

Undoubtedly, informal institutions are, at least partly, a legacy of the Soviet era. They did not emerged from scratch in the post-Soviet period. Informal reciprocal exchanges among the nuclear and extended families, friends, colleagues, co-ethnics, or neighbors were an important part of the survival system under the economy of shortages in the Soviet Union. The scarcity of material goods, hierarchical political structures, and the high level of discretion in the distribution of goods by low-ranking officials produced "the economy of favors," institutionalized patron-client relations, and "the system of *blat*."[11] The importance of personal connections and networks of "friends of friends" to gain access to goods in shortage has been widely recognized in the Soviet period.[12] These types of informal institutions and practices were adapted to the new environment of post-independence Kazakhstan. This, however, does not mean that the very same Soviet-era informal networks endured after 1991. In fact, Soviet-era networks were weakened in the post-independence period due to the emergence of new economic and political elites. The new political and economic system has also produced new kinds of informal practices—such as kickbacks or parental payments—that did not exist in the Soviet period. Indeed, informal institutions are not exactly the same. They were not merely copied from the previous Soviet setting and then pasted to a modern context,[13] despite the fact that Central Asian "leaders have consciously employed templates from their Soviet past."[14] The continuity of informal institutions is observed not only through their "fixed" or static elements, which existed under old economic and political conditions and endured in the new environment, but also through their novel elements, which were developed to adjust to the new economic and political conditions.[15] Therefore, identifying changed elements in informal institutions is, "in effect, the flip side of specifying the mechanisms of institutions' reproduction or stability."[16]

This book provides a number of valuable insights into the impact of state-building on the nature and level of informal reciprocal institutions. Modern informal exchanges share similar characteristics and patterns with those that existed under the Soviet Union. As elsewhere, the defining features of informal exchanges are reciprocity, inequality of status, asymmetry, and the personal enduring relationship, "a kind of lopsided friendship."[17] The same features are present in the post-Soviet model of informal networks based on bilateral exchange of resources, information, mutual help, services, and other responsibilities. Informal exchanges in the Soviet Union were based both on hierarchical structures connecting individuals of higher socioeconomic status with those of lower status and non-hierarchical horizontal networks connecting friends of the same status and wealth. Similar vertical and horizontal

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

structures continue to shape state-society linkages in post-independence Kazakhstan. Patrons provide resources and protection in exchange for support and loyalty, while brokers regulate and control the flow of goods from patrons to clients. Currently, informal exchanges—like those that existed in the Soviet Union—exploit friendships and state resources.[18]

Although there is much continuity between the two periods, there are also important distinctions between the Soviet- and post-Soviet-era patterns of informal exchanges. Overall, the scope of informal exchanges involving informal payments based on clientelist and kinship ties has increased[19] in the post-independence period due to state retrenchment, which brought about a more fragmented society and inequality of access to scarce resources. As quantitative and qualitative analyses reveal, informal reciprocal institutions, particularly monetary exchanges rather than in-kind payments, have become more prevalent and institutionalized in the post-independence period than they were in the Soviet era.

The failure of the state to provide a sufficient quantity of welfare goods led to the emergence of non-state providers—independent businessmen, foreign oil companies, and non-governmental organizations (NGOs)—thereby making informal ties more diversified in the post-independence period than in the Soviet era and changing the dynamics of informal reciprocity. One of the distinctions of these non-state actors is that businessmen offer collective goods to various communities below market price. While in the Soviet time, the provision of goods and services was highly centralized, it became more decentralized during the post-independence period.

Finally, empirical evidence suggests that there is a variation in frequency of reciprocal exchanges across social groups. Citizens are not engaged in informal reciprocity in the same way across different social categories. Age, gender, or residency impact the level of citizens' involvement in informal exchanges in important ways. In contrast to the cultural approach portraying informal institutions as static and unchanging, this research shows that informal institutions are not fixed across time and space. The same context might yield different levels of people's engagement in informal reciprocal relations. Thus, it is important to look at informal institutions from various dimensions and different levels of analysis to better understand their complex nature and dynamics.

Hence, this book makes both empirical and theoretical contributions to the study of informal institutions. It builds on prior research that links state-building processes and informal reciprocal institutions. It investigates the impact of formal institutions on informal rules. In contrast to previous research,[20] I argue that it is not only the failure of the market but also the failure of the state to deliver quality public goods to the population that forces people to

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

engage in reciprocal informal exchanges. Most importantly, informal institutions in Kazakhstan do not serve only as "survival kits" or "safety nets," as they do in African or Latin American contexts, but also as "access networks" to quality goods and services. Therefore, this book does not focus primarily on the impoverished citizens of Kazakhstan, as other research works do;[21] rather, it examines *various* social groups involved in reciprocal informal exchanges.

An empirical contribution of the book is its focus on Central Asia. Previous research of informal reciprocal exchanges has centered on Africa and Latin America, while the Central Asian region has been largely neglected. Although scholars recognize that informal institutions matter in Kazakhstan and other Central Asian states, there have been no systematic attempts to study informal reciprocal institutions per se using mixed method research.[22] This study provides unique data from two original surveys on informal reciprocal exchanges conducted in Kazakhstan in 2011 and 2013, as well as qualitative data gathered from in-depth interviews.

CONCEPTUALIZATION OF INFORMAL EXCHANGES

Before proceeding further, it is necessary to provide definitions of key concepts and terms that will be used in this book. One such concept is informal reciprocal exchanges. More broadly, informal reciprocal exchanges are defined as "long-term ties of exchange, or give-and-take, between individuals or groups over time."[23] Informal reciprocal exchanges can be vertical and asymmetrical or horizontal and symmetrical.[24] The "asymmetrical, vertical exchanges of targeted benefits for support" [25] differ from other types of informal institutions in the way that they can be *simultaneously* reciprocal, asymmetrical, voluntary, exploitative, and personal in nature and involve complex networks composed of patrons, brokers, and clients. Reciprocity is not necessarily based on equal status of the participants.[26] James Scott in his seminal work claimed that "the obligation of reciprocity is the moral principle par excellence" that is applied equally to the relationship between equals and nonequals.[27] Reciprocal relations may include various types of actors, including close and extended family members, colleagues, friends, and members of the same or different kinship and ethnic group.[28] Vertical ties thus are based on inequality and develop among people of different socioeconomic status, while reciprocal horizontal relations comprise individuals of similar status, power, and wealth.[29] Friendship, for instance, is based on informal horizontal exchanges because friends, as a rule, belong to the same class but can have access to different types of goods and services that can be exchanged.[30]

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

It is notable that although informal exchanges involve both horizontal and vertical networks, the latter are more important since people seek help from those who have access to more resources and thus occupy higher political or economic status. In a society with growing inequality, low social mobility, and restricted access to resources, vertical linkages become particularly critical to gain access to goods and services. Vertical ties might exist not only between people of higher political or economic status such as government officials or businessmen and their subordinates, but also among close and extended family members, colleagues, friends, and other actors.

Informal exchanges serve a number of important functions in various polities; however, they are particularly vital in developing countries and countries in transition. First, informal exchanges provide social mechanisms of survival and safety nets by spreading risk among individuals in difficult times. The types of exchanges that people use to share risks can vary from gift-giving to transferring financial resources to sharing important information and providing access to jobs. Second, informal reciprocal institutions provide and mediate access to both basic and higher-quality welfare goods. Under conditions of state retrenchment and low public goods provision, people seek both direct and indirect access to scarce state resources through the informal system of reciprocity and personal networks. To put it simply, informal clientelist exchanges help solve problems that different people encounter in their lives.[31]

For the purpose of this study, it is also important to define what public goods are. The types of goods and services delivered by government officials can be divided in terms of "the degree of 'publicness' of the goods delivered."[32] Public goods are universal goods that are provided to all citizens without exclusion, "regardless whether they contributed to the production or not."[33] Public goods include external and internal security, low inflation, macroeconomic growth, and welfare state benefits, such as universal health care and universal education. If, for instance, under the Soviet Union, all Soviet citizens were entitled to free medical care, in the post-independence period, access to free public health care and education has shrunk significantly due to state retrenchment, decentralization, and growing inequality. The provision of medical services and access to quality education have largely become uneven across regions. The difference is particularly sharp between rural and urban areas of the country.

In contrast to public goods, private goods are delivered to specific groups and individuals rather than to all citizens. This type of goods favors some groups and excludes others from consumption. The difference between private goods and other types, particularly public goods, is that they are based on the contingency of actions of specific groups.[34] Politicians target private

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

goods to those who already delivered or have promised to deliver support. Private goods include public sector jobs and preferential access to highly subsidized housing, land, or social insurance benefits, to name a few. In this book, I focus both on public and private goods. Public goods include state medical services and education, because they are (at least theoretically) available to all citizens; on the other hand, subsidized housing is a private good because it is targeted to specific groups, including civil servants, public sector employees, and young families.

RESEARCH DESIGN AND METHODOLOGY

To investigate informal institutions, "within-case" research design was employed. It allowed me to compare informal institutions in the former Soviet Union and post-Soviet Kazakhstan (before and after 1991) and establish variation of informal exchanges across social groups. One of the main advantages of the "within-case" design is an opportunity to make viable controlled comparisons that help to validate causal inferences.[35] By analyzing a single country diachronically, I was able to maximize comparability and greatly increase control over potential explanatory variables.[36] The "before-after" research design allowed controlling for cultural, historical, and other characteristics at the local and national levels and helped to increase the number of observations.

Recent studies of informal institutions have employed a wide range of methodological tools, including ethnographic research,[37] small-*n* comparison,[38] and statistical analysis.[39] Although scholars have used a variety of tools to investigate informal institutions, the research is mostly based on application of a single method—either quantitative or qualitative. However, the application of one approach is inadequate to explore informal institutions. In this study, a combination of both quantitative and qualitative research techniques—a survey and in-depth interviews[40]—has been employed to acquire different data.[41] A concurrent embedded strategy—simultaneous collection of quantitative and qualitative data—was also used.[42]

Data Collection

A recent turn in the study of informal institutions has been the application of survey methodology. Susan Stokes employed a subnational survey to explain the differences in the level of clientelism in various regions of Argentina.[43] Lauren MacLean applied the survey technique to investigate the structure, type, and quantity of reciprocal exchange relations among the rural population

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

of African states.[44] Other scholars, utilizing survey methodology, examined the impact of income on informal risk-sharing institutions.[45]

The purpose of two surveys conducted in 2011 and 2013 was to capture the difference between the Soviet and post-Soviet periods as well as the variation in frequency of informal exchanges in Kazakhstan. The first survey (N = 400) was conducted during the period from September to October 2011 in three cities—Almaty, Astana, and Petropavlovsk—and rural areas of corresponding regions. The second survey (N = 700) was carried out during the period from January to February 2013 in five regions of Kazakhstan with the help of a private firm called Strategy. The advantage of the surveys was rapid data collection[46] from a large number of respondents. I gathered information on frequency of informal reciprocal exchanges and other dimensions, including people's background, their attitudes and perceptions toward the government, healthcare provision, education, and the State Housing Program.

Qualitative techniques were employed to identify particular factors, contextual features, and actors engaged in informal exchanges. Through in-depth interviews, I collected detailed information on the nature and dynamics of informal practices.[47] The snowball sample technique was employed to make new contacts with potential interviewees. In total, eighty extensive in-depth interviews were conducted with rank-and-file citizens, experts and political analysts, journalists, government officials, medical workers, and teachers across different regions.

Secondary resources included various books and scholarly and newspaper articles. National-level newspapers included *Central Asian-Monitor, Kazakhstanskaya Pravda, Svoboda Slova, Liter, Vzglyad, Kazakhstan Today, Uchitelskaya Gazeta, Literaturnaya Gazeta*; and local newspapers comprised *Severny Kazakhstan*, *Novator, Ogni Alatau,* and *Vechernii Almaty*.

Measuring Informal Exchange Relations

There are no readily available measurements of informal exchange relations and their level of intensity. Various proxy indicators, such as the International Transparency Corruption Index, the number of civil servants in an administrative apparatus, or the level of personnel spending, are used to measure informal exchanges.[48] Although these measures can be applied to assess patronage in Kazakhstan, they are not reliable for evaluating the level and quantity of informal exchange relations among individuals. Informal exchanges are based on reciprocity; however, the asymmetrical and unequal nature of exchanges between patrons and clients makes informal exchanges different from horizontal reciprocal relations. To measure the level of informal ex-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

changes and the level of their intensity across social groups, a questionnaire was developed.

As in other studies, there were certain limitations in data collection. One of the problems was related to respondents' recollection of the frequency and quantity of exchanges over the previous year. In particular, respondents could not remember everything regarding the Soviet period since a lot of time had passed. As a result, some degree of underestimation in the quantity of exchanges may exist. However, errors were minimized due to the optimal choice of time frame—one year.

STRUCTURE OF THE BOOK

Chapter 1 presents the existing key theoretical perspectives that explain informal institutions—structural, institutional, and cultural—and situates my own argument within the broader theoretical literature.

Chapters 2, 3, 4, and 5 are the empirical core of the book. Chapter 2 presents the quantitative puzzle of research. It focuses on survey administration and sampling techniques employed to collect data. The chapter also elaborates on the construction of the questionnaire as well as operationalization and measurement of the dependent and independent variables. This chapter presents quantitative data and the results of the ordered logistic regression model on the frequency of people's engagement in reciprocal informal exchanges. In addition, the descriptive statistical analysis of survey results are discussed in detail.

Chapter 3 provides qualitative evidence of informal exchanges in the healthcare sector. Because Kazakhstan experienced one of the most radical cuts in healthcare expenditures among post-Soviet states, the healthcare sector represents a particular interest for studying the impact of state retrenchment on informal reciprocal institutions. In addition, given the importance of human health for economic growth and human development, the focus on the healthcare sector provides us with important insights on the dynamics of informal reciprocity in Kazakhstan. The political and social salience of healthcare issues, both for government officials and citizens, makes the study of informal reciprocal relations in this sector critical for our understanding of the relationship between state and society. Finally, different dynamics exist in the healthcare sector and in other sectors of the economy such as education and housing. By looking at people's micro-experiences with medical services, it was possible to analyze the actual behavior of citizens and their engagement in informal reciprocal relations on the ground.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Chapter 4 highlights the differences between informal exchanges during the Soviet and post-Soviet periods in the education system. One can find interesting distinctions of informal exchanges across secondary and higher education institutions in Kazakhstan. I will show how the underinvestment of high schools on the part of the state leads to an increase in informal payments, while the shortage of quality education makes parents use informal channels and bribery to access prestigious schools. The informal exchanges in higher education will be also covered. In addition, the comparative analysis of informal rules and practices in education during the Soviet and post-Soviet periods will be made.

Chapter 5 focuses on informal reciprocal exchanges—informal networks of friends, relatives, and former classmates, as well as bribery—that people utilize to gain access to subsidized housing. The chapter compares the State Housing Programs in the Soviet and post-Soviet periods. It offers a detailed description of the implementation of the State Housing Program in different regions of post-independence Kazakhstan. Finally, the Conclusion provides an overview of important findings on the link between poor welfare provision and the frequency of informal reciprocal exchanges.

NOTES

1. Gretchen Helmke and Steven Levitsky, *Informal Institutions and Democracy: Lessons from Latin America* (Baltimore, MD: John Hopkins University Press, 2006), 5.
2. Similar findings were made in Russia. See Alena Ledeneva, *Can Russia Modernize?: Sistema, Power Networks and Informal Governance*. (Cambridge: Cambridge University Press, 2013).
3. The term is borrowed from Edward Schatz, *Modern Clan Politics: The Power of "Blood" in Kazakhstan and Beyond* (Seattle: University of Washington Press, 2004).
4. Luis Roniger, "Favors, 'Merit Ribbons,' and Services: Analyzing the Fragile Resilience of Clientelism," in *Clientelism in Everyday Latin American Politics*, ed. Tina Hilgers (Gordonsville, VA: Palgrave Macmillan, 2012).
5. Kelly McMann, "Market Reform as a Stimulus to Particularistic Politics," *Comparative Political Studies* 42, no. 7 (2009); Joseph Stiglitz, "Formal and Informal Institutions," in *Social Capital: Multifaceted Perspective*, eds. Partha Dasgupta and Ismail Serageldin (Washington, DC: World Bank, 2000); Stefan Dercon, *Income Risk, Coping Strategies, and Safety Nets* (Washington, DC: World Bank, 2002); A. Deaton, "Household Savings in LDCs: Credit Markets, Insurance and Welfare, *Scandinavian Journal of Economics* 94 (1992): 253; Michael Bratton and Nicolas Van de Walle, *Democratic Experiments in Africa: Regime Transitions in Comparative Perspectives* (New York: Cambridge University Press, 1997).
6. Scott Radnitz, *Weapons of the Wealthy: Predatory Regimes and Elite-Let Protests in Central Asia* (Ithaca, NY: Cornell University Press, 2010), 24.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

7. Dercon, *Income Risk*, 15.

8. On various informal institutions in Central Asia, see, for instance: Collins, *Clan Politics and Regime Transition in Central Asia;* Schatz, *Modern Clan Politics*; and Rico Isaacs, *Party System Formation in Kazakhstan: Between Informal and Formal Politics* (London: Routledge, 2011).

9. I borrow the term from Scott Radnitz, *Weapons of the Wealthy*.

10. Linda Cook, "Negotiating Welfare in Post-Communist States," *Comparative Politics* 40, no. 1 (2007): 41.

11. Alena Ledeneva, *Russia's Economy of Favors* (New York: Cambridge University Press, 1998); Alena Ledeneva, "Continuity and Change of *Blat* Practices in Soviet and Post-Soviet Russia," in *Bribery and Blat in Russia: Negotiating Reciprocity from the Middle Ages to the 1990s*, ed. A. Ledeneva, S. Lovell, and A. Rogachevskii (Macmillan: Basingstoke, 2000); Alena Ledeneva, *How Russia Really Works: The Informal Practices That Shaped Post-Soviet Politics and Business* (Ithaca, NY: Cornell University Press, 2006); Alena Ledeneva "Informal Networks: Post-Communist Economics: A Topographical Map," in *What Is Soviet Now? Identities, Legacies, Memories*, ed. Thomas Lahusen and Peter Solomon (Berlin: Lit Verlag, 2008); Alena Ledeneva, "*Blat* and Guanxi: Informal Practices in Russia and China," *Comparative Studies in Society and History* 50, no. 1 (2000): 118; John Willerton, *Patronage and Politics in the USSR* (New York: Cambridge University Press, 1992).

12. Vladimir Shlapentokh, *Love, Marriage, and Friendship in the Soviet Union: Ideals and Practices* (New York: Praeger Special Studies, 1984); Vladimir Shlapentokh, *Public and Private Life of the Soviet People* (New York: Oxford University Press, 1989).

13. Even if they had been copied, we would still have observed some new qualities that informal institutions would acquire and reveal under new environmental conditions.

14. Pauline Jones Luong, *Transformation of Central Asia: States and Societies from Soviet Rule to Independence* (Ithaca, NY: Cornell University Press, 2004).

15. On adaptive informal institutions, see, for example, Kellee Tsai, "Adaptive Informal Institutions," *World Politics* 59 (2006).

16. Gretchen Helmke and Steven Levitsky, "Informal Institutions and Comparative Politics: A Research Agenda," *Perspectives on Politics* 2, no. 4 (2004): 22; Helen Thelen, "Historical Institutionalism in Comparative Politics," *Annual Review of Political Science* 2 (1999): 369. Helen Thelen and John Mahoney, *A Theory of Gradual Institutional Change* (New York: Cambridge University Press, 2010).

17. Judith Chubb, *Patronage, Power, and Poverty in Southern Italy: A Tale of Two Cities* (Cambridge: Cambridge University Press, 1982).

18. Ledeneva, "Informal Networks," 59.

19. For a similar argument on informal networks, see Ledeneva (2006).

20. McMann, "Market Reform," 971.

21. Javier Auyero, "The Logic of Clientelism in Argentina: An Ethnographic Account," *Latin American Research Review* 35, no. 3 (2000): 55; Havier Auyero, *Poor People's Politics: Peronist Survival Networks and the Legacy of Evita* (Durham, NC: Duke University Press, 1998).

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

22. See Collins, *Clan Politics and Regime Transition in Central Asia*, and Isaacs, *Party System Formation*, on informal politics at the elite level.

23. Lauren MacLean, *Informal Institutions and Citizenship in Rural Africa: Risk and Reciprocity in Ghana and Cote D'Ivoire* (New York: Cambridge University Press, 2010), 17.

24. Goran Hyden, *African Politics in Comparative Perspective* (Cambridge: Cambridge University Press, 2006); MacLean, *Informal Institutions*, 27.

25. Radnitz, *Weapons of the Wealthy*, 36.

26. MacLean, *Informal Institutions*, 17; James Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven, CT: Yale University Press, 1975), 178.

27. Scott, *The Moral Economy,* 168.

28. MacLean, *Informal Institutions*, 20.

29. James Scott, "Patron-Client Politics and Political Change in Southeast Asia," *The American Political Science Review* 66, no. 1 (1972): 91; Hyden, *African Politics*; MacLean, *Informal Institutions*.

30. Tina Hilgers, "Democratic Process, Clientelistic Relationships, and the Material Goods Problem," in *Clientelism in Everyday Latin American Politics* (New York: Palgrave Macmillan, 2012).

31. Jonathan Fox, "State Power and Clientelism: Eight Propositions for Discussion," in *Clientelism in Everyday Latin American Politics*, ed. Tina Hilgers (New York: Palgrave Macmillan, 2012); Hilgers, "Democratic Process," 161.

32. Alberto Diaz-Cayeros and Beatriz Magaloni, "The Politics of Public Spending: Part I, The Logic of Vote Buying" (background paper prepared for the World Bank Report, April 25, 2003), accessed March 8, 2011, http://www-wds.worldbank.org.

33. Herbert Kitschelt and Steven Wilkinson, *Patrons, Clients, and Policies: Patterns of Democratic Accountability and political Competition* (New York: Cambridge University Press, 2007), 11.

34. Kitschelt and Wilkinson, *Patrons, Clients, and Policies*, 11.

35. Richard Snyder, "Scaling Down: The Subnational Comparative Method," *Studies in Comparative International Development* 36, no. 1 (2001): 94.

36. Richard Snyder, "Scaling Down," 95; Alexander George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences* (Cambridge, MA: MIT Press, 2005); Arendt Lijphart, "Comparative Politics and Comparative Method," *The American Political Science Review* 65, no. 3 (1971): 682.

37. Auyero, "The Logic of Clientelism," 57; Auyero, *Poor People's Politics*; Flavia Friedenberg and Steven Levitsky, "Informal Institutions and Party Organization in Latin America," in *Informal Institutions and Democracy*, ed. Helmke and Levitsky (Baltimore, MD: Johns Hopkins University Press, 2006); Edward Schatz, *Modern Clan Politics*; MacLean, *Informal Institutions*, 20; Anna-Maria Salmi, "Health in Exchange: Teacher, Doctors, and the Strength of Informal Practices in Russia," *Culture, Medicine and Psychiatry* 27 (2003): 109.

38. Kathleen Collins, *Clan Politics and Regime Transition in Central Asia* (New York: Cambridge University Press, 2006); MacLean, *Informal Institutions,* 65.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

39. Susan Stokes, "Do Informal Rules Make Democracy Work?" in *Informal Institutions and Democracy*, ed. Helmke and Levitsky (Baltimore, MD: John Hopkins University Press, 2006); MacLean, *Informal Institutions*, 37; McMann, "Market Reform," 971; Karen Remmer, "The Political Economy of Patronage: Expenditure Patterns in the Argentine Provinces, 1983–2003," *The Journal of Politics* 69, no. 2 (2007): 363.

40. Other scholars combine ethnographic research with survey techniques; see MacLean, *Informal Institutions*.

41. Mixed methods research should not be confused with multi-method research, which is based on multiple data collection methods. Multiple methods can be applied to collect either quantitative or qualitative data. Mixed methods research is a type of multi-method research in which the mixture or integration of qualitative and quantitative data takes place. For a review of mixed methods research, see J. Creswell and Plano Clark, *Designing and Conducting Mixed Methods Research* (Thousand Oaks, CA: Sage, 2007); A. Tashakkori and C. Teddlie, *Mixed Methodology: Combining Qualitative and Quantitative Approaches* (Thousand Oaks, CA: Sage, 1998); R. B. Johnson, A. J. Onwuegbuzie, and L. A. Turner, "Toward a Definition of Mixed Methods Research," *Journal of Mixed Methods Research* 1, no. 2 (2007); R. B. Johnson and Anthony J. Onwuegbuzie, "Mixed Methods Research: A Research Paradigm Whose Time Has Come," *Educational Researcher* 33, no. 7 (2004): 17; Lisa Pearce, "Mixed Methods Inquiry in Sociology," *American Behavioral Scientist* 56, no. 6 (2012).

42. John Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (Los Angeles, CA: Sage, 2009).

43. Susan Stokes, "Do Informal Rules Make Democracy Work?," 129.

44. MacLean, *Informal Institutions*.

45. Joachim De Weerdt, *Risk-Sharing and Endogenous Network Formation* (New York: United Nations University, 2002); Donald Cox and Emmanuel Jamenez, "Risk Sharing and Private Transfers: What About Urban Household?," *Economic Development and Cultural Change* 46 (1998): 621.

46. Creswell, *Research Design*.

47. David Collier, Henry E. Brady, and Jason Seawright, "Critiques, Responses, and Trade-Offs," in *Rethinking Social Inquiry: Diverse Tools, Shared Standards*, ed. H. E. Brady and D. Collier (Lanham, MD: Rowman and Littlefield, 2004); George and Bennett, *Case Studies and Theory Development*.

48. McMann, "Market Reform as a Stimulus," 973–74; Remmer, "The Political Economy of Patronage," 363–64.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Chapter One

Explaining Informal Institutions

The last decade has witnessed a resurgence of interest in the study of informal reciprocal institutions. Scholars have recognized that informal rules are as important as their formal counterparts in structuring "the rules of the game" and shaping political behavior and outcomes.[1] Research on Europe, Asia, and Latin America suggests that informal rules determine political phenomena such as state-society relations, political stability, democratic accountability, and societal cohesion.[2]

Although informal institutions might be even more important in shaping political and economic outcomes than formal rules, their role has frequently been considered as auxiliary. In other words, *informal* institutions have mostly been examined to explain the origin, stability, or transformation of *formal* rules rather than to be the focus of analysis per se. As Kellee Tsai writes, "The tendency for explanations to privilege informal institutions only when formal ones have failed at their prescribed tasks ironically demonstrates the normative power that scholars reflexively ascribe to formal institutions."[3] In addition, prior studies on informal rules have been done through the prism of the "zero-sum relationships" between formal and informal institutions, in which the rise and domination of one set of rules inevitably leads to the decline and subversion of the other.[4] Such a narrow view of the relationship between formal and informal institutions does not help us, however, to understand a more complex interrelation between the two types and their influence on actors' incentives and behavior. Hence, a comprehensive institutional analysis necessitates the study of informal rules.[5]

While scholars have provided important insights on the origin, stability, and change of formal institutions,[6] comparative politics literature has done little to explore these issues in regard to informal rules. Scholarship on informal exchanges, corruption, and patronage typically takes informal rules as "his-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

torically given, treating them as part of a static cultural landscape, but without mechanisms by which they are sustained."[7] Yet recent works show that informal institutions can change more frequently and rapidly than previously suggested.[8] The widely accepted static view of informal institutions precludes us from understanding why and how informal rules transform and how they are sustained over time despite the changes in an external environment.

Existing explanations of informal institutions can be broadly divided into three categories: cultural, structural, and institutional. Cultural explanations interpret informal rules in terms of traditions and customs that cannot change quickly. Structural approaches address the impact of market reforms, level of economic development, and history of the state, while institutional explanations focus largely on the interaction of formal and informal rules. In the following section, I summarize each approach and then relate their applicability to the case of Kazakhstan.

CULTURAL EXPLANATIONS OF INFORMAL INSTITUTIONS

Because informal institutions, including informal clientelist exchanges, were studied first in anthropology, many political scientists have viewed them "as a primordial atavism, left over from traditional political culture" or "synonymous with culture or tradition."[9] The prominent institutionalist Douglass North argued that even if formal institutions change, informal constraints do not. This can be a result of "the deep-seated cultural inheritance that underlies many informal constraints."[10] Other scholars define informal institutions as "traditions, customs, moral values, religious beliefs, and all other norms of behavior that have passed the test of time. . . . Thus, informal institutions are the part of a community's heritage that we call culture."[11] In this interpretation, informal institutions are an attribute of particular societies and cultures characterized by a higher degree of "an ethic of particularism."[12] This view is problematic since informal institutions exist practically in all modern states, albeit to various degrees.[13]

Academic works on Central Asia have also treated informal institutions as given and fixed, explaining them in terms of the pre-colonial cultural heritage of Central Asian societies.[14] Central Asian politics and state-society relations have often been portrayed through the lenses of kinship and tribal identities that emerged in the pre-Soviet period.[15] One of the most popular is the clan politics approach, which posits that kinship and tribe identities were not destroyed by the Soviet policies of collectivization and sedentarization. This view contends that they continued to play an important role in shaping politics and state-society linkages of post-Soviet Central Asia.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

As with most cultural explanations, the clan approach is static and deterministic. It does not allow for rapid institutional change or adaptation to a new environment. In addition, its emphasis on the role of familial and kinship ties overlooks a more complex social and political reality. It underestimates the potential of other linkages (patron-client relations based on non-kinship ties or broader-based community networks) that can affect political and economic outcomes.[16]

Another problem with cultural explanations and the clan politics approach particularly is that they cannot account for the variation and transformation of informal institutions in the same cultural context and do not explain the emergence of new actors and informal rules. The latter are viewed as the result of "tradition and path-dependent cultural legacies."[17] This, however, precludes us from understanding how informal institutions can change and what new informal strategies actors can use to achieve their goals. It would be misleading to assume that informal institutions *only* resist change. Rather, they also can transform and adapt to external conditions within a very short period of time.[18] Finally, by itself, the cultural argument underestimates the importance of contingency that might trigger the rise in informal behavior or informal politics. Hence, in this book I tried to depart from cultural stereotypes of static informal institutions and challenge the "primordial" nature of informality.

INSTITUTIONAL EXPLANATIONS

Informal institutions have frequently been used to explain the origins and transformation of formal rules.[19] The reverse causal arrow, however, has not been fully explored yet. Recent theoretical works have suggested various typologies of interaction between formal and informal institutions, in which the latter can reinforce, complement, substitute, or subvert the former.[20] The new-institutional "either/or" typology has received criticism for its simplified interpretation of the formal-informal relationship when the rise in informal institutions leads to an automatic erosion or decrease in informal exchanges and vice versa.[21] Although this logic is useful to see the nature of interaction between formal and informal institutions, it does not capture a more complex transformative and, very often, overlapping or contradictory relationship between the two types of rules that exist in the real world. This simplification also overlooks the impact of rules from various issue areas on informal institutions.[22] Kellee Tsai, for instance, has argued that complex institutional contexts "with overlapping jurisdiction and inconsistent or unrealistic mandates" create openings for actors "to adjust, ignore, or evade discrete portions

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

of formal institutions," the result of which is the emergence and development of informal institutions.[23] A reductionist vision of the formal-informal interaction does not suggest any causal mechanisms or a theory of informal institutional change, for which institutionalists have been often criticized.[24]

Surprisingly, the bulk of previous research on institutions has been done at the macro- and meso-levels, while individual linkages and exchanges at the micro-level have been largely neglected.[25] A few works that focus on individual linkages have been mostly concerned with political support and loyalties in the electoral arena in exchange for a variety of social benefits and employment opportunities, while other types of linkages have been largely ignored.[26] However, this exclusive focus on electoral arena and political parties fails to address different ways in which other actors use their control over access to public resources. At the same time, individuals are the "flesh and blood" of reciprocal relations, and their micro-level experiences shape "social structure itself."[27] These limitations invite a more microscopic analysis of human behavior and context.

In Kazakhstan, little attention has been paid to the study of informal institutions.[28] Recent research, for instance, has examined the impact of informal behavior on the development of the party system.[29] In this work, informal institutions are treated as "independent variables" that can be activated and used by politicians as a response to a high level of uncertainty that existed in Kazakhstan in the early 1990s.[30] This explanation, however, does not account for why informal institutions persist despite the reduction of uncertainty, as happened in the late 1990s in Kazakhstan, and how informal rules change over time. These limitations thus suggest that the research should go beyond institutional explanations to develop better accounts of institutional origins and change.[31]

Structural Explanations: Economic Factors and the History of the State

More recent scholarship suggests that structural conditions influence the vibrancy of informal institutions. Market reforms, level of economic development, and the history of the state are cited as factors that can either destroy or stimulate informal reciprocal institutions. The earlier generation of scholars argued that informal networks are largely inherent to backward agrarian countries and can disappear with progressing economic development and industrialization. Market reforms and the projected power of the state to the periphery are more likely to reduce poverty and eventually destroy informal exchange relations.[32] The logic behind this is that market reforms decrease the intervention of the state in the economy and preclude politicians from distributing goods through informal mechanisms.[33] The opposite argument, how-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

ever, is that if market mechanisms do not provide the public with a sufficient quantity of goods, informal institutions will rise automatically to compensate for the under-provision of those goods and thus substitute the state.[34] Kenneth Arrow, for instance, argues that "the failure of the market to insure against uncertainties has created many social institutions in which the usual assumptions of the market are to some extent contradicted."[35] In other words, both public and private institutions may emerge that can protect individuals from risks, even if those institutions are not related to risk insurance. More recent research on the former communist bloc suggests a connection between market liberalization and the ability to get ahead through personal connections and "unfair means" rather than through meritocracy.[36] As evidence suggests, market reforms failed to improve the lives of the poor by reducing the number of resources available to the state to satisfy the needs of the population "through clientelist or other means." As a result, there is no reason to expect that clientelist exchanges decrease due to market reforms.[37] Kelly McMann, analyzing particularistic politics in Kazakhstan, has claimed that incomplete market reform can, in fact, facilitate particularistic politics under two conditions. First, it occurs when state intervention in the economy is large enough prior to market reform, and second, it occurs when economic reforms *fail* to develop market-enhancing institutions but at the same time reduce the state's role in the economy.[38] Under these conditions, people have to ask for help more from the state than from non-state organizations (i.e., religious organizations or NGOs), which are not able to offer adequate assistance.[39]

The relationship between economic development and informal reciprocal institutions has also been long on the agenda. Under conditions of poor economic development and high rates of poverty, self-help and informal reciprocal institutions emerge to provide people with safety nets. With the rise in income and accumulation of wealth, citizens become less prone to ask for private benefits and instead demand public goods.[40] The logic of the existence of clientelist exchanges and informal networks in an impoverished country is straightforward. Poor people prefer to receive immediate rewards provided by politicians rather than wait for uncertain and distant benefits from political parties with programmatic appeals. For politicians, it is too costly to pay for material benefits in affluent societies. This is because more-educated, mobile, and rich citizens demand more expensive material rewards than poor people. Informal reciprocal exchanges serve as a survival kit for the poor when the state does not provide people with social security. Thus, poverty is positively correlated with informal exchanges.[41]

The history of state formation also influences the vibrancy of informal reciprocal institutions.[42] Lauren MacLean claims that political administration, economic policies, and state retrenchment affected the extent and structure of informal institutions of reciprocity in different ways in Ghana and Cote

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

d'Ivoire.[43] She found that informal institutions of reciprocity were more depleted in Ghanaian villages where the provision of social services was decentralized. In contrast, a more centralized and expansive state in Cote D'Ivoire stimulated a higher level of informal reciprocal exchanges.[44]

These structural analyses focusing on the level of economic development and liberalization have significant explanatory power. However, they have less leverage in explaining why informal exchanges do not disappear with the decline of poverty and continue to exist in industrially developed, affluent societies.[45] Following this zero-sum dichotomy, we would expect to observe that changes in political and, particularly, economic systems would *inevitably* lead to the erosion of informal clientelist exchanges. This, however, has not happened. Many states that implemented market reforms, including Central Asian countries, continue to be fraught with informal clientelist exchanges, patronage networks, and other informal practices.[46]

Similarly, the decline in the rate of poverty across the states of South East Asia, Latin America, and Central Asia has not reduced the importance of informal exchanges. Instead, we observe that informal reciprocal exchanges continue to shape state-society linkages; they rise and decline despite growing economic wealth. For instance, since the early 2000s Kazakhstan has experienced a reduction in poverty due to an influx of petrodollars and the liberalization of the economy.[47] However, market reforms and economic development have not disrupted informal reciprocal exchanges. Rather, liberalization has stimulated and legitimized informal institutions since the role of the state in the provision of public goods has diminished.[48] Market reforms produced the dispersion of wealth, which in turn led to the emergence of wealthy businessmen who sought to build new clientelist ties with their communities.[49]

These structural explanations, however, fail to take into account more complex realities of the post-independence state-building process.[50] In the next section I present a framework for analysis of informal institutions that centers on two dimensions of the state-building process—state retrenchment from the social sphere and decentralization. I will show how these two dimensions negatively affected the quality of and access to public goods and services and how this influences informal reciprocal exchanges. The last part of the chapter presents a number of important rival hypotheses derived from the theoretical literature on informal institutions.

THE ARGUMENT

Without denying the proximate causal role of culture and formal institutions, my explanation of the continuity and transformation of informal reciprocal

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

exchanges is based on structural factors. As Catherine Boone notes, "with no underlying theory of conditions or forces that reproduce institutional structure, it is also impossible to explain why institutions [emerge, change, or] collapse."[51] In the context of Kazakhstan, informal institutions are not solely the product of cultural legacies of the pre-Soviet and Soviet periods; rather, they are also a result of struggles for access to scarce resources in the post-Soviet era.

I depart from the cultural approach that portrays informal institutions as necessarily primordial, static in nature, and inherent to specific types of societies. Analyzing the persistence of informality as a product of structural conditions, however, I challenge previous structural explanations of informal institutions focusing exclusively on market reforms or economic development and thus ignoring state-building processes and broader structural conflicts that can be at play.[52] Instead, I emphasize two dimensions of the state-building process—state retrenchment and decentralization—which created "conditions of necessity and opportunity" for informal exchanges to prosper in the post-independence period.

I challenge Kelly McMann's argument that market reform is a chief promoter of particularistic politics by claiming that it is not *only* the failure of the market economy that has stimulated particularistic exchanges, but also *the failure of the state* to provide the population with quality public goods and services due to state retrenchment and partial decentralization.[53] Indeed, markets can be inefficient, but governments can be inefficient too. "It [government] can be well meaning but ineffective; or it can be corrupt."[54] The failure of the government might be a result of the "organizational slack" that occurs when politicians cannot fully monitor the actions of utility-maximizing officials. In addition, the government's actions are premised on the self-interest of people within the government rather than on maximizing the social welfare of the population.[55] As a result, when state capacity is low, informal institutions rise to compensate for the failure of the state to provide social services.[56] State failure, however, does not necessarily lead to informal exchanges arising evenly across social groups, sectors of the economy, or regions of the same country. Hence, a more nuanced analysis of informal exchanges is required to explore the varied patterns of informality in the same polity.

To show how informal institutions vary and why they persist, I will look at particular aspects of state-building that produced the variation of informal reciprocal exchanges at the micro-level. State retrenchment from the social sphere and decentralization of administrative and financial functions negatively affected the provision of quality public goods and access to social welfare, stimulating informal reciprocal exchanges in Kazakhstan. The latter increased in scope, particularly those based on kinship ties and monetary exchanges, and new linkages with informal brokers as well as new patrons

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

emerged.[57] In contrast to previous research that explains contemporary informal reciprocal exchanges by looking at a longer history of the state, this book focuses on more recent processes of state-building that took place in Kazakhstan after 1991. In the next chapters, I will show that informal institutions can vary in important ways across social groups and that the change in informal reciprocal exchanges (the scope and type of connections) can occur within a very short period of time depending on the behavior of individuals and their experiences with the state.

STATE RETRENCHMENT AND INFORMAL INSTITUTIONS

Under conditions of scarcity and low-quality public goods, informal exchanges become important "precisely because they fulfill the functions the state is abandoning."[58] McMann's argument that people in Kazakhstan have to compete for state resources "through informal means such as bribes, personal connections, and promises of political support" confirms the idea that not only the deficiency of the market, but also the deficiency of the state, lead to an inadequate quantity of goods—particularly *quality* goods and services—for Kazakhstan's citizens.[59]

Scarcity of quality public goods and unequal access to resources are the characteristic features of the post-independence period. Indeed, despite the fact that Kazakhstan has better state capacity and is overall economically more developed[60] than other Central Asian states, it suffers from under-provision and low-quality public goods for its population. State retrenchment from the public sphere in the early 1990s led to huge cuts in public spending.[61] Spending reductions usually target education, health care, and public infrastructure and lead to the under-provision of public goods and unequal access to social welfare.[62] One of the important consequences of state retrenchment was the disappearance of social security to the population, which was generously provided by the Soviet state. The proliferation of the informal labor sector (in the form of independent or self-employed workers, street vendors, unreported domestic workers, or construction workers) in Kazakhstan also contributed to the vulnerability of the population by depriving it of access to formal social security.[63] As a result, many people are left unprotected in the face of socioeconomic transition and are thus willing to engage in clientelist exchanges with various actors interested in their support. These developments have contributed to the persistence of clientelist reciprocal exchanges in Kazakhstan.

It has been argued that the under-provision of public goods enables "outside actors to fill the void and, perhaps inadvertently, erode the state's infra-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

structural power."[64] Most research on non-state welfare provision concentrates on the role of NGOs, religious organizations, and ethnic organizations both as providers and mediators of social services under conditions of either a low and partial state welfare provision or lack thereof.[65] In the case of Kazakhstan, unlike other states such as Lebanon or Kyrgyzstan, outside actors such as NGOs or religious organizations have not substituted for the state in the provision of public goods.[66] People do not rely on NGOs or religious organizations to receive material goods or services because those organizations have not been developed to a degree to provide the population with necessary material goods.[67] There have been, however, instances when foreign oil companies (FOCs), state holdings, or independent businessmen have delivered local public goods to the population.[68] However, it is not done on a regular basis, and local public goods are restricted to certain areas and are not accessible to the majority of the population. As a result, people are more likely to rely on informal institutions to access scarce resources and services and to obtain social insurance through these non-state safety nets.

In addition, state welfare provision is more problematic, "both politically and practically," in developing countries with transitional and non-democratic systems than in democratic states. The problem of accountability is a big issue in such societies since citizens do not have leverage over government officials due to the absence of strong formal institutions. In oil-rich states, the accountability of public officials to the population is nearly absent. This is due to oil windfalls that allow government officials to exempt the population from taxation. Tax exemption, in turn, leads to the diminished control and monitoring of state expenditures and public officials on the part of citizens.[69] The principle "no taxation without representation" is very relevant in the context of oil-rich states, including Kazakhstan.

Government officials, however, can provide public goods "when citizens award them moral standing for doing so." Moral standing, or "the esteem, respect, or approval that is granted by an individual or a collectivity for performances or qualities they consider above the average," is more likely to occur in societies with solidary groups based on shared moral obligations and interests.[70] Local officials are embedded in solidary groups and thus are kept accountable to the population. In Kazakhstan, however, frequent rotation of local officials does not allow them to become embedded in any kind of solidary groups, and therefore local communities do not have power over public officials to keep them accountable. In those cases where local officials are embedded in lineage solidary groups based on family ties and "shared patrilineal descent," the governmental public goods provision is often subverted because local officials are more likely to favor their close and extended family members and friends rather than the whole town or village community.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

The instances of the diversion of state resources through informal clientelist exchanges are abundant at all levels of government throughout rural and urban areas of Kazakhstan.

PARTIAL ADMINISTRATIVE AND FISCAL DECENTRALIZATION AND INFORMAL INSTITUTIONS

In addition to state retrenchment, partial decentralization also contributed to lower provision and unequal access to welfare goods to the population, thereby stimulating informal reciprocal exchanges. Partial decentralization is "the situation when local governments are not held accountable for a complete set of budgetary allocations and their outcomes."[71] It occurs when governments decentralize only one or two out of the three dimensions of decentralization—political, administrative, and fiscal. This book focuses on administrative and fiscal decentralization since these types of decentralization have a direct impact on the provision of, and citizens' access to, quality public goods and services.

The goal of decentralization, defined as "a process through which the role of and functions of the subnational governments are expanded," is to make the local or provincial governments more efficient, responsive, and accountable to their local population.[72] Pradhan Bardhan suggests that decentralization decreases the role of the central government "by fragmenting central authority and introducing more intergovernmental competition and checks and balances."[73] The advocates of decentralization claim that local governments, being in charge of tax collection and the provision of various public goods, should know local conditions and preferences better than decision-makers at the center and thus should be more accountable to the population.[74] In addition, the local population is aware of who is responsible for the provision of public goods and can punish irresponsible government officials. This creates incentives for local officials to perform well since they have to compete for tax revenue for the local budget. If the local government does not provide adequate public goods, people might move to another place where better public services are provided. As a corollary, decentralization stimulates better public goods provision.

Although this explanation is valid for democratic states, it does not have sufficient explanatory power in other contexts, including Central Asian states. This is because structures of local accountability do not exist in many developing countries.[75] In exclusive regimes and regimes in transition, decentralization leads to lower levels of accountability for local officials to the upper levels of government, coupled with higher levels of discretion in

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

making administrative and fiscal decisions for local officials.[76] Higher levels of discretion and insufficient monitoring from superiors in the government, as well as citizens' lack of control, lead to the deterioration of public goods provision and reduced access to social welfare, particularly at the local level. Decentralization is not necessarily about better and effective governance and empowerment of local citizens.[77] In fact, policies of decentralization combined with the absence of universal access to basic and quality services can provide fertile soil for a selective provision of access to goods and services based on clientelist logic. Even if a government develops social programs targeted at citizen empowerment, the implementation of a program may often be based on personal interactions and mediated by local organizations or individuals interested in clientelist reciprocal exchanges.[78]

Even if local governments have better information on the needs of local people and the pressure of accountability, they can be more susceptible to capture by local influential elites and local "strong men," who might receive better quality public goods. In other words, decentralization might lead to local officials discriminating against non-elites and overproviding welfare to local elites.[79] Because government officials and public employees have different discretionary powers, and authorities occupy various positions in the government, they can create unequal access to social services. As a result, decentralization might produce a scarcity of quality public goods[80] and unequal access to social welfare for the population. This, in turn, stimulates informal reciprocal exchanges that provide basic goods and services and facilitate access to better quality public goods.

Administrative decentralization means that "no tier [of subnational government] has the right to overrule or appeal the central government's instructions, and all agents are appointed by and subordinated to governments at higher tiers."[81] Fiscal decentralization implies a transfer of expenditure responsibilities to subnational units. Partial fiscal decentralization does not provide local government with substantial fiscal responsibilities. Local governments do not have sufficient control over collection of resources and mostly redistribute money transferred from the center. Dependence on central transfers subverts the accountability of sub-national governments to the population and makes it hard for people to evaluate and criticize the performance of local governments. Instead, criticism goes to the upper tiers of government.[82] Partial decentralization thereby impedes the government's effectiveness in the provision of public goods and "sets up perverse, self-reinforcing incentives for both local and national politicians."[83]

The administrative restructuring that took place in Kazakhstan in the 1990s (and that continued in the 2000s) can be characterized as partial decentralization. This is because administrative and fiscal decentralization was not

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

implemented to the full degree and, most notably, no political delegation of powers to the regions took place. The leadership of Kazakhstan has undertaken a number of steps and adopted various laws to increase the power of local authorities over spending patterns. For example, the laws "On the Budget System" (1991) and "On Local Representative and Executive Bodies of the Republic of Kazakhstan" (1993) granted regional authorities power to control their budgets and restricted the interference of other levels of government. In reality, fiscal decentralization exists only in terms of budget redistribution by regional administrations, while all financial resources are accumulated at the center. The new law "On Local State Administration in the Republic of Kazakhstan," adopted in 2001, defined the main responsibilities, tasks, and requirements for local government. Partial administrative decentralization has provided the regional and *rayon*-level governors, or *akims*, with a higher degree of discretion over spending patterns.

So what is the relationship between decentralization and informal reciprocal institutions? Not much research has been done on the issue. Pauline Jones Luong, for instance, argues that Kazakhstan has experienced de facto economic and administrative decentralization since independence. Regional leaders possessed much greater autonomy and control over the economy than they were given on paper. As a corollary, the central authority has had some difficulty exercising control over the periphery. Jones Luong points out that the influx of foreign investments made regional governors independent in terms of resources vis-à-vis the center.[84] Regional *akims* "have posed the most serious challenge to the central state's authority."[85] Similarly, Sally Cummings claims that the capacity of the central government and its ability to enforce policies was weakened due to the loss of financial transfers from the Soviet Union.[86] Thus, the center has been largely portrayed as lacking control over the periphery, while the regions have been characterized as autonomous and wealthy.[87]

It would be incorrect, however, to assume that the central government lost control over the periphery in Kazakhstan. Evidence suggests that the central authorities undertook a number of measures to strengthen their positions vis-à-vis the periphery, including regional consolidation,[88] the transfer of the capital from Almaty to Astana, and the creation of a dominant one-party system.[89] The center possesses the most critical levers to control and penetrate the regions—the distribution of financial resources and the power of appointment. The mechanism of subventions and transfers that was introduced in 1999 has contributed to the fiscal power of the center over the regions.[90] The *akims* are highly dependent on central government transfers, which can be characterized as discretionary (i.e., not based on regional formulas and standards) and changing annually and across the regions. It is estimated

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

that financial transfers from the center might cover up to 80 percent of local budgets in some regions.[91] Evidence suggests that the share of central government transfers to the regions has been steadily increasing, albeit at different rates across the regions. This dependence, in turn, significantly undermines the accountability of local governors. In fact, financial dependence on the center, coupled with the appointment of regional governors by the president, have deprived the population of any control over local government officials, including the provision of and equal access to public goods; this, in turn, has facilitated informal clientelist exchanges.

CONCLUSION

In this chapter I have argued that structural explanations have more leverage in explaining the variation and change in informal institutions than cultural and institutional perspectives. The chief problem with the cultural approach is that it is too static and deterministic to explain the transformation of informal reciprocal exchanges in Kazakhstan. The clan politics approach, which has frequently been used to explain state-society relations and informality, is inadequate to account for the variation of informal institutions across social groups. In a parallel fashion, institutional analysis, with its narrow focus on interaction between formal and informal institutions, is not sufficient to take into account broader structural conditions that may be important for the reproduction of informal exchanges. The reductionist "either/or" logic of the latter cannot explain the varied patterns of informal exchanges that exist in the context of Kazakhstan.

My explanation of the persistence of informal exchanges is based on the scarcity of quality welfare goods in post-independence Kazakhstan. Two dimensions of the state-building process—state retrenchment and decentralization—negatively affected the provision and equality of access to state benefits for the population. The under-provision and limited access to quality public goods have, in turn, stimulated informal reciprocal exchanges at the micro-level, not only among the impoverished but also among middle-class citizens. In contrast to other scholars who examine longer historical periods, I explore more recent state-building processes within a shorter period of time and show that informal institutions have changed quickly.

In chapter 2, I present a quantitative analysis of informal exchanges using the ordered logistic model, which is the model that best fits my research objective and data. I propose and test hypotheses based on prior empirical and theoretical findings and provide alternative propositions. The chapter also presents a number of important control variables, which I included in the

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

statistical model to establish the relationship between the provision of welfare goods and the level of informal exchanges in Kazakhstan.

NOTES

1. Helmke and Levitsky, *Informal Institutions*, 1.

2. Rene Lemarchand, "Political Clientelism in Tropical Africa: Competing Solidarities in Nation-Building," *American Political Science Review* 66 (1972): 72–112; Tsai, "Adaptive Informal Institutions," 116–20; Ernest Gellner and John Waterbury, *Patrons and Clients in Mediterranean Societies* (London: Duckworth, 1977).

3. Tsai, "Adaptive Informal Institutions," 124.

4. MacLean, *Informal Institutions*.

5. Helmke and Levitsky, *Informal Institutions*, 2006

6. Douglass North, *Institutions, Institutional Change, and Economic Performance* (New York: Cambridge University Press, 1990); Thelen, "Historical Institutionalism," 369; Thelen and Mahoney, "A Theory of Gradual Institutional Change"; Avner Greif and Laitin David, "A Theory of Endogenous Institutional Change," *American Political Science Review* 4 (2004): 633; Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," *American Political Science Review* 94 (2000): 251.

7. Helmke and Levitsky, *Informal Institutions*, 19.

8. MacLean, *Informal Institutions*.

9. Steffen Schmidt, Laura Gausti, Carl Lander, and James Scott, *Friends, Followers, and Factions: A Reader in Political Clientelism* (Berkeley: University of California Press, 1977); Shmuel Noah Eisenstadt and René Lemarchand, *Political Clientelism: Patronage and Development* (Beverly Hills, CA: Sage, 1981); Scott, *The Moral Economy of the Peasant*.

10. North, *Institutions, Institutional Change*, 91.

11. Svetozer Pejovich, "The Effects of the Interaction of Formal and Informal Institutions on Social Stability and Economic Development," *Journal of Markets and Morality* 2, no. 2 (1992): 166.

12. Luis Roniger, "Political Clientelism, Democracy, and Market Economy," *Comparative Politics* 36, no. 3: 355.

13. Kitschelt and Wilkinson, *Patrons, Clients, and Policies*; Helmke and Levitsky, *Informal Institutions*, 2006; Simona Piattoni, *Clientelism and Democratic Representation: The European Experience in Historical and Comparative Perspective* (Cambridge: Cambridge University Press, 2001); Auyero, "The Logic of Clientelism in Argentina."

14. Kathleen Collins, *Clan Politics*; Kathleen Collins, "Clans, Pacts and Politics in Central Asia," *Journal of Democracy* 13, no. 3 (2002): 137–39; Schatz, *Modern Clan Politics*; Edward Schatz, "Reconceptualizing Clans: Kinship Networks and Statehood in Kazakhstan," *Nationalities Papers* 33, no. 2 (2010).

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

15. Collins, *Clan Politics*; Schatz, *Modern Clan Politics*; Frederick Starr, "Clans, Authoritarian Rulers and Parliaments in Central Asia," *Silk Road Paper* (Central Asia–Caucasus Institute and Silk Studies Program, Washington, DC, June 2006).

16. Recent accounts of politics in Central Asia, for instance, suggest that financial industrial groups based on business interests and personal loyalty, rather than solely tribal and familial ties, define political conflict in Kazakhstan. See, for instance, Radnitz, *Weapons of the Wealthy*. Barbara Junisbai, "A Tale of Two Kazakhstans: Sources of Political Cleavage and Conflict in the Post-Soviet Period," *Europe-Asia Studies* 62, no. 2 (2010): 235–37; Isaacs, *Party System Formation*; Sally Cummings, *Understanding Central Asia: Politics and Contested Transformation* (London: Routledge, 2012).

17. Isaacs, *Party System Formation*, 6; Collins, *Clan Politics*.

18. Tsai, "Adaptive Informal Institutions."

19. Helmke and Levitsky, *Informal Institutions*; Tsai, "Adaptive Informal Institutions."

20. Helmke and Levitsky, *Informal Institutions*; Anna Grzymala-Busse, "Beyond Clientelism: Incumbent State Capture and State Formation," *Comparative Political Studies* 41, no. 4/5 (2008): 638; Hans-Joachim Lauth, "Informal Institutions and Democracy," *Democratization* 7, no. 4 (2000): 21–50.

21. MacLean, *Informal Institutions*.

22. Tsai, "Adaptive Informal Institutions," 2006.

23. Tsai, "Adaptive Informal Institutions," 2006.

24. Tsai, "Adaptive Informal Institutions," 2006.

25. Kitschelt and Wilkinson, *Patrons, Clients, and Policies*; Remmer, "The Political Economy of Patronage."

26. Auyero, "The Logic of Clientelism in Argentina"; Susan Stokes, "Do Informal Rules Make Democracy Work?" in *Informal Institutions and Democracy*, ed. Helmke and Levitsky (Baltimore, MD: John Hopkins University Press, 2006).

27. There are a few exceptions. See, for instance, McMann, "Market Reform"; Cook, "Negotiating Welfare"; Auyero, "The Logic of Clientelism"; Andrew Walder, *Communist Neo-Traditionalism: Work and Authority in Chinese Industry* (Berkeley: University of California Press, 1988), 7; and Jorge Gordin, "The Political and Partisan Determinants of Patronage in Latin America, 1960–1994: A Comparative Perspective," *European Journal of Political Research* 41 (2002): 513.

28. On informal networks in Uzbekistan, see, for instance, Manuela Troschke, "Social Capital and the Formation of a Market Economy: The Case of Uzbekistan," in *Institutional Reform in Central Asia: Politico-Economic Challenges*, ed. Joachim Ahrens and Herman Hoen (New York: Routledge, 2013).

29. Isaacs, *Party System Formation in Kazakhstan*.

30. Isaacs, *Party System Formation in Kazakhstan*.

31. Catherine Boone, *Political Topographies of the African State: Territorial Authority and Institutional Choice* (New York: Cambridge University Press, 2003).

32. Scott, *The Moral Economy*; Scott, "Patron-Client Politics," 91–113; Samuel Huntington, *Political Order in Changing Societies* (New Haven, CT: Yale University

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Press, 1968); Lemarchand, "Political Clientelism"; Graziano, *A Conceptual Framework*.

33. John Gerring and Strom Thacker, "Do Neoliberal Policies Deter Political Corruption?" *International Organization* 59, no. 1 (2005): 233–34; Wayne Sandholtz and William Koetzle, "Accounting for Corruption: Economic Structure, Democracy, and Trade," *International Studies Quarterly* 44, no. 1 (2000): 31–50.

34. McMann, "Market Reform as a Stimulus"; Joseph Stiglitz, "The New Development Economics," *World Development* 14, no. 2 (1986): 257–65; Arrow 1971

35. Kenneth Arrow, *Essays in Theory of Risk-Bearing* (Amsterdam: North Holland, 1971).

36. On the link between market and social inequality, see also M. Loveless and S. Whitefield, "Being Unequal and Seeing Inequality: Explaining the Political Significance of Social Inequality in New Market Democracies," *European Journal of Political Research* 50 (2011): 239–42.

37. Jon Shefner, "What Is Politics For? Inequality, Representation, and Needs Satisfaction Under Clientelism and Democracy," in *Clientelism in Everyday Latin American Politics*, ed. Tina Hilgers (New York: Palgrave Macmillan, 2012).

38. McMann, "Market Reform as a Stimulus," 972.

39. McMann, "Market Reform as a Stimulus," 973.

40. Kitschelt and Wilkinson, *Patrons, Clients, and Policies*.

41. Kitschelt and Wilkinson, *Patrons, Clients, and Policies*; Auyero, "The Logic of Clientelism."

42. MacLean, *Informal Institutions*, 99; Sara Berry, *No Condition Is Permanent: The Social Dynamics of Agrarian Change in Sub-Saharan Africa* (Madison: University of Wisconsin Press, 1993).

43. MacLean, *Informal Institutions*, 10; Lauren MacLean, "State Retrenchment and the Exercise of Citizenship in Africa," *Comparative Political Studies* 44, no. 9 (2011): 1238–66.

44. MacLean, *Informal Institutions*, 10; MacLean, "State Retrenchment," 1239.

45. Kitschelt and Wilkinson, *Patrons, Clients, and Policies*; Piattoni, *Clientelism and Democratic Representation*; Helmke and Levitsky, Informal Institutions, 2006.

46. Brent Hierman, "What Use Was the Elections to Us? Clientelism and Political Trust amongst Ethnic Uzbeks in Kyrgyzstan and Tajikistan," *Nationalities Papers* 38, no. 2 (2010): 245–63; Gregory Gleason, "Fealty and Loyalty: Informal Authority Structures in Soviet Asia," *Soviet Studies* 43, no. 4 (1991): 613–28; John Ishiyama, "Neopatrimonialism and the Prospects for Democratization in the Central Asian Republics," in *Power and Change in Central Asia*, ed. Sally Cummings (London: Routledge, 2001); McMann, "Market Reform as a Stimulus," 973; Isaacs, *Party System Formation*; Schatz, "Reconceptualizing Clans," 321–25*;* Radnitz, *Weapons of the Wealthy*, 8–9; Collins, *Clan Politics*; Collins, "Clans, Pacts and Politics," 137–39.

47. Pradeep Agarwal, "Economic Growth and Poverty Reduction: Evidence from Kazakhstan," *Asian Development Review* 24, no. 2 (2008): 90−115.

48. McMann, "Market Reform as a Stimulus," 975.

49. Radnitz, *Weapons of the Wealthy*.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

50. Some recent structural explanations turned to the role of state-building and history in shaping informal reciprocal exchanges. See, for instance, Boone, *Political Topographies*; and MacLean, *Informal Institutions*.

51. Boone, *Political Topographies*, 17.

52. For structural explanations of informal reciprocal institutions, see MacLean, *Informal Institutions*.

53. On the link between public goods provision and ethnicity, see Alberto Alesina, Reza Baqir, and William Easterly, "Public Goods and Ethnic Divisions," *The Quarterly Journal of Economics*, 114 (1999): 1243–45; James Habyarimana, "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review* 101, no. 4 (2007): 709–25; on the impact of regime, see Robert Deacon, "Public Good Provision under Dictatorship and Democracy?" *Public Choice* 139 (2009): 241–62; Daniel Bell, *The Coming of Post-Industrial Society* (New York: Basic Books, 1973); Robert Deacon and Sarani Saha, "Public Good Provision by Dictatorships: A Survey" (2005), available at http://escholarship.org/uc/item/1jk5b0vr, accessed July 9, 2012.

54. Nicholas Barr, *The Welfare State as Piggy Bank: Information, Risk, Uncertainty, and the Role of the State* (Oxford: Oxford University Press, 2003), 27.

55. Ibid.

56. F. Cheru, "The Silent Revolution and the Weapons of the Weak: Transformation and Innovation from Below," in *Innovation and Transformation in International Studies*, ed. S. Gill et al. (New York: Cambridge University Press, 1997).

57. Jessica Allina-Pisano, *The Post-Soviet Potemkin Village: Politics and Property Rights in the Black Earth* (New York: Cambridge University Press, 2008), 42.

58. Auyero, "The Logic of Clientelism," 60.

59. Kelly McMann, "Market Reform," 973.

60. Charles Tilly, *Democracy* (New York: Cambridge University Press, 2007); International Crisis Group, "Central Asia: Decay and Decline," *Asia Report* 201 (February 2011).

61. On the effects of state retrenchment from the social sphere in post-communist states, including Kazakhstan, see Linda Cook, *Post-Communist Welfare States: Reform Politics in Russia and Eastern Europe* (Ithaca, NY: Cornell University Press, 2007); see also Jane Duckett, *The Chinese State's Retreat from Health: Policy and the Politics of Retrenchment* (London: Routledge, 2011) on state retrenchment from health care in China.

62. Cook, *Post-Communist Welfare States*; Allina-Pisano, *The Post-Soviet Potemkin Village*.

63. For a similar argument, see Roniger, "Favors."

64. Radnitz, *Weapons of the Wealthy*, 24.

65. J. Brass, "Surrogates for Government?: NGOs and the State in Kenya," Ph.D. thesis, University of California at Berkeley, 2010.

66. Melani Cammett and Sukriti Issar, "Bricks and Mortar Clientelism: Sectarianism and the Logics of Welfare Allocation in Lebanon," *World Politics* 62, no. 3 (2010): 381–421; Radnitz, *Weapons of the Wealthy*.

67. McMann, "Market Reform as a Stimulus," 976.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

68. Author's personal communication with a local businessman, Almaty, Kazakhstan, November 2011. Local public goods provided by FOCs and independent businessmen in Kazakhstan include such infrastructure projects as roads, streetlights, and schools. Pauline Jones Luong, "Empowering Local Communities and Enervating the State? Foreign Oil Companies as Public Good Providers in Azerbaijan and Kazakhstan," in *The Politics of Non-State Social Welfare*, ed. Melani Cammett and Lauren M. MacLean (Ithaca, NY: Cornell University Press, 2014).

69. Michael Ross, "Does Oil Hinder Democracy?" *World Politics* 53 (2001): 325–61; Michael Ross, "Does Taxation Lead to Representation?" *British Journal of Political Science* 34, no. 2 (2004): 229–49; Terry Lynn Karl, *The Paradox of Plenty Oil Booms and Petro-States* (Berkeley: University of California Press, 1997); Terry Lynn Karl, "Oil-Led Development: Social, Political, and Economic Consequences," *Encyclopedia of Energy* 4 (2004).

70. Lily Tsai, "Solidary Groups, Informal Accountability, and Local Public Goods Provision in Rural China," *American Political Science Review* 101, no. 2 (2007): 355.

71. Shantayanan Devarajan, Stuti Khemani, and Shekhar Shah, "The Politics of Partial Decentralization," in *Does Decentralization Enhance Service Delivery and Poverty Reduction?*, ed. Ehtisham Ahmad and Giorgio Brosio (Cheltenham, UK: Edward Elgar, 2009), 107.

72. Ehtisham Ahmad and Giorgio Brosio, *Does Decentralization Enhance Service Delivery and Poverty Reduction?* (Cheltenham, UK: Edward Elgar, 2009), 126.

73. Pradhan Bardhan, "Decentralization of Governance and Development," *Journal of Economic Perspectives* 16, no. 4 (2002): 185.

74. Bardhan, "Decentralization of Governance," 185; Prathan Bardhan and Dilip Mookherjee, "Decentralization, Corruption and Government Accountability: An Overview," in *Handbook of Economic Corruption*, ed. Susan Rose Ackerman (Northampton: Edward Elgar, 2005); Patrick Heller, "Moving the State: The Politics of Democratic Decentralization in Kerala, South Africa, and Porto Alegre," *Politics and Society* 29, no. 1 (2001): 131; Susan Stokes, "Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina," *American Political Science Review* 99, no. 3 (2003): 315.

75. Bardhan, "Decentralization of Governance," 186.

76. On the effects of decentralization, see, for instance, Bardhan and Mookherjee, "Decentralization." See also Tsai, "Solidary Groups," on decentralization in China.

77. Boone, *Political Topographies of the African State*; Bardhan, "Decentralization of Governance," 186.

78. Roniger, "Favors."

79. Recent research on elite capture in Indonesia shows that it is important to distinguish between types of elites—formal elite members (those who hold formal positions) and informal elites or local strong men. The study showed that formal elites are more likely than informal elites to receive welfare benefits. However, while the elite capture exists, the welfare losses it creates appear small (Alatas et al. 2013).

80. For a similar argument, see Tsai, "Solidary Groups."

81. Daniel Treisman, *The Architecture of Government: Rethinking Political Decentralization* (Cambridge: Cambridge University Press, 2007), 23.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

82. J. Rodden, "The Dilemma of Fiscal Federalism: Intergovernmental Grants and Fiscal Performance around the World," *American Journal of Political Science* 46, no. 3 (2002): 670; Stuti Khemani, *Local Government Accountability for Service Delivery in Nigeria* (Washington, DC: World Bank Development Research Group, 2004).

83. Devarjan et al., "The Politics of Partial Decentralization," 107.

84. Jones Luong, *Transformation of Central Asia*.

85. Jones Luong, *Transformation of Central Asia*; Pauline Jones Luong, "Kazakhstan: The Long-Term of Short-Term Gains," in *Energy and Conflict in Central Asia and Caucasus*, ed. Robert Ebel and Rajat Menon (Boulder, CO: Roman & Littlefield, 2001).

86. Sally Cummings, *Kazakhstan: Center–Periphery Relations* (London: Royal Institute of International Affairs, 2000).

87. Jones Luong, *Transformation of Central Asia*.

88. Kazakhstan had nineteen provinces when five *oblasts*—Taldykorgan, Semipalatinsk, Zhezkazgan, Kokshetau, and Torgai—were abolished in 1997. Currently, there are fourteen provinces in Kazakhstan. Bardhan, "Decentralization of Governance."

89. Cummings, *Understanding Central Asia*.

90. Shahjahan Bhuiyan, "Decentralization and Local Governance in Kazakhstan," *International Journal of Public Administration* 33, no. 12–13 (2010): 658.

91. Gribanova, Svetlana. 2014. "Garmonizatsia vozmozhnostei i potrebnostei." Expert Kazakhstan. Available at http://expertonline.kz/a13332/, accessed on April 21, 2018.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Chapter Two

State Welfare Support and Informal Exchanges: Quantitative Evidence

In this chapter, I address two important questions. First, what are the determinants of informal exchanges? And second, how do the patterns of informal exchanges vary across social groups? To answer these questions, I provide descriptive statistics on people's perceptions of connections (*blat*), both in the Soviet and post-Soviet periods, as well as the role of informal exchanges in everyday life. Then I will focus on conceptualization of the dependent variable—the frequency of informal help—and provide an overview of rival hypotheses that I included in the model. Finally, the results of the statistical model[1] and the link between the lower level of state welfare support and greater informal reciprocal exchanges will be discussed.

PEOPLE'S PERCEPTIONS OF CONNECTIONS/*BLAT* IN THE SOVIET ERA AND POST-SOVIET KAZAKHSTAN

The survey that I conducted in 2013 provided important insights on the patterns of informal exchanges in the Soviet era and the post-independence period. Informal institutions have not been wiped out by market reforms; rather, the failure of the state to provide public goods at an adequate level reinforced them after the breakup of the Soviet Union. According to the survey, people in Kazakhstan rely on informal networks to gain access to scarce resources no less than they did during the Soviet period. According to citizens' responses, informal exchanges based on kinship ties are used more often today than in the Soviet period. To compare the Soviet and post-Soviet periods, respondents were asked if they agree that *blat* played a more important role during the Soviet period than they do today (see table 2.1). Overall, only

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

17.9 percent of respondents agreed with the statement, while 45.7 percent of respondents disagreed.

The variation in perceptions exists across income, gender, age, and rural/urban groups. The difference, for instance, is evident between poor and rich citizens. Thirty-five percent of high-income individuals versus 52.5 percent of low-income respondents did not agree that connections/*blat* were more important during the Soviet era than they are today. At the same time, only 7.5 percent of lower-income people agreed with the statement, compared to 27.4 percent of high-income individuals. In other words, poor people believe that connections are more important today than they were in the Soviet period. State retrenchment and growing inequality have affected low-income individuals, who have fewer opportunities to find good jobs or receive high-quality health care or education. This, however, does not mean that poor citizens are more involved in informal reciprocal exchanges than high-income individuals. The rich may form their own networks or "clubs" that exclude poorer members of society.[2] In this case, informal networks become "closed" circles "appropriated by the rich" and thus less accessible to the poor.[3]

The differences in perceptions of *blat* are also observable between various age groups. Due to its life experience, the older generation that lived under the Soviet Union can compare Soviet and post-Soviet societies. According to the survey results, more older people (55.1 percent) than young (43.5 percent) disagreed that connections played a more important role in the Soviet Union than in post-Soviet Kazakhstan.

There was no difference in perception of the importance of personal connections among rural and urban dwellers. Almost the same percentages of rural and urban residents believe that personal ties played a larger role after the collapse of the Soviet Union then they did before: 44.6 percent and 47.5 percent, respectively. However, more urbanites (23.7 percent) agreed that *blat* was more important in the Soviet Union than it is today compared to rural dwellers (7.2 percent).

This can be explained by the difference in opportunities for rural and urban respondents to gain access to quality medical services, education, and good

Table 2.1. Percentage of respondents on the usage of connections and *blat*

Connections and *blat* played a more important role in the Soviet Union to gain access to scarce resources than they do now	Strongly Disagree	19.60%
	Disagree	26.10%
	Neither Agree nor Disagree	36.40%
	Agree	11.60%
	Strongly Agree	6.30%
	Total	100.00%

Source: Author's survey, January–February 2013.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

jobs. As will be shown in the next chapters, rural citizens have less access to high-paying jobs, quality health care, and education than urban citizens. At the same time, there was no difference observed between men and women in their assessment of the role of connections in the Soviet and post-Soviet periods. Both males and females disagreed that *blat* was more important in the Soviet Union than it is now.

USE OF *BLAT*

Respondents were also asked if personal connections were used more often in the Soviet Union than in post-Soviet Kazakhstan to gain access to scarce resources; 46.3 percent of respondents disagreed with the statement, and 22.1 percent agreed that personal connections were more often used in the Soviet Union than today. A larger portion of respondents believe that connections are used more often today than in the past. Some variations were also found between urban and rural residents. Those who live in rural areas believe that connections are used more often in post-Soviet Kazakhstan than they were in the Soviet period. This difference can be explained by the more vulnerable position of rural residents, who have fewer opportunities than urban citizens.

Since Kazakhstan's society is often portrayed through kinship ties, I was also interested to know to what extent kinship connections are used today to gain access to scarce resources and if people's attitudes toward kinship have changed since the liberalization and marketization of the economy. In response to the question "Do you agree that kinship ties are used more often now to gain access to resources than in the Soviet period?" the majority of respondents (74.3 percent) agreed, and 7 percent of respondents disagreed. Many interviewees recognized the existence of social lifts in the Soviet period, when education allowed people to move from the lowest rank in an organization to a higher rank, without connections and support. Today, however, there is lack of social mobility, particularly for young people. Promotion at work or access to a good job is often based on family status and connections among relatives. If a young man or woman does not have powerful relatives, it is very difficult to move up the social ladder. In an interview, one political analyst mentioned that people today do not trust the government or political parties to the same degree that they did in the Soviet period. According to him, "People knew that if they need help, they could receive it from the [Soviet] state. Now it is different. They [people] gather relatives [at weddings] because [if you need help] you will not go to the government or a political party but to that guy [a powerful/wealthy relative]."[4] However, it would be incorrect to claim that kinship ties play a decisive role in finding

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

jobs for all citizens. A new generation of highly professional young people has emerged that can get employment as a result of high-quality education (mostly received from abroad) and work experience.

CONCEPTUALIZATION AND MEASUREMENT OF THE FREQUENCY OF INFORMAL HELP

The dependent variable in my model is the *frequency of informal help* that people asked for from their family members, relatives, friends, and acquaintances. The goal was to find out what factors influence informal reciprocity in Kazakhstan. To evaluate the intensity of informal reciprocal exchanges, I used concrete and more quantifiable measures—the frequency (number of times) people received help during one year (January–December 2011). The respondents were asked how often they turned to their family, friends, relatives, and acquaintances for help during the year. Respondents could choose among five options: “Never,” “1–2 times,” “3–5 times,” “6–8 times,” and “More than 8 times.” It is important to note that my dependent variable captures the frequency with which people *ask for help* rather than the frequency with which they provide help to others.[5] In this way I was able to focus on exchanges from the “client” side rather than from the supply side. The choice of this approach was stipulated, first, by the difficulty of quantifying all interactions and actual behavior on the ground. Informal reciprocal exchange is not a “discrete network that can be mapped in its entirety at any particular point in time.”[6] Second, and most importantly, the number of observations is much lower for help provided (n = 396) than for help requested (n = 699); thus, it was more reasonable to use the largest number of observations in order to have a more reliable statistical model.

Informal Help in Kazakhstan

Informal exchanges represent an important part of people’s daily life in Kazakhstan. The study found that people are actively engaged in informal reciprocal exchanges. Approximately 97 percent of all respondents reported that they provided help, and 44.3 percent of them answered that they had asked for help from their relatives and friends in the last twelve months. Hence, almost every citizen in the country is involved in informal reciprocal exchanges. However, people are not engaged in informal reciprocity in the same way. The data suggest that age, gender, and rural residence are important factors that influence people’s participation in informal exchanges.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

First, the level of informal help was different across generations. Overall, younger people (eighteen to twenty-four years old) were more often (44.2 percent) involved in reciprocal relations than middle- and old-aged people (thirty-five and older) (33.3 percent). The age difference was statistically significant. Second, there were also differences in sources of help. Most respondents chose either family members or friends as their primary source of help. However, people aged sixty-four and older were more likely to turn to their family members for help than were younger individuals: 98 percent and 88.2 percent, respectively. Approximately 85 percent of people in their forties and fifties turned to their family members for help.[7] Young people, however, are less involved in reciprocal exchanges with extended family members than the older generation is. More young people (22 percent) ask for help from their friends than do older people (9 percent). The various age cohorts thus turn to different sources for help, with older people supporting relations in a larger circle of family members than young people.

Interestingly, considerably fewer respondents admitted that they turn to state authorities for help. However, among those who answered that the state is a primary source of help, the age distribution is similar to that of the family and friends sample. Only about 7.7 percent of young citizens (age twenty-five to thirty-four years) turn to state bodies for help, while 50.3 percent of people in the age range of sixty-four and older do the same. The generational effect can be explained by the experience of the Soviet social model, through which older people used to receive a lot of help from the state. As a result, those who were young or middle-aged during the Soviet period, and thus were able to reap the benefits of the Soviet state, strongly believe that the government should provide them with social goods and services. Hence, perhaps less surprisingly, a larger share of older people (60 percent) than younger ones (20 percent) think that the state offers less support to its citizens today than it did during the Soviet period.

In the survey, I also included questions related to the type of help people either ask for or provide to others. The largest share of respondents provided financial assistance to their family members or friends. The second most important type of help given was foodstuff and various material goods. Young and middle-aged people are more able to provide financial help to others than are older generations. In contrast, a higher percentage of older people could provide help with foodstuff and material goods than younger individuals could. Overall, poorer people gave more help than better-off individuals. The amount of help, however, varies depending on the type of help provided. Lower-income individuals provided more help to others in the form of foodstuff (31.1 percent) and clothes and various house appliances (*bytovye tovary*) (17.4 percent) than did higher-income groups, which provided 19

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

percent and 5 percent, respectively. However, a considerably higher percentage of wealthy people provided financial assistance to others than did lower-income groups—70 percent versus 5 percent. Less surprisingly, 51.6 percent of lower-income individuals did not provide any help at all, while only 33 percent of better-off citizens did not help others.

Although I expected to see a greater difference between ethnic Kazakhs and Russians in terms of reciprocal relations, the responses from different ethnic groups did not reveal a marked distinction. Kazakhs were slightly more engaged in informal exchanges (25.8 percent) than Russians (23.2 percent). The difference, however, was not statistically significant. Slightly more Kazakhs (89.9 percent) turned to their nuclear and extended family members for help than did Russians (87 percent), while more Russians (22.3 percent) were involved in informal exchanges with their friends and colleagues than were Kazakhs (15.4 percent). This trend is also confirmed by qualitative research, which I discuss in the following chapters.

Another important factor that explains differences in the level of reciprocal exchanges is gender. More women (49.1 percent) than men (37.7 percent) had asked for help in the last twelve months; the difference was statistically significant. The survey results also show that more men (34.1 percent) provided financial help and employment to others than did women (29.9 percent). Women gained fewer job opportunities to work either in the state apparatus or in the business sector than men. On the one hand it can be explained by the ongoing economic crisis in Kazakhstan and the contraction of the job market, which particularly affects women as a vulnerable group in Central Asia. On the other hand, more women chose the role of housewife and preferred staying home and taking care of family to working. Hence, men have more opportunities and financial resources to help than do women. However, more females (24.4 percent) provided help with foodstuff and other material goods than did men (15.8 percent).

One of the salient social cleavages existing in Kazakhstan is urban versus rural residence. State retrenchment greatly affected rural dwellers by limiting their access to public goods and excluding some citizens from public services. As will be shown later in the qualitative chapters on healthcare provision and education, rural dwellers have less access to quality medical services and good education than do urban residents. The results of the survey demonstrate that more rural dwellers (51.2 percent) than urban residents (40.5 percent) asked for help from their relatives or friends.

In sum, different patterns of informal exchanges exist in Kazakhstan. The frequency with which individuals are engaged in informal help varies depending on age, gender, residence, and ethnicity. To see how important these differences are and whether the impact of these factors is powerful, I will present the results of statistical analysis in the following section.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

PEOPLE'S PERCEPTIONS OF STATE SOCIAL SUPPORT AND INFORMAL EXCHANGES IN KAZAKHSTAN

As I have argued, the failure of the state to provide enough welfare goods encourages people's participation in informal exchanges. Specifically, under conditions of scarce public resources and underinvestment, people are more likely to ask for help from each other and to use informal payments. To evaluate the demand side of welfare goods provision, specifically clients' perceptions of the level of state support, I asked respondents how they evaluate the level of state social support in their place of residence on a scale from 1 to 9, with 9 indicating a high level of state social support. The descriptive statistical analysis revealed that 57 percent of respondents think that, compared to the Soviet period, social support from the state to the population has been reduced, whereas 26.3 percent of respondents believe that welfare support from the state has not changed, and 16.1 percent answered that it has increased since the collapse of the Soviet Union. The variation is observed across income and age groups. Perhaps less surprisingly, more low-income individuals (66.7 percent) than wealthy citizens (45.5 percent) answered that social support from the state has decreased. Nearly 63 percent of older-generation respondents reported that support from the state to the population has diminished compared to the Soviet period, and only 42.9 percent of younger-generation respondents mentioned this trend. The most vulnerable groups of the population, the poor and old people, think that the state reduced its social support to the population. Studies in other countries demonstrate that state retrenchment and economic crises affect these socially vulnerable cohorts foremost. The majority of people who live in urban areas believe that social support from the state was cut. The important point is that a large portion of Kazakhstani citizens believe that welfare support from the government has markedly decreased since the Soviet period. Poorer and older citizens, those who have had to bear the brunt of state retrenchment, think that the state does not provide enough welfare support. In the following section, I turn to discussion of rival hypotheses and explain the rationale behind their inclusion in the model.

RIVAL HYPOTHESES INCLUDED IN THE MODEL

To test my primary hypothesis—the relationship between people's satisfaction with welfare provision and informal exchanges—I controlled for potential confounding factors: level of income, education, age, ethnicity, gender, rural vs. urban residence, health, risk aversion, marital status, and number of dependents. All these factors were found important in shaping informal

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

exchanges in different contexts. How do they influence informal exchanges in Kazakhstan?

Level of Income

As discussed earlier, one of the most compelling rival explanations for the variation of informal exchanges is level of income. Scholars, however, have different explanations on how wealth influences informal exchanges. Modernization theory suggests that industrialization produces pervasive and profound social and cultural changes, from a rise in the level of education and income to changing gender roles. As a result, informal exchanges diminish or even disappear under conditions of economic development and wealth accumulation. The theory posits that economic development destroys informal reciprocal exchanges since industrialization leads to the erosion of poverty and thus disrupts family bonds and affective ties. Expanding liberal markets and the projected power of the state to the periphery are more likely to lead to the destruction of informal exchange relations. Poverty is positively correlated with informal reciprocal exchanges.[8] Recent works on informal clientelist exchanges also claim that poor people are more likely to use "problem-solving networks" than are their wealthy counterparts.[9] More specifically, in the context of Central Asia, McMann contends that low-income individuals resort to particularistic means, such as bribery, personal connections, and promises of political support, to obtain access to state resources.[10]

In contrast, other scholars argue that wealth might have the opposite effect on informal risk-sharing institutions. Networks of support for the poor are less dense than those of the rich.[11] People with low income are more likely to be recipients of informal private transfers than people with stable and high levels of income.[12] Because of the differences in income distribution and growing inequality in the population that emerged in the post-independence period, income might have an important impact on people's engagement in informal exchanges.

Level of Education

The modernization theory also states that increasing levels of education lead to lower levels of informal reciprocal exchanges among individuals. People can generate more income as a result of their acquired education, and thus do not need to rely on informal help from their family members, friends, and other members of society. In contrast, low levels of education limit individuals' ability to seek opportunities and access resources outside informal networks, thereby stimulating informal exchanges. In addition, poorly educated

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

people may rely more on informal brokers or intermediaries to access scarce state resources since they may have greater difficulty understanding how to access government services or navigate legal systems. Some scholars, for instance, have found that less-educated individuals are more likely to receive financial help than more-educated people.[13] Finally, the modernization theory suggests that higher levels of education might lead to value changes and to the disruption of or decrease in family bonds, particularly ties with extended family members.[14] This, in turn, erodes the opportunities for individuals to be involved in reciprocal exchanges. Education thus can be a powerful predictor of people's involvement in informal help.

Urban vs. Rural Residence

Another important rival explanatory variable I included in the model was urban vs. rural residence. The literature on informal institutions states that rural dwellers will be more likely to rely on institutions of informal help than people living in urban areas because of fewer job opportunities and a low provision of public goods available in rural areas. In addition, rural residents are usually more involved in traditional dense kinship-based networks and various solidary groups than are urban dwellers.[15] The urban-rural cleavage is a salient issue in the context of Kazakhstan, and thus it would be important to test the link between residency and informal reciprocal help.

Age

How does age influence informal reciprocal institutions? First, the relationship may be positive and linear. Older people might have more access to resources because "networks, relationships, and friendships accumulate and develop with age," and thus we can expect that they will be more involved in reciprocal informal relations as they age.[16] Alternatively, older people are less likely to be involved in various reciprocal informal exchanges since they might lack physical strength and mobility.[17] Finally, the relationship can be curvilinear in terms of help given.[18] Accordingly, younger generations will be more reliant on informal help than older people because they have to acquire education, find jobs, and obtain access to resources in order to succeed in life. Middle-aged people (ages thirty-five to fifty-four) would be expected to be involved in reciprocal exchanges less frequently; it is assumed that they are more settled in their lives, have fewer demands than the younger generation (ages eighteen to thirty-four), and thus can be less involved in various networks than the younger generation. The older generation might ask for help more often than the middle-aged due to their diminished mobility and lower income.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

I also expected to find a generational effect in the country. However, because I looked at how often people seek informal help rather than provide help to others, an inverse relationship is more likely to occur. Older individuals (fifty-five and older) will more often ask for help than younger people (ages eighteen to thirty-four) because they have fewer resources and less strength and mobility.

Ethnicity

Theories of informal institutions pay significant attention to the role of ethnicity in informal reciprocal exchanges.[19] Under conditions of scarcity and market failure, ethnicity becomes an important channel for the distribution of information and scarce public and private goods. The members of an ethnic group tend to favor co-ethnics because "they are more related to their group members than to outsiders."[20] In the context of post-Soviet states, Henry Hale finds a very strong correlation between ethnic networks and clientelist ties in Russia. Specifically, using a statistical model, he shows that ethnically defined regions represented by governors of the same ethnic group have higher levels of clientelism than other regions.[21] Lauren MacLean also tests the hypothesis on the relationship between ethnicity and the level of informal reciprocity in Ghana and Cote D'Ivoire. Indigenous ethnic groups have higher levels of reciprocity than non-indigenous groups because they live closer to their extended family members for a longer period of time than other ethnicities that migrated for work and thus live far from their family members.[22]

In Kazakhstan, ethnic Kazakhs have more dense and extensive kinship-based networks and informal relations than Russians due to respective historical and cultural heritage.[23] Edward Schatz, using the ethnographic method, found that informal or "access networks" based on tribal or clan identities continue to play an important role for Kazakhs to gain access to scarce resources.[24] During my own interviews with ethnic Russians and Kazakhs, I often heard positive comments about the level of support Kazakh families and relatives provided each other. In contrast, Russians often complained that they do not maintain close relations, even with their nuclear family members, to the same degree as Kazakhs.

Gender

Gender can play an important role in shaping informal exchanges. In my study, I expected to see different patterns of reliance on informal reciprocal exchanges between men and women. As Alena Ledeneva puts it, women are "generally more attentive to the obligations, debts, warmth, and reciprocities involved in interpersonal relationships."[25] Empirical and theoretical findings

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

suggest that women are more likely to provide and seek social support than men because of their more vulnerable position in society and larger family responsibilities. This behavior is particularly widespread in transition economies.[26] Lauren MacLean, for instance, has found a strong correlation between gender and the number of informal reciprocal exchanges in Cote d'Ivoire and Ghana. The level of help women provide to others in those countries is lower than the level of help that men provide.[27] In Kazakhstan, however, I expected to see a different pattern. Women are likely to *ask* for help and resort to informal exchanges because their position in society is more unstable than that of men. Women of Central Asia became a socially vulnerable group after the breakup of the Soviet Union. They had to bear the brunt of social and economic hardships and cope with reduced maternity and children's benefits. Women were the first among those who could lose jobs and get fired.[28] Hence, the role of gender in the model can be a very powerful predictor of informal relations.

Health and Risk Aversion

Other control variables that were important to test were health and risk aversion. It has been argued that health conditions can impact the level of an individual's interaction and ability to help others. Poor health might have a constraining effect on the level of informal support a person can offer to others. For instance, Waite and Harrison (1992)[29] found that poor health conditions reduce social contact with friends but not necessarily with family members. Other scholars find that health has no influence on the level of support one can offer to others, including friends and relatives.[30] Adams claims that individuals with better health have larger social networks than those with poorer health.[31]

People seek to spread risk under conditions of high uncertainty. This is particularly characteristic to poor countries and societies in transition. Individuals who have to struggle for survival on a daily basis are more likely to perceive higher risk and thus seek to reduce it. Hence, in the context of Kazakhstan, I would assume that risk-averse individuals are more likely than risk-taking people to be involved in reciprocal exchanges to spread risk.

Marital Status and Dependents

Finally, marital status has strong effects on levels of social support. Married couples rely on one another for both emotional and material assistance. Marriage, however, has been considered a socially isolating and "greedy institution," particularly for women, because it limits their resources and opportunities to help and interact with those outside of it. Although married people may

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

have extensive kin networks, they might support friends and non-kin less than single individuals.[32]

Dependents also can affect levels of informal exchange. If a household has children and/or elderly parents, the need for social support might increase. However, dependents limit the time and resources one can invest in helping others.[33] Therefore, I expected that married people would be less likely to ask for help, while those with dependents would be more likely to receive help from others.

The Results

The ordered logistic model (see table 2.2) demonstrates that four variables are important predictors of informal reciprocal exchanges in Kazakhstan. What is important here is that the level of state social support is a powerful predictor of citizens' participation in informal reciprocity.

THE RESULTS OF THE STATISTICAL MODEL

Primary Hypothesis: The Role of State Welfare Support

The quantitative analysis shows that a lower level of state support from the government is associated with a more intense level of informal reciprocal exchanges at the individual level. The relationship is statistically significant and in the predicted direction (table 2.2). Declining state welfare provision spurs greater participation by people in informal reciprocal institutions in Kazakhstan. State retrenchment created the gap between people's expectations in regard to public goods and services, on the one hand, and the actual provision of welfare goods on the ground, on the other.

Having experienced the Soviet welfare state, many people of post-Soviet Kazakhstan, particularly the older generation, expected to have the same "universal entitlements" to public health care and education as they did before. Approximately 61 percent of respondents agreed that the state should (*dolzhno*) provide free education and free health care to its population. People still hold stereotypes that stem from the Soviet period on the role of the state as responsible for the provision of welfare. As I show in the qualitative chapters on health care and education, many individuals complained about the quality of public goods and services provided by the state in the post-independence period. Survey respondents emphasized that access to public services has become limited, and the quality of public services has worsened significantly. This scarcity, and the gap between people's expectations and

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

their experiences with public goods provision, in turn stimulate their engagement in informal reciprocal relations.

The Role of Gender, Age, and Residence

Being female was also statistically significant. Women in Kazakhstan were more likely to ask for help than men. This finding is similar to previous research on gender differences and informal reciprocal exchanges. In various contexts, gender has been one of the important determinants of reciprocal exchanges.[34] In general, women are substantially more likely to provide support, and they also have a greater propensity to ask for help. This relationship holds true in Kazakhstan as well. Women very often depend on their family members, husbands, or parents for material support.

Age also increases the chances of being involved in informal reciprocal relations. The relationship between age and reliance on informal help is linear and negative in Kazakhstan. Younger individuals are more often engaged in informal reciprocal exchanges than older people. The variable Age 1 (ages eighteen to twenty-four) is statistically significant and has data in the predicted direction. Young people more often rely on informal help than older generations.

Rural residence increases the probability of being involved in informal exchanges. The model established that rural residence has a significant and positive effect on the frequency of informal reciprocal exchanges. People

Table 2.2. Ordered logistic regression on frequency of informal help by welfare state support and other variables

Variables	*Coefficient Estimates*
Welfare State Support	–0.088* (0.041)
Health	–0.082 (0.111)
Rural	0.393* (0.186)
Female	0.550*** (0.164)
age1	0.667* (0.307)
age2	0.478 (0.257)
age3	0.264 (0.255)
age4	0.112 (0.245)
Kazakhs	–0.089 (0.161)
Schooling	0.043 (0.028)
Married	0.328 (0.178)
Dependents	–0.104 (0.060)
Income (income_log)	–0.393 (0.186)
Risk Aversion	–0.018 (0.120)

Note: N = 642; Entries are unstandardized logistic regression coefficients with standard errors in parentheses.
* p < .05; ** p < .01; *** p < .001.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

who live in rural areas are more likely to ask for help than urban citizens. As predicted by the theory, rural dwellers have less access to quality public services, such as health care, good education, or housing, than do urban residents. As a result, rural residents turn for help more often than urban residents.

Other Variables Tested in the Model

According to the results of the model, the differences in terms of income, ethnicity, marital status, health, education, number of dependents, and risk aversion were so insignificant that they did not impact the level of informal reciprocal exchanges in Kazakhstan.

Surprisingly, level of income did not play an important role in shaping people's involvement in informal reciprocal relations. However, the negative sign of this variable was in the predicted direction. High-income people were less likely to be involved in intense reciprocal informal exchanges than people with lower levels of income. This variable shows that there is only a small difference in the level of informal exchanges among poor and better-off Kazakhstani citizens. Both groups can be equally involved in reciprocal relations.

Ethnicity also had no powerful effect on level of reciprocity. I hypothesized that Kazakhs would be more involved in reciprocal exchanges due to their cultural and historical background. Since there is no statistically significant difference between Kazakhs and Russians, we can hypothesize that both ethnic groups are equally involved in informal reciprocal relations.

In the context of Kazakhstan, we observe that being married does not increase the probability of seeking help from others. Married people do not ask for help more often than those who are not married. Married couples are able to rely on each other for help and thus may be less likely to be involved in reciprocal exchanges with extended family members, friends, or co-workers.

Next, education does not demonstrate any significant effect on levels of informal reciprocal relations within the context of Kazakhstan. I explain this as a result of a relatively high number of educated people in the country—99.5 percent. In this regard, Kazakhstan is different from other developing countries, where the percentage of educated people is lower.[35] A high proportion of educated people are of Soviet heritage, and education was mandatory for all children in the Soviet Union. People with a university education rely on informal help less than people with lower levels of education. In addition, the absence of an effect by this variable might mean that people with a university degree, as well as those who have lower levels of education, equally turn to friends or relatives for help. Finally, risk-taking versus risk-averse behavior

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

has no impact on levels of reciprocal exchange in Kazakhstan. People who are risk-averse are no more likely to ask for help than people who are willing to take more risks in their lives.

In terms of the self-assessed health variable, previous research suggested mixed results on health as a constraining or enabling condition for reciprocal exchanges. It was found that poor health limits social contacts with other people and the ability to provide help.[36] Other research suggested that poor health has no effect on the level of help received or provided. Finally, it has been argued that healthier individuals are more involved in reciprocal relations and have larger social networks.[37] Hence, there is no agreement among scholars on the role of health in the level of involvement in reciprocal relations. The lack of difference in the context of Kazakhstan shows that healthier individuals are no more likely to ask for help from others than people with poorer health conditions. The data, however, is in the predicted direction. Healthier individuals are less likely to seek help than people with poorer health conditions.

CONCLUSION

This chapter focused on quantitative data of informal exchanges and provided analysis of the logistic statistical model. The data of the two surveys provided support on the link between a low provision of welfare goods and reciprocal informal exchanges at the micro-level. The quantitative evidence suggests that informal reciprocal exchanges can vary across social categories such as gender, age, and residence. These factors are important determinants of the frequency with which people are engaged in informal reciprocal exchanges.

Data collected on the Soviet and post-Soviet periods have provided valuable insight into the dynamics of informal institutions in Kazakhstan. Although survey data on the Soviet period have to be treated cautiously since so much time has passed since the breakup of the Soviet Union, some conclusions can be made. First, informal exchanges continue to play an important role in citizens' lives in post-Soviet Kazakhstan. As Ledeneva argues, informal networks have become linkages between Soviet and post-Soviet society, performing various functions.[38] Informal exchanges continue to serve not only as safety nets and survival kits but also as "access networks." Second, certain types of informal exchanges, particularly those based on kinship ties, have expanded in the post-independence period. Connections have become more important and, according to respondents, are more often used now than they were during the Soviet era. This belief is particularly widespread among underprivileged groups such as elderly and rural residents.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Although the statistical model established the correlates of the frequency of reliance on informal help, it is crucial to examine informal exchanges using a qualitative method. In the next chapter, I present qualitative analysis of informal reciprocal exchanges, focusing on the healthcare sector. I compare the provision of medical services (quality and access) in the Soviet and post-Soviet periods and test the primary hypothesis on the link between state social support and informal institutions. The chapter provides important insights on the types and mechanisms of informal interactions, as well as actors engaged in reciprocal relations. I show that state retrenchment and partial decentralization led to the deterioration of public healthcare services and thereby provided fertile soil for informal exchanges in the country.

NOTES

1. To date, a few studies on informal institutions have been done using quantitative methods. For statistical analysis of informal institutions, see, for instance, MacLean; Radnitz, *Weapons of the Wealthy*; Stokes, "Do Informal Rules Make Democracy Work?"; and Wegren, Moral Economy Reconsidered.

2. J. Arcand and M. Fafchampts, "Matching in Community-Based Organizations," *Journal of Development Economics* 98, no. 2 (2008): 203.

3. Ledeneva, "Informal Networks," 73.

4. Author interview with Erlan Erimbetov, November, 29, 2011, Almaty, Kazakhstan.

5. For my qualitative part, I collected data on reciprocal exchanges—type of help given and type of help provided—through in-depth interviews and survey questionnaires.

6. MacLean, *Informal Institutions*, 48.

7. The Asia Barometer survey conducted in 2005 showed that 85 percent of the population in Kazakhstan chose family as the most important social institution (Inoguchi et al., 2005).

8. Scott, *The Moral Economy*; Samuel Huntington, *Political Order*; Lemarchand, "Political Clientelism"; Graziano, *A Conceptual Framework*; Bell, *The Coming of Post-Industrial Society*; Ronald Inglehart, *Modernization and Postmodernization: Cultural, Economic and Political Change in 43 Societies* (Princeton, NJ: Princeton University Press, 1997). Ronald Inglehart and Wayne Baker, "Modernization, Cultural Change, and the Persistence of Traditional Values," *American Sociological Review* 65, no. 1: 19–51; Ronald Inglehart and Christina Welzel, *Modernization, Cultural Change and Democracy* (New York: Cambridge University Press, 2005).

9. Kitschelt and Wilkinson, *Patrons, Clients, and Policies*; Auyero, "The Logic of Clientelism in Argentina."

10. McMann, "Market Reform as a Stimulus."

11. Joachim De Weerdt and Stefan Dercon, "Risk-Sharing Networks and Insurance Against Illness," *Journal of Development Economics* 81: 337–56; De Weerdt, *Risk-Sharing*.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

12. Cox and Jamenez, “Risk Sharing and Private Transfers.”

13. Cox and Jamenez, “Risk Sharing and Private Transfers.”

14. Scott, *The Moral Economy*; Huntington*, Political Order*; Inglehart and Baker, “Modernization, Cultural Change”; MacLean, *Informal Institutions*; Kitschelt and Wilkinson, *Patrons, Clients, and Policies*.

15. Tsai, “Adaptive Informal Institutions”; Inglehart and Baker, “Modernization, Cultural Change”; Boone, *Political Topographies*; MacLean, *Informal Institutions*.

16. Sriya Iyer, Michael Kitson, and Bernard Toh, “Social Capital, Economic Growth and

Regional Development,” *Regional Studies* 39, no. 8 (2005): 1027.

17. E. Gleaser, D. Laibson, J. Scheinkman, and C. Soutter, “Measuring Trust,” *Quarterly Journal of Economics* 115 (2000): 811.

18. MacLean, *Informal Institutions*.

19. Lemarchand, “Political Clientelism”; Kitschelt and Wilkinson, *Patrons, Clients, and Policies*; Henry Hale, “Correlates of Clientelism: Political Economy, Politicized Ethnicity, and Post-Communist Transition,” in *Patrons, Clients, and Policies*, ed. Kitschelt and Wilson, 227–50; Tatu Vanhane, “Domestic Ethnic Conflict and Ethnic Nepotism: A Comparative Analysis,” *Journal of Peace Research* 36 (1999): 55.

20. Tatu Vanhane, “Domestic Ethnic Conflict,” 55; Chandra Kanchan, *Why Ethnic Parties Succeed? Patronage and Head Counts in India* (New York: Cambridge University Press, 2007); Kitschelt and Wilkinson, *Patrons, Clients, and Policies*.

21. Hale, “Correlates of Clientelism.”

22. MacLean, *Informal Institutions*.

23. Collins, *Clan Politics*; Schatz, *Modern Clan Politics*; Isaacs, *Party System Formation*.

24. Schatz, *Modern Clan Politics*.

25. Ledeneva *Russia's Economy of Favors*, 1998, 121.

26. Ledeneva 1998; Hyden, *African Politics*, 2006; Liebler, Carolyn and Gary Sanderur, “Gender Differences in the Exchange of Social Support with Friends, Neighbors, and Co-workers at Midlife,” *Social Science Research* 31 (2002): 364; MacLean, *Informal Institutions*.

27. MacLean, *Informal Institutions*.

28. See MacLean on the role of gender in informal institutions of reciprocity in Africa.

29. L. Waite and S. Harrison, “Keeping in Touch: How Women in Mid-Life Allocate Social Contacts among Kith and Kin,” *Social Forces* 79, no. 3 (1992): 637.

30. Sally Gallagher, *Older People Giving Care: Helping Family and Community* (Westport, CT: Praeger, 1994).

31. Rebecca Adams, *Conceptual and Methodological Issues in Studying Friendships of Older Adults* (Newbury Park, CA: Sage, 1989).

32. Waite and Harrison, “Keeping in Touch,” 637–55; Carolyn Liebler and Gary Sanderur, “Gender Differences in the Exchange of Social Support with Friends, Neighbors, and Co-workers at Midlife,” *Social Science Research* 31 (2002): 364–91.

33. Dennis Raphael and Ben Schlesinger, “Women in the Sandwich Generation: Do Adult Children Living at Home Help?” *Journal of Women and Aging* 6, no. 1/2 (1994): 21–45.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

34. Liebler and Sanderur, “Gender Differences”; Auyero, “The Logic of Clientelism”; MacLean, *Informal Institutions*.
35. For instance, in African states the proportion of educated people is markedly lower than in post-Soviet states.
36. Waite and Harrison, “Keeping in Touch,” 637–55.
37. Adams, *Conceptual and Methodological Issues*.
38. Ledeneva, *How Russia Really Works*.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Chapter Three

Provision of Healthcare Services and Informal Exchanges: Qualitative Evidence

The previous chapter showed that inadequate state social support is associated with higher levels of informal exchanges. This chapter is based on qualitative evidence that I gathered during my fieldwork in Kazakhstan on the provision of medical services and informal exchanges, including personal networks and informal payments. It explores how state retrenchment and decentralization affected the delivery and quality of medical services on the ground and how individuals have responded to those changes.

The selection of the healthcare sector was a deliberate choice. As mentioned earlier, Kazakhstan experienced one of the most radical cuts in healthcare expenditures among post-Soviet states. Hence, the healthcare sector is of particular interest to the study of how state retrenchment affects informal reciprocal institutions. Given the importance of human health for economic growth and human development, the focus on the healthcare sector provides us with important insights on the dynamics of informal reciprocity in Kazakhstan. In addition, the political and social salience of healthcare issues both for government officials and citizens makes the study of informal reciprocal relations in this sector critical for our understanding of the relationship between state and society. Finally, the healthcare sector is characterized by a variety of informal institutions, including informal payments, informal help, and instrumental-personal ties with healthcare providers to gain access to quality medical services.

Post-independence Kazakhstan has largely failed to provide high-quality medical services to its population. State retrenchment from the public sphere led to underinvestment in health care, while fiscal and administrative decentralization created conditions for low compliance of healthcare employees and inefficiency of the system. Under conditions of low accountability to the population, these measures have led to the deterioration of medical service

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

delivery and the shrinkage of access to health services for the population. This scarcity of quality medical services supported informal exchanges at the micro-level.

Healthcare reforms launched in the early 1990s were intended to replace the Soviet model of socialist medicine with a more efficient one and to diversify the provision of medical services. The reforms, however, have failed to provide the majority of the population with access to quality healthcare services due to high costs. In addition, the market forces have not distributed private medical facilities and private practitioners evenly throughout the country. While the populations of Astana city, Almaty city, and regional centers enjoy the benefits of both public and private medical care, most rural areas lack both. Inadequate access, poor quality of healthcare services, and inefficiency provided incentives for people to use informal exchanges in order to gain access to quality medical care.

Empirical evidence suggests that informal payments have markedly increased in scope and, in fact, have become institutionalized in the post-independence period. Although informal payments were a feature of Soviet life that emerged in the last two decades of the Soviet Union, informal monetary payments were not as widespread and common because of a vertically organized healthcare system that did not allow rank-and-file citizens to access elite clinics and hospitals, even through payments. The post-independence period, in contrast, has witnessed the proliferation of informal monetary exchanges. In addition, individuals build and develop personal connections with public employees and widely use kinship and family ties to obtain medical quotas and access to quality healthcare services. Those who provide public services—healthcare administrators and practitioners—use their positions to redistribute public resources for their own benefits.

To further explore informal reciprocal exchanges in the healthcare sector during the Soviet and post-Soviet periods, this chapter proceeds as follows. The first section covers the Soviet period, focusing on the healthcare system and informal institutions. It takes a closer look at the style of healthcare administration and the system of medical service stratification that existed in the Soviet Union. The second part of the chapter delves into the administration of health care, medical services provision, and informal exchanges in post-independence Kazakhstan. It explores the effects of state retrenchment on the delivery of medical services and informal reciprocal exchanges. The chapter concludes with thoughts on the impact of state retrenchment on formal welfare provision and informal institutions.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

HEALTHCARE PROVISION IN THE SOVIET UNION

> The socialist state is the only state which undertakes to protect and continuously improve the health of the whole population.[1]

Soviet leadership frequently characterized Soviet health care as one of the most accessible, universal, and free-of-charge systems in the world. The Soviet Constitution guaranteed the right to medical care that was free, readily available, and accessible to every citizen. At the 22nd Congress of the Soviet Communist Party, held in 1961, it was declared that "The needs of the urban and rural populations in all forms of highly-qualified medical services will be met in full."[2] This "entitlement" was one of the most positive aspects of the Soviet welfare state recognized and appreciated by many Soviet citizens. Soviet leadership put forth efforts to raise the quality of medical care and make it accessible to the majority of the population. As a result, over a seventy-year period, infant mortality fell and life expectancy improved, albeit to different degrees for men and women. The number of medical personnel increased significantly, exceeding that of many industrial states, and medical facilities were built in remote rural areas, including those of Kazakhstan. Finally, the Soviet healthcare system was effective at preventing diseases, controlling epidemics, and monitoring different diseases. Despite these achievements, Soviet medical care fell behind other industrial states and received sharp criticism from both professional medical workers and rank-and-file citizens for its poor quality, neglect of patients' interests, de-professionalization of medical personnel, and hierarchy of services. These shortcomings in the healthcare system made informal *blat*—"the use of personal networks and informal contacts to obtain goods and services in short supply and to skirt formal procedures"—and "under-the-table payments" in medicine important parts of Soviet citizens' lives for gaining access to quality services.[3] These contradictory assessments of the Soviet healthcare system invite us to look more closely at the administration of medical services in the Soviet period.

ADMINISTRATION OF THE HEALTHCARE SYSTEM IN THE SOVIET UNION

The Soviet healthcare system was highly centralized and hierarchical. It operated at four tiers of government: the republic, *oblast*, *rayon*, and village levels.[4] At the top of the hierarchical structure was the USSR Ministry of Health, which supervised the republic-level Ministries of Health in each of the Union Republics. The Ministry of Health was in charge of medical care

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

and medical education, the determination of policies regulating medical and pharmaceutical supplies, and medical research. At the *oblast* levels, the departments of health care were responsible for the provision of health services, while the chief physicians of the *rayon* hospitals controlled medical service provision at the *rayon* level, which also administered the village medical workers.[5]

The Soviet medical system represented a bureaucratic apparatus in which Soviet physicians were state functionaries "without any corporate power as a profession."[6] Physicians were thus dependent on the state for their salaries and employment, which placed them in a weak bargaining position vis-à-vis the party-state. This "organized" dependence was part of the grand design of "socialized medicine" that the communist leadership introduced after the Soviet regime was established. The principles of socialized medicines were the following: health care is the right of every citizen; it is provided by society; physicians are public employees, receiving their salaries from the state; prevention of diseases is emphasized; and the benefits of medical knowledge are shared and enjoyed by all members of society.[7]

Most notably, the key to socialized medicine was to shrink the role of private medical practice and fee-for-service payment by patients. Physicians would be mostly occupied with the medical aspects of the work rather than with business operations.[8] The idea behind this "decoupling" of payment and professional service was to eliminate doctors' dependence on payments from a patient and thus to discourage medical personnel from only taking care of the wealthy. Payments would be made by the state in a predictable manner so that every single patient, regardless of her status and position, could obtain better medical care.[9] The Soviet reality, however, proved to be rather different.

INFORMAL HEALTHCARE STRATIFICATION IN SOVIET SOCIETY

It is a general rule that medical care mirrors the social stratification existing in a society. Although Soviet medical care was frequently characterized as universal, unified, and egalitarian, in reality it was stratified. Most notably, it provided distinct levels of medical care to various groups of the population based on their socioeconomic and political status. There was an obvious contradiction between what was declared by Soviet leaders and what was occurring on the ground. The proclaimed goal was to reduce social inequalities to a minimum. In practice, however, Soviet leaders sought to maintain and safeguard the privileged system in response to either their own interests and practical needs or social pressures. Some leaders, like Nikita Khrushchev, at-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

tempted to decrease social differentials; none of them, however, sought to destroy the system completely. In contrast, the privileged system was nurtured and promoted by concealing information regarding distribution of income, elite lifestyles, and material privileges of the party nomenclature.

The Soviet healthcare system had six sub-systems: departmental, elite, capital city, industrial, provincial city, and rural. A parallel "closed" elite system had higher-quality medical service, better provision of medicines and equipment, and received a disproportionate share of all health funding.[10] However, it was accessible only to a privileged 5 percent of the population represented by top party and state officials, institute directors, and, for example, famous actors and musicians;[11] the other 95 percent had no access to elite clinics and hospitals. In fact, the majority of Soviet citizens had access only to rural and district-level medical care, which was relatively low-quality.[12] The elite system was supervised by the Fourth Administration of the Health Ministry, which was in charge of various "closed" elite hospitals and polyclinics that existed throughout the Soviet Union. In Moscow, 50 percent of all doctors worked in thirty "closed" clinics, receiving higher salaries than the physicians in public clinics.[13] The stratification of medical services is evident from a 1984 survey of Soviet emigrants: the majority of respondents (87 percent) received medical care in state polyclinics, while 13 percent of them used "other" sources of medical assistance, including "closed" clinics and private doctors (see Figure 3.1). Among respondents who received care from "other" sources, 35 percent attended private doctors, 24 percent visited clinics at their workplace, 20 percent found medical assistance through their personal informal networks, 13 percent turned to "closed" clinics, and 4 percent paid for their services (see Figure 3.2).[14]

QUANTITY VS. QUALITY OF MEDICAL CARE

Overall, the Soviet system of health care was very effective in its drive "to control infectious diseases, screen for illness, and vaccinate."[15] It had substantial positive effects on health outcomes in the Soviet Union, "helping to bring adult and infant mortality close to industrial nation norms temporarily in the 1970s."[16] Despite certain important achievements in medical care, such as the decrease in adult and infant mortality and the highest physician-patient ratio in the world—42 physicians per 10,000 people—overall, the Soviet healthcare system was characterized by poor quality.[17] First, the hardships of the pre–World War II and immediate post–World War II period did not allow Soviet leadership to develop and provide medical care to the wider masses, particularly in rural areas. The period under Brezhnev was characterized by

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

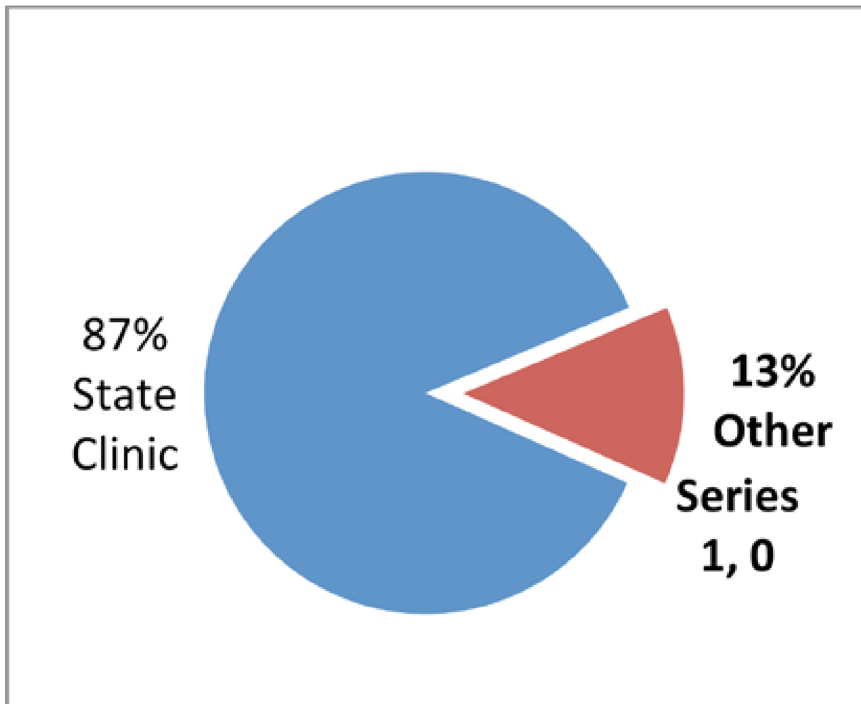


Figure 3.1. All respondents.
R. Millar and E. Clayton, *Quality of Life: Subjective Measures of Relative Satisfaction* in R. Millar, "Politics, Work, and Daily life in the USSR: A Survey of Former Soviet Citizens," 1984 p. 50.

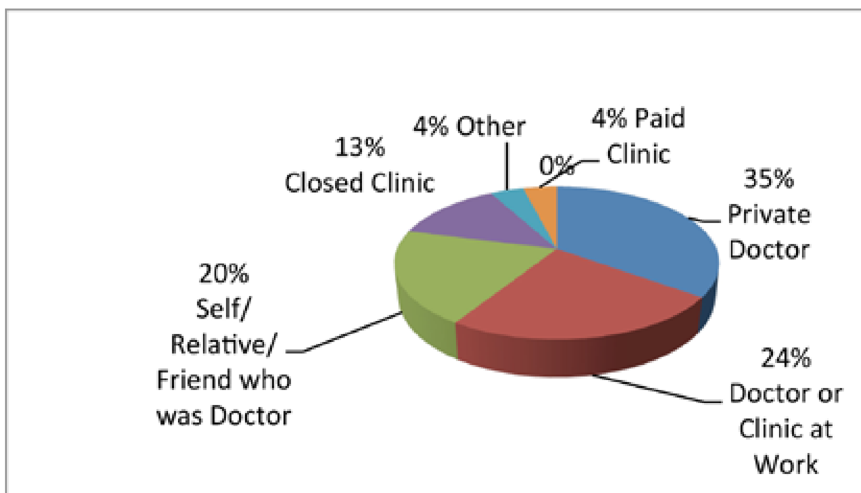


Figure 3.2. Of the 13% responding "Other."
R. Millar and E. Clayton, *Quality of Life: Subjective Measures of Relative Satisfaction* in R. Millar, "Politics, Work, and Daily life in the USSR: A Survey of Former Soviet Citizens," 1984 p. 50.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

"shortages and corruption" that "became endemic," which also impeded the development of high-quality medical care.[18] Of all industrial countries, the Soviet Union had the lowest level of investment in its healthcare system. National expenditures for health care decreased from 6.6 percent to 4.1 percent in 1965 and 1970, respectively, and to 3 percent in 1980. By the end of 1989, the share of the Soviet gross national product (GNP) for health care had slightly increased to 3.4 percent. While the privileged elite system enjoyed stable or even increasing resource flow, financial support for public medical care was declining. As a result, infant mortality increased from 22.9 per 1,000 in 1971 to 26 per 1,000 in 1985; and life expectancy for men declined from 67 in 1964 to 63 in the early 1980s.[19] Minister of Health Yevgenii Chazov[20] criticized the lack of funding to obtain even simple medical equipment and medicines to improve the poor condition of hospitals.[21]

The provision of health care in the Central Asian republics was even worse than in other Soviet republics, where the rate of infant mortality was two to four times that of the Soviet Union. Although in 1986 the Kazakh Soviet Socialist Republic (SSR) had a better infant mortality rate (29.0 per 1,000) than other Central Asian republics, it was much higher than the national average (see table 3.1). The physician-patient ratio increased from 20.6 to 89.3 per 10,000 between 1940 and 1985; the country, however, continued to experience a shortage of physicians due to the expansion of the population. Many hospitals and clinics, particularly in the countryside, had poor sanitary conditions.[22]

Table 3.1. Infant mortality per 1,000 in 1986

USSR	25.4
RSFSR	19.3
Ukraine	14.8
Belorussia	13.4
Uzbek SSR	46.2
Kazakh SSR	***29.0***
Georgia	25.5
Lithuania	11.6
Moldavia	26.4
Latvia	13.0
Kirgizia	38.2
Tadzhik SSR	46.7
Armenia	23.6
Turkmenistan	58.2
Estonia	16.0

Source: Michael Ryan, "Life Expectancy and Mortality Data from the Soviet Union," *British Medical Journal* 296, 6635 (1988): 1513–1515.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

In addition, medical workers lacked appropriate training. According to a report of the minister of health, many medical school graduates did not have the simple skill of reading an electrocardiogram, while 10 percent out of 350,000 tested physicians were only "provisionally" qualified to treat patients.[23] These shortcomings made informal payments, popularly called "envelope-passing medicine," widespread in the healthcare sector.

"ENVELOPE-PASSING MEDICINE"

Contrary to its declared principle of free-of-charge medical provision, Soviet medicine was not absolutely free. Informal payments such as gifts and services were present in the healthcare system. Connections were important to gain access to higher-quality medical care and better medical facilities. Soviet citizens lacked choice in terms of clinics, hospitals, and physicians due to the system of residential registration (*propiska*) and health service delivery methods. People were assigned to certain clinics and hospitals (*zakreplyalis*) based on their residential location and *propiska*,[24] or where they or a member of their family worked. Access to highly professional physicians required "good connections and a willingness to pay."[25] These requirements and limitations made informal ties and informal payments important tools for obtaining access to medical benefits.

Informal payments in envelopes were a type of compensation for the lower salaries that medical professionals received. The average wage of a soviet physician was approximately R200 per month, only 80 percent of the national average.[26] One of the reasons medical personnel made low salaries was because medicine was not considered "productive" in the industrial sense—compared to engineers, for example. As a result, Soviet leadership treated health care as a residual category. It was assumed that physicians could compensate for their low salaries through informal payments.

Although it is not easy to estimate the extent of informal payments in the healthcare sector in the late Soviet period, the second economy had a certain impact on the distribution of healthcare benefits. On the one hand, it was difficult for a rank-and-file Soviet citizen to receive medical service through unofficial payments due to closed subsystems that were vertically organized; these included elite, departmental, or industrial closed clinics and hospitals where medical care was provided. Chris Davis notes that "it is unlikely that even a substantial side payment would enable a member of the public to obtain medical care in a closed subsystem . . . in the absence of official entitlement to access."[27]

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

This, however, does not mean that informal payments and "private medicine" did not exist within the subsystems of state medicine. Low salaries, high bureaucratization of medical personnel, and a shortage of facilities created favorable conditions for informal payments. As Michael Rywkin notes, "Everyone [had to] be paid off. The aid, the nurse, the physicians, and the dentist [had] to be paid under the table if the necessary work [was] to be honestly performed."[28] Although it is true, as Rywkin argues, that people made "under-the-table" payments in the Soviet period, it was not essential. It was not expected that patients would pay for medical services; this is a practice that developed in post-independence Kazakhstan. Prices depended on the region and the kind of services provided. For instance, a surgery or delivery would cost R500, a twenty-day hospital stay R300, and admission to the hospital R25.[29] Overall, it was estimated that "the gray income" of medical personnel was about R2–3 billion, compared to the medicine budget of R19 billion.[30] However, money was not the only token of appreciation Soviet citizens offered for high-quality medical services. Gifts and various services, including access to special stores, travel certificates (*putevka*), or placement in a sanatorium were offered in exchange for high-quality medical care.[31] Konstantin Simis states:

> It is relatively rare for doctors to be offered money . . . most often, thanks or better care is expressed by small gifts and services. This form of payment is particularly widespread. In a country of permanent shortages—food, decent clothing, and high-quality services—the chance of obtaining all these things without having to pay black market prices is much sought after.[32]

One of the interviewees who had worked in the healthcare system during the Soviet period also mentioned that

> in the Soviet time people presented gifts—a box of chocolate, cognac or a bottle of Champagne and a case. I can assume that there were payments. . . . Yes, once payment was offered [to me] but there was not such a level [of payments] as today. People took crystal vases, but there was no extortion . . . nobody could even think of that . . . there was help because of deficit of goods. When I was working in the regional healthcare administration, I could turn to a friend working in the regional consumer union [to get a good in shortage]. It was an exchange, a friend's favor because there was a deficit of goods.[33]

Despite these drawbacks, the Soviet medical system was able to provide universal free access to medical care for everyone and "lifted Soviet health standards almost to the level of other advanced industrial states."[34] A 1984 survey showed that the majority of respondents[35] (59.4 percent) were either satisfied or very satisfied with Soviet medical care. Unfortunately, separate

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

data for the level of satisfaction with medical care in the Central Asian states are not available. However, it can be assumed that the population of Central Asia was more satisfied than dissatisfied since the achievements of Soviet medicine were particularly visible in the Central Asian countries, where medical service provision was rather limited, if not nearly absent, before Soviet power was established.

THE PROVISION OF MEDICAL SERVICES IN POST-SOVIET KAZAKHSTAN AND INFORMAL INSTITUTIONS

The collapse of the Soviet Union and the demands of world international organizations to restructure centrally planned economies led to radical retrenchment of the Soviet welfare state in the early 1990s. It included huge expenditure cuts and privatization of the healthcare sector. The policy of decentralization introduced in the mid-1990s to improve governance and the provision of public goods, in fact, had the opposite effect. Under conditions in which institutions of accountability were lacking, it led to higher levels of discretion, non-compliance of lower-ranked bureaucrats, and poor provision of public goods. The deterioration of public goods provision in turn produced new informal practices and the emergence of new actors.

If Soviet-era medical services were characterized by over-centralization, the post-independence period has experienced partial decentralization of fiscal and administrative responsibilities in the healthcare sector. Decentralization was an important tool for restructuring the highly centralized Soviet-era healthcare system through devolution of administrative and financial functions from the center to the periphery and the privatization of medical facilities.[36] The goal of decentralization was to decrease the role of the state in the welfare sector and redistribute the provision of medical services between the state and private actors.[37] The government of Kazakhstan sought to improve the efficiency and provision of medical care to the population through the administration and delivery of medical services at the regional and local levels.

The principles of power delegation to the regional level of government were enshrined in Kazakhstan's Law on Local Self-Government that was adopted in 1995. This law established that administrative responsibilities were to be vested at the regional level, including the licensing of healthcare facilities. Thus, the national government sets healthcare policies, while medical services are administered and implemented by *oblast* departments, which have considerable autonomy from the center.[38] The regional departments of the fourteen *oblasts* manage medical care and run most of the hospitals and polyclinics.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Fiscal decentralization has been also implemented. In the 1990s, the health system was funded both at the regional and national level. In 2001, however, within the framework of greater decentralization, health financing and administration were delegated to the district (*rayon*) level. In contrast to expectations, the decentralization measures resulted in the creation of inefficient "micro-health systems" and reduced the population's access to health services. To improve the situation, the new Budget Code of 2005 assigned the consolidation of the budget, again, only at the regional (*oblast*) level. Consequently, all allocation decisions are made by the regional administrators, "who act as single payers for their respective oblasts."[39] Therefore, the structure of the health system has changed from "a disintegrated rayon-level system to an integrated oblast-level system with greater autonomy," where regional health departments exercise significant independence and power from the central government to provide medical services to the population.[40] Thus, *oblasts* were responsible for public spending on health, amounting up to 77.2 percent of healthcare expenditures in 2003. However, this share decreased to 32.9 percent in 2010.[41]

The new Code on Health and Healthcare System adopted in 2009 was designed to distribute responsibilities among the central, regional, and *rayon*-level healthcare departments. According to the code, regional administrations redistribute the budget to the *rayon* level, affirm various regional programs, allocate medical benefits, redistribute medical quotas for patients, and make many other important decisions regarding the provision of medical services in the region.[42] In 2010, the government granted the Ministry of Health greater authority. Now, financing and administration are done both at the national level and the regional level. However, the division of fiscal and administrative responsibilities between the central and regional governments is still "fluid and in a process of transition," which makes the provision of quality medical services rather difficult.[43]

Partial fiscal and administrative decentralization has not resulted in political decentralization in the healthcare sector. The system of appointments in the public health sector has been preserved since the Soviet era. The president appoints the minister of healthcare, while the regional *akims* have the right to appoint heads of the health departments that are the subdivisions of the regional administration. Heads of the health departments are accountable to the regional *akims*, rather than to the population. In turn, the heads of the regional health departments appoint and dismiss chief doctors of hospitals, clinics, or other healthcare organizations throughout the region, including the heads of all *rayon* hospitals, who are responsible for basic secondary care and most primary care.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Decentralization in the healthcare system led to an increase in the discretionary powers of the heads of health administrations and hospitals, inefficiency of the health system, and limited access to health services for the population. According to political analyst Erlan Erimbetov, decentralization led to poor coordination among various levels of government and a lack of responsibility among regional and local *akims*. "Regions blame the center, while the center passes on the responsibilities to the regions. They [various levels of government] do not trust [each other], and compete for responsibilities. The central authorities say: 'This is the regional budget, I am not responsible for it.'. . . It is just an appearance of the vertical of power, which is created to please [the authorities]."[44] Dosym Satpaev, another political analyst, stated in an interview that "Kazakhstan, while formally a unitary state, resembles a federation in which each region represents a state within a state with its own elites and unwritten rules."[45] In the healthcare sector, decentralization led to a diarchy with two centers of power—the Ministry of Healthcare, on the one hand, and regional administrations headed by governors, on the other. These centers of power make the management of the health system very difficult. The responsibility is blurred, which affects government performance.

The regional *akims*' low level of accountability to the center for public spending reflects the overall system of government, specifically the fiscal and administrative relationship between the center and the periphery in Kazakhstan. The hierarchically based system of patron-client relations does not require efficient public spending or a high level of performance from *akims*. Rather, it demands loyalty and devotion to the upper levels of government. In some cases, the change of a government official might lead to a reorganization of the whole ministry or of a state organization. The hierarchical structure of the administrative system, where state officials are appointed by superiors and where public and private spheres are blurred, encourages clientelist exchanges both within the state apparatus as well as between the state and citizens. There are numerous examples of regional *akims* failing to implement state projects, including such programs as "100 Schools, 100 Hospitals"[46] or the State Housing Program. The notorious case of mass HIV infection among children in southern Kazakhstan[47] is also a result of existing irresponsibility, non-compliance with the Law on Civil Service, and nepotism in civil service. The head of the regional committee on quality control in health services supervised his wife, who was in charge of the regional department of health.[48] All of these failures are related to inefficient spending, corruption, and nepotism.

Although regions have autonomy in redistribution of public expenditures, they are fiscally dependent on the center. As noted above, most regional rev-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table 3.2. Share of central government transfers of the total regional revenue, 2001–2009 (in %)

Region	*2001*	*2003*	*2005*	*2007*	*2009*
Aktobe	13.81	14.05	15.21	27.42	44.82
Atyrau	—	12.04	8.96	25.44	24.41
Akmola	38.58	47.77	58.34	61.75	73.21
East KZ	9.43	19.06	46.54	54.72	68.73
Jambyl	43.50	56.69	66.07	68.68	81.56
Karagandy	0.65	0.62	27.28	34.62	53.37
Kostanai	7.12	25.56	47.13	55.90	69.67
Kyzyl Orda	17.73	47.53	52.17	66.19	68.34
Mangistau	—	—	7.09	18.93	26.80
North KZ	31.79	39.42	61.99	67.34	77.30
Pavlodar	4.90	2.54	20.54	31.72	47.97
South KZ	48.29	43.30	62.91	67.06	82.05
West KZ	0.04	6.12	33.40	45.44	42.51
Astana City	16.21	16.16	50.54	61.39	76.86

Source: Ministry of Finance of the Republic of Kazakhstan, author's calculation

enues come from central government transfers rather than from taxation of the population (table 3.2). The fiscal dependence of *akims* on transfers from the center has been growing every year, while the share of taxes to the total share of revenue has been falling. The population's contribution to the accumulation of revenue is relatively small, and regional and district-level *akims* are not elected but appointed by the president, so the *akims* have no incentives to be accountable to the population. As a representative from the Soros Foundation noted, "The main problem of the regions is their dependence on the center. The hands and legs of every single akim are tied . . . if an akim is 'good,' then he receives financial resources; if he is not good and if he does not manage to regulate social tension, then he does not receive money from the center."[49] The important task for *akims*, then, is to squeeze money from the center.

As a result, many socioeconomic indicators, including those on health care, provided by *akims* or government officials do not reflect the real situation and are often inflated. This practice of "improving" or padding and inflating socioeconomic development numbers has its roots in the Soviet era, when the heads of various factories and *sovkhozes*[50] had to falsify *pripiski*[51] in order to show compliance with the central government's objectives. The economic and political system provided incentives to distort indicators in order to receive rewards and promotions. The same practice takes place in post-Soviet Kazakhstan. However, in comparison to the Soviet era, the practice of *pripiski* has become much more widespread in the

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

post-independence period, and was particularly prevalent in the second half of the 1990s.[52] According to Erimbetov, regional *akims* have little knowledge of what is happening on the ground. "The akim will report to the upper level of government that during his tenure in office, the production of milk and the harvest rate increased. This is because the appraisal of the *akim*'s work has not changed [since the Soviet era]."[53] The same can be said of medical personnel, including chief doctors or even nurses in hospitals who want to show improvements in the provision of medical services in order to keep their jobs, receive a promotion, or have their salary increased. For instance, in Pavlodar, medical workers conceal the true causes of their patients' deaths, preferring to report that deaths occurred due to the old age rather than cardiovascular diseases. When the performance evaluation of public employees—whether they are regional governors or medical doctors—is largely based on their loyalty to their superiors rather than on real development and improvement, distortion of facts and indicators are a natural result.

Higher levels of discretion at the regional and local levels have resulted in unequal distribution of healthcare expenditures per capita and variation in the quality of medical provision across the regions. Although the gap in health expenditures between the richest and the poorest *oblasts* narrowed from 4.2 to 2.1 times between 2001 and 2008, the difference is still high. For instance, in 2009 the level of funding ranged from $62 to $130 dollars per capita across regions.[54] According to Erimbetov, in 2011 in the Mangistau region, expenditures were KZT 28,000; in the Qyzyl Orda region, they were KZT 15,000; and in the Almaty region, KZT 9,000. "Citizens of the same country have different levels of healthcare provision. If there would be a firm vertical of power, then the expenditures would be similar. There should be standards [across the country]. We should not be dependent on akims, but this is the way it is."[55] In societies with exclusive regimes, the population does not have much control over government officials due to a low level of accountability. In contrast, people are dependent on local or regional governors for jobs, resources, and benefits. Very often the distribution of resources is based on personal loyalty or bribery rather than on performance and professionalism. The dependence of rank-and-file citizens on state officials reflects the patron-client structure of society supported by the new political and economic institutions that emerged and developed in post-Soviet Kazakhstan. The state monopoly on the distribution of resources and poor public goods provision make people dependent on different-level state officials who control and distribute scarce resources.

Overall, the policy of decentralization has had a negative impact on the quality of public goods provision in Kazakhstan. Decentralization in the

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

healthcare sector has led to government officials' low levels of compliance with upper-level administrators and *unequal* redistribution of healthcare expenditures per capita across the regions. Most importantly, decentralization has negatively affected the efficiency of the healthcare sector by reducing the population's access to quality medical care. The negative impact of decentralization has also been noted in other contexts. Processes of decentralization create conditions under which some groups or individuals may have more access to social welfare than others.[56] The low level of healthcare administrators' compliance, higher discretion of powers, and reduced access to health services have provided incentives for people to use personal networks and make informal payments to gain access to quality medical services.

STATE RETRENCHMENT: UPS AND DOWNS

The collapse of the Soviet Union and the demand for international organizations to restructure centrally planned economics led to radical retrenchment of the Soviet welfare state in the early 1990s. Kazakhstan experienced one of the most radical cuts in healthcare expenditures among the ex-Soviet states.[57] Social expenditures decreased from 11.2 percent of GDP in 1992 to 6.6 percent in 1996, while pensions declined from 8.2 percent to about 4 percent of GDP. The absence of counteracting political and social forces in Kazakhstan allowed for the implementation of radical welfare reforms in the country. "Political parties, civil society organizations, and the legislature . . . were virtually powerless to limit change" and "the welfare state underwent nearly unconstrained liberalization."[58] The decrease in public spending led to the deterioration of medical care. Many hospitals and clinics were closed, limiting the population's access to medical services. In fact, until 2011 about 46.3 percent of the population, mostly rural dwellers, did not have access to basic health care in Kazakhstan.[59] During this period, life expectancy dropped from sixty-eight years in 1990 to sixty-four years in 1996. Only in 2011 did it return to its 1990 level. Low-quality and limited access to health services, in turn, fostered informal monetary and in-kind payments and informal personal networks.

To improve the situation in the healthcare sector, beginning in the late 2000s, the government of Kazakhstan increased public healthcare expenditures. Between 2000 and 2006, expenditures grew from $23 to $128 annually per capita. In 2006, the government spent 3.6 percent of GDP on health care and planned to increase this to 4 percent of GDP in 2010. According to data from the Ministry of Healthcare, from 2009 to 2011 alone, expenditures increased by 18.4 percent. In 2011, the government launched the *Salamatty*

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Kazakhstan (Healthy Kazakhstan) program, which includes such measures as regular health examinations for the entire population, various screening programs, diagnostics, treatment, and the rehabilitation of patients. The government to allocated $3.7 billion for the implementation of the program.[60] For instance, in 2015, KZT 74 billion was spent on the program. In January 2016, a new State program on healthcare development for 2016–2019 had been introduced, which was a continuation of the Salamatty Kazakhstan Program.

Despite the increase in expenditures on health care in Kazakhstan, the quantity of public goods, and particularly their quality, remains low (see table 3.3). According to a World Health Organization report, various disease indicators continue to grow or stay quite high in Kazakhstan (see table 3.4). The report states, "Despite rapid economic development and large increases in total and public expenditures on health, key health indicators such as life expectancy, infant mortality and TB [tuberculosis] incidence have not improved substantially."[61] In a survey, 46.1 percent of respondents said that the quality of medical care during the preceding two years (from the beginning of 2010 to the end of 2011) had remained the same, while 11.2 percent said it had worsened, and 24.2 said that it improved. Respondents were also asked to recall their visits to clinics and their stays in hospitals (if any) during the preceding two years and report whether they received high-quality medical assistance—41.1 percent answered no, 26.7 percent said yes, and 32.2 percent had difficulty answering the question.[62]

In sum, state retrenchment has led to poorer-quality and limited access to medical care in Kazakhstan. This in turn provides a nourishing environment for informal exchanges and personal networks across different social groups. To receive quality or even basic medical care, people build instrumental-personal ties and use informal in-kind and monetary payments. Highlighting the impact of macro-level factors on micro-experiences and access to medical services helps us understand why informal institutions continue to thrive in post-Soviet Kazakhstan. In the next section, I give an overview of access and quality of delivery of medical services at the individual level, followed by a section on informal exchanges.

Table 3.3. Health expenditures, 2008–2010 (total as % of GDP)

	2008	*2009*	*2010*
Kazakhstan	*3.6*	*4.1*	*4.4*
Kyrgyzstan	6.0	6.8	6.7
Tajikistan	5.6	5.9	6.0
Turkmenistan	1.9	1.8	2.0
Uzbekistan	5.4	6.3	5.3

Source: World Bank Indicators, https://data.worldbank.org/indicator/SH.XPD.TOTL.ZS?end=2014&locations=KZ-KG-TJ-TM-UZ&start=1995&view=chart.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table 3.4. Rates of sickness among children ages 0–14 (per 1,000), 2003–2011

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sickness rate among children 0–14 years old	87.6	92.8	96.3	98.1	99.2	99.7	103.6	101.4	97.9

Source: Agency on Statistics of the Republic of Kazakhstan, 2011, available at http://stat.gov.kz/faces/wcnav_externalId/homeNumbersHealthCare?lang=ru&_afrLoop=9048291605238669#%40%3F_afrLoop%3D9048291605238669%26lang%3Dru%26_adf.ctrl-state%3Dh4ohvzlzy_4, accessed April 23, 2018.

ACCESS AND QUALITY OF HEALTH SERVICES IN KAZAKHSTAN

In the survey that I conducted in 2011, 36.7 percent of respondents said that the quality of public medical provision in their area was poor, and 15 percent said that it was very poor.[63] Indeed, despite some positive changes that took place since 2000 in the healthcare sector, the quality of medical service remains low. The rise in expenditures does not imply an automatic improvement of healthcare delivery to the population. In this regard, such sensitive indicators as infant mortality and life expectancy are good markers of the population's health. Unfortunately, they do not speak in favor of Kazakhstan's medical care and concede leading positions to other post-Soviet countries, not to mention Western industrial states. Although the infant mortality rate decreased from 49.7 to 41 per 1,000 live births between 2003 and 2010, it is still high in comparison with industrial states (see table 3.5). In 2011, the average rate of infant mortality was 17.3 per 1,000 live births ranging from 14 in the Northern Kazakhstan *oblast* to 24 in the Kyzyl Orda region.

The quality of medical services provided by public clinics is equally dependent on the supply of qualified medical personnel available to the population. Kazakhstan has experienced an acute shortage of medical practitioners. As one medical doctor concerned with the shortage of pediatricians

Table 3.5. Infant mortality rate per 1,000 live births, 2003–2011

2003	2004	2005	2006	2007	2008	2009	2010	2011
32.0	29.9	28.2	26.5	24.8	22.9	21.0	19.1	17.3

Source: World Bank, https://data.worldbank.org/indicator/SP.DYN.IMRT.IN?locations=KZ, accessed April 22, 2018.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

explained, "We produce dilettantes. The population has been left outside medical services. Four million children do not have access to pediatricians and the deficit of pediatricians is growing every year. We need qualified medical personnel that can take care of children from their birth until they reach the age of 16."[64]

This quote from a medical professional reflects a number of pernicious problems that exist in the public healthcare sector: the lack of qualified personnel, the low level of medical education, and the under-provision of medical services to children. Ironically, these problems are a result of endless healthcare reforms conducted since the demise of the Soviet Union. Due to the introduction of "family group practices" that include an emphasis on primary care, the reorganization of polyclinics, and the retraining of professionals to deliver primary health care, medical academies ceased running pediatric programs and closed departments for pediatricians.[65] As a result, Kazakhstan has a shortage of pediatricians today. And this is not the only category of medical doctor that is in shortage. The country has a dearth of various other types of medical professionals. The shortage of medical doctors in public hospitals and clinics, in turn, results in poor medical care, since a small number of doctors have to provide services to a large number of patients. As a corollary, medical workers have very high workloads, exceeding the norm by two or even three times. This affects practitioners' ability to perform their functions well and to provide high-quality medical services to the population.

The shortage of qualified medical personnel is even worse in rural areas. The number of physicians per 10,000 populations in rural areas is 14.1, compared to 45.4 in urban areas.[66] According to empirical evidence, in one of the district towns of the North Kazakhstan *oblast*, the local (*rayon*) hospital lacks almost 50 percent of the required medical personnel.[67] In August 2011, one of the interviewees noted:

> We do not have an ear-nose-throat doctor, dermatologist, qualified specialist on neuropathology, endocrinologist, or rheumatologist. They were here a long time ago. But now it is like in the 19th century, [there are] general practitioners and surgeons only. Here [in a district town], the quality of medical service is very low. [The medical staff] does not start the working day on time. A lot of wasted time, long queues, people cannot wait [for so long] and leave; one doctor must see the patients in two different offices.[68]

This situation is typical for many district- and village-level hospitals across various regions. The shortage of medical personnel forces one specialist to perform functions of two or even three different specialists, which in turn lowers the quality of medical services. The problem, however, is not rooted

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

only in human behavior and people's attitudes toward their professional duties. This is also an issue of state capacity as well as the economic and political development of the country. The lack of medical personnel in villages can be explained by the low standard of living in rural areas of Kazakhstan. Very frequently, young medical graduates have to live in the harsh conditions of rural areas. They have to reside in places lacking heat, running water, transportation, and kindergartens. The government does take actions to improve the situation. It allocates start-up money (*pod'emnye*) to young specialists who decide to work in villages or district towns. In addition, the government has raised salaries for doctors and nurses working in rural areas. Despite this state assistance, for many medical graduates rural areas remain unattractive places to settle down.

In post-independence Kazakhstan medical personnel also lack qualifications and professionalism. In the 2011 survey, 32.8 percent of respondents said that they were strongly dissatisfied with the qualifications of medical practitioners; only 19.4 percent were satisfied (see table 3.6). Although it would be erroneous to claim that all doctors have a low level of education, there is a shortage of highly qualified professionals, particularly in rural areas.

The under-provision of high-quality medical service promotes informal help, patron-client relations, and informal payments. To obtain access to even basic medical assistance, medical quota openings, and many other benefits that are distributed by the state, people use personal connections or make informal payments.

THE ROLE OF *BLAT* AND INFORMAL PAYMENTS TO ACCESS QUALITY MEDICAL WORKERS

The under-provision of public goods and the deficit of medical professionals influences informal exchanges in Kazakhstan. The 2013 survey showed

Table 3.6. Level of satisfaction with medical personnel qualification

Are you satisfied with the level of qualification of medical staff in your region (city or village)?	
Strongly dissatisfied	32.80%
Dissatisfied	34.40%
Satisfied	19.40%
Strongly satisfied	0.60%
Neutral	8.30%
I do not know	4.40%
TOTAL (percentage rounded)	100%

N = 400; Author's survey, 2011.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

that informal connections play an important role in gaining access to better medical services and in finding qualified medical doctors. In response to the question "Did you happen to find a qualified doctor through your acquaintances, friends, or relatives in order to obtain high quality medical care?," 59.4 percent of respondents answered positively. In addition, the survey revealed differences across ethnic groups in reliance on informal connections to find qualified doctors. More ethnic Kazakhs (62.6 percent) than Russians (48 percent) used informal channels to find a qualified doctor.[69] In general, Kazakhs have historically placed greater emphasis on close relations with nuclear and extended family members than Russians do.[70] The latter frequently stress that they do not support close relations with their relatives or even with their nuclear family members. One of the interviewees, an ethnic Russian, noted, "It is a big minus that there is no support among the Slavs . . . it exists to a much lower degree [among Slavs than among Kazakhs]. . . . Even close family members call each other [only] once in half a year."[71] This data support previous findings on the lack of dense informal networks among Russians.[72] The survey shows that more Russians (36 percent) than Kazakhs (27.9 percent) turn to their friends and colleagues for informal help. Kazakhs frequently stress the importance of nuclear and extended family members, whom they can rely on for help not only in hard times but in everyday life.

Informal brokers in the healthcare sector emerged in response to the level of discretion granted to regional-level administrations, as well as to low-ranked officials through fiscal and administrative decentralization.[73] Fiscal capacity provided state employees with resources to redistribute, while the ability to control and regulate the provision of goods and services allowed state employees to allocate those goods and services to benefit themselves. In Kazakhstan, partial decentralization created favorable conditions for lower-level public employees to use their powers to mediate access to healthcare services, health expenditures, medical quotas, and various medical benefits to the population.

Public employees use their power to allocate health expenditures, medical quota spots, and other benefits to the population. The people who control and distribute the flow of state resources to the population can be heads of departments in medical centers or hospitals or employees of the healthcare departments of regional administrations. Hence these mediators are part of the state apparatus. For instance, healthcare workers control and distribute quota spots for medical treatment overseas. The Ministry of Health allocates KZT 350 million every year for medical treatment in foreign countries. Annually, fifty to sixty people can obtain spots and go abroad to receive medical treatment at state expense. Paid medical treatment overseas can be granted only if an illness is not curable by medical professionals within Kazakhstan. The final

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

decision on granting quota spots is made by the Medical Commission of the Ministry of Health. The process, however, is not always transparent. According to Bakhyt Tumenova, head of Aman-Saulyk, those who have connections with government officials have a better chance of obtaining a spot.[74]

Many respondents said that they could obtain medical quota spots for treatment in Kazakhstan and other benefits through connections. An interviewee in Astana mentioned that quotas could be obtained and even bought in the budget organizations,[75] mainly in the regional healthcare departments.

> There is a big problem with quota spots. Quota spots [can be obtained] through brokers [who work] in budget organizations. Ordinary people who do not work in civil service do not have information about quota spots. Nobody knows about them. . . . Lobbying of quotas takes place. It is possible to buy quotas. For instance, we were offered a quota for maternity and childhood in Astana for KZT 130,000 (US$867). We also bought a quota spot for surgery for $2,000. [The quotas can be acquired] through seven hands—a lot of intermediates—we turned to friends of our parents; they have acquaintances.[76]

As these examples demonstrate, medical workers who occupy high-ranking positions might distribute quotas at their own discretion and for their own benefit, at the expense of the state. Although people are officially eligible to receive quota spots, they often seek to obtain them through informal connections rather than using formal channels and procedures. The latter can be time-consuming and require a lot of paperwork; using informal connections is much easier and faster. As evidence suggests, people use informal channels to avoid paying official fees, which can be high for a low-income or even a medium-income person. In addition, informal channels can provide access to high-quality medical services, while formal procedures might not.

Poor access to quality medical care in rural areas is aggravated by a lack of choice for rural dwellers. Urban residents can select between private and public or can receive treatment only through private clinics, depending on the rate of payment. Rural dwellers, in contrast, mostly turn either to the village medical practitioner or the *rayon*-level public hospitals, which as a rule are understaffed, sometimes by up to 50 percent. One of the interviewees said, "Where else can we go besides our hospital? We do not have another one. [If you] need a bulletin, [you] go there. Our hospital is very old. . . . Medical service is not good. You can come in the morning and can be seen by a doctor only in the afternoon. Queues are very long."[77]

So what are the differences between informal exchanges in the Soviet and post-Soviet periods? Although there is much continuity, some differences can be observed. First of all, the scope of informal monetary exchanges is greater in the post-independence era. In the Soviet period, prices were strictly

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

regulated, and most goods were in short supply; thus, barter and connections were more important than the actual cash paid for a product. Today, under conditions of "money shortage," monetary exchanges have become dominant. State retrenchment led to cuts in medical workers' salaries and produced a "shadow process of distribution" of healthcare benefits. In the 1990s, the average salary of a physician was about half the average salary in the country—not enough to make ends meet. Many qualified health personnel left the profession. Despite an increase in health expenditures over the past decade, salaries for medical workers remain relatively low. A medical nurse earns KZT 50,000 per month (US$333), while doctors receive KZT 70,000 (US$447) per month.[78] Official statistics report that the average monthly salary in the healthcare sector is KZT 86,034 (US$468).[79] But this number does not differentiate between salaries of public and private healthcare workers and thus is higher than what the majority of doctors and nurses receive in public clinics and hospitals.

People make informal payments to receive high-quality medical services and use informal connections to find a qualified doctor. As noted earlier, despite the large shadow economy in the Soviet Union, "under-the-table" payments for medical care were not so common and widespread as they have become in the post-independence period. In the Soviet era, vertically organized medical care did not allow blue-collar workers to obtain access to ministerial clinics or hospitals through payment. In the post-independence period, however, informal payments have become "systematic, market-like features responding to relative wage, degree of expertise, and quality of equipment."[80] The Kazakh Ministry of Health recognized that "there are high informal payments in the country" due to "low official salaries of health workers, public underfunding of the State Guaranteed Benefits Package, poor monitoring of its implementation, and the lack of a clear distinction between covered services and services that have to be paid by patients" (see table 3.7).[81]

In the author's survey, 90.1 percent of respondents said that people make unofficial payments or present gifts to healthcare workers to receive better-quality medical treatment**.** In the words of one interviewee, who lives in a rural area and goes to the city of Almaty to obtain medical treatment: "Every time I went to Almaty city to see a doctor, I paid for medical services in order to get attention. And I paid to everyone [nurses, doctors]. It is a norm to pay [informally] for good service in medicine; although everyone performs her own duties."[82] In the same survey, in response to the question "Did you happen to present gifts, or provide other kind of services/favors in response to medical care?" 43.6 percent of respondents gave a positive answer. Fewer Kazakhs (40 percent) than Russians (47 percent) did. Among those who answered positively, 16.6 percent said they did it because they were asked to

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

pay; 23.5 percent said that nobody asked them to make a payment, but it was expected; 27.5 percent offered payments to receive quality service; and 32.5 percent said that they wanted to thank healthcare workers.[83]

Informal payments vary from region to region as well as between rural and urban areas. For instance, in 2003–2004 the price for circumcision for boys was KZT 1,500 (US$10) in northern Kazakhstan and KZT 10,000 (US$70) in the south.[84] The type of medical service and the qualification of medical personnel also determine the level and amount of payment. It is recognized that people pay more for surgeries and obstetrics because of patients' perceptions of such services as immediate and unavoidable. The complexity of the case and the level of specialization also can define the amount of informal payments.[85] Some studies have also found that informal payments are more prevalent in inpatient than in outpatient facilities.[86] This is because there is some blurring of what constitutes state and private provision; thus, many payments are required, even though they should formally be covered by the state.[87] Informal payments can also substitute for formal, direct co-payments for services. Both patients and healthcare workers can benefit from this, since

Table 3.7. Healthcare indicators, 1996–2010

Kazakhstan	*1996*	*1998*	*2000*	*2002*	*2004*	*2006*	*2008*	*2010*
Health expenditure, public (% of GDP)	***3***	***3***	***2***	***2***	***2***	***2***	***2***	**—**
Health expenditure, private (% of GDP)	2	2	2	2	2	2	2	—
Health expenditure per capita (US$)	58	70	51	60	113	209	330	393
Out-of-pocket health expenditure (% of public expenditure on health)	36	36	49	46	41	41	41	40
Out-of-pocket health expenditure (% of private expenditure on health)	99	99	99	99	99	99	99	99

Source: World Bank, https://data.worldbank.org/indicator/SH.XPD.TOTL.ZS, accessed April 2016.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

the latter pay less than the official price and the former receive more than the official compensation.

Despite the commercialization of the healthcare sector in the 1990s, the population is still highly dependent on the state for the provision of medical care. Private medical services are quite expensive and are not accessible to the majority of citizens. It is estimated that approximately 10 percent of the population turns to private doctors and clinics.[88] If private medical care is provided in regional cities, it is almost absent in district towns and villages. In addition, private medical services are quite expensive, so they are not accessible to the majority of citizens. In fact, with privatization and state retrenchment in the post-independence period, access to medical services shrank. In response to the statement "Every Kazakhstani citizen has equal access to quality medical services," 41.34 percent of respondents strongly disagreed (see table 3.8). "Medical care is not accessible to everyone, particularly treatment of serious health conditions; [people] do not go for heart or liver surgeries ... [for that] you need finances."[89] Interviewees reported that private medical centers provide better medical services, but they are expensive and many people cannot afford to turn to them for help. For instance, in a survey conducted in 2009 in Almaty, more Almaty dwellers rated the medical care in public clinics as poor (36.5 percent), compared to the care of private clinics (14.3 percent). As one interviewee noted, "In private centers of Almaty, medical service is of a high level. It is very expensive but it is good. One visit [not treatment] may cost KZT from 5,000 to 6,000 [US$40]."[90] Although US$40 may seem like a very low price for medical care by the standards of industrial states, given the low salaries in Kazakhstan, many people cannot afford to pay this much for each visit to a doctor.

In the Soviet economy, where money did not play a big role, informal exchanges were based largely on non-monetary relations—*blat*. After market reforms and the restructuring of the Soviet economy, money became an important way to obtain goods and services. Indeed, people can now use money to obtain various material goods and services that were not available during the Soviet era. However, the role of informal instrumental-personal ties has

Table 3.8. Equality of access to quality medical care

Do you agree or disagree that all Kazakhstani people have equal access to quality medical care?	
Agree	29.30%
Disagree	70.70%
TOTAL (percentage rounded)	100.00%

Author's survey, 2013; N = 699.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

not diminished. "For many people, money has become a shortage [in itself] and overall need towards which blat connections become re-oriented."[91] In other words, money has become a commodity in short supply in the market economy. Informal connections are now widely used for "making money" and gaining access to scarce resources such as good jobs, quality education, high-quality medical services, and subsidized housing. This is a crucial difference between the Soviet and post-Soviet periods. In the former, the state guaranteed access to free education, health care, and many other social benefits. The right to a guaranteed workplace was also enshrined in the Soviet Constitution; thus, people did not have to worry about jobs and making money. The introduction of the market economy resulted in a high level of uncertainty, the erosion of state social support, and social inequality. Citizens do not have access to free education, health care, or housing to the same degree that they did in the Soviet Union. In addition, the monopolization of economic resources in the hands of a few and the lack of "social lifts," allowing people to move from one social stratum to another, causes people to use informal connections widely. Having connections can guarantee a person a good job in a national or private company, as well as access to scarce state resources such as subsidized housing, high-quality health care and education, or bank loans. One of the interviewees mentioned,

> In the Soviet time, there was social mobility; however, today it does not exist. Today among seven people with *blat* only one has no *blat*. Connections play a more important role today. They are used, for instance, for getting jobs and positions. There's a lot of corruption. . . . For instance, in the Soviet period, it was not possible to say something like "He is stupid but [you] get him employed," but today it is possible.[92]

In the healthcare sector, informal non-monetary exchanges continue to be important**.** First, a large portion of the population, particularly in rural areas, have low salaries or are unemployed. People use contacts to earn and to obtain money through bank loans, to get a "good" job, or to avoid paying money for medical services. Second, though there is no dearth of commodities as there was in Soviet days, there is still a shortage of public high-quality goods such as medical services and good education. In this regard, informal connections continue to be critical channels for access to goods in short supply. In the author's survey, 62.5 percent of respondents agreed with the statement that employment and finding a job through connections and acquaintances is the norm rather than the exception. However, fewer Kazakhs (57.1 percent) than Russians (70.1 percent) agreed with this. A difference is also observed between higher- and lower-income individuals and urban versus rural populations. Whereas 56.8 percent of respondents with higher income agreed with

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

the statement, only 36 percent of lower-income individuals did. With fewer job opportunities in rural areas, more than 50 percent of rural respondents agreed that finding a job through connections is the norm, but only 41.7 percent of the urban residents in Almaty, 36.9 percent in Astana, and 33 percent in Petropavlovsk agreed.[93]

Access to better-quality medical care and other scarce resources is not determined solely by a patient's level of income, but also by her affiliation with high-ranking government officials. People who work in the public sector or have connections with government officials are more likely to receive better medical services than those who do not have such connections. One of the interviewees who works in the *akimat* (regional or local government) said:

> I call someone who holds a high-ranked office such as a regional *akim*. He in turn calls the head of the regional healthcare department, who in turn calls the chief doctor of the hospital. The chief doctor organizes a meeting of medical personnel. After that, I am offered a VIP room in the hospital, and doctors and nurses provide special attention and care. Medicines, guaranteed through state medical assistance, are provided through *blat*. All the necessary medicines were available for me, but not to others. Poor ordinary people pay more to get quality medical assistance. One of our colleagues [from the *akimat*] could not receive placement in the hospital. Only after a phone call "from above" she was hospitalized.[94]

This comment indicates that a hierarchical structure exists in the healthcare sector, with a regional governor at the top of the pyramid. The upper- and lower-ranked officials are connected by dyadic patron-client relations through which commands run down the ladder and informal exchanges occur. The chief doctor is dependent for his position on the head of the healthcare department, and all medical workers in the hospital are dependent for their jobs on the chief doctor. The superior has the ability to grant material rewards and to hire or fire the subordinate staff. To secure their jobs and benefits, doctors and nurses provide higher-quality services to individuals who have affiliations with their superiors. In exchange for providing high-quality medical care to the government official's protégé, the chief doctor might, for instance, receive financial resources for a hospital, an increase in salary, or a favorable attitude, and thus remain in office. This shows that despite radical state retrenchment and "bringing back in" the commercialization of medicine of the 1990s, medical personnel remain highly bureaucratized and controlled by the state. Medical workers, being public employees, are highly dependent upon the state for their "jobs, income, and professional status" as well as pensions.[95]

Next, the stratification of medical care has become even deeper and more complex than it was in Soviet times. The divisions between levels of administration, health services (different ministries, open and closed), specialties (such as adult medicine and pediatrics), service types, and primary and

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

secondary care make the healthcare system inflexible and less accessible.[96] As empirical data show, the stratification into elite and mass health care reflects the gaps between rich and poor and between urban and rural dwellers. The fact that public health care is not free of charge, as it was in the Soviet Union, limits access for ordinary citizens to high-quality medical services. Access is largely determined by an individual's socioeconomic status, place of residence, and connections to healthcare workers. In addition, the quality of medical services at the mass level has deteriorated and become limited in the post-independence period. As a corollary, the stratification into elite health care and mass health care forces many people to look for access to better-quality medical services through informal connections and informal payments. In addition, *blat* is used not only to gain access to scarce public goods—high-quality medical assistance—but also to avoid official payments and receive medical care at the expense of the state.

CONCLUSION

As illustrated above, informal reciprocal exchanges continue to shape state-society relations in post-Soviet Kazakhstan. The low level of public goods provision creates strong incentives for citizens to find informal ways to access high-quality health care and other public goods and services. People make unofficial payments and use informal networks, including those with public employees, to find qualified doctors and gain access to high-quality medical services.

State retrenchment led to a sharp decline in public spending in the early 1990s. Cuts in public expenditures negatively affected the provision of medical services to the population. Although the government significantly increased its spending throughout the 2000s, these measures have not yet produced desirable outcomes. Based on the data collected in this study, it is evident that many people are not satisfied with the provision of medical care in public clinics and hospitals.

As this chapter shows, the system of informal reciprocal exchanges in post-Soviet Kazakhstan is at least partly a Soviet legacy. Exchanges are based on horizontal and vertical ties connecting family members, friends, and acquaintances. Citizens are actively involved in both monetary and non-monetary exchanges. Informal monetary exchanges, however, are far more prevalent today than they were in the Soviet period. In fact, informal monetary payments have become so widespread that they are perceived by citizens as a norm. This is largely determined by the shortages and limited access to high-quality public goods, including medical services, that existed in the Soviet era and remain so in the post-independence period. The gap between citizens' expectations and their experiences with public healthcare provision fosters their engagement in informal reciprocal exchanges.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

The effects of informal exchanges on state capacity and state-society relations are not straightforward and might have both negative and positive impacts. On the one hand, informal exchanges pervert state-society linkages when associates and "friends" occupy strategic positions in public office and control access to resources and services. Informal payments subvert the state's capacity to effectively distribute expenditures and collect taxes. They create pernicious incentives for providers to divert public resources from the population to a narrow group of clients. As a result, public accountability and state capacity can be undermined. As the analysis suggests, the primary source of help in Kazakhstan is not impartial state institutions but friends and relatives who occupy various positions in the state apparatus and public organizations. Informal reciprocal exchanges, therefore, breed corrupt practices and undermine the trust of the population in the government. All of this seems to have negative long-term consequences for the administrative capacity of the state, successful policy implementation, and state authorities trying to build closer and more trustworthy relations with the population. At the same time, informal reciprocal institutions help solve existential problems by providing many people, including marginalized groups, access to public resources. As people resort to informal reciprocal exchanges to gain access to scarce resources such as high-quality healthcare services, it is highly likely that informal institutions will continue to shape people's everyday interactions in post-Soviet Kazakhstan. The next chapter delves into informal exchanges in the education system of the Soviet era and post-Soviet period.

NOTES

1. From the "Program of the Soviet Communist Party of the Soviet Union," 1961, available at http://www.americandeception.com/index.php?action=downloadpdf&photo=PDFsml_AD2/Programme_of_The_Communist_Party_of_The_Soviet_Union-1961–128pgs-POL.sml.pdf&id=471, accessed May 10, 2013.
2. Ibid.
3. Ledeneva, *Russia's Economy of Favors*, 1.
4. In the Soviet Union, the territorial administration was divided into *oblast*, *rayon*, and village levels, and in some cases, cities.
5. Alonzo Yerby, "Medical Care in the Soviet Union," *Medical Care* 6, no. 4 (1968): 280.
6. Mark Field, "The Hybrid Profession: Soviet Medicine," in *Professions and the State: Expertise and Autonomy in the Soviet Union and Eastern Europe*, ed. Anthony Jones (Philadelphia, PA: Temple University Press, 1991).
7. Mark Field, "Noble Purpose, Grand Design, Flawed Execution, Mixed Results: Soviet Socialized Medicine after Seventy Years," *American Journal of Public Health* 80, no. 2 (1990): 144–45.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

8. Field, "The Hybrid Profession."

9. Mark Field, "Post-Communist Medicine: Morbidity, Mortality, and the Deteriorating Health Situation," in *The Social Legacy of Communism*, ed. James Millar and Sharon Wolchik (New York: Cambridge University Press, 1994).

10. Daniel Schultz and Michal Rafferty, "Soviet Health Care and Perestroika," *American Journal of Public Health* 80, no. 2 (1990): 193–97.

11. Cook, *Post-Communist Welfare States*; Field, "Post-Communist Medicine."

12. Field, "Post-Communist Medicine."

13. Schultz and Rafferty, "Soviet Health Care."

14. James Millar and Elizabeth Clayton, "Quality of Life: Subjective Measures of Relative

Satisfaction," in *Politics, Work, and Daily Life in the USSR: A Survey of Former Soviet Citizens*, ed. James Millar (New York: Cambridge University Press, 1987).

15. Cook, *Post-Communist Welfare States*, 34.

16. Ibid.

17. For comparison, in the United Kingdom the ratio was 13 physicians per 10,000 people; United States: 19 physicians per 10,000 people; and Sweden and Denmark: 24 physicians per 10,000 people.

18. Field, *Post-Communist Medicine*, 144.

19. Schultz and Rafferty, "Soviet Health Care and Perestroika."

20. Yevgenii Chazov was the minister of healthcare of the Soviet Union from 1987 to 1990. He also was the chief of the Fourth Directorate of the Soviet Ministry of Health and was in charge of the system of "closed" clinics and hospitals for Soviet leaders. Chazov was widely regarded to be responsible for the health of the Soviet leadership.

21. Judith Bernstein and Judith Shuval, "Emigrant Physicians Evaluate the Health Care System of the Soviet Union," *Medical Care* 32, no. 2: 141–49.

22. Ellen Cromley and Peter Craumer, "Physician Supply in the Soviet Union 1940–1985,"

Geographical Review 80, no. 2: 132–40.

23. Field, *Post-Communist Medicine*.

24. *Propiska* was a residency permit that allowed a person to live in a given place. Residing anywhere without a permit was prohibited in the Soviet Union.

25. Michael Rywkin, *Soviet Society Today* (New York: M. E. Sharpe, 1989), 106.

26. Field, *Post-Communist Medicine*; Schultz and Rafferty, "Soviet Health Care and Perestroika."

27. Christopher Davis, "The Organization and Performance of the Contemporary Soviet Healthcare System," in *State and Welfare, USA/USSR: Contemporary Policy and Practice*, ed. Gail Laipuds and Guy Swanson (Berkeley: University of California Press, 1988), 130.

28. Rywkin, *Soviet Society Today*, 107.

29. Schultz and Rafferty, *Soviet Health Care and Perestroika*.

30. Rywkin, *Soviet Society Today*.

31. Shlapentokh, *Public and Private Life*.

32. Konstantin Simis, *USSR: The Corrupt Society: The Secret World of Soviet Capitalism* (New York: Simon & Schuster, 1982), 223.

33. Personal communication with the author, November 17, 2014.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

34. Rywkin, *Soviet Society Today*, 108.

35. N = 2,793.

36. Maksut Kulzhanov and Bernd Rechel, “Kazakhstan: Health System Review,” *Health Systems in Transition* 9, no. 7 (2007).

37. Cook, *Post-Communist Welfare States*; Kulzhanov and Rechel, “Kazakhstan: Health System.”

38. Kulzhanov and Rechel, “Kazakhstan: Health System.”

39. Katsaga et al., “Kazakhstan: Health System Review,” 135.

40. Katsaga et al., “Kazakhstan Health System Review,” 135.

41. Katstaga et al., “Kazakhstan Health System Review.”

42. Code of the Republic of Kazakhstan No. 193-IV of September 18, 2009, on People’s Health and Healthcare System (as amended up to Law of the Republic of Kazakhstan No. 159-V of January 13, 2014), available at http://www.wipo.int/wipolex/en/text.jsp?file_id=404725, accessed April 18, 2018.

43. Kulzhanov and Rechel, “Kazakhstan: Health System.”

44. Author’s interview with Erlan Erimbetov, November21, 2011, Almaty, Kazakhstan.

45. Quoted in Igor Khen, “Dosym Satpaev: Voznikaet Oshchushchenie, chto Kazakhstan, Formalno Yavlyayas’ Unitarnym Gosudarstvom, Napominaet Federatsiu,” *Vremya*, April 12, 2013, available at http://www.centrasia.ru/newsA.php?st=1365789060, accessed April 15, 2013.

46. Po proektu 100 shkol 100 bolnits postroen 71 jb’ekt zdravookhranienia [According to the project “100 schools, 100 hospitals,” 71 medical facilities were built], available at https://forbes.kz/news/2014/03/13/newsid_53369, accessed April 18, 2018.

47. About 150 children had been infected with HIV via tainted blood transfusions at public hospitals in Shymkent in 2006.

48. Saule Emrich-Bakenova, “Trajectory of Civil Service Development in Kazakhstan: Nexus of Politics and Administration,” *Governance: An International Journal of Policy, Administration, and Institutions* 22, no. 4): 717–45.

49. Author’s interview with a representative from the Soros Foundation, Kazakhstan, November, 2011.

50. A *sovkhoz* was a state-owned farm that paid wages to workers in the former Soviet Union.

51. *Pripiski* is the misrepresentation of reported data by the falsification of figures upward (by adding virtual volumes, rates, and values).

52. Vasilii Katkov, “Propisnye Istiny. Strasti po Proshlogodnemu Kaz Urozhau, Net Very Otchetam iz Regionov [Basic truths. Passions on last harvest. No trust to reports from regions], *Liter*, January 9, 2013.

53. Nurlan Erimbetov, “U Nashih Chinovnikov davno Gotovy Zapasnye Aerodromy,” *Svoboda Slova* (March 2010): 6.

54. Kulzhanov and Rechel, “Kazakhstan: Health System”; International Crisis Group, *Central Asia*.

55. The level of per capita funding, for instance, ranged from KZT 3,500 (US$23.30) in the Almaty region to KZT 10,400 (US$69.30) in the Mangistau *oblast*. Author’s interview with Erlan Erimbetov, November 21, 2011, Almaty, Kazakhstan.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

56. Bardhan, "Decentralization"; Melani Cammett and Lauren MacLean, "Introduction: Political Consequences of Non-State Social Welfare in the Global South," *Studies on Comparative International Development* 46 (2011): 1–21.

57. Cook, *Post-Communist Welfare States*, 48.

58. Cook, "Negotiating Welfare."

59. It has been estimated that only 37.5 percent of rural organizations had medical equipment; Katsaga et al., "Kazakhstan: Health System Review."

60. Katsaga et al., "Kazakhstan: Health System Review."

61. Katsaga et al., "Kazakhstan: Health System Review," 150.

62. Author's survey, 2011, Kazakhstan; N = 400.

63. Survey conducted in 2013; N = 698.

64. "Sustene zdraviikhranenia nuzhny reform, no ne radi proformy" [The system of healthcare needs reforms but not for formality], https://camonitor.kz/16516-sisteme-zdravoohraneniya-nuzhny-reformy-no-ne-radi-proformy, accessed, March 3, 2017.

65. Martin McKee, Judith Healy, and Jane Falkingham, *Healthcare in Central Asia* (Buckingham, UK: Open University Press, 2002), http://www.euro.who.int/__data/assets/pdf_file/0007/98386/E74484.pdf, accessed January 31, 2015.

66. Katsaga et al., "Kazakhstan: Health System Review."

67. Author's interview (anonymous), Kazakhstan, 2011.

68. This means that one doctor fulfills the functions of two different medical specialists. For instance, a therapist can also be an endocrinologist. Author's interview with a teacher (anonymous) in the North Kazakhstan region, August 2011.

69. Author's survey, 2011, Kazakhstan; N = 300.

70. K. Geiger and A. Inkeles, "The Family in the USSR," *Marriage and Family Living*: 397–404, 1954.

71. Author's interview (anonymous), Petropavlovsk, 2011.

72. See, for instance, Schatz, *Modern Clan Politics*; Michele Commercio, *Russian Minority Politics in Post-Soviet Latvia and Kyrgyzstan: The Transformative Power of Informal Networks* (Philadelphia: University of Pennsylvania Press, 2010).

73. Linda Cook (2014), analyzing the origins and consequences of non-state provision in the Russian healthcare system, claimed that "informal brokers" spontaneously emerged in the Russian healthcare system in the first decade after the collapse of the Soviet welfare state. They included employees of the state and medical professionals who used their control over facilities and their skills to provide or prevent citizens' access to medical care. According to Cook, their informal brokerage role was developed spontaneously as a response to the historical-institutional context of the post-Soviet transition.

74. "Bakhyt Tumenova, Operatsia 'kvota.' Kto I na Kakih Usloviah Mozhet Rasschityvat na Lechenie za Granitsei za Schet Byudzheta?" [The "mission" quota spot. Who and under what conditions can count on medical treatment abroad at the expense of state budget?], available at http://www.zakon.kz/188767-operacija-kvota.-kto-i-na-kakikh.html, accessed June 25, 2012; Erlan Smailov, "Sistema Meditsinskih Kvot na Lechenie: Problemy i Reshenia" [The system of medical quota spots for treatment: Problems and solutions], available at http://www.ipr.kz/kipr/3/1/90, accessed January 20, 2013.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

75. Budget organizations are state enterprises and organizations dependent on public financing.

76. Author's interview (anonymous), Astana, 2011.

77. Author's interview (anonymous), Almaty region, October 2011.

78. Author's interview with a nurse, September 2011.

79. Agency on Statistics of the Republic of Kazakhstan, available at www.eng.state.kz/digital/Education?Pages/default.aspx.

80. Cook, *Post-Communist Welfare States*.

81. Katsaga et al., "Kazakhstan: Health System Review," 56.

82. Author's interview with Aigul, Sergeevka town, North Kazakhstan region, August 2011.

83. Author's survey, 2013, Kazakhstan; N = 700.

84. Author's interview with a doctor, North Kazakhstan, 2011.

85. E. Richardson, "Health Financing," in *Trends in Health Systems in the Former Soviet Countries*, ed. B. Rechel, Erica Richardson, and Martin McKee, available at http://www.euro.who.int/__data/assets/pdf_file/0019/261271/Trends-in-health-systems-in-the-former-Soviet-countries.pdf.

86. Peter Gaál, Melitta Jakab, and Sergey Shishkin, "Strategies to Address Informal Payments for Health Care," in *Implementing Health Financing Reform: Lessons from Countries in Transition*, ed. Joseph Kutzin, Cheryl Cashin, and Melitta Jakab (Brussels: European Observatory on Health Systems and Policies, 2010).

87. Richardson, "Health Financing."

88. Mira Mustafina, "V Almaty sostoyalsya pervyi forum chastnyh meditsinskih organizatsii Kazakhstana" (February 13, 2013), available at https://www.zakon.kz/4540878-v-almaty-sostojalsja-pervyjj-forum.html, accessed April 19, 2018.

89. Author's interview with Aigul, Sergeevka town, North Kazakhstan, August 2011.

90. Author's interview with Dmitrii, Astana, September 2011.

91. Ledeneva, "Informal Networks," 88.

92. Personal communication with the author, November 2014.

93. Author's survey, Kazakhstan, 2011.

94. Author's interview (anonymous), September, Petropavlovsk, 2011.

95. See Walder, "Communist Neo-Traditionalism," on the economic, political, and personal dependency of workers from state enterprises in China.

96. Judith Healy, "The Health Care Workforce," in *Healthcare in Central Asia*, ed. Martin McKee, Judith Healy, and Jane Falkingham (Buckingham, UK: Open University Press, 2002), available at http://www.euro.who.int/__data/assets/pdf_file/0007/98386/E74484.pdf, accessed January 31, 2015.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Chapter Four

Informal Payments and Connections in the Education System

The development of the education system in the Soviet Union can be divided into several stages. The first stage (1920s–1930s) included the liquidation of illiteracy and the introduction of mandatory primary education. The second stage (1950s–1960s) was characterized by the implementation of mandatory tertiary education. And the third phase (1970s) comprised the population's completion of secondary education.[1] The liquidation of illiteracy and education of the population was one of the important goals of Soviet leadership. In 1932 the Central Executive Committee of the Kazakh Autonomous Republic adopted a decree on the education of the illiterate population from fifteen to fifty years old. One of the achievements of the Soviet power in Kazakhstan was the elimination of illiteracy and introduction of mandatory secondary education. If in 1920 only 14.4 percent of the population was literate, by 1970 almost all citizens received either tertiary or secondary education.[2] Higher education was also developing rapidly in Kazakhstan. In the late 1980s, there were 55 universities with 274,000 students,[3] 244 vocational schools, and 474 professional-technical schools.[4] The rate of students was 166 per 10,000 people, which was higher than in other Union republics of Middle Asia but lower of the Soviet Union level.

ADMINISTRATION OF EDUCATION IN THE SOVIET UNION

The education system in the Soviet Union was highly centralized. Each republic, including the Kazakh Soviet Socialist Republic (KazSSR), had a Ministry of Education that was largely dependent on directives from Moscow. Top-level administrators could occupy several positions simultaneously. The nucleus of the administration consisted of the Ministry of Education,

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

the Ministry of Higher and Specialized Secondary Education, the Academy of Pedagogical Sciences, and the Committee of Vocational and Technical Education, which held enormous bureaucratic power. The high level of centralization in the administration also implied rigidity of curriculum and educational planning. The Union republics could not decide on the number of hours for teaching native language or literature, or on the number of pages for scholarly journals. The head of the Institute of Philosophy, Law and Sociology of Lithuania noted, "The all Union Ministries named 'all-powerful empires' do not take into consideration neither the opinions of the republican Ministries, nor the interests of the local population."[5] One of the education administrators from Ukraine also said, "Since 1975 the Union Republics have not been allowed to issue textbooks and manuals on social sciences on their own. These could only be published by Moscow's '*Politizdat*' publishers. Social scientists almost ceased their work on new textbooks and manuals."[6]

During the perestroika period, more educational administrators and practitioners defended the idea of autonomy for their universities. In 1988 the rector of Moscow State University, Anatoly Alexeyevich Logunov said, "The main principle is self-management. We should take into account the experience of foreign Universities that have a very extensive autonomy."[7] The suggestion was to replace the policy of directives with a new model that would create favorable conditions for the development of education.[8] There was increasing pressure from the Union republics to gain independence in curriculum development, educational planning, and policy decisions. Despite the official rhetoric during the late 1980s to decentralize and grant more administrative powers at the republican level, no decentralization took place on the ground. In contrast, the all-Union Committee on Public Education was formed to be in charge of education policy. In 1989, the administrative management of the higher education system based on directives of the party and government—as well as control and support of uniformity in methods and content of education—which had existed since the 1930s was preserved.

One of the big problems in Soviet education was poor technical and material equipment. "Many secondary and vocational schools, technical schools and higher education institutions are over-packed and their facilities are not suitable for studying. It raises mass concerns and appeals of the population to the Central Committee."[9] In schools, students had not seen computers, although they received grades on informatics. Even the flagship of Soviet education—Moscow State University—had only a few computers in 1988. A. Logunov stated, "We are much behind of the leading western Universities on many disciplines, for instance, computer sciences. . . . We have 900 Universities in the country. We bred so many of them that we cannot raise their level simultaneously even if we would have had resources."[10]

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

The allocation of resources for education was not equal across Union republics. Officially, the Ministry of Education provided republics with equal quantities of resources, but in reality schools in Central Asia and the Caucasus received fewer resources than those in Russia and the Baltic republics. According to Mikk Titma and Ellu Saar, vocational schools, which were more costly than general education schools, were established mostly in industrial centers of the Slavic republics. There were only a few of them in Central Asia. "Less developed regions were just neglected, and most of the achievements in those republics were made only on paper."[11] Similarly, salaries for teachers varied from one republic to another. If in a Kazakh secondary school the salary of a teacher was 156.1 rubles, in the Soviet Union, on average, it was about 171.4 rubles.[12] However, despite these shortages, one of the interviewees recalling the Soviet period said,

> There was adequate state financing of education. For instance, Almaty Medical University had a developed curriculum; we had a four-storied building, laboratories, clinical base. . . . I do not think that we were in a disadvantaged position [compared to other universities of the Soviet Union]. Of course, Moscow universities were leading and more prestigious in terms of scientific contribution and the number of professors. However, universities in Kazakhstan were not bad either. In the Architecture Institute, students could get internship in other republics—the Baltic Republics or Leningrad.[13]

QUANTITY AND QUALITY OF EDUCATION IN THE SOVIET ERA

Despite remarkable achievements made by Soviet authorities in the sphere of education, the educational system suffered from a number of drawbacks in the late 1980s. Poor quality of education was one of the primary concerns of Soviet leadership. A statement from the Plenum of the Central Committee of the Communist Party of the Soviet Union (CPSU) read, "The goal of

Table 4.1. Number of higher education institutions and students ratio

1987/1988	*Number of institutions*	*Number of students*
Kazakh SSR	55	274,000
Uzbek SSR	43	300,000
Tajik SSR	10	56,400
Turkmen SSR	9	40,200
Kyrgyz SSR	10	57,500

Source: Aia Saveljeva, V. M. Zuev, and A. I. Galagan, "Vysshee Obrazovanie v SSSR." (Moskva: Vysshaya Shkola, 1990).

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

the conducted reforms is to provide new quality of education and upbringing of the youth, to prepare a qualified personnel."[14] To evaluate students' level of knowledge, a state test was conducted among 27,000 freshmen students. The results of the test were not encouraging: 25 percent of higher education students and 46 percent of vocational school students failed the test. In the report "on the course of perestroika in secondary and higher education and tasks of the party on its implementation," Egor Ligachev, the first secretary of the Central Committee of the CPSU, said, "Quality of education should be a priority. Now this criterion is on the background. . . . In the Ivanovo Engineering and Construction Institute, more than 70 percent of students failed the test on math."[15]

Except for Kazakhstan, Central Asian republics occupied the lowest ranks in the formal educational system within the Soviet Union in the first half of the twentieth century.[16] One journalist noted that among university graduates of the Turkmen SSR,

> Rural schools stir a particular concern. Grades are given not for the knowledge but for obedience. Students from rural schools cannot confirm their knowledge even as satisfactory. Many graduates of Universities do not have adequate preparation. . . . For instance, teachers of the Russian language who graduated from the Charddjou University named after Lenin, can make 20–30 mistakes on one page.[17]

Rural schools were in a particularly disadvantaged situation compared to schools in urban areas. Poor quality of primary and secondary education appeared to be a major factor in the urban-rural divide. The majority of rural schools were ungraded—that is, "schools with a small number of students, combined classes and a specific form of class organization."[18] These schools lacked teachers and methodological materials and offered a limited number of courses. For instance, teachers had to teach various subjects even if they were not qualified to do so. As one of the interviewees noted, "One teacher cannot teach several classes . . . it is impossible."[19] As a result, students at ungraded schools had lower levels of knowledge and fewer opportunities than students from full schools.

Poor knowledge among schoolchildren and university graduates was a direct consequence of low-quality training and weakness in higher educational institutions that experienced a shortage of personnel with doctoral degrees. "During the last 20 years 154 new Higher education institutions were opened; however, 44 have only one or two meaningful professors or doctors of sciences, while 8 universities have none. What kind of quality education we can talk about?"[20] There were instances in which local authorities opened new universities lacking basic technical and material resources or professional teaching personnel. This happened in Djezkazgan, a regional city of Kazakhstan.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

The educational system of the Soviet Union suffered from a shortage of schools and poor facilities. A letter to the Central Committee of the CPSU said, "The School in Ufa was built on marsh in 1939. The walls are soaked with humidity and get frozen in winter. Windows and doors are warped and cannot be shut. The school was built for 320 students but there are 850."[21] According to the data, 21 percent of students studied in buildings without a central heating system, 30 percent without running water, and 40 percent in schools without a sewage system. Gennady Yagodin, the chairperson of the All-Union Committee on Public Education, said, "One fourth of children attend schools operating in two shifts, some of them in three shifts. . . . There has been virtually no increase in the percentage of national income spent on public education in the past few years."[22]

These problems were particularly intrinsic to the Central Asian republics that had the least-developed school infrastructures. In a letter from Chimkent to the all-Union newspaper *Uchitelskaya Gazeta*, K. Gube wrote,

> Our school is 20 years old. Furniture is of the same age. We repair it every month. What about new furniture? It falls apart in a half a year. I do not even want to raise the issue of equipment; we work on the ancient one. . . . The ceiling is leaking, the floor swelled and paint peeled. Believe me, to work in those conditions is a hell.[23]

In Kazakhstan, 4,470 schools operated on two shifts, and 67 schools were run on three shifts, which means that every third pupil studied in the second or third shift during the 1989–1990 academic year. In total, 31.4 percent, or 953,000 children, attended schools with two or three shifts, which was higher than the average number in the Soviet Union (22.7 percent).[24] Although Kazakhstan had the lowest percentage of students attending two- and three-shift schools compared to Tajikistan (38 percent), Turkmenistan (32.9 percent), and Kyrgyzstan (39 percent), the percentage was still higher than in the Russian Federation (22 percent), Ukraine (14.8 percent), and Lithuania (12.6 percent).[25]

In addition to poor facilities, a lack of university-educated teachers was also a big concern for Soviet leadership. By 1990 there were about 246,800 teachers in Kazakhstan. The statistics show that in 1989–1990, 69.4 percent of teachers had a university education, 4.2 percent had incomplete higher education, and 22.2 percent had a pedagogical vocational education.[26] The workload of teachers was heavy. On average, a teacher had to work more than fifty-five hours per week.[27] This, in turn, decreased their productivity and quality of teaching. Hence, in the 1980s, the Soviet educational system faced a number of important challenges. Leadership initiated educational reforms to address these problems.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

REFORMS TO THE EDUCATION SYSTEM IN THE 1980s

At the plenum of the Central Committee of the CPSU, Egor Ligachev said, "There is clear understanding that without serious change in the system of education and without the turn of the entire society to the existing problems, we will not be able to move further."[28] During the educational reforms of the late 1980s, Soviet leadership intended to introduce compulsory secondary education and technical re-equipment of secondary and higher education; conduct unified state educational policy; and replace the command method of management with a more democratic one. However, many of these intentions remained on paper and were either partially realized or not implemented at all.

The 1984 guidelines specified the measures that had to be taken to reorganize and improve the educational system. One of the reforms was to replace a ten-year school education with eleven-year secondary education. It was also stipulated that incomplete secondary school would last nine years instead of eight. The reforms implied that schoolchildren from grades one to four had to learn the basic skills of reading, writing, and arithmetic, as well as fundamental work habits. Students from grades five through nine were supposed to gain an understanding of all subjects taught and receive a professional orientation. Finally, in the last two grades (ten and eleven), students had to concentrate on advanced general education in all subjects and vocational preparation.[29]

Despite declarations and efforts to conduct educational reforms, many measures were slowly implemented or not realized at all. The Union Republics of Central Asia did not succeed in the implementation of school reforms. In 1989, a survey was conducted to evaluate the level of satisfaction with reforms among senior school students, parents, and teachers in Kazakhstan. In response to the question "What are your attitudes toward the changes?," 49.6 percent of students, 57.2 percent of teachers, and 55.9 percent of parents said that they are inadequate.[30] As the numbers show, more than half of respondents were unsatisfied with reforms conducted in their schools. Poor work from teachers was named by 31.6 percent of students, 29.6 percent of teachers, and 59.8 percent of parents as one of the reasons for slow reforms; 51 percent of teachers said that the bureaucratic system of management impeded reforms. More than half of respondents (58 percent of teachers and 67.7 percent of senior students) thought that "the improvement of technical equipment of schools can increase school performance"; 30.6 percent of students and 50.3 percent of parents believed that improvement in teachers' preparation and quality of teaching could lead to better school performance.

Some changes also took place in higher education. During the perestroika period, the attestation of higher educational institutions was introduced, and

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

control over students' admission to universities became much tighter. As Peregudov noted, "The only criterion for admission became the knowledge of students. As a result, the competition among those who applied had increased and the level of preparation among students also improved."[31] Soviet authorities sought to cease the use of informal connections, telephone right, and other *blat* practices as the main channels through which students could enter a university. Those informal practices, however, had very deep roots and could not be exterminated quickly. Access to prestigious Soviet schools and universities was often defined by one's connections and *blat*.

ACCESS TO EDUCATION AND INFORMALITY

The Soviet schooling system was described as "the strongest educational system in the world," "fundamental," having "stood the test of time," and "even in its weakened state, second to none."[32] Article 45 of the Constitution of the USSR states,

> This right is ensured by free provision of all forms of education, by the institution of universal, compulsory secondary education, and broad development of vocational, specialized secondary and higher education . . . ; by the provision of state scholarships and grants and privileges for students; by free issue of school textbooks; by opportunity to attend a school where teaching is in the native language; by the provision of facilities for self-education.[33]

The Constitution guaranteed no privileges or restrictions for admission to educational institutions based on nationality, race, gender, or social status. Parents had the right to choose the language of instruction for their children according to their preferences.

Despite the declarations of the Soviet Constitution, access to education, particularly to universities, was not equal in the Soviet Union. The Soviet regime promoted the ideology of equal access, but "pursued it only fitfully."[34] There was significant differentiation across Union republics, as well as within the republics between rural and urban areas. Although family social status was important for accessing quality education in many countries, it was particularly crucial in the Soviet Union, where access to higher education was determined by family connections and place of residence. Rural residency significantly decreased opportunities to attain a university education. In part, it was due to lower-quality secondary education; but it was also because the Soviet "urban intelligentsia was in many ways a self-generating elite."[35]

Various surveys conducted during the Soviet period of the 1970s revealed the selective role of educational institutions. Children from the intelligentsia

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

stratum had better knowledge and performed better at entrance examinations than children from lower classes. Inequality of educational opportunities was evident among senior students of secondary schools. Studies showed that children from better-off families not only received higher grades on tests but also were more likely to enter higher education institutions than children from lower-status families. A survey conducted among Leningrad schoolchildren demonstrated that a child's chance to complete secondary education increased with parents' socioeconomic status.[36]

Access to higher education institutions became particularly difficult in the 1970s and 1980s. Nikita Khrushchev, the first secretary of the CPSU, noted, "The one who has influential Mom or Dad can get into the VUZ [higher education establishment] rather the one who is well prepared. . . . It is not rare that the one who is not worthy enters Universities, those who know people working in the VUZ and making decisions on who can be accepted."[37] Despite the impressive growth of universities and facilities, only a minority of young people could enter higher educational institutions. While the quantity of school graduates increased, the number of places in universities remained the same. Because of the scarcity of places, *blat* and nepotism flourished in selecting students to attend prestigious universities. Parents with connections could easily accommodate their children.[38] Making telephone calls was a common practice for getting young people admitted to higher education institutions and appointing them to various prestigious positions. The Moscow Institute of International Relations, which trained future diplomats, was notorious for admitting children of the Soviet political elite who largely were officials of the Ministry of Foreign Affairs.[39] Moscow State University also was among the most prestigious and hardly accessible universities for the majority of young people. Many KGB officers' children entered the university annually. One KGB colonel complained that during the 1980s there was a queue in the central apparatus of the KGB to enter the university through *blat*. The colonel said, "I was rejected two years in a row. I picked up my courage and decided to meet with the Chairman—Chebrikov.[40] He looked severe but was a kind man. He listened to me and then called Bobkov[41] and my daughter was admitted to the University."[42]

Blat and nepotism were also features of the Central Asian Union republics and the Caucasus. The role of kinship ties to gain access to a university was especially important. For instance, in 1986 after the Gorbachev purge, it was reported that 194 professors and students in the Fergana Pedagogical Institute were somehow related to each other. The vanguard role played by the Caucasian and Central Asian republics in the nation's unofficial life is accountable primarily by the fact that people there had developed strong kinship ties among people belonging to the same tribe or coming to the city from the same

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

village.[43] In 1975 it was said that no one could even submit their application to the Frunze Institute of Arts without a bribe of 400 to 600 rubles.[44]

Blat and connections were important not only when graduates entered universities but also during the redistribution of job placements among university graduates. It was a prerogative of higher education institutions to distribute jobs among graduates. When a university received job vacancies, the Commission for Personnel Distribution was set up. It was composed of "the rector or pro-rector, the dean of the faculty, or faculties concerned, and representatives of the MinVUZ, the recipient ministries and administrations, the *Komsomol* [Soviet youth organization] and trades union organizations."[45] The commission usually met several months before graduation and examined students' academic progress, family situation, participation in social activities, and health. The commission also held interviews with prospective graduates and recommended them for one or more jobs that were available. It also could consider requests from prospective graduates and release them from obligatory placement for various reasons. However, job placement was rather obligatory, and it was not easy to avoid it, particularly if one did not have connections. At the same time, students with connections could receive better placement and avoid going to work in a rural area or another republic. One Soviet citizen recollected,

> As far as the job placement is concerned, it was a scary moment. Those who had necessary connections could bring documents from an organization claiming that "We hire this person." And she received so-called free job placement. Those who did not have such opportunities . . . were sent to places where it was necessary.[46]

Thus the more prestigious and desirable jobs were highly contested, and competing parties exerted unofficial pressures on the commission. At the All-Union Congress of the Workers of People's Education, one of the delegates was concerned about social justice. He said, "Beginning from admission to job placement, those students have advantages that have someone behind them. Those who know whom and how to approach benefit more."[47] The gap between students with *blat* and those who did not have it was evident during the Soviet period. At the same time, it was emphasized that there were fewer negative sides to Soviet education than there are in contemporary post-Soviet Kazakhstan's education. One of the interviewees noted,

> There were no negative sides if to compare with today's system. I did not encounter with corruption, there was no "buying" grades. I did not use *blat* . . . *blat* existed in schools. I studied in a *rayon* school; we had a very good physicist who prepared students for the best Moscow universities.[48]

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Some interviewees recognized that there was social mobility in the Soviet period and that young people from rural areas could enter universities.

> In the Soviet time, there were slots in universities for the young people from rural areas; the passing score for rural residents was lower. For instance, for people from urban areas it was nineteen points and for rural it was sixteen points. In each group there were people from villages. In our group there were four out of eleven people from a rural area. There were slots for those who served in the army and who already worked.[49]

During the Gorbachev period a number of articles were published in the all-Union level newspapers exposing the situation with *blat* and nepotism in Central Asia and the Caucasus. One of the articles, titled "About Old Connections," in the newspaper *Pravda* dealt with the role of *blat* in Kazakhstan. It condemned the first secretary of the district committee of the party, M. Abakanov, who was excluded from the party because of "the poor management of personnel and the party that led to padding, servility, and embezzlement." M. Abakanov was also criticized because his son received placement in a university as a result of falsified documentation, and his daughter obtained inflated grades on her certificate for secondary education.[50] *Pravda* was a very influential newspaper, and publication of an article with such accusations would have big implications for everyone involved in a scandal. Readers of the newspaper from Kazakhstan sent comments on the article explaining why informal connections and nepotism flourished in the country. "Do you know why these old connections are so vibrant? Their roots should be found not at the bottom but at the upper level. If we are talking about perestroika in our republic, then it should affect all levels including the party from the primary to central committees." Another comment was from R. Aibekov, who wrote, "The article 'Old Connections' is just in time. It shed light on a very sensitive issue. Protectionism, nepotism (*kumovstvo*), and tribal conflicts bring huge damage to things. It should be discussed openly. The more there will be *glasnost* in the fight against such an ugly phenomenon, the faster it disappears."[51] An article published a year later (1987) in *Pravda* continued the discussion of *blat* in Kazakhstan. It accused the education system in the republic of corruption and kin-based relations. "They introduced the practice of personnel recruitment and admission to VUZ based on kinship and regionalism. Thus, for many years, students of the journalism and law departments of the KazGU [Kazakh State University] were mostly from the southern regions of the republic. The Russian section of the journalism department was composed of people coming mostly from Alma-Ata. The same situation existed in other VUZ."[52]

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

The Academy of Sciences was an institution that was not easy to get into. To become a member of the Academy of Sciences, you were supposed to have powerful connections and protectors or “belong to mafia.” A reader of the *Literaturnaya Gazeta* wrote,

> There are many various mafias in Kyrgyzstan—tribal, regional, or adilovskaya’—exist. The mafia became entrenched during the stagnation years. It is necessary to decentralize science. . . . Strong centralization generated such phenomenon as the division of science into capital (*stolichnuyu*) and provincial.[53]

There were cases in which people defended dissertations based on falsified data, as was the case with Zh. Zhambakin. When the Higher Attestation Commission (VAK) of the Soviet Union did not accept his dissertation, he was able to retain his position as a director of the research institute due to his connections.

Party membership, connections, and *blat* were important for job promotion in the Soviet era. In a survey conducted among immigrants from the Soviet Union, respondents were asked what factors contributed to promotion where they worked. Respondents had to choose between merit factors such as higher education, expertise, talent, and good work, and non-merit factors including party membership, connections, good relations with their boss, and being the right nationality. Fifty-eight percent of those who occupied high-ranking positions and supervised more than twenty-five subordinates named party membership and connections as the most important factors for job advancement. Only 39 percent of respondents believed that merit was the most important factor.[54]

During the Soviet period, connections and *blat* also played an important role in entering universities, getting into a prestigious specialized school, or receiving a job placement in a large city. Bribery was also present, but it was quite limited and existed mostly in higher education. In the next section, I will focus on the educational system and informal exchanges in post-independence Kazakhstan.

EDUCATION IN KAZAKHSTAN

The education system in Kazakhstan has undergone numerous reforms since the breakup of the Soviet Union. One of the important tasks for Kazakhstan in the 1990s was to break away from the rigid, highly centralized Soviet system of education and create its own educational structure based on decentralization, a new national curriculum, and new management. There were three stages of educational reforms in the 1990s. The first stage (1991–1993)

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

included mainly the formulation of legislation for the education sector. The second stage (1994–1996) focused on the conceptual revision of the content of education as well as the introduction of new textbooks and computers in schools. The third stage (1997–2000) dealt with the introduction of the Kazakh language as the primary language of instruction and reconsideration of the curriculum of the humanities, particularly with a focus on history narratives.[55]

The current agenda of education reforms is based on a number of documents, including two state programs on education development adopted in 2010 and 2016. "The State Program of Education Development for 2011–2020" was approved by a presidential decree on December 7, 2010. The program identifies problems in the education system, defines future priorities, and suggests possible solutions. It states that by 2020 Kazakhstan should become "an educated country with a smart economy and highly qualified labor force."[56] The 2016 program identifies some achievements that were made from 2011 to 2016. It particularly states that 521 new schools were built, which reduced the percentage of schools requiring complete renovation to 1 percent and schools operating on three shifts to 1.2 percent (see table 4.2).[57] The government also launched the construction of thirty-four new schools in 2015. The agenda of education reforms includes the extension of secondary education to twelve years, the introduction of trilingual education (Russian, Kazakh, and English) and e-learning, and expansion of the preschool provision. These novelties have been taking place in experimental schools called Nazarbaev Intellectual Schools (NIS). The introduction of new experiences into mainstream education would require significant restructuring of the curriculum.[58]

In higher education, market reforms and liberalization have led to the emergence of private universities. If in 1991 there were 55 universities, by 2001 the number of universities had increased to 182. This in turn generated a higher enrollment rate among students. For instance, in the 2006–2007 academic year there were 768,442 students in Kazakhstan. Today there are 126 educational institutions in Kazakhstan and 459,369 students.[59] Despite considerable changes in the education sector in the post-Soviet period, the implementation of new policies and practices has been quite slow. One of the existing problems in the education sector is decreased state support and limited human and financial resources.

STATE RETRENCHMENT AND DECENTRALIZATION OF THE EDUCATION SECTOR

As in the healthcare system, public spending for education decreased dramatically, particularly from 1990 to 2003. In 1990 the government spent 9

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table 4.2. Number of schools and students for the 2006–2016 period

Year	*2006/ 2007*	*2007/ 2008*	*2008/ 2009*	*2009/ 2010*	*2010/ 2011*	*2011/ 2012*	*2012/ 2013*	*2013/ 2014*	*2014/ 2015*	*2015/ 2016*
Schools	2,716	2,627	2,562	2,534	2,531	2,523	2,534	2,582	2,685	2,795
Students	8,055	7,958	7,859	7,811	7,755	7,706	7,636	7,561	7,562	7,511

Source: Agency on Statistics of the RK, accessed October 10, 2016.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

percent of GDP on education; by 1994 this share decreased more than three times, and in 2004 it was 3.4 percent.[60] In 2014, public spending on education was only about 2.9 percent of the country's GDP, which is low compared with other countries.[61] The Organization for Economic Co-operation and Development (OECD) report states:

> Kazakhstan underinvests in education in comparison with other countries with similar income. The lack of adequate resources is reflected at a range of levels such as low enrolment rates in pre-primary education; poorly remunerated teachers; overcrowded urban schools; and poorly equipped small-class schools.[62]

The primary recommendation of the OECD and the World Bank was "to raise the proportion of public spending for education in GDP" in Kazakhstan.[63] Despite the recommendation, the allocation of public expenditures on education is still low and does not correspond to world standards, which is 6–7% of GDP.

A sharp decline in expenditures has led to the deterioration of facilities and a shortage of schools and classrooms.[64] In the 1990s, "there was virtually no new construction and little maintenance of educational facilities and equipment."[65] By 2000, 30 percent of all schools required major renovations. This number has decreased, and in 2016 only sixty-nine schools required complete renovation.[66] The state program on education development adopted in 2016 stated that school infrastructure was in critical condition and required primary attention on the part of the government: "37.4% of schools do not have access to drinkable water and every fifth school lacks either a dining room or canteen," and "26.4% of schools do not have gyms."[67]

Due to lack of investment, it was estimated that between 1991 and 2001, the number of schools dropped from 8,387 to 8,309. At the same time, due to the demographic growth, the enrollment of schoolchildren grew from 3,145,600 to 3,247,400, respectively.[68] The number of schools continued to decrease in the next decade, and at present there are 7,511 secondary schools in Kazakhstan. The shortage of school facilities has resulted in oversized classes. There might be forty to forty-six children in a first-grade class, while a standard class size is twenty to twenty-five people. Because of a shortage of schools, classrooms, and human resources, children have to study in two or three shifts. This problem has been inherited from the Soviet era but has not been resolved yet. Overall, in the 1990s more than 50 percent of schools functioned on two or three shifts.[69] In 2016, eighty-six schools operated on three shifts with 11,200 children.[70] In order to solve the problem of the shortage of schools—particularly in the Almaty and South Kazakhstan regions, the most densely populated areas in Kazakhstan—ten to fifteen schools would

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

need to be built every year. The government would have to spend 40 billion tenge or US$130 million to get rid of schools operating on three shifts.[71] One interviewee said,

> The state supports schools. A school has enough money to stay afloat but no means for development and innovation or opening a new program. We have never exceeded 4 percent of GDP allocated for education. We do not satisfy the UNESCO requirements. The development starts from 6 percent of GDP and higher for education. Our schools are not poor but they do not have enough money to develop.[72]

In addition to state retrenchment, the education system also experienced fiscal decentralization. Regional and local departments of education acquired more flexibility and partial fiscal independence from the central government. In 1992 the Ministry of Education was established as the chief institution to implement state policies. It has been responsible for budgeting and planning and for providing guidelines and standards. However, due to the lack of adequate financing and frequent changes in leadership, the Ministry of Education was not able to control school bureaucrats at the regional level. The decentralization of the school administration began in 1995, but because of poor legal frameworks and a shortage of qualified administrators at the regional level, the process was stalled.[73]

Fiscal decentralization included partial devolution of fiscal responsibilities to the regional and local administrations. The local budgets eventually led to underfunding of the education sector across regions and variations in education budgets. As Kissane noted, “Though more developed in terms of educational institutions and policy, Kazakhstan and Kyrgyzstan have both retreated in providing adequate support for basic education and a growing level of socioeconomic stratification is evident within the population, especially in Kazakhstan.”[74] Due to decentralization, the central government’s control over regional administrations has weakened, which, in turn, led to rent-seeking behavior, an increased level of corruption, and inefficiency of administration.[75] One interviewee noted,

> During the Soviet period, schools had a centralized budget and accounting, but with the economic crisis of the 1990s, it was decided that schools could have their own accounts. There was [fiscal] decentralization. Schools could open their own accounts where sponsors or parents made contributions. Many directors, however, used those funds for their personal benefits. . . . Later those accounts were prohibited.[76]

Underinvestment in schools leads to the deterioration of educational quality due to a lack of resources, including teachers, adequate infrastructure,

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

and textbooks. The OECD report stated that "underinvestment in the school system can also result in educational inequalities, as disadvantaged areas or schools receive scarcer resources."[77] Educational inequalities and equity of access are important issues for Kazakhstan that will be covered in the next section.

QUALITY AND ACCESS TO EDUCATION IN THE POST-INDEPENDENCE PERIOD

The 1995 Constitution of Kazakhstan suggests that secondary school education is mandatory and free. Citizens have the right to compete for free education in the republic's institutions of higher education through state grants.[78] However, this constitutional right is not easy to implement due to the difference in quality of education across rural and urban areas.

Quality of education, both at school and university levels, is one of the acute problems of the education system in the country. Although on average it is higher in Kazakhstan than in other Central Asian states, it still requires significant improvement.[79] One interviewee noted,

> People have an opinion that the Soviet education was better, but we have to understand what quality education means. In the Soviet Union, education served the existing planned economy. There was a state order on specialists—engineers, teachers, agrarians. . . . Everything was planned. And the system of education was perceived as a system of personnel training and it did train. . . . Now the system of education became a part of the chaotic, self-developing market economy. How many lawyers, engineers should be prepared, we do not know and it is hard to know if foreign investors developing an industry bring everything in the country including workers. . . . Education is behind the market and not able to train specialists required by the market. Thus employers cannot find specialists and people are unsatisfied with educational quality.[80]

Liberalization of the educational system led to the emergence of private schools and universities, creating further inequality in access to education. Some private schools require high tuition fees that undermine the equity of access to schools.[81] Nazarbaev Intellectual Schools (NIS), located in urban areas, have excellent resources and laboratories and employ instructors of the highest qualification. However, there are only twenty NIS across the country. Tuition fees might vary from US$1,500 to more than US$5,000 per year.[82] One interviewee noted, "I do not know if the experience of the NIS can be applied across the entire country. . . . 2,000,000 tenge is spent on one student in the NIS and 180,000 tenge on average on a student in a public school. The

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Nazarbaev University costs twenty public universities."[83] The educational gap that has been created can lead to the fragmentation of society and social cleavages in the future.

One great concern in education is linked to ungraded schools in rural areas. There are 5,569 schools located in rural areas, and 58 percent of them are ungraded. Overall, in Kazakhstan 68.8 percent of all schools (6,032) are ungraded schools.[84] Ungraded schools have 4,398 combined classes of grades one to four; 2,012 classes of grades five to nine; and 17 classes of grades grade ten to eleven.[85] Eighty-two percent of ungraded schools are located in the northern region of Kazakhstan. This can be explained by a high rate of immigration and a low level of population density. The number of ungraded schools has doubled over the last decade. The lack of special laboratories, modern furniture, technical and sport equipment, and electronic resources does not create conditions for high-quality education. For instance, only 11.5 percent of ungraded schools have access to the Internet, and 28 percent of schools have interactive equipment; 1,834 schools do not have classrooms for physics; 2,554 schools lack classrooms for chemistry; and 2,525 schools do not have biology classrooms.[86]

Despite the fact that some ungraded schools made progress in raising their quality of education, the overall results of the Unified National Test and the Interim State Control show a low level of education among students of ungraded schools.[87] According to an interviewee, "The gap in terms of student performance between the best and worst schools is huge—seventy points. It is unacceptable. The system is unstable. . . . In the Soviet Union, there was a policy of leveling the gap between the rural and urban areas."[88] Although test results show an increase in grade score among rural students, it is nevertheless 9.4 points lower than that of students in urban areas.[89] For instance, the difference between rural and urban students in math is 25 points. In 2015, the graduates of urban schools received 7.35 points more than the graduates of rural schools.[90] To support ungraded schools, the state spends three times more than it does on a typical secondary school. However, authorities do not want to close ungraded schools, because if there is no school, then the village could also disappear.

Urban schools also might not perform well due to inadequate resources. Many urban schools are overcrowded, especially those located in the central parts of cities. For instance, 2,500 students can study in a school designed for 1,200 people, while in urban suburbs 700 to 800 children attend schools with a capacity of 1,000 people.[91] On the one hand, poorly designed and maintained schools can have a negative effect on children's educational achievements, and on the other hand they can pose risks to student and staff health.[92] In 2012, the Program of International Student Assessment (PISA) carried out

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

research on education in Kazakhstan. During the project, school directors were asked to what extent their schools' resources, including science laboratory equipment, computers, and Internet impede instruction. Many respondents said that the shortage and inadequacy of school buildings negatively impacted school performance.

In addition to poor school facilities, quality of education is affected by low remuneration of teachers, which is an important issue for the education system in Kazakhstan. Many teachers say that it is impossible to survive on their salaries despite the fact that "since 2000 the wages in the education sector have grown by 400%"; their salaries still remain the lowest compared to other sectors of the economy.[93] For instance, the salary for eighteen to twenty credit hours can be 50,000 tenge. One teacher said, "I earn 62,000 tenge for 18 hours teaching and class supervision. . . . However, annually we spend 30–40,000 tenge from our pockets for decoration of classrooms and making visual materials."[94] Gulmira Montaeva, a teacher from Almaty Secondary School, said,

> Teachers with 30–40 years of teaching experience and the highest category can get probably about 100,000 tenge, while young specialists who have only one wage rate—18 hours—receive 40–45,000 tenge monthly. Despite this, they spend their own money to make all visual materials for classrooms.[95]

A shortage of housing also affects teachers' decision to work in rural areas. "Now many teachers of Kazakhstan have to rent an apartment where several people live. We cannot think about starting our own families under these conditions with such salaries. And how then we should come to children with smiles on our face and tell them how wonderful the world is and how the state takes care of us."[96] Because of the low salaries and housing conditions in rural areas, many teachers cease working in rural schools.[97]

To retain university graduates in rural schools, the government developed the program "With Diploma to Village!" which launched in 2009. Graduates receive startups (121,170 tenge) and budget credits (865,500 tenge). The program is particularly helpful for young graduates who do not have enough job experience and thus might have difficulties finding employment. The requirement for young graduates is to work for five years in rural areas. If a young specialist does not fulfill the requirements of the program, she has to return the money to the government. Since 2009 about 30,617 specialists have gone to work in rural areas. Among them, 22,436 are teachers and 6,200 are medical workers. About 7,000 participated in the program in 2016.[98]

The shortage of highly trained personnel influences the quality of education provided in schools and universities. One interviewee noted, "Quality of school education depends on a teacher. Today there are less and less high-quality teachers. The older generation is more experienced."[99] Interestingly,

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

despite these shortages, a survey conducted by the Frederich Ebert Foundation in Almaty found that 72.6 percent of young respondents said that school education is good, and 7.8 percent said that it is bad. Similarly, 61 percent of respondents answered that the quality of higher education in Kazakhstan is good, while 12.8 percent of respondents disagreed. Despite positive perceptions regarding the quality of education among young people, one-fifth of school graduates would not receive the minimum (50 points) on the Unified National Test (the UNT) in 2015. The maximum score for the UNT is 125 points. UNT is held in 5 subjects—including compulsory, Kazakh or Russian languages (language of instruction), mathematics, history of Kazakhstan, Kazakh language for Russian schools (Russian for Kazakh schools), and one optional subject. According to the Ministry of Education and Science, 12,874 (18.2 percent) secondary school graduates failed the UNT in 2015.[100]

Low quality of education is often linked to corruption and informal payments that have become prevalent in the post-independence period. The next section will discuss informal payments in secondary and higher education institutions.

INFORMAL PAYMENTS IN THE EDUCATION SECTOR

High Schools: Requisitions or Voluntary Contributions?

The law "On Education" adopted in 2007 (article 63) prohibits taking money from students and teachers except in cases stipulated by the law.[101] Nevertheless, the problem of informal payments in the education system is widespread in Kazakhstan. One of the main reasons for informal payment is inadequate financial support from the government. According to Zulfia Baisakova, head of the non-governmental organization Crisis Centers Union, "Requisitions in schools flourish due to the inadequate budget allocation."[102] A director of Almaty schools confirmed that schools do not have enough financial resources.

> Each school receives 3.4 mln tenge [from the state budget]. However, there are schools with 20 class rooms and no gym and there are schools with 40 class rooms, two gyms, large assembly halls and dining rooms. In addition there are schools that have no complete renovations for 25–40 years. How to keep expenditures within the allocated amount is unclear. The solution is to make renovations of class rooms at the parents' expenses.[103]

Although state authorities claim that the government allocates enough money for school renovations, the reality is different. One school director contends that annually only 100,000 tenge is allocated for school renovation. Moreover, this amount is not transferred in cash but rather in material things—such as brown and white paints and lime.The director stated, "The

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

amount of the paint is enough only for teachers' room and corridors of our school which has two buildings. That is why parents help to make renovations in class rooms."[104] Another director also noted, "Schools are underfinanced and it should be recognized at the governmental level."[105]

There are various purposes for which money can be collected. As a rule, parental committees are created in each class to collect necessary resources. There are two types of funds—class and school funds. Through the funds, various services are paid for, including additional lessons, salaries for cleaning personnel and school guards, textbooks, working notebooks, curtains, window blinds, interactive boards, and many other things. In an interview, a mother of a fifth-grade schoolboy said,

> Each month we give 2,000 tenge to the school fund. The money is spent to buy water for boilers, soap, napkins, and to pay to school guards. For the class fund, parents give as much as they can afford. The amount varies from 500 to 10,000 tenge per month. The money goes to cover holiday celebrations, tickets to a theater, gifts for children's birthdays, notebooks, textbooks on the Russian language, extra classes for grammar and math (not everyone pays for that). So, overall the amount varies from 22,500 to 40,000 tenge each year per student. From the class fund money can also be allocated for gifts to a teacher on such holidays as the 8th of March, New Year, 25th of May, teacher's birthday, as well as children's birthdays.[106]

Another interviewee mentioned that she gave 5,000 tenge each month to the School Fund, which amounts to 45,000 per year. Some informants said that the money—approximately 30,000 tenge—is an addition to a teacher's salary. In 2007 it was estimated that the share of parents' payments can make up to 10 to 20 percent or more of the total school budget.[107]

Why do parents pay? One of the main reasons, according to parents and school administrators, is cuts to the state education budget. "We do not have free of charge school nourishment, it was cancelled in 2015 because the budget for schools was cut."[108] Other answers varied: "It is cheaper to pay than to find another school," "I do not want my child to be an outcast," "Parents are ready to pay if they know for sure that it will be good for their child."

If some parents argue that these payments are mandatory, other parents say that they are not and are absolutely voluntary. Parents of a student in one of the Almaty schools said,

> Nobody forces to give money. Money is collected for different school events and gifts. However, the decision is made only after discussions at the parents' meeting. We discussed everything at the parents' meeting and came to a common decision. We decided to collect 7,000 tenge. We also talked about those who cannot afford paying this amount. There are such parents who give 15,000;

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

> as a result, it was decided to give 7,000. Those who do not want to take a photo might not give 3,000 tenge. Parents decide at their own discretion.[109]

The explanations from school administration and teachers were different from those provided by parents. Their concern was about the malfunctioning of a school without parental contribution. The director of one high school noted that if there are no voluntary contributions from parents, then there will be no security guards in schools since they are not in the budget.[110] Without voluntary contributions, schoolchildren would not be able to participate in various scientific projects; there would be no transportation to deliver their models to exhibitions. "We will not be able to decorate the school for the New Year holidays, although we are demanded to do so. . . . It might cost 200,000–300,000 tenge. Also we will not plant flowers in the flowerbeds in spring." This is only part of what is done in secondary schools with voluntary parental contributions. Many directors believe that schools cannot exist without assistance from parents and sponsors due to "inadequate financing." Irina Smirnova, a school director, said, "Much expenditure which is important for schools is not covered by the state." In fact, "while schools are underfinanced, it is useless to fight against requisitions because each director has to deal with the budget cuts on his own. And parents understand this and the majority of them prefer to contribute."[111] Schools do not receive financial support for many important items, including textbooks, class renovations, guards, curtains, water boilers, and other supplies.

The government in its turn intends to attract private capital for sponsoring education. Erlan Sagadiev, minister of education and science, said,

> We should understand what requisitions are and what sponsorship is. We need to draw a clear line. . . . This year we plan to make first steps in this direction. . . . We ask *akimats*, sponsors, universities, to take part in equipping schools with computers and other electronic equipment. On the other hand we want to attract private capital to help schools.[112]

The practice of non-state actors providing financial assistance to schools or universities is not a new one; it is quite widespread in Western countries. In Kazakhstan, the goal is to attract businesses to sponsor schools or higher education institutions. Businesses could help resolve the issues of classroom renovation, school meals, and school equipment. This kind of system existed in the Soviet Union, as various state enterprises supported schools. This approach, however, can lead to a situation in which only select schools receive support from businesses, while others do not. Thus, on the one hand, schools need financial support, but the government cannot provide it. On the other hand, collecting money from parents is prohibited. The situation does not bode well for the development of quality education in the near future.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

School admission can also become a contested issue. If parents want to send their child to a prestigious school located in a different city district, they give money or gifts to a director of that school. Parents could send a child to a district school where they live for free; however, if they prefer a different school located in a prestigious district, then they could arrange it either by paying a bribe or through *propiska*. The so-called *vhodnye*, or entry fee/money, varies depending on the prestige and status of a school. To get into a prestigious secondary school, the bribe might vary from 20,000 to 50,000 tenge, or from 80,000 to 300,000 tenge for lyceums.[113] But bribery is not the only mechanism to gain access to a prestigious school. Families sometimes use their connections to register their children at relatives' or friends' homes located near prestigious schools to obtain access to those schools.[114] One interviewee mentioned that she had to register her children at her relatives' house so that they could attend a prestigious school.[115]

Teachers who are accused of money requisitions may fall victim to requisitions that come from school administration. Teachers sometimes have to give money to school directors to go through school attestation carried out by the Quality Assurance Department. School directors, in turn, give the money to the chairmen of the commissions to ensure the attestation. School authorities thus are hostages to various controlling commissions that come to schools for inspection. There can be up to seven types of school inspection. An employee of the education department said,

> In the beginning of the year there is an inspection of the level of general education, then thematic inspection. Every three–four years, there is also a general inspection, then the commission that checks the fulfillment of educational standards, revision commissions that come in case of complaints.[116]

Numerous inspections and checks have become a burden for rank-and-file employees. Commissions and inspections take time away from teachers' and school directors' primary responsibilities. Besides commissions from the Quality Insurance Department of the Ministry of Education, other inspections include labor, financial, sanitary, epidemiological, and fire inspections. For the entire year, there might be up to twenty checks and inspections. Teachers are not happy with the situation.

In 2015, the attestation of 310 educational institutions in the region of South Kazakhstan took place, including eight state and six private colleges, as well as 211 secondary schools. The head of the attestation commission was an official from the Department on Control of the education sector, and members of the commission were teachers from different schools. The head of the commission created a scheme for personal enrichment that involved his subordinates, who performed specific roles in the mechanism of receiv-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

ing bribes. He was caught while he was receiving a bribe. The official was arrested and faced large fines.[117] A similar case arose in East Kazakhstan. A district (*rayon*) head of the department of education took bribes from teachers to go through pedagogical attestation.[118]

In sum, underinvestment is one of the reasons for informal payments in secondary education. One positive development is that the problem of informal payments has been made public and has been discussed. Officials, education administration, and teachers have recognized that schools cannot function properly without parents' contribution. Quality of education is another explanatory factor for informal payments. Parents seek to provide their children with quality education and send them to prestigious schools. For this reason, they are ready to pay school administrators. If quality of education were the same across public schools, then there would be no need for parents to bribe school directors. The next section will discuss the issue of corruption at the university level.

INFORMAL PAYMENTS AND CORRUPTION IN HIGHER EDUCATION

Corruption in higher education exists across countries with a variety of economic development systems and political regimes. Stephen Heyneman defines corruption as "the abuse of authority for personal as well as material gain."[119] There are various forms of corruption in higher education. Corruption is not limited to bribes but also includes "embezzlement, extortion, misuse of university property, ghost instructions, fraud, nepotism, cronyism, favoritism, kickbacks, unauthorized private tutoring, cheating, and research misconduct."[120] Very often these various forms of abuse go hand in hand. In Kazakhstan as in many other countries, the corrupt procedures include admission to universities, attestation and accreditation of higher education institutions and programs, students' attestation, passing exams, and state purchasing (*goszakupki*) and awarding of degrees and ranking.[121]

In 2013, Kazakhstan was included for the first time in the Transparency International Global Corruption Barometer (see table 4.3). According to a survey, 55 percent of respondents indicated that the education system was corrupt, whereas 66 percent of respondents indicated the police and 63 percent indicated judiciary officials as corrupt. About 31 percent of respondents said that they or someone else in their family had paid a bribe for education services in the previous twelve months.[122]

The impact of corruption on education is significant, especially at the level of higher education. It is not uncommon to have students pay for their grades,

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table 4.3. Index of corruption by services provided, Kazakhstan (based on a scale of 1–5, where 1 means not at all corrupt, and 5 means entirely corrupt)

Education system	3.6
Courts	3.8
Medical services	3.6
Police	3.8

Source: Global Corruption Barometer, 2013, p.28, available at https://www.transparency.org/gcb2013/report, accessed April 21, 2018.

degrees, and entry to a university. The bribes for admission and grades in secondary schools, universities, and colleges are widespread across the Central Asian region. This leads to professional misconduct, whereby teachers and administrators engage in acceptance of material gifts from students and parents in exchange for good grades, evaluation, and selection to specialized programs.[123]

QUALITY OF HIGHER EDUCATION IN KAZAKHSTAN

To improve the situation and raise the quality of higher education, in 2012 the Ministry of Education and Science of the Republic of Kazakhstan used three strategies—merging smaller universities with bigger ones; lowering the status of an academy, institute, or college; and closing universities through recall of a license. The Ministry of Education thus shut down those universities that did not meet high educational standards. The number of universities was reduced from 180 in 2004 to 127 in 2016, and a few universities lost their licenses to provide education.[124]

One controversial issue that arose with these educational reforms was the introduction of the Unified National Test (UNT) and its effect on the quality of education. One interviewee said, "The fact that the UNT was introduced is not good. Tests in the USA and what we have are different things. In the USA it is a test on IQ and while we have test on subjects. The UNT created a situation when children have to drill the UNT during the last two years of school. . . . Many students, after graduating high school, go to college in order to raise their chances of entering a university.[125] Other interviewees noted that high school graduates' level of knowledge was not satisfactory. The UNT does not show the real level of knowledge of school graduates, but it is believed that the UNT has reduced the amount of corruption at the level of entrance to universities. The introduction of the UNT was a political decision made and aimed at the reduction of corruption in higher education. The

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

UNT decreased chances for universities to admit students via connections or bribes. In the early years of the UNT, there were cases in which tests were sold and the Ministry of Education could not do anything. Later, a specific article was added to the National Security Law stating that selling tests could be considered a threat to national security, and people responsible for this crime could be put in prison.[126] However, as one interviewee said, "the personal factor related to the entrance to universities was reduced . . . but corruption has developed in other places of universities."[127] Another teacher also recognized, "We have a high rate of corruption that influences quality of education, particularly if it is related to education of medical workers and engineers where the knowledge is critical."[128]

"BUYING" GRADES IN HIGHER EDUCATION

There are various types of informal exchanges in higher education. As in the Soviet period, the practice of giving gifts or bribes to access higher education is still alive. The first stage of corruption may start at the admission to a university, receiving state grants, and entering master's or doctoral programs. Receiving a state grant is a highly desirable goal for many students. The number of grants is limited, which leads to high competition among prospective students. Some young people seeking grants go to study in rural schools to raise their chances of obtaining grants for a university education.

There are several types of corruption in the field of education, including bribes for entering a university, passing exams and unauthorized tutoring, renting state property, and selling diplomas and certificates to people who did not study in an educational institution. According to a survey conducted by representatives of the Zhas Otan organization, bribery often happens when students "buy" their exams (21.1 percent) and theses and term papers (6.4 percent). Students can also pay for missing classes (9.4 percent).[129] The exchanges take place through mediators such as heads of student groups (*starosta*), informal group leaders (3.6 percent), and students themselves (3 percent). In some VUZs, 12,000 tenge is enough to pass a course, while in other universities a student can pass an entire session for the same amount. On average, the price for a session is 29,000 tenge; 5,000 tenge for one course; 13,000 tenge for a term paper; and 60,000 tenge for diploma work. Since living in a dormitory is cheaper than renting an apartment off-campus, students can also pay for placement in a dormitory, which might cost on average 15,000 tenge. In the Zhas Otan survey, in response to the question "Do you agree that there are some incidents of 'buying' grades and exams," 32

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

percent of respondents said “sometimes,” 9.7 percent answered “always,” and 30.9 percent said “never.”[130]

According to Transparency International, the cases of bribery that are most frequently encountered are *zachet* (pass/non-pass), receiving a diploma, the UNT, entering a university. In the post-Soviet period, students prefer to give money (75.2 percent), gifts (16.9 percent), and then services (7.8 percent). According to the survey, students see several reasons for corruption in universities. In the first place, there is a lack of interest in studying (20.8 percent), while 18.3 percent consider the lack of control on the part of state authorities, 17.3 percent of respondents mentioned low salaries of teachers, and 12.6 percent cite the low level of professionalism of teachers.

In the post-independence period, there has been a shift in people’s values about the normalcy of corruption. Paying a bribe is not considered an abnormal thing but something that is acceptable, although everyone understands that corruption is bad. According to a survey conducted among students, 90 percent of respondents said that corruption exists and is a norm. The survey conducted by International Transparency in Kazakhstan showed that most respondents believe the causes of bribery by teachers include the existing state of affairs (27 percent), salaries that are too low (16.1 percent), and irresponsibility and impunity (5.7 percent). On the question of what stimulates students to give bribes, 37.4 percent of respondents answered “unwillingness to study and learn a subject,” and 22.12 percent of respondents said “difficulty of a subject.” The deputy of the *Mazhilis*, Serik Ospanov, stated, “The current state of affairs in our education and material conditions of teachers generates corruption.”[131] It is important to note that the government has undertaken measures to fight corruption, but it has achieved limited success. The fight against corruption requires systematic and comprehensive measures, including the improvement of socioeconomic conditions for teachers.

CONCLUSION

This chapter has shown that informal exchanges are widespread in the system of education. State retrenchment from the social sphere led to an increased rate of informal exchanges. Most importantly, payments in high schools and higher education institutions are perceived by people as a norm rather than an exception. Informal exchanges have become institutionalized and routinized in the education system. On one hand, the population criticizes and complains about the high rate of corruption and informal exchanges, but on the other, it prefers “informal and fast ways” to receive a service or to solve a problem by making informal payments.[132] In such a society, everyone knows who, where, and how

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

much to give and take for a certain good or service. Informal payments have become more impersonal since money is paid via mediators such as informal leaders, technical staff, and faculty members themselves. As in other research, this study shows that monetary exchanges have become much more prevalent and significantly increased in scale in post-Soviet Kazakhstan than they were in the Soviet period.[133] People prefer to give and take money rather than provide gifts or services, although the latter have not disappeared completely.

Parental informal payments are important contributions to the school budget that compensate for underinvestment in education. Although government officials claim that nobody requires parental contributions, school administrators argue that public schools will not survive without parental contributions. Hence, the practice will most likely continue in the future.

The commodification of education due to market reforms has created opportunities to gain access to higher education without solid knowledge of subjects. There is no high competition for a placement in a university as there was in the Soviet period. In contrast, universities now compete for students who can pay tuition fees. However, higher education is less accessible today because it is not free of charge as it used to be in the Soviet era. For many, access to higher education is determined by the availability of state grants. Even students from better-off families seek to obtain grants using informal ways to avoid paying tuition fees.

As the analysis suggests, informal exchanges breed corrupt practices and undermine the population's trust in the government. Systemic corruption in general and in the system of education in particular has negative long-term consequences for quality of education, administrative capacity of the state, and successful policy implementation. At the same time, informal parental payments in secondary education allow public schools to function smoothly and improve learning conditions for students. Family and friends' connections can be very helpful and provide access to prestigious schools. Hence, informal exchanges serve various purposes and remain important mechanisms in the system of education.

NOTES

1. *Turgumbaev Adil Ot Bezgramotnosti—k Vysotam Obrazovannosti* [From illiteracy to the heights of education] (Alma-ata: Mektep, 1979), 5.
2. Ibid., 19.
3. A. Ia Saveljev, V. M. Zuev, and A. I. Galagan, *Vyshee Obrazovanie v SSR* [Higher Education in SSR] (Gosudarstvenny Komitet SSSR po Narodnomu obrazovaniu: Moskva, 1990).
4. Kunayev Dinmukhamed, *Sovetskii Kazakhstan* [Soviet Kazakhstan] (Kazakhstan: Alma-Ata, 1980), 160.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

5. Yazyk Buggelskii Yurii, "Nanchalo Vseh Nachal" [Language is the beginning of time], *Lieraturnaya gazeta* 38 (September 21, 1988): 3.

6. Rachesikova Natalia, "Myths to Historical Reality," *News from Ukraine* 27 (1988): 2.

7. Quoted in A. Pavlov, "Avtonomia—Universitetu" [Autonomy to university], *Literaturnaya gazeta* 29 (July 20, 1988): 11.

8. V. M. Rozin, "Krizis kultury i obrazovania i tseli perestroika vysshey shkoly" [Crisis of culture and education and goals of perestroika of the higher education school], *Sovremennaya Vysshaya Shkola* 1, no. 65 (1989): 51–63.

9. Egor Ligachev, "O khode perestroika sredney I vysshei shkoly I zadachah partii po ee osushchestvleniu," *Uchitelskaya gazeta*, February 18, 1988, p. 2.

10. Quoted in Pavlov, "Avtonomia," 11.

11. Mikk Titma and Ellu Saar, "Regional Differences in Soviet Secondary Education," *European Sociological Review* 11 (1995): 37–58.

12. Goskomstat Kaz SSR, *Narodnoe obrazovanie I nauka v Kazakhskoi SSr: statisticheskii Sbornik* (Alma-Ata: Respublikanskii Informatsinno izdatelskii tsentr, 1990), 14–16.

13. Personal interview with the author, October 2016.

14. F. I. Peregudov, "Perestroika I novoe myshlenie v SSSR: Povyshenie prioriteta obrazovnia v sotsialno-eonomicheskom razvitii strany" [Perestroik and new thinking in the USSR], *Sovremennyaya Vysshaya Shkola* 1, no. 65 (1989): 6.

15. Ligachev, "O khode perestroika," 2.

16. Karolyne Kissane, "Education in Central Asia: Transitional Challenges and Impacts," in *The Politics of Transition in Central Asia and the Caucasus: Enduring Legacies and Emerging Challenges*, ed. Amanda E. Wooden and Christoph H. Stefes (New York: Routledge, 2009), 228.

17. Mikhail Shalaev, "Molchanie—Znak Nesoglasia" [Silence is a sign of disagreement], *Uchitelskaya Gazeta*, January 9, 1988, p. 2.

18. Law on Education (2007), article 1, http://online.zakon.kz/Document/?doc_id=30118747&doc_id2=30118747#pos=96;4&pos2=192;54.

19. Personal interview with the author, November 2016.

20. Ligachev, "O khode perestroika."

21. Ligachev, "O khode perestroika," 2.

22. Gennady Yagodin, "Address in the 19th All-Union Party Conference," *Pravda,* July 2, 1988, 2.

23. Quoted in Tatiana Kheblnikova, "Parta 21 veka," *Uchiteskaya Gazeta*, February 23, 1988, 2.

24. Goskomstat Kaz SSR, *Narodnoe obrazovanie*, 52.

25. Goskomstat Kaz SSR, *Narodnoe obrazovanie*, 54.

26. Goskomstat Kaz SSR, *Narodnoe obrazovanie*, 68.

27. I. Polyakov, "Rabota na Iznos?" *Uchitelskaya Gazeta*, January 7, 1988, 1.

28. Quoted in E. M. Kozhevnikov, *Narodnoe Obrazovanie v SSR* (Obshestvo Znanie: Moskva 1988), 19.

29. J. J. Tomiak, "Introduction: The Dilemmas of Soviet Education in the 1980s," in *Western Perspectives on Soviet Education in the 1980s* (New York: Palgrave MacMillan, 1986).

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

30. Goskomstat Kaz SSR, *Narodnoe obrazovanie*, 71.

31. F. I. Peregudov, “Zadachi I Opyt SSSR v Dele Sovershenstvovania Vysshego Obrazovnia s Perspektivoi ego Razvitia na 90-e gody,” *Sovremennya Vysshaya Shkola* 2, no. 66 (1989): 111–16.

32. Kissane, “Education in Central Asia,” 226–48.

33. The Constitution of the USSR, available at http://www.departments.bucknell.edu/russian/const/77cons02.html#chap07, accessed October 12, 2016.

34. Theodore Gerber and Michael Hout, “Educational Stratification in Russia During the Soviet Period,” *American Journal of Sociology* 101 (1995): 612.

35. Linda Lubrano, “The Attentive Public for Soviet Science and Technology,” in *Politics, Work and Daily Life in the USSR: A Survey of Former Soviet Union*, ed. James Millar (Cambridge: Cambridge University Press, 1987), 144.

36. Marvyn Matthews, *Education in the Soviet Union: Policies and Institutions since Stalin*, (London: George Allen and Unwin, 1982).

37. Quoted in T.V. Molchanova, “Osobennosti priema studentov v leningradskie VUZy v 1950–1960 gody” [The specifics of Leningrad students’ admission to higher education institutions in the 1950–60s], http://cyberleninka.ru/article/n/osobennosti-priyoma-studentov-v-leningradskie-vuzy-v-1950–1960-e-gody, accessed November 5, 2016.

38. Shlapentokh, *Public and Private Life*.

39. *Pravda*, October 2, 1986.

40. Viktor Mikhailovich Chebrikov was appointed chair of the KGB in 1982.

41. In January 1983, Philipp Bobkov was appointed deputy chair of the KGB of the Soviet Union and then was appointed first deputy chair of the KGB.

42. “Bez vzyatki u abiturientov dazhe dokumenty ne primnimaut” [Without a bribe even the documents are not accepted from applicants], Kommersant.ru, Evgenii Zhirnov, May 7, 2004, http://kommersant.ru/doc/487623, accessed November 5, 2016.

43. Shlapentokh, *Public and Private Life*, 203.

44. “Bez vzyatki u abiturientov,” http://kommersant.ru/doc/487623.

45. Matthews, *Education in the Soviet Union*.

46. Tamara Lyalenkova, “Kak postupali v SSSR” [How they did in the USSR], October 13, 2016, available at http://www.svoboda.org/a/28050720.html, accessed November 4, 2016.

47. “All Union Congress of the Workers of People’s Education,” *Uchitelskaya gazeta*, December 24, 1988, 4.

48. Personal communication with the author, November 28, 2016

49. Personal interview with the author, November 28, 2016.

50. G. Dildyaev and A. Petrushov, “Esche raz o staryh svyazah” [Once again about old connections], *Pravda,* January 7, 7:(24994), p.2.

51. G. Dildyaev and A. Petrushov, “Esche raz o staryh svyazah” [Once again about old connections], *Pravda*, January 7, 7:(24994), p.2.

52. *Pravda*, January 7, 1987, 2. However, it would also be important to note that a number of articles on nepotism, connections, and *blat* appeared in all-Union newspapers after the 1986 events in Almaty, when Moscow suppressed the riots of the local

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

population against Gennadii Kolbin, a Moscow protégé who was appointed a first secretary of the Central Committee of the Communist Party of Kazakhstan instead of Dinmukhamet Kunaev. The central authorities in Moscow accused Kunaev of breeding nepotism and the development of kinship-based ties in the party. A number of articles were published, and many people were replaced from high-ranking positions.

53. A. Ibraimov, "V Moskvu za . . . Presidentom," *Literaturnaya Gazeta* 18 (May 4, 1988): 11.

54. Paul Gregory, "Productivity, slack, and time theft in the Soviet economy," in *Politics, Work and Daily Life in the USSR: A Survey of Former Soviet Union*, ed. James Millar (Cambridge: Cambridge University Press, 1987), 266.

55. Natalia Yakavets, "Educational Reform in Kazakhstan: The First Decade of Independence," in *Educational Reform and Internationalization: The Case of School Reform in Kazakhstan*, ed. David Bridges (Cambridge: Cambridge University Press, 2014), 1–27.

56. Gosudarstvennaya programma razvitia borazovania na 2011–2020 gody [The State Program on Development of Education for 2011–2020], available at http://control.edu.gov.kz/ru/node/3058, accessed October 12, 2016.

57. Ibid.

58. Olena Fimyar, Nataliia Yakavets, and Makpal Dzhandrina, "Educational Reform in Kazakhstan: The Contemporary Policy Agenda," in *Educational Reform and Internationalization: The Case of School Reform in Kazakhstan*, ed. David Bridges (Cambridge: Cambridge University Press, 2014), 53–70.

59. Agency on Statistics of the Republic of Kazakhstan, available at http://www.stat.gov.kz/faces/wcnav_externalId/homeNumbersEducation?_afrLoop=5108314967530845#%40%3F_afrLoop%3D5108314967530845%26_adf.ctrl-state%3Dfinfaqq7r_113.

60. Asian Development Bank (ADB), "Project Completion Report on the Educational Rehabilitation and Management Improvement Project in Kazakhstan" (September 2002), available at https://www.adb.org/sites/default/files/project-document/70994/pcr-in242-02.pdf, accessed October 5, 2016; United Nations Development Programme (UNDP), *Human Development Index: Human Development Report 2005* (New York: United Nations Development Program, 2005), 219–22.

61. "Kazakhstan: Education Expenditure, Public (% of GDP)," available at http://www.factfish.com/statistic-country/kazakhstan/education%20expenditure,%20public%20of%20gdp, accessed October 8, 2016.

62. Anna Pons, Jeremie Amoroso, Jan Herczyński, Igor Kheyfets, Marlaine Lockheed, and Paulo

Santiago, "OECD Reviews of School Resources: Kazakhstan" (June 2015), available at http://www.oecd.org/edu/school/OECD%20School%20Resources%20Review_Kazakhstan_FINAL_CRC_with%20cover.pdf, accessed October 10, 2016.

63. The OECD and the IBRD/the World Bank, Higher Education in Kazakhstan, 2007, p. 208, available at http://documents.worldbank.org/curated/en/353061468039539047/pdf/40709.pdf, accessed April 19, 2018.

64. Kissane, "Education in Central Asia."

65. Asian Development Bank (ADB), *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of Kazakhstan*

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

for the Educational Rehabilitation and Management Improvement Project (Manila: Asian Development Bank, 1995); Saule Kalikova and Zhanar Rakhimzhanova, "Kazakhstan: Parental Informal Payments for Education," http://www.edupolicy.net/no-access/download-id/830/, accessed November 22, 2016.

66. Gosudarstvennaya Programma Razvitia Obrazvoania I Nauki Respubliki Kazakhstan na 2016–2019 Gody [State Program on Education and Science Development in the Republic of Kazakhstan for 2016–2019 years], available at http://control.edu.gov.kz/sites/default/files/gpron_ukaz_ot_1.03.2016_no2015_1.pdf accessed April 19, 2018; Yakavets, "Educational Reform in Kazakhstan."

67. Gosudarstvennaya programma razvitia, 10.

68. Agency on Statistics of the Republic of Kazakhstan.

69. ADB, *Report and Recommendation of the President*.

70. Gosudarstvennaya Programma Razvitia.

71. Ruslan Botaiuly, "Sarinzhipov: 40 KZT Billion Needed to Liquidate Three-Shift Schools," available at http://rus.azattyq.org/a/27381296.html, accessed October 11, 2016.

72. Personal communication with the author, November 27, 2016.

73. Natalia Yakavets, "Educational Reform in Kazakhstan," 1–27.

74. Karolyn Kissane, "Education in Central Asia," 226–48.

75. Heyneman, Stephen P., Kathryn H. Anderson, and Nazym Nuraliyeva, "The Cost of Corruption in Higher Education," *Comparative Education Review* 52, no. 1 (2008): 1–25; Andrei Shleifer and Robert Vishny, "Corruption," *The Quarterly Journal of Economics* 108, no. 3 (August 1993): 599–617; Andrei Shleifer and Daniel Treisman, "A Normal Country: Russia after Communism," *Journal of Economic Perspectives* 19, no. 1 (Winter 2005): 151–74 ; Heyneman, Anderson, and Nuarliyeva, "The Cost of Corruption," 1–25.

76. Personal interview with the author, November 30, 2016.

77. OECD and the IBRD/the World Bank, Higher Education in Kazakhstan, 2007.

78. Constitution of the Republic of Kazakhstan, Article 30.

79. Kissane, "Education in Central Asia," 226–48.

80. Personal communication with the author, November 30, 2016.

81. Kissane, "Education in Central Asia," 226–48.

82. Ibid.

83. Personal communication with the author, November 29, 2016.

84. An ungraded school is a school with a small number of students and combined classes and a specific organization of teaching process Fimyar et al., "Educational Reform in Kazakhstan."

85. "Kontsetpsia razvitia malokomplektnyh shkol v Respublike Kazakhstan na 2011–2020 gody" [The concept of development of ungraded schools in the Republic of Kazakhstan for 2011–2020 years], available at http://shortandy.akmoedu.kz/documents/view/D4FD7320B6AD5B1A.html, accessed October 6, 2016.

86. Ibid.

87. Ibid.

88. Personal communication with the author, November 29, 2016.

89. A. B. Sarinzhipov, "Innovatsionnaya strategia obrazovania—faktor razvitia gosudarstva, obschestva, lichnosti," *Obrazovanie* 3, no. 70: 8, 2016.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

90. Zhanat Musina, "Po shkolam sudyat ot strane: Kak podnyat selskoe obrazovanie do urovnya gorodskogo?" *Sovremennoe obrazovnie* 3, no. 99; 2015:30–32.

91. Ibid., 31.

92. S. Higgins et al., *The Impact of School Environments: A Literature Review* (Newcastle-Upon-Tyne: Design Council, 2005).

93. "Gosudarstvennaya programma razvitia borazovania."

94. "Raznye vidy shkol'nyh poborov," http://rus.azattyq.org/content/shkola-nezakonniye-pobory-uchitelya/24985166.html, accessed December 12, 2017.

95. Ibid.

96. "Agenstvo po delam uchitelei Kazakhstana predlozhili sozdat kommunisty," *Tengri News*, available at https://tengrinews.kz/kazakhstan_news/agentstvo-delam-uchiteley-kazahstana-predlojili-sozdat-262063/, accessed March 8, 2017.

97. Musina, "Po shkolam sudyat o strane."

98. "V programmu 'S diplomom v selo' v tom godu vklucheny novye spetsialnosti," available at http://alau.kz/td_d_slug_42601/, accessed March 9, 2017. [AU: Please cite source of article.]

99. Personal communication with the author, September 7, 2016.

100. "Bolee 500 bvypusknikov kolledgei ne smogli prodolshit obrazovanie," *Sovremennoe obrazovanie* 2, no. 98 (2015): 15.

101. The law "On Education" adopted in 2007, available at http://online.zakon.kz/Document/?doc_id=30118747&doc_id2=30118747#pos=96;4&pos2=1912;54, accessed October 12, 2016.

102. Kapital, "Pochemu protsvetaut pobory v kazakhstanskih shkolah," January 1, 2015, available at http://kapital.kz/gosudarstvo/37184/pochemu-procvetayut-pobory-v-kazahstanskih-shkolah.html, accessed March 3, 2017.

103. Aspandau Foundation, "Obshchestvennoe Slushanie Shkolam—Da, Poboram—net" [Public hearing: Schools—yes, requisitions—no], available at http://aspandau.kz/news/obshchestvennoe-slushanie-shkolam-da-poboram-net, accessed August 30, 2016.

104. Manshuk Asautai, "Dlya borby so shkolnimy poborami nuzhna aktivnost roditelei," available at http://rus.azattyq.org/a/pobory-v-shkole-zhaloby-roditeley/26653581.html, accessed October 12, 2016.

105. Personal communication with the author, October 21, 2016.

106. Personal communication with the author, October 17, 2016.

107. Kalikova and Rakhimzhanova, "Kazakhstan: Parental informal payments."

108. Personal communication with the author, September 15, 2016.

109. Manshuk Asautai, "Pobory v shkolakh prodolzhautsya," available at http://rus.azattyq.org/content/pobory-v-shkolakh-almaty/27036570.html, accessed September 3, 2015.

110. "Bez dobrovolnykh vzonosv ucheniki ostanutsya bez okhrany," September 19, 2014, available at http://kapital.kz/gosudarstvo/33434/bez-dobrovolnyh-vznosov-ucheniki-ostanutsya-bez-ohrany.html.

111. "V UKO predprinyata ocherednaya popytka pobedit korruptsiu v shkolakh," *Central Asia Monitor*, April 17, 2015, available at https://camonitor.kz/16090-v-yuko-predprinyata-ocherednaya-popytka-pobedit-korrupciyu-v-shkolah.html.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

112. “Kak budut borot’sya s poborami v shkolakh, rasskazal Sagadiev,” *Tengri News*, April 27, 2016, available at https://tengrinews.kz/kazakhstan_news/kak-budut-borotsya-s-poborami-v-shkolah-rasskazal-sagadiev-293434/.

113. Personal communication with the author, November 2017.

114. Balihar Sanghera and Elmira Satybaldiyeva, “Ethics of Property, Illegal Settlements and the Right to Subsistence,” *International Journal of Sociology and Social Policy* 32, no. 1/2 (2012): 96.

115. Personal communication with the author, Almaty, November 15, 2016.

116. Asylkhan Mamashuly, “Raznye vidy shkolnyh poborov,” May 14, 2013, available at http://rus.azattyq.org/content/shkola-nezakonniye-pobory-uchitelya/24985166.html, accessed October 12, 2016.

117. “Chinovnik, oblozhivshii danju shkoly v UKO, oplatil shtraf bolee 38 mln tenge,” October 15, 2015, available at http://informburo.kz/novosti/chinovnik-oblozhivshiy-danyu-shkoly-v-yuko-oplatil-shtraf-bolee-38-mln-tenge--14055.html.

118. Sanat Uranliev, “Na Chinovnitsu nalozhen shtraf vyshe, chem vzytka v 70 raz,” October 2, 2015, available at http://rus.azattyq.org/archive/news-azattyq/20151002/360/360.html?id=27283446, accessed December 15, 2017.

119. Stephen Heyneman, “Education and Corruption,” *International Journal of Educational Development* 24 (2004): 637.

120. Ararat Osipian, “Corruption Hierarchies in Higher Education in the Former Soviet Bloc,” *International Journal of Educational Development* 29 (2009): 321–22.

121. “Tenevoi oborot v sisteme vyshego obrazovnia Kazakhstana prevyshaet 100 millionov dollarov,” *Tengri News*, April 29, 2014, available at https://tengrinews.kz/kazakhstan_news/tenevoy-oborot-sisteme-vyisshego-obrazovaniya-kazahstana-254535/, accessed December 2, 2016.

122. Pons et al., “OECD Reviews.”

123. Kissane, “Education in Central Asia,” 226–48.

124. Agency on Statistics of the Republic of Kazakhstan,.

125. Personal communication with the author, November 29, 2016.

126. Personal communication with the author, November 30, 2016

127. Personal communication with the author, November 30, 2016.

128. Personal communication with the author, November 30, 2016.

129. “Nazvan Razmer Vzyatok v Vuzah Kazakhstana” [The size of bribes in Higher Education is announced], *Times* KZ, June 23, 2015, https://timeskz.kz/8907-nazvan-razmer-vzyatok-v-vuzah-kazahstana.html, accessed April 19, 2018

130. Dilara Isa, “Pyatyorka stoit 2,000 tenge,” available at http://rus.azattyq.org/a/kazakhstan-uko-shkola-otcenki-vzyatki-uchitel/27548981.html, accessed March 7, 2017.

131. D. T. Ikimova, “Problema trudoustroistva molodyh spetsialistov v Kazakhstane,” *Obrazovanie* 4, no. 71 2015: 90.

132. Pons et al., “OECD Reviews.”

133. N. Oka, “Informal Payments and Connections in Post-Soviet Kazakhstan,” *Central Asian Survey* 34, no. 3 (2015): 330; Ledeneva, “Informal Networks.”

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Chapter Five

Who Gets What, When, and How? State Housing and Informal Institutions in Kazakhstan

This chapter focuses on housing policy and informal exchanges in Soviet and post-Soviet Kazakhstan. One of the major problems in the Soviet era was scarcity of housing and poor housing conditions. Access to good housing was very often determined by social status, place of work, and informal connections with the party and state *nomenklatura*. Soviet leadership used housing policy as a tool to control the population, to reward politically loyal clients, and to raise labor productivity by providing incentives for hard workers. Although housing policy has changed in the post-Soviet period due to liberalization and the emergence of private property, some important formal and informal principles in the administration and distribution of housing have remained the same.

HOUSING POLICY IN "A SOCIETY OF CONNECTIONS"

Housing was one of the most acute problems in the Soviet Union. People lived "in communal squalor," in which a "living space" was less than five square meters per person.[1] While Soviet leadership heavily invested in industry, it did not allocate enough resources to build houses for its citizens. Tens of thousands people across the country were on waiting lists to obtain an apartment or house (see table 5.1). The supply of housing slightly improved in the 1960s under Khrushchev's rule, during which 2.2 million units were built every year. The housing area per capita had increased to eight square meters for the Soviet Union and ten square meters for Moscow by the mid-1970s.[2] In Kazakhstan, the construction of housing also increased significantly. If 58,000 apartments were built in 1950, their number reached 164,000 in 1960. In urban areas, total housing increased from 14 million square meters in 1950

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

to 62.2 million square meters in 1969. Quality of housing, however, was not a priority. Nikita Khrushchev, who preferred to provide citizens "an adequate apartment" rather than "a very good one,"launched a large-scale construction campaign.[3] The results of those efforts are visible even today in nearly every city of the former Soviet Union, including Kazakhstan. The so-called *Khrushchevki* (Khrushchev's slums)—four- and five-story housing blocks—were built throughout Kazakhstan and other Union republics. In Kazakhstan, 42 percent of all housing was made of monolith blocs.

Despite the efforts of Soviet leadership to alleviate the housing problem in the 1970s, the tremendous amount of apartment construction did not correspond to the population's needs or expectations. The shortage of housing had been particularly critical in large Soviet cities where private individual construction had been prohibited. Significant variation continued to exist across Union republics. As table 5.2 shows, whereas in the three Baltic states the average urban living space varied from 15.7 to 17.8 square meters per capita, in Central Asian states, including Kazakhstan, it ranged from 10.1 to 12.6 square meters. This disparity was a result of the differential investment rate across the republics. While in the Baltic states capital investment per capita was 139.5 rubles, in Tajikistan, Kirgizia, and Uzbekistan it was 55.8, 64.6, and 70.3 rubles, respectively.[4]

Variations in living area also existed across regions of Kazakhstan. For instance, in 1984 in the Mangyshlak region, the average amount of living area was 6.1 square meters per person, while in the Karaganda region this number was 12.9, and in Alma-Ata it was 12.0. The gap can be explained by differences in demographic growth, on the one hand, and the speed of construction, on the other. According to a 1984 survey conducted by James Millar and

Table 5.1. The waiting list for improved housing in capitals of Union republics, 1988

City	*Number of households on waiting list*	*% of households on waiting list*
Alma-Ata	***49,700***	***15***
Ashkhabad	23,600	26
Baku	68,700	26
Dushanbe	31,300	22
Moscow	334,800	12
Kiev	208,400	26
Frunze	31,800	17
Tallinn	25,400	16
Riga	75,700	26
Erevan	42,000	16

Source: Gregory Andrusz, "Housing Policy in the Soviet Union," in Housing Policies in Eastern Europe and the Soviet Union, ed. John Sillince (London: Routledge), 245.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table 5.2. Housing provision by republic, 1986 (sq. m. of overall living space, average per capita)

	Urban	*Rural*
USSR	14.3	16.1
Estonia	17.8	26.6
Latvia	16.9	23.4
Georgia	15.9	19.6
Lithuania	15.7	21.9
Ukraine	15.4	19.4
RSFSR	14.5	17.1
Belorussia	14.0	20.4
Armenia	13.1	15.0
Moldavia	12.8	20.3
Kazakhstan	***12.6***	***8.9***
Azerbaijan	11.9	13.6
Kirghizia	11.3	11.3
Uzbekistan	11.2	10.8
Tajikistan	11.1	7.6
Turkmenistan	10.1	10.3

Source: Andrusz, "Housing Policy in the Soviet Union," 248.

Elizabeth Clayton, dissatisfaction with housing was particularly high among young people who lived in dormitories or had to sublet apartments. The waiting time for receiving new housing ranged from ten to fifteen years. Those individuals who owned houses or separate apartments were more satisfied than people who rented accommodations.[5]

Mikhail Gorbachev, who came to power in 1985, abandoned the policy of state housing provision. Instead, he launched a privatization process that allowed individuals to buy their own apartments. The Housing 2000 program postulated the provision of accommodation to every family by the year 2000. The goal of Soviet leaders was to construct forty million apartments—two billion square meters—between 1986 and 2000. This, however, was not enough, because the need for housing reached 2.6 billion square meters.[6] In Kazakhstan in the late 1980s, the number of people who received state housing decreased from 163,800 in 1987 to 148,900 in 1989. The government offered loans, financial and technological assistance, and legal support to people willing to build their own homes or acquire apartments on their own; meanwhile state enterprises were no long responsible for providing housing for their employees. Despite the government's declarations, not much change took place, and a paternalistic model continued with the state as a dominant provider of housing to its population.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

ADMINISTRATIVE DISTRIBUTION OF HOUSING IN THE SOVIET UNION

The 1977 Constitution (Article 44) aimed to guarantee everyone equal access to accommodations, to balance income inequalities, and to reduce differences that existed in the provision of housing. Most importantly, the Constitution declared "fair allocation [of housing] under public control" that was based "not on the financial status of the citizen or his family, not on one's ability to pay but on information of an entirely different kind"—for example, number of people in the family, the state of their health, participation in the Great Patriotic War, and other criteria.[7] In practice, housing was stratified between the privileged and those who did not belong to the party *nonmenklatura* or cultural intelligentsia. The distribution system provided benefits to certain groups of the population and was largely based on a family's social status and an individual's occupation rather than on one's need.[8]

The distribution of housing, similar to the healthcare and education system, was stratified. The system of privileges provided better housing conditions for *nomenklatura* and those who were close to the Communist Party and its leadership, and it allowed them to avoid rigid regulations and norms of distribution.[9] The privileged were entitled to the priority list or to extra housing space. Konstantin Simis wrote,

> Housing for the ruling elite is also special and unlike that of ordinary people. Buildings for the privileged are built to special designs and are finished with particular luxury. The families of the ruling elite get—free of charge, of course—apartments that are enormous by Soviet standards—four, five times the size of any apartment obtainable by even the most fortunate of ordinary mortals.[10]

Very often the members of the elite professional intelligentsia were among the fortunate ones who could receive apartments of superior quality in the House of Soviet Writers or the House of Soviet Scientists.[11] Receiving an apartment in such a building did not necessarily demonstrate distinguished service but, rather, political loyalty. Clearly there was a contradiction in the distribution system between housing as a right of all citizens and housing as a reward for good work and loyalty.[12]

As in other sectors of the economy, the housing sector was highly centralized, with the state controlling all aspects of the supply chain: planning, construction, and the provision of housing. The distribution of housing units, however, was less subject to centralization and occurred largely through local Soviets, state enterprises, or state institutions. These were the main pillars of the Soviet housing system that emerged in 1924 and existed throughout

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

the duration of the Soviet Union. The control of housing ownership between local Soviets, state enterprises, or state institutions varied across the Union republics and cities. For instance, the percentage of state housing owned by local Soviets was lowest in Kazakhstan (38 percent) and highest in Armenia (more than 80 percent).[13] Typically, housing was allocated by a small commission comprised of one of the deputy chairmen of the local Soviets, a trade union representative, a local deputy, and "representatives of interested bodies."[14] This Soviet practice of housing allocation through commission has been replicated by government officials in post-independence Kazakhstan.

The shortage of housing in the Soviet Union created fertile soil for bureaucrats who were in charge of the allocation of housing. Since housing was scarce, many government officials responsible for distribution took advantage of their position. The *nomenklatura*—managers of industrial state enterprises and local or regional party committees—assigned to the task influenced the allocation of housing, which was the most prestigious aspect of their office and constituted an important component of the Soviet reward system.[15] According to the 1984 survey, when respondents were asked about their contacts with government officials, more than 50 percent of their reported contacts concerned housing acquisition or repairs for either themselves or for others.[16] Bureaucrats could arbitrarily decide whether or not to satisfy the request for housing, responding either, "Alright then, I'll give you a flat!" or "I think that we should let him wait a little longer."[17]

Since scarcity and monopolization lead to distortion and corruption, the distribution of housing by government officials was highly corrupt. To acquire an apartment in a large city and reduce one's waiting time, it was necessary to find a way to move to the head of the queue. New housing units were assigned on the basis of occupation and influence first, and need only second. When it came time to allocate apartments, an individual's position on the waiting list often meant little. Instead, authorities could suddenly decide to telephone the family of a famous athlete or other influential person, allowing them to leap to the front of the queue. "Sons and daughters, sisters and brothers, nephews and necessary people of influential persons received better accommodation, not even knowing what a queue means."[18] Rywkin writes, "Most of the 'ways' [of getting an apartment are] well known. They are based on the certitude that ranks and positions give special rights; not only to rank holders but to their children as well."[19] People extended favors to their friends, relatives, and necessary or influential people. Contacts with those in the distributional system were more important than rules and the needs of the population.

The importance of connections in the post-independence period has not diminished. State retrenchment from the housing sector and soaring prices on

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

real estate have exacerbated the shortage of housing. In the next section I will focus on housing policy and informal exchanges in the post-Soviet period.

HOUSING POLICY AND INFORMAL EXCHANGES IN POST-SOVIET KAZAKHSTAN

The collapse of the Soviet Union and deep economic crisis of the 1990s resulted in sharp retrenchment of the state from the housing sector. The state intentionally withdrew "as part of political and economic restructuring." As McMann notes, "The state no longer serves as a primary employer, landlord, healthcare provider, and banker, having devolved these roles to private entities."[20] The message of the government in the 1990s was that people have to rely mostly on themselves and should not expect any help from the state.

As a result of state retrenchment, social expenditures decreased from 11.2 percent of GDP in 1992 to 6.6 percent in 1996, while pensions declined from 8.2 percent to 4 percent of GDP. The implementation of radical welfare reforms was possible due to the absence of resisting political and social forces in the country. "Political parties, civil society organizations, and the legislature . . . were virtually powerless to limit change," and "the welfare state underwent nearly unconstrained liberalization."[21] State retrenchment led to a decline in the provision of housing by the state. During the five years after the demise of the Soviet Union, from 1991 to 1995, the number of housing units decreased from 7,869 to 1,662 (i.e., by 78.9 percent). State subsidies for housing construction also dramatically decreased. In 1995, although the state remained the main source of funding, state-funded construction reached only 15.6 percent of its 1990 volume.[22]

According to the author's survey, many respondents believe that housing has become a scarcer commodity than it was in the Soviet period. For instance, 59 percent of respondents said that compared with the Soviet period, state housing has become inaccessible to the majority of the population; 26.2 percent said that it is accessible only to a few people. More rural residents (66.5 percent) than urban dwellers (55.6 percent) believe that access to state housing has shrunk. This is perhaps not surprising because state retrenchment from the housing sector largely affected rural areas. Indeed, the government does not build houses in small towns and villages to the same degree as in the Soviet period.

In a study of state-citizen linkages in Central Asian states, Kelly McMann and Pauline Jones Luong have shown that the population of Kazakhstan is much less satisfied with the performance of the current government than it was with the Soviet state. This was particularly related to the provision of

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

social goods and services. According to the scholars' research, citizens of Kazakhstan are less positive about their government than people of other Central Asian states. Only 9.1 percent of respondents agreed that the government of Kazakhstan is responsive to citizens' needs, and 47.6 percent disagreed.[23] The data from the author's survey conducted in 2013 show a more nuanced distribution of respondents' answers. On the question "How often does the local government respond to the needs of the population?" 18.3 percent of respondents said that it never responds, 26.9 percent said that it does so rarely, 24.3 percent mentioned that the *akimat* (local government) responds to the needs of citizens from time to time, and 5.3 percent reported that it often helps the population. However, when respondents were asked, "What does the local *akimat* do for the population?" 35 percent of respondents answered that the local government does nothing, while 28.1 percent said that the local government mediates between various organizations and population, asking the latter to provide material help to the population, and 12.3 percent said that the *akimat* gives subsidies.

Although most respondents to the survey believe that the government is to some degree responsive to their needs, there is variation across Kazakhstan. Residents of Petropavlovsk and Almaty are less positive about the performance of the government: 10.6 percent of respondents from Petropavlovsk city and 16.7 percent of respondents from Almaty city mentioned that the government does not respond to citizens' needs at all, while in Astana city only 4.9 percent of respondents were negative about the government. This can be explained by the fact that the majority of Astana dwellers work in governmental organizations or are somehow related to government organizations. The more negative views of northerners about the role of the state in people's lives can be explained by a lower provision of public goods in regional cities than in Astana. The latter two are donors that generate wealth and contribute to the state budget, while Petropavlovsk is a recipient city.

MARKET REFORMS, INFORMAL CONNECTIONS, AND HOUSING

The 2013 survey revealed a variation in people's perceptions of the market reforms impact on informal exchanges. Survey respondents were asked whether the market economy reduced the role of *blat* and connections that were so widespread in the Soviet period. Approximately 27.5 percent of respondents agreed, and 28.9 percent of respondents disagreed with the statement. More wealthy citizens (30.4 percent) than low-income individuals (23.1 percent), and more urban dwellers (33.9 percent) than rural residents

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

(19.8 percent) disagreed that the market economy diminished the role of *blat* and connections in post-Soviet Kazakhstan. However, fewer Kazakhs (23.9 percent) than Russians (31.6 percent) were negative about the statement. Finally, whereas 34 percent of men disagreed that market forces have reduced the role of *blat* and connections, only 26.7 percent of women had the same negative view. Citizens believe that informal institutions continue to play an important role despite the introduction of the market economy. Qualitative evidence also suggests that informal institutions are widely used to obtain housing in Kazakhstan.

Market reforms were expected to alleviate the scarcity of housing for the population. Indeed, because of liberalization and privatization in the 1990s many people received the opportunity to buy, rent, and lease houses and apartments. Due to privatization in the early 1990s, 96.8 percent of housing stock is privately owned today; the state possesses only 3.2 percent. This is a completely different situation from what existed under the Soviet Union. In the post-independence period, the rate of private housing construction markedly increased, particularly during the construction boom of the 2000s. The construction of new housing reached 5 million square meters in 2005 compared to only 1.5 million in 2002 (see table 5.3). The largest share of new construction took place in Astana and Almaty—22 percent and 12 percent, respectively.[24]

Despite some positive improvements brought by the market economy, the supply of housing still has not kept up with demand. According to the author's 2010 survey, 55 percent of respondents mentioned that they would like to improve their housing conditions, citing the lack of living space (29 percent), living with parents and relatives (24 percent), wanting to buy rather than rent (20 percent),[25] dilapidated housing conditions (18 percent), and living in housing provided by the state or at a company's expense (*vedomstvennoe zhil'e*) (2 percent).

The immigration of rural residents to cities has substantially increased in the post-independence period due to the high rate of unemployment and low standards of living in rural areas. Internal migration spurred prices on real estate, on the one hand, and increased the demand for housing, on the

Table 5.3. Housing trends in Kazakhstan, 2000–2005 (in square meters)

	2000	*2001*	*2002*	*2003*	*2004*	*2005*
Total housing stock	239.4	241.0	238.3	243.0	252.7	254.6
New housing construction	1.2	1.5	1.55	2.1	2.6	5.0
Housing stock per capita	16.5	16.3	16.6	17.0	17.3	17.5

Source: "On Housing Stock in Kazakhstan," 2013. Statistical report, Astana: Agency on Statistics of the Republic of Kazakhstan, p.5.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

other. According to Sasha Tsenkova, there is a huge shortage of housing in the Central Asian republics, particularly in the capital cities, that has been exacerbated by delayed urbanization and a rapid inflow of rural population, which exacerbates pressures on local housing markets.[26] Many rural citizens complain that it is hard to survive in a village since there are no jobs there. One of the interviewees said, "The money is circulating in Almaty and Astana cities, and jobs are also available there, that is why all people try [to come] there and they [migrants] create problems with housing."[27] Another person explained, "You see, it is much easier to obtain housing in a village than in a city. But there is no job there, and thereby there is no income for living there. In any case, a man who lives in a village goes to a city to earn money in order to support his family."[28]

Although housing prices decreased during the 2008 economic crisis, they remain very high, which makes purchasing new housing unaffordable for the majority of the population due to low salaries. For instance, the price of housing in Almaty increased from $US700 per square meter in 1999 to $US1,000 per square meter in 2002. The average price of newly constructed housing per square meter increased by 66 percent from 2005 to 2011 (see table 5.4). The growth of prices on real estate in regional cities has been equally fast. In Taldykorgan and Semey, for example, the price of real estate increased by almost 50 percent between 2010 and 2011 (see table 5.4). Thus, differences in income coupled with high market prices have created fertile conditions for people to resort to informal exchanges in order to gain access to scarce resources.

To alleviate the problem with the shortage of housing, the government of Kazakhstan launched the State Housing Program, which has been implemented in three stages. The program has been administered by the Ministry of Industry and Trade, while the Departments of Housing of regional city *akimats* have been responsible for implementation—collecting documents, evaluating the eligibility of potential participants, and distributing apartments.

Table 5.4. Average prices on housing in Kazakhstan, 2007–2011 (per square meter, in thousands KZT)

	2007	*2008*	*2009*	*2010*	*2011*
Newly constructed	161.3	147.5	137.3	143.9	154.1
Secondary	136.2	108.3	100.8	106.0	110.5

Source: Statisticheskii Ezhegodnik, "Kazakhstan in 2013," 2014. Astana: Agency of Statistics of the Republic of Kazakhstan, p.133.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

State Housing Program

The law on the State Housing Program 2005–2007 was adopted on April 14, 2004. It projected that twelve million square meters of housing would be built over the three years that followed. The government planned to spend more than 150 billion tenge for subsidized housing from 2005 to 2007. The law specified the social categories of citizens who could participate in the program, including young families, civil servants, the military, and *byudzhetniki*.[29] The latter category is largely composed of employees of the healthcare and education sectors. The "young family" category includes couples (with or without children) who have not reached the age of twenty-nine. Single mothers are also included in this category. According to the program, the sale price for housing was not to exceed $US350 per square meter. To reach that below-market price level, the government had to heavily subsidize construction costs. Market prices, varying from $US750 to $US1,485 per square meter across the country, have remained too high and largely unaffordable for rank-and-file citizens to purchase their own housing. The program also required mortgage length to be increased from ten years to twenty years, while the down payment would be reduced to 10 percent. It also proposed that the interest rate should be lowered to 9 percent.[30] These measures were aimed at helping people employed in civil service and other state organizations to obtain their own housing.

Since housing was in high demand and the first three years of the program were quite successful, the government extended the program by another three years (2008–2010). To improve the process of housing distribution, a point system was introduced for the 2008–2010 stage of the program. According to this system, each applicant received a number of points based on credentials. For instance, every year of work experience in the civil service or a state agency was awarded ten points, while the "young family" category was worth three points. If a family had children, it received five points for each child. The number of family members determined whether the applicant qualified for a two-bedroom or a three-bedroom apartment. According to the state standards existing in Kazakhstan, every individual was eligible for fifteen square meters of housing area or living space but not more than eighteen square meters per capita. However, this rule was applied only to civil servants, *byudzhetniki*, and the military, while other categories such as single mothers could claim only six (rather than fifteen) square meters of housing area as a standard minimum. According to the program, a couple with two children of the same sex was eligible to apply for a two-bedroom apartment, while parents who had children of each gender had the right to apply for three bed-room apartments.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

According to the deputy chair of the Housing Department in Astana city, between 2005 and 2007, 28,000 applications were submitted and 5,612 apartments were distributed.[31] This means that only 20 percent of those who applied were able to acquire accommodation through the program. The apartments were distributed as follows: young families (1,184), civil employees (2,115), *byudzhetniki* (1,033), and employees of state organizations (1,280).[32] The average price per square meter was 56,515 tenge or $US382,[33] which was much lower than the market price. In the second wave, 27,000 applications were submitted and only 2,444 apartments were distributed.[34]

In Petropavlovsk city,[35] the second stage of the program was implemented within the program 100 Schools, 100 Hospitals.[36] During this period, three housing units were built in one of the districts (along Yubileinaya Street) of Petropavlovsk. In total, 225 apartments were constructed during this period. Most of them were distributed among healthcare workers—physicians and nurses. In total, 890 applications were submitted to the city *akimat*, but only 225 apartments were distributed—meaning that only 25.3 percent of those who applied received accommodation.[37] In Almaty city, 15,305 applications were submitted to the program, and only 69 housing units (2,410 apartments) were distributed. The statistics show that the demand for housing significantly exceeded its supply.

One requirement for participants in the state housing program was that they had to remain employed in the civil service or other budget organizations for five to eight years after receiving public accommodation. This was done to prevent a high rate of turnover and "brain-drain" in the public sector. Many people sought to obtain an apartment through the program and then switch jobs because salaries in the public sector were low. As in the Soviet era, the distribution of public housing to civil servants and *byudzhetniki* served as a tool to retain people in their workplace. One interviewee, a teacher from a secondary school, explained that if the government did not provide positive incentives and conditions for teachers, then nobody would want to work in schools. By allocating apartments and requiring teachers and other state employees to work for five years or more, the state also sought to preserve its professional cadres.

ACCESS TO PUBLIC HOUSING AND INFORMAL EXCHANGES

Despite the introduction of a point system during the second stage (2008–2010) of the housing program, many interviewees and survey respondents[38] reported that it was not easy to gain access to the program. Indeed, access to state housing has become more limited in post-independence Kazakhstan

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

than it was during the Soviet period. First, the state housing program has been narrow in scope, targeting only certain groups within the population. While in the Soviet era people were entitled to free housing—a right that was enshrined in the Constitution of the Soviet Union—there is no free and need-based access to housing guaranteed by law in Kazakhstan. Article 29 of the Constitution of Kazakhstan claims that housing is given for "accessible [*dostupnaya*] payment" to categories of citizens in need as specified by the law on housing. In other words, people have to pay for an apartment, but at a subsidized price. This is a critical distinction between housing policies of the Soviet and post-Soviet periods.

On the question of whether the state housing program was easily accessible, 73.6 percent of survey respondents answered that it was difficult to access, while 11.9 percent said it was easy to access, and 14.5 percent answered that the program was not accessible. According to respondents, the requirement of a minimum level of income was one of the obstacles to accessing the state housing program. Although many civil servants were eligible to participate in the program, they were not able to provide bank statements due to their low salaries, so they were effectively excluded. For others, the difficulty came in navigating the bureaucracy. Many respondents complained about the large number of documents they had to collect in order to apply for state housing. To overcome these obstacles, people used informal networks, asking their relatives and friends to help them obtain different *spravkas* (documents) and bank statements to expedite the process. One of the interviewees, a military man from Almaty, said:

> I used connections to receive an apartment through the program. We [my family] were waiting for three years living in a dormitory. I was ready to give a bribe of about three or four thousand dollars. My friends helped me. They took the documents and put them on the top [of the pile and the waiting list] so that my documents could be considered [in the first place by the commission]. They [friends] are *akimat* employees; they are my former classmates from a university. I have known them over ten years. I offered them money but they did not take it, then I invited my friends [to the restaurant].[39]

Hence, having friends working in the civil service was helpful for expediting the process of obtaining public accommodation and avoiding payment of bribes. Even if people are eligible and meet all the criteria for participating in the housing program, they prefer to use informal networks to ensure that their documents will be considered by the commission and thus the chance to obtain public housing will be raised.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Access to the Program across Cities and Social Groups

Survey results revealed varying levels of access to the housing program across ethnic groups, particularly between Kazakhs and Russians. According to the survey, only 2.2 percent of Russians answered that the program was easily accessible, whereas 11.9 percent of Kazakhs claimed there were no barriers for participation. Similarly, fewer Kazakhs (13.7 percent) indicated that the program was inaccessible to them compared to Russians and other ethnic groups (17.8 percent). The difference in perceptions of these two ethnic groups is explained by the fact that more ethnic Kazakhs than Russians and other ethnic minorities are employed in the civil service and various budget organizations, which makes them eligible to apply and obtain public housing. In addition, the *oralmans*,[40] who are ethnic Kazakhs, receive subsidized housing from the government, which creates bias toward ethnic Kazakhs.

The survey also showed differences across income groups. A higher percentage of low-income respondents (42.9 percent) claimed that the State Housing Program was rather inaccessible, whereas only 4.3 percent of wealthier people claimed to have difficulty participating in the program. One of the requirements for participation was the submission of a bank statement that would confirm the participant's ability to pay a mortgage. Although public housing is heavily subsidized and priced far below market levels, for many participants the monthly mortgage payment is still high, since salaries in the civil service and other budget organizations are low compared with the private sector. As a result, many of the potential participants were not able to confirm that they had enough income to pay the mortgage. According to the head of the Department on Housing in Almaty city, two thousand out of ten thousand applications were rejected due to insufficient income.[41] Indeed, many interviewees reported that one of the greatest difficulties for participation in the program was the need to submit a confirmation letter from a bank regarding financial credibility. If people were not able to verify adequate financial status, they were excluded from the program. To avoid this requirement, people used informal networks and connections to obtain financial approval from a bank. One interviewee from Petropavlovsk, for instance, claimed that she had to ask her cousin who worked in a local bank to confirm that she had good financial status to pay the mortgage.[42]

In addition to differences across ethnic and income groups, levels of access to the program varied from city to city. In Almaty and Astana, the two major cities in Kazakhstan, the demand for housing was higher than in other regional cities, and thus accessing the program was more difficult than in Petropavlovsk.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

The Issue of Transparency

Since the demand for public housing is high and supply is inadequate, there is potential for corrupt action and a low level of transparency in the distribution of housing. According to the survey, 56.5 percent of respondents disagreed with the statement that the process of housing distribution was transparent, 25.7 percent agreed, and 17.8 percent of respondents had difficulty providing an answer. In Petropavlovsk fewer respondents (43 percent) were negative about the program compared with Astana and Almaty—60.5 percent and 65.4 percent respectively. Similarly, a higher rate of interviewees mentioned that the distribution of public housing in Petropavlovsk was more transparent and was carried out according to formal rules rather than through informal networks and bribes. None of the interviewees from Petropavlovsk mentioned informal payments given to state employees in order to be placed on a waiting list or to expedite the process of obtaining public housing. This was very different from the author's communication with people from Almaty or Astana, where most respondents had heard about people who made informal payments. Some of the interviewees also admitted that they had intended to bribe state employees. One possible reason for this difference in transparency and corruption level is that in Petropavlovsk the number of housing units constructed was small (only three apartment complexes), so it was easier to control who could receive an apartment. In addition, it was clearly stated from the beginning that apartments would be distributed only to medical workers (in 2008–2010); thus, if an apartment was given to someone else, it would be highly visible. Finally, Petropavlovsk is a regional city, and the demand for housing is not as high as it is in Astana and Almaty. Because of the high visibility of the state housing program in Petropavlovsk, it was much harder to engage in corrupt actions than it was in large cities such as Almaty and Astana.

In contrast, respondents from Almaty and Astana very often gave examples of corrupt actions committed both by the participants and state employees. Assel, a participant from Astana[43] who works in the *akimat*, said: "People give money, preferably money [than gifts to get an apartment]. They [state employees] ask if you want to get an apartment through the program. [You] need to pay 3,000 dollars to the head of the department or to those who are responsible for the distribution."[44]

Another participant from Astana mentioned that people were purposely hired to work as civil servants to qualify for participation in the program. They worked for two or three months—just long enough to apply for public housing and receive an apartment. After obtaining accommodation, they resigned from the civil service.[45] Some individuals submitted fake documents regarding their status as a state employee. In Almaty, the financial police

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

found that eighty-five people had submitted false certificates confirming that they worked in the education sector. Others paid bribes to state employees to ensure that they obtained an apartment. One interviewee in Astana said that her friend had to pay US$2,000 in order to obtain public housing, although she was on the applicant's list. She did so because she wanted to make sure that she would not have to wait for another year.[46]

The problem of effective public spending and targeting the poorest has been on the agenda of many governments, particularly oil-rich states. In the case of the state housing program, not all apartments were distributed to the neediest people in Kazakhstan. Many apartments that were acquired through the program have been sublet to other people. One professor from Astana, a participant in the program, described the situation as follows: "There are many apartments [obtained through the program] that are now leased. This means that people were not in need of housing if they leased it. [I would say that] about 50 percent [of housing dwellers] rent [apartments]. There are also a lot of advertisements about leasing."[47] Indeed, the author's own experience showed that many people who lived in public housing were not primary owners; rather, many of them rented from owners.

It would be incorrect, however, to argue that the distribution of public housing was non-transparent and based exclusively on informal connections and payments. Many ordinary citizens were able to obtain an apartment through official channels without bribes or connections. Many of those interviewed received public housing very quickly and agreed that the program was transparent. Indeed, the rules of competition were quite clear—years of experience, number of children, and so on—that allowed people to make a decision about whether to participate in the program. Some respondents emphasized that they did not even expect to receive a new apartment through the program. Akmaral, a nurse from one of the hospitals in Petropavlovsk, mentioned that she submitted the required documents without any hope and was very surprised to obtain an apartment one month later.[48] Another nurse from Petropavlovsk said that everyone she knows who applied to the program obtained accommodation.

WHO GETS ON THE APPLICANTS' LIST?

There is a crucial difference between the waiting list that existed during the Soviet period and the applicants' list in modern Kazakhstan. In the Soviet era there was no competition among applicants in terms of points to accumulate in order to receive an apartment. All people in need of accommodation could apply for state housing, and the order on the waiting list was determined by

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

the time they submitted their documents. Since all people in need could apply, the queues on the waiting list were long (tens of thousands of people), and people had to wait ten to fifteen years before they could receive state housing. Today, there is no waiting list in the Soviet sense of the term. People who have more points receive priority over people with fewer points. Although citizens have to wait for construction to finish before they receive an apartment, the wait time is much shorter than it was in the Soviet period, now lasting from several months up to three years.

The differences in terms of housing distribution have also led to different forms of corruption by state employees and applicants. Because of the lack of free housing, narrow scope of the program, and income requirements, people had to manipulate the rules and bureaucrats in order to obtain housing they were not entitled to. The lack of transparency and the scarcity of housing units created fertile soil for informal exchanges and abuse of powers by public officials.[49]

According to the survey, 35.5 percent of respondents answered that they were satisfied with the performance of state employees, while 66.2 percent were unsatisfied. In contrast to the Soviet-era gatekeepers, represented by managers of state enterprises and members of the party committees, the gatekeepers of post-independence Kazakhstan are state employees working in government agencies. Their influence originates in their key positions in communication networks. They might occupy "low-status yet powerful positions" in a web of patron-client relations.[50] Many state employees involved in the housing program have not occupied high-ranking positions in the administrative hierarchy. Some of them have been the heads of subdivisions within a department of housing. Using their position, public employees were able to change the order on the applicants' lists and thus favor some people over others. Due to their status, state employees were also in a position to include people who were not eligible for participation in the program.[51] The example of S. Tashenov, a former chair of the commission on distribution of housing in Kokshetau, is illustrative. S. Tashenov redistributed twenty-two apartments to his friends and acquaintances without the agreement of other members of the commission.

The patterns of informal links between state employees and citizens in Kazakhstan, as elsewhere, can be both direct and indirect. During the implementation of the state housing program, people did not approach state employees who redistributed apartments directly. Rather, they sought individuals who were members of the state employee's inner circle.[52] The inner circle usually consists of relatives, friends, and close acquaintances of a state employee who have long-term relationships based and developed on trust and loyalty and/or kinship ties.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Approaching state employees was not easy for individuals who sought to obtain an apartment through "shortcuts" rather than through formal procedures. Usually they needed to find someone who knew a state employee personally. "It is not simple. You cannot give money just to anyone; you need to know someone who can help you," said Roza, a program participant from Astana.[53] According to Saule, who works in a local government, housing as well as other state benefits are received by those who have connections with state employees, including high-ranking government officials.[54]

People sought to find ways to approach state employees who distributed apartments in exchange for payments. In fact, in post-Soviet Kazakhstan we observe the shift from non-monetary exchanges toward monetary relations. The informal payment for placement on the applicants' list and receiving an apartment varied across different regions. The amount was much higher in Almaty and Astana than in Petropavlovsk. In Almaty, if a person was not eligible to participate in the program, she or he had to pay from US$7,000 to US$20,000 in order to be put on the waiting list. Those who were already on the waiting list and wanted to move higher had to pay from US$5,000 to US$12,000.[55] The price also varied by city neighborhood. For instance, to receive an apartment in the more prestigious districts of Almaty, people could pay from US$5,000 to US$7,000.[56] During my interviews, some people stated that they had heard about bribes and even had acquaintances and friends who had offered bribes. Some 44.9 percent of respondents preferred not to answer the question "Do you know anybody who gave gifts or did any other kind of favors to those who were involved in housing allocation in order to receive an apartment?" Of those who did respond, 7.7 percent said "yes" and 37.2 percent said "no." A high percentage of abstentions might imply that people avoid talking about this issue.

People continue to use informal channels to gain access to scarce commodities such as housing. Although the government formalized the process of housing allocation through the state program, people still use networks in order to expedite the process. Having a relative or a friend working in the local government might simplify that process. Informal payments became more widespread in the post-independence period. However, nonmonetary relations—informal exchanges based on kinship or friendship—continue to play an important role in the everyday life of citizens.

CONCLUSION

This chapter suggests that market reforms introduced in Kazakhstan have not destroyed informal exchanges in the country. State retrenchment, low state

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

capacity to provide goods and services, and growing social inequality make informal connections an important tool to gain access to scarce resources. Market reforms have not removed the shortage of housing, which is still scarce. Growing inequality, high market prices on real estate, and withdrawal of the state from the provision of public accommodation have markedly constrained citizens' abilities to obtain their own housing. The state housing program launched in 2005 was a good opportunity for low- and medium-income citizens to receive cheap accommodations. However, the demand for subsidized housing exceeded its supply, leading to manipulation and corruption among citizens and bureaucrats.

One of the important differences between the Soviet and post-Soviet housing policy is the process of distribution. Whereas in the Soviet era all people had the right to free accommodation, as enshrined in the Constitution of the Soviet Union, there is no free housing provided by the state in Kazakhstan. Under the state housing program people still have to buy an apartment, albeit at a lower price. The number of people who can apply and obtain state housing is limited. Hence, low access to state resources makes informal exchanges an effective tool to gain access to scarce and valuable commodities and to help provide people's basic needs. The differences in the provision of housing have also changed the way people seek access to state accommodation. In the Soviet era, informal relations were mostly based on non-monetary exchanges. In the post-Soviet period, however, people are actively involved in informal monetary relations.

Since the government is the main provider of subsidized housing, people are dependent on state employees who may use their positions to redistribute state resources to citizens to their own advantage. Although access to housing is not determined solely by connections as it was in the Soviet era, informal networks with state employees can significantly alleviate access to housing and can help people avoid paying bribes.

NOTES

1. Henry Morton, "Who Gets What, When and How? Housing in the Soviet Union," *Soviet Studies* 32 (1980): 235.
2. Ibid.
3. Gregory Andrusz, "Housing Policy in the Soviet Union," in *Housing Policies in Eastern Europe and the Soviet Union*, ed. John Sillince (London and New York: Routledge, 1990).
4. Gregory Andrusz, "Housing Policy in the Soviet Union."
5. Millar and Clayton, "Quality of Life."
6. Mikhail Berezin, Olga Kaganova, Nodezdha Koserava, Andrey Priktov, and Raymond Stryuk, "The Russian Federation," in *Housing Privatization in Eastern*

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Europe, ed. David Klapham, Jozsef Hedegus, Keth Kinterea, and Ivan Tosics, with Helen Kay (Westport, CT: Greenwood Press, 1996).

7. *Konstitutsia of the USSR* (1982), 150.

8. The "need for improved housing conditions" was different across cities and Union republics and was generally within the range of five to seven square meters per person, with the average of 6.3 square meters. In 1989, the average overall floor space per person reached 15.5 square meters. The worst provision of living space per capita, however, was in Central Asia, with 6.4 square meters. In Tajikistan, Azerbaijan, and Uzbekistan, it was 7.9 square meters per person. The citizens who were best provided for were in Estonia (13.7 square meters of living space), Georgia (13.4), and Latvia (12.5). Fifteen million people lived in communal apartments, and twelve million lived in hostels (Natasha Kalinina, "Housing and Housing Policy in the USSR," in *The Reform of Housing in Eastern Europe and the Soviet Union*, ed. Bengt Turner, Jozsef Hegedus, and Ivan Tosics [London and New York: Routledge, 1992]); Andrusz, "Housing Policy."

9. Arif Hasan, *Housing Crisis in Central Asia* (Karachi: City Press, 1997).

10. Simis, *USSR: The Corrupt Society*, 223.

11. The decree of February 28, 1930, specified the categories of people who were entitled to extra living space. The list of the following privileged categories existed throughout the 1960s: 1) patients with infectious or contagious diseases; 2) workers of state and enterprises, and also of professional, party, co-operative, and other public organizations and mixed shareholding societies who occupied responsible posts, requiring constant work at home; 3) Heroes of Labor; 4) Honored Scientists, Artists, Technologists; 5) Peoples' and Honored Artists of the Republic; 6) recognized inventors working on contract; 7) registered scientific (research) workers, according to established quotas; 8) high-level artists who were working on contract and were associated with unions; 9) high-level writers; 10) defense lawyers, according to a quota; 11) doctors and dentists, according to a quota; and 12) and personal pensioners. Marvyn Matthews, *Privileges in the Soviet Union: A Study of Elite Life-Styles under Communism* (London: George Allen and Unwin), 109.

12. Alfred John DiMaio, *Soviet Urban Housing: Problems and Policies* (New York: Praeger Publishers, 1974).

13. Andrusz, "Housing Policy in the Soviet Union."

14. Matthews, *Privileges in the Soviet Union*.

15. Olga Bessonova, *Sovetskaya Model' Zhilishchnykh Otnoshenii: Genesis, Sushchnost'i Puti Perestroiki* (Novosibirsk: Akademia Nauk SSSR, 1988).

16. Millar and Clayton, "Quality of Life."

17. Andrusz, "Housing Policy in the Soviet Union," 557.

18. Morton, "Who Gets What, When and How"; Andrusz, "Housing Policy in the Soviet Union," 557.

19. Rywkin, *Soviet Society Today*, 111.

20. Kelly McMann, "The Shrinking of the Welfare State: Central Asians' Assessments of Soviet and Post-Soviet Governance," in *Everyday Life in Central Asia: Past and Present*, ed. Jeff Sahadeo and Russel Zanca (Bloomington and Indianapolis: Indiana University Press, 2007), 235.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

21. Cook, *Post-Communist Welfare States*.

22. Gauhar Zainullina, Richard Dodder, Gulnar Zainullina, "Privatizing the Housing Sector: The Case of Kazakhstan 1985–1995," *The Journal of Political, Economic, and Social Studies* 24 (1990): 173–94.

23. McMann, "The Shrinking of the Welfare State," 240.

24. Author's interview with the head of the Housing Construction Department, R. Sunkarbaeva, Almaty, November 2011.

25. Although renting existed under the Soviet Union, it has become particularly common in the post-independence period. People, however, seek to have their own housing.

26. Sasha Tsenkova, "Provision of Affordable Housing for Europe, North America and Central Asia: Policies and Practices," prepared for the United Nations-HABITAT (January 2008), available at: http://www.ucalgary.ca/cities/files/cities/Affordable-HousingInternationalExperiences.pdf, accessed January 17, 2012.

27. Personal communication with the author, November 2011.

28. Personal communication with the author, November 2011.

29. *Byudzhetniki* are people who work in state organizations and receive their salaries from the state budget.

30. Danial Akhmetov, *Kazakhstan Today*, April 14, 2004.

31. Astana became the new capital of Kazakhstan in 1998 when President Nursultan Nazarbayev decided to move the capital from Almaty to the provincial city of Akmola. A number of explanations were suggested for this transfer. One of them was to prevent the separatist movement of the Russians, who mostly settled in the central and northern parts of the country. Since 1998, the demographic composition of the city has changed significantly. The Russian population decreased from 54.5 percent in 1989 to 19.9 percent in 2009, while the percentage of Kazakhs increased from 17.5 percent to 68.7 percent, which was mainly due to the internal migration of ethnic Kazakhs to the newly established capital. Overall, the population of Astana grew from 270,000 in 1996 to 697,257 in 2011. The rapidly growing city required more housing to absorb all migrants. In the first years after the transfer of the capital, many civil servants had to move from Almaty to Astana due to the transfer of all ministries and state agencies. The influx of civil servants and the rise in the price of oil led to the construction boom in Astana. Nevertheless, the supply of housing remained short of the demand.

32. Author's interview with the deputy head of Housing Department, Astana, October 2011.

33. $US1 = 150 tenge.

34. Out of 5,612 apartments, 3,174 (57 percent) are one-bedroom apartments (31.3–38.2 square meters); 1,814 (53 percent) are two-bedroom apartments (48.3–53.7 square meters); and 624 (11 percent) are three-bedroom apartments (65.3–68.8 square meters).

35. The North Kazakhstan *oblast* was founded in 1936 with Petropavlovsk as its regional center. Initially, it was a military fortress of Saint Peter established by Russians in 1752 and later renamed Petropavlovsk. The *oblast* has been largely populated by Russians and other Slavic people who resettled during the eighteenth and nine-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

teenth centuries from Russia. During the Soviet period, the city was an industrial center and had a number of industries, including three military plants. The demographic shift that occurred in the 1990s changed the image of the city from that of the Soviet period. According to the last census conducted in 2010, Russians comprised 48.25 percent of the population, while the population of ethnic Kazakhs was 33.89 percent.

36. The program 100 Schools, 100 Hospitals was launched in 2007.

37. Author's interview with anonymous civil servant from Petropavlovsk city *akimat*, Petropavlovsk, October 2011.

38. Author's 2011 survey; N = 400.

39. Author's interview with anonymous military person, Almaty, November 2011.

40. *Oralman* means "returnee" and describes ethnic Kazakhs who have immigrated to Kazakhstan since its independence in 1991. *Oralmans* come from various countries, including China, Mongolia, Uzbekistan, Russia, and other countries.

41. Author's interview with Sunkarbaeva, Almaty, November 23, 2011.

42. Author's interview, anonymous, August 2011.

43. For the privacy and safety of the informant, I have changed her name.

44. Author's interview with Assel, a participant of the program, Astana, October 2011.

45. Author's interview with a participant from Astana, September 2011.

46. Author's interview with informant from Astana, September 2011.

47. Author's interview with anonymous participant of the State Housing Program, Astana, October 2011.

48. Interview with program participant, September 5, 2011.

49. Roger Gould and Roberto M. Fernandez, "Structures of Mediation: A Formal Approach to Brokerage in Transaction Networks," *Sociological Methodology* 19 (1989): 89–126.

50. David Knoke, *Political Networks*: *The Structure of Perspective* (New York: Cambridge University Press, 1990).

51. Interview with program participant, August 22, 2011.

52. Auyero, "The Logic of Clientelism in Argentina," 63.

53. Interview with program participant, October 17, 2011.

54. Interview with program participant, September 14, 2011.

55. The range of payments is very wide. I have included the minimum and maximum numbers that different people mentioned during my interviews with them.

56. Interview with program participant, October 17, 2011.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Conclusion

This book has focused on the nature and dynamics of informal exchanges in Kazakhstan. It argues that state retrenchment coupled with partial decentralization led to the deterioration of public service delivery. This in turn stimulated citizens' engagement in informal reciprocal exchanges. Given radical state retrenchment from the social sphere that entailed the decline in the quantity and quality of welfare goods and services, this book provides insights on how citizens gain access to scarce resources and what strategies and channels they use to find goods in shortage under new market conditions.

The book has challenged the conventional wisdom that informal institutions are fixed and rather resistant to change. As shown, informal institutions are not static and can rapidly transform depending on economic and political contexts. The breakup of the Soviet Union and the liberalization of the economy produced new informal practices, generated the growth in monetary exchanges, and spurred corruption in Kazakhstan. The previously omnipresent state that provided social support and care to everyone from "cradle to grave" disappeared, making people learn how to survive under the harsh conditions of the market economy. Although there is no shortage of basic goods such as foodstuff and clothes as there was in the Soviet Union, there is still a deficit of life-cycle goods such as quality healthcare, education, housing, kindergartens, and jobs. Individuals do not use informal networks solely as "survival kits" or "safety nets," as studies of reciprocal institutions elsewhere suggest; people resort to informal channels to gain *quality* public goods and services that became scarce in the post-independence period.

My point of departure from the literature on informal institutions is that the latter are not only a result of market failure, but also a product of the *state's* failure to provide adequate quantity and quality welfare goods and services to the population. The literature on informal institutions highlights the impor-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

tance of poverty as the determining factor of informal reciprocity in various contexts, such as in Latin America, Africa, or South East Asia. Although I do not deny the impact of poverty, I show that informal reciprocal institutions may also thrive in relatively developed countries, and better-off citizens can be also actively involved in "access networks." Similarly, clientelist exchanges that are so widespread in Kazakhstan do not exclusively belong to the electoral domain or party politics, as other studies suggest.[1] Rather, clientelism penetrates various sectors of the state and structures state-society relations. Very often patrons and brokers provide resources to their clients not only to gain reciprocity in terms of political loyalty, but also for the purpose of gaining support and personal material benefits. As the case of Kazakhstan suggests, clientelist exchanges are inclusive and are not necessarily confined to either a pre-capitalist society or an electoral arena.

One of the key conclusions of this book is that informal exchanges might vary across social groups. State retrenchment from the social sphere had different effects on informal institutions, producing various patterns of reciprocity across social categories—age, gender, marital status, and rural residence. The different impact of state-building on informal reciprocity reveals a more complex interaction between formal and informal institutions than the existing institutional theories suggest. While the prevailing literature highlights the zero-sum or "either/or" logic of the interaction between formal and informal institutions, current research suggests a more complex picture. Most importantly, the analysis demonstrates that the frequency with which citizens are involved in reciprocal informal exchanges varies depending on their level of welfare support. A lower level of state welfare support is associated with a higher level of participation in informal reciprocal exchanges. The study also found an important variation in the *frequency* of people's involvement in reciprocal informal exchanges. Rural residents are more frequently involved in informal help than residents of urban areas, while females and married people more frequently ask for help than men and unmarried people. Finally, younger generations are more likely to ask for help than people of the older generations.

Analysis of the healthcare, education, and housing sectors has revealed that nuclear family members and friends continue to be the main source of informal help. Having relatives and friends working in the government and other state organizations substantially improves access to scarce state resources. People use connections to receive an apartment in a better location, to send a child to a prestigious school, and to obtain quality medical services, to name a few. Although formal linkages between individuals and the state exist, informal reciprocal connections remain a predominant form of state-society relations and, in fact, structure society itself.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

This study has also shown that patron-client relations based on vertical ties are widely utilized in Kazakhstan today. More than half of the survey respondents confirmed that they use personal connections and patronage to gain access to scarce resources such as good jobs, bank loans, or housing. Wealthy people use patronage networks more often than people with lower levels of income. Wealthy individuals are better able to reciprocate to either patrons or clients and hence are more involved in patron-client relations than poorer citizens. In contrast to interpersonal relations with family members and friends, which are used mostly by young people, various age groups utilize connections and patronage to gain access to scarce resources.

This book has also highlighted the emergence of new actors—independent businessmen—as a result of market reforms and the dispersion of wealth across individuals. This directly affected informal reciprocal exchanges by diversifying ties among citizens. People might not only expect help from the state, as they did in the Soviet period, but also from other non-state actors, in addition to family members and friends. Although their impact on the provision of public goods is relatively small and cannot be compared to that of NGOs or religious organizations in other societies, businessmen do help people in need in Kazakhstan.

IMPLICATIONS FOR STATE CAPACITY AND GOVERNANCE

It is important now to look at the potential effects and implications of informal reciprocity on the state and political system of Kazakhstan. On the one hand, informal clientelist exchanges pervert state-society linkages when associates and "friends" occupy strategic positions in public office and control access to resources and services. As the empirical evidence suggests, the primary source of help in Kazakhstan is not impartial state institutions, but friends and relatives who occupy various positions in civil service and state companies. Informal clientelist exchanges, hence, breed corrupt practices that might negatively affect state capacity and effective governance.

Informal payments, including those in the healthcare, education, and housing sectors, subvert a state's capacity to effectively collect taxes and redistribute resources. They create pernicious incentives for providers to divert available public resources from the wider population to a narrow group of clients. As a result, both public accountability and state capacity are undermined. This in turn leads to the underprovision of public goods and a lower level of trust in the government among the population. In Kazakhstan informal clientelist exchanges and corruption subvert state authority and discourage citizens from complying with formal rules, since the latter might be ineffective or applied selectively.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

At the same time, informal clientelist exchanges can play a positive role for marginalized groups in the population. People who do not have access to quality public goods and services, such as rural residents or low-income citizens, may obtain them through informal family networks. Informal clientelist practices may be sensitive to local context and sentiments by providing jobs or selective development projects to people in need.

As the analysis suggests, an independent business class engaged in the delivery of local public goods represents an alternative to the state in the provision of public goods. Although in Kazakhstan the percentage of non-state providers is relatively low compared to other countries, in the future they might play a larger role in the provision of welfare to the population. By building new social ties with rank-and-file citizens, businessmen may contribute to the development of social capital within the country.[2]

Finally, informal reciprocal institutions, particularly those based on informal payments and clientelist exchanges, do not contribute to the democratic development of Kazakhstan.[3] In a democracy, an effective bureaucracy guarantees the rights of citizenship, including equal treatment of all citizens. Leadership in democratic states regularly provides information and explanations of its measures and policies to citizens, who in turn can participate in decision-making and evaluate government officials' performance. Based on the government's performance, the population can either punish or reward government officials by voting them in or out of office.[4] Although the government in Kazakhstan seeks to incorporate citizens' feedback on various policies and decisions, including welfare programs, it does not do so on a regular basis. Because formal rules in Kazakhstan are not well defined and are not implemented regularly (hence, not institutionalized, except within the office of the executive), citizens live under conditions of "politico-institutional insecurity" and a high level of unpredictability. As a result, people seek security to protect themselves from uncertainty by constructing informal reciprocal relations with individuals who have access to state benefits. In turn, informal exchanges perpetuate unequal access to public goods and undermine the principles of universality and equality. All of this seems to have rather negative long-term political consequences for the state, for policy implementation, and for building stronger and more trustworthy relations between the population and state authorities.

FURTHER RESEARCH AGENDA

Although this analysis suggests that poor welfare provision might facilitate informal reciprocal institutions, additional studies should be done to confirm

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

the hypothesis. One might explore informal reciprocal institutions in other Central Asian states. The populations of those countries may face similar challenges such as the shortage of quality welfare goods due to state retrenchment or economic crisis. Kyrgyzstan, for instance, could be a comparable case since it has also experienced market reforms and state retrenchment from the social sphere. It would be important to investigate whether informal reciprocal institutions have the same or different structures and dynamics due to distinct socioeconomic conditions.

The growing inequality and stratification of society into rich and poor is already changing the dynamics of informal reciprocity in the country. Hence, it will be important to look at informal reciprocal institutions within and across different social classes as well as across different sectors of the economy. One might predict that informal institutions can be exhausted by poor citizens due to the depletion of resources, while networks among the rich will become less accessible to poor citizens, if not completely inaccessible.

I also assume that variation across social groups will continue to exist. In this regard, it will be important to conduct another study at a later point in time to examine if the frequency or variety of informal institutions changes in the same way across social groups. Such a study might focus on generational or rural versus urban differences in detail. It would also be useful to investigate other dimensions of reciprocal relations, such as density of informal reciprocity, types of ties, or other potential actors engaged in informal relations. Patron-client relations in the civil service and business sectors also present an important topic for future research.

Thus, given the country's high level of informal reciprocity, it is very likely that informal institutions and practices will continue to shape people's everyday interactions and impact various political and economic outcomes in Kazakhstan.

NOTES

1. Auyero, "The Logic of Clientelism in Argentina"; Kitschelt and Wilkinson, *Patrons, Clients, and Policies*.

2. Radnitz, *Weapons of the Wealthy*.

3. See Naomi Chazan's argument about state retrenchment, voluntary associations, and democratization in Ghana, in *An Anatomy of Ghanaian Politics: Managing Political Recession, 1969–1982* (Boulder, CO: Westview Press, 1983).

4. Juan Linz and Alfred Stepan, "Toward Consolidated Democracies," *Journal of Democracy* 7, no. 2 (1996): 14–33.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Appendix

Administration of Surveys and Data Analysis

To explore the nature and frequency of informal exchanges, I conducted two surveys. In 2011, I surveyed 400 people in three different regions: North, Central, and South Kazakhstan. The survey was done mostly among the participants of the state housing program launched by the government in 2005. The program included several social categories such as civil servants, the military, "young families" under the age of twenty-nine, and employees of healthcare and education sectors. The participants of the survey, thus, were mostly state employees. The data on informal reciprocity, people's perceptions and attitudes toward the implementation of the program, and distribution of housing was collected.

I used a multistage random sampling technique. First, a list of district areas in each city with new housing units was created. Then I picked housing units that were constructed through the state housing program. After that, a list of apartments in those housing units was generated. Using a random numbers chart, I took a random sample from the list of apartments. Once an apartment had been identified, a respondent was chosen based on his or her eligibility to participate in the state housing program.

The second survey took place between January and February 2013. It was also based on a multi-stage random sampling procedure. With the help of the private firm Strategy, seven hundred households were surveyed in five regions of Kazakhstan: North, South, East, West, and the Karagandy region, as well as Astana city, to explore public attitudes and perceptions toward public services and people's engagement in informal exchanges. First, a list of settlements (cities, towns, and villages) was created in each region. From the list, a number of settlements were chosen using a random table chart. Then a list of streets was created within a chosen settlement, and streets were

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

selected using a random sampling procedure. The same procedure was applied toward the selection of households. In contrast to the first survey, once a household had been identified, respondent selection was made based on people's most recent or next birthday. All adults age eighteen and older were eligible for participation in the survey. It is important to note that in villages without street names, the selection of households was made using the random route sample method. While I used data from both surveys in my analysis, the data from the 2013 survey were utilized to construct a statistical model in order to identify the determinants of frequency with which people were involved in informal reciprocity.

SENSITIVITY AND RELIABILITY OF DATA

To address the sensitivity of the survey questions on informal exchanges, particularly patron-client relations, and improve the reliability of data, a number of strategies were employed. Questions in the questionnaire were ordered in a certain way to generate trust among respondents. For instance, the very first questions were general and related to gender, age, place of living, level of education, and place of work, while more sensitive questions regarding level of income and types of exchanges appeared later in the questionnaire. In addition, some questions were structured as hypothetical situations or statements in order to shift the focus from a respondent per se and her situation.[1] People were also more willing to state their level of income when I gave them a range of real numbers (in KZT) rather than merely asking, "What is the level of your income?"

One of the dilemmas I faced while designing the questionnaire was determining what time period to use to help respondents easily recall informal exchanges in which they were involved. In survey methodology, an individual's recall of behavior is closely linked to the amount of time that passed after an event and the salience of the behavior. In fact, most important events are remembered more easily than less important ones. Scholars distinguish several dimensions according to which an event can be more or less salient. The first dimension is the unusualness of an event, such as buying a house or having a baby. These events occur rarely in people's lives, and individuals are more likely to remember them for longer periods of time. A second dimension is "the economic and social costs and benefits of the event." The higher the cost, the more likely people will remember the event longer. Finally, the continuing consequences of the event can also impact its salience. I chose a period of one year for people to recall if they turned for help and the type of help received or given.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

To improve data reliability and stimulate respondents' recall of exchanges, I composed a list of types of help and provided it to respondents. For my survey, I adapted types of help from Lauren MacLean's study, including "help with foodstuffs" and "help with clothes and material things."[2] The types of help used in MacLean's study, however, do not necessarily imply unequal or asymmetrical exchanges that are inherent to clientelist exchanges. My goal was to uncover reciprocal and asymmetrical relations among citizens, including those between patrons and clients. Thus, the survey questionnaire included help getting jobs both in the state and in the private sector; help entering a university; help with housing (buying a house or distribution of an apartment); help getting a bank loan; help getting a promotion at work; help finding a qualified medical doctor; help receiving a quota slot for a medical treatment; help solving financial problems; and help with anything else that was not mentioned. I sought to list those types of help that could be given or received between people of different socioeconomic status.[3] To determine whether the connection was kin-based or non-kin-based, as well as to see where people turn for help, a list of social connections and organizations that people could use to give or receive help was composed. It included close and extended family members, friends and colleagues, neighbors, local businessmen, state bodies/government, the political party Nur Otan,[4] other political parties, religious organizations, non-governmental organizations, banks/foundations, none, and other.

A set of questions on the role of *blat* and connections in the Soviet Union was also made. Respondents were encouraged to recall their life in the Soviet period and compare it with their life today. They were asked a number of questions related to sources and types of informal help as well as the frequency with which they utilized connections and *blat* to gain access to scarce state resources.

DATA DESCRIPTION AND MEASUREMENT

In this section, I will describe and provide information on the sources of the variables employed in the analyses. In table A.1, I report the descriptive statistics for each variable in the data set from Kazakhstan. Table A.2 presents a summary of definitions of dependent and independent variables I included in the model, and table A.3 contains the expected directional effects of independent variables on frequency of reliance on informal help.

The dependent variable in my analysis is the frequency of reliance on informal help introduced in chapter 3. The measure of frequency of informal exchanges is based on a simple question asking respondents to choose how

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table A.1. Summary statistics of variables

Dependent Variable	*Mean*	*St. Dev.*
Informal help	1.750	1.043
Independent Variables		
Social state support	4.649	1.966
Female	0.603	0.490
age1	0.125	0.331
age2	0.225	0.418
age3	0.223	0.417
age4	0.183	0.387
Education (schooling)	12.570	2.909
Married	0.617	0.487
Dependents	1.229	1.628
Rural	0.283	0.451
Income_log	4.880	0.253
Health	2.499	0.819
Risk aversion	2.205	0.636
Kazakhs	0.461	0.499

Source: Author's survey, 2011, Kazakhstan; N = 699

often they asked for help from their friends, relatives, or acquaintances within the last year.

The variable of welfare support from the government asked respondents to evaluate the level of welfare support they received from the government. Scores range from 1 to 9, with 9 indicating the highest level of government support.

Level of income is a discrete variable based on actual numbers. Because a linear relationship cannot be assumed, the variable was included in the regressions as a log of income. Respondents were asked about the level of income for their household for the previous month, measured in tenge, the local currency.

I included rural residence in the model. One might anticipate that the rural population would be more likely to turn to informal institutions due to low provision of public resources and a high degree of traditionalism that presumably exists in rural areas. Rural residence is a dichotomous variable. It scores "1" if a person resides in a rural area and "0" if a person resides in a non-rural area.

Health is an ordered variable. Respondents were asked to evaluate their health conditions from 1 (indicating bad health) to 5 (indicating excellent health). One might expect poor health to have a constraining effect on levels of informal exchanges, particularly of social support for others. It is hypoth-

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table A.2. Definitions of dependent and independent variables: Survey on informal exchanges, 2013

Dependent Variable	*Definition*
Frequency/intensity of reliance on informal help	Response to the following question: "In the last 12 months, approximately how often did you ask for help from your close family and distant relatives, friends, and acquaintances?" 1 = 0 times; 2 = 1–2 times; 3 = 3–5 times; 4 = 6–8 times; 5 = more than 8 times
Independent Variables	
Level of welfare state support	Scale from 0 to 9, with 0 indicating the lowest level of social state support
Female	= 1, if respondent is female; otherwise = 0
Education	Total number of years in school
Age dummies	= 18–24 (reference category); 25–34; 35–44; 45–54; 55–64; over 64
Kazakh	= 1, if respondent is of Kazakh ethnicity; otherwise = 0
Russian (reference category)	= 1, if respondent is Russian; otherwise = 0
Income	Total income of all household members within one month
Health	Scale from 1 to 5, with 1 indicating bad health
Marital status	= 1, if respondent is married; otherwise = 0
Number of dependents	Actual number of dependents in a household
Rural residence	= 1, if respondent lives in a rural area; otherwise = 0
Risk aversion	Scale from 1 to 5, with 5 indicating the highest level of probability that a person will be willing to engage in risky behavior.

Source: Author's survey, Kazakhstan, 2013; N = 700.

esized that people with good health are less likely to ask for help than people with poor health.

Age is measured in years. It was divided into five categories and included in the regression as a dummy variable, from Age1 to Age5, with the highest category excluded. Age1 is the first category included, representing younger people (18–24). Age4 (45–54) represents older people.

Ethnicity and gender are categorical variables. Gender is measured as a dichotomous variable. I coded "1" if a respondent was female and "0" if otherwise. Ethnicity has been divided into three categories: "Kazakhs," "Russians," and "Other." I created two dummy variables to be included in the model: "Kazakhs" and "Russians." I coded respondents as "1" if they stated their nationality as Kazakh and "0" if otherwise. The dummy variable "Russian" is a reference category, and thus I did not include it in the regression model. It equals "1" if the respondent is Russian and "0" if otherwise.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Table A.3. Summary of expected effects of independent variables on frequency of informal help

Variable Name	*Expected Direction (+/–)*
Social support of the government (social support)	–
Health	–
Marital status (married)	+
Rural residence (rural)	+
Income	–
Female	+
Kazakhs	+
Russians	–
Education (schooling)	–
Dependents	+
Age	–
Risk aversion	–

Source: Author

Marital status also was included in the model. Married couples can rely on each other for various kinds of support. I created a dummy variable coding "1" if respondents stated that they were married and "0" if otherwise.

Another variable is number of dependents. Respondents were asked to report the number of people who are dependent on them for their material support, including children, the disabled, and the elderly. It is a discrete variable measured in actual numbers.

Finally, risk is another important variable, measuring the probability that an individual will be involved in a risky behavior.[5] It ranges from 1 to 5, with 5 as the highest level of probability that a person will be willing to engage in risky behavior. It consists of an average value based on five statements about risky behavior.

NOTES

1. MacLean, *Informal Institutions*.
2. Ibid.
3. For instance, kindergartens are in extreme shortage in post-independence Kazakhstan due to the "spontaneous privatization" of the 1990s, when hundreds of kindergartens were closed and bought out by businessmen who used the facilities for purposes other than child care. Any placement in a kindergarten is generally possible if an individual has personal connections in *akimats* or knows the head of a kindergarten—*zaveduyushchaya*. Bribes (given to *zaveduyushchaya*) are another way to place a child in kindergarten. However, bribes were very often used in tandem with connections.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

4. The Nur Otan political party was listed separately from other political parties, as it is a dominant political organization. Since the last parliamentary elections held in 2007, the party has occupied 100 percent of seats in the national parliament.

5. Elke Weber, Ann-Renee Blais, and Nancy Betz, "A Domain-Specific Risk-Attitudes Scale: Measuring Risk Perceptions and Risk Behaviors," *Journal of Behavioral Decision-Making* 15 (2002): 263–90.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

References

Adams, Rebecca. 1989. *Conceptual and Methodological Issues in Studying Friendships of Older Adults*. Newbury Park, CA: Sage Publications.

Agarwal, Pradeep. 2008. "Economic Growth and Poverty Reduction: Evidence from Kazakhstan." *Asian Development Review*, 24(2): 90−115.

Agency on Statistics of the Republic of Kazakhstan. Available at www.eng.state.kz/digital/Education?Pages/default.aspx.

Ahmad, Ehtisham, and Giorgio Brosio. 2009. *Does Decentralization Enhance Service Delivery and Poverty Reduction*. Cheltenham, UK: Edward Elgar.

Ahrens, Joachim, and Herman Hoen. 2013. *Institutional Reform in Central Asia: Politico-Economic Challenges*. New York: Routledge.

Alatas, Vivi, et al. "Does elite capture matter? Local elites and targeted welfare programs in Indonesia," working paper no. w18798. National Bureau of Economic Research, 2013, available at https://www.povertyactionlab.org/sites/default/files/publications/611%20Elite%20Capture%20Indonesia%20Feb2013.pdf, accessed April 17, 2018.

Alesina, Alberto, Reza Baqir, and William Easterly. 1999. "Public Goods and Ethnic Divisions." *The Quarterly Journal of Economics*, 114 (November): 1243–1284.

Allina-Pisano, Jessica. 2008. *The Post-Soviet Potemkin Village: Politics and Property Rights in the Black Earth*. New York: Cambridge University Press.

Amin, Samia, Jishnu Das, and Markus Goldstein. 2007. *Are You Being Served? New Tools for Measuring Service Delivery*. Washington, DC: World Bank.

Anderson, Lisa. 1987. "The State in the Middle East and North Africa." *Comparative Politics* 1: 1–18.

Andrusz, Gregory. 1990. "Housing Policy in the Soviet Union." In *Housing Policies in Eastern Europe and the Soviet Union*, edited by John Sillince. London and New York: Routledge.

Andrusz, Gregory. 1990. "A Note on the Financing of Housing in the Soviet Union." *Soviet Studies*, 42(3): 555–570.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Andrusz, Gregory. 1992. "The Soviet Union: An Introduction." In *The Reform of Housing in Eastern Europe and the Soviet Union*, edited by Bengt Turner et al. London and New York: Routledge.

Arcand, J., and M. Fafchampts. 2008. "Matching in Community-Based Organizations." *Journal of Development Economics*, 98(2): 203–219.

Arrow, Kenneth. 1971. *Essays in Theory of Risk-Bearing*. Amsterdam: North Holland.

Asautai, Manshuk, "Dlya borby so shkolnimy poborami nuzhna aktivnost roditelei." Available at http://rus.azattyq.org/a/pobory-v-shkole-zhaloby-roditeley/26653581.html.

Asian Development Bank (ADB) Project Completion Report on the Educational Rehabilitation and Management Improvement Project in Kazakhstan. September 2002. Available at https://www.adb.org/sites/default/files/project-document/70994/pcr-in242-02.pdf.

Asian Development Bank (ADB), 1995. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of Kazakhstan for the Educational Rehabilitation and Management Improvement Project.* Manila: Asian Development Bank.

Auyero, Havier. 1998. *Poor People's Politics: Peronist Survival Networks and the Legacy of Evita.* Durham: Duke University Press.

Auyero, Javier. 1999. "From the Client's Point(s) of View: How Poor People Perceive and Evaluate Political Clientelism." *Theory and Society*, 28: 297–334.

Auyero, Javier. 2000. "The Logic of Clientelism in Argentina: An Ethnographic Account." *Latin American Research Review*, 35(3): 55–81.

Bardhan, Pradhan. 2002. "Decentralization of Governance and Development." *Journal of Economic Perspectives*, 16(4): 185–206.

Bardhan, Prathan, and Dilip Mookherjee. 2005. "Decentralization, Corruption and Government Accountability: An Overview." In *Handbook of Economic Corruption*, edited by Susan Rose Ackerman. Northampton: Edward Elgar.

Barr, A., and A. Oduro. 2002. "Ethnic Fractionalization in an African Labor Market." *Journal of Development Economics*, 68(2): 355–379.

Barr, Nicholas. 2003. *The Welfare State as Piggy Bank: Information, Risk, Uncertainty, and the Role of the State*. Oxford: Oxford University Press.

Bell, Daniel. 1973. *The Coming of Post-Industrial Society.* New York: Basic Books.

Berezin, Mikhail, Olga Kaganova, Nodezdha Koserava, Andrey Priktov, and Raymond Stryuk. 1996. "The Russian Federation." In *Housing Privatization in Eastern Europe,* edited by David Klapham, Jozsef Hedegus, Keth Kinterea, and Ivan Tosics, with Helen Kay. Westport, CT: Greenwood Press.

Bernstein, Judith, and Judith Shuval. 1994. "Emigrant Physicians Evaluate the Health Care System of the Soviet Union." *Medical Care*, 32(2): 141–149.

Berry, Sara. 1993. *No Condition Is Permanent: The Social Dynamics of Agrarian Change in Sub-Saharan Africa*. Madison, WI: University of Wisconsin Press.

Bessonova, Olga. 1992. "The Reform of the Soviet Housing Model." In *The Reform of Housing in Eastern Europe and the Soviet Union*, edited by Bengt Turner, Jozsef Hegedus, and Ivan Tosics. London and New York: Routledge.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Bessonova, Olga. 1988. *Sovetskaya Model' Zhilishchnykh Otnoshenii: Genesis, Sushchnost'i Puti Perestroiki*. Novosibirsk: Akademia Nauk SSSR.

Bhuiyan, Shahjahan. 2010. "Decentralization and Local Governance in Kazakhstan." *International Journal of Public Administration*, 33(12–13): 658–672.

"Bolee 500 bvypusknikov kolledgei ne smogli prodolshit obrazovanie." 2015. *Sovremennoe obrazovanie*, 2(98): 15.

Boone, Catherine. 2003. *Political Topographies of the African State: Territorial Authority and Institutional Choice.* New York: Cambridge University Press.

Botaiuly, Ruslan. "Sarinzhipov: 40 KZT Billion Needed to Liquidate Three-Shift Schools." Available at http://rus.azattyq.org/a/27381296.html, accessed October 11, 2016.

Bourdieu, P. 2004. *Science of Science and Reflexivity.* Palo Alto, CA: Stanford University Press

Brady, Henry, and David Collier. 2004. *Rethinking Social Inquiry: Diverse Tools, Shared Standards*. Lanham, MD: Rowman & Littlefield.

Brass, J. 2010. "Surrogates for Government? NGOs and the State in Kenya." Ph.D. thesis, University of California at Berkeley.

Bratton, Michael. 2007. "Formal Versus Informal Institutions in Africa." *Journal of Democracy*, 18(3): 96–110.

Bratton, Michael, and Nicolas Van de Walle. 1997. *Democratic Experiments in Africa: Regime Transitions in Comparative Perspectives.* New York: Cambridge University Press.

Cammett, Melani, and Sukriti Issar. 2010. "Bricks and Mortar Clientelism Sectarianism and the Logics of Welfare Allocation in Lebanon." *World Politics*, 62(3): 381–421.

Cammett, Melani, and Lauren MacLean. 2011. "Introduction: The Political Consequences of Non-state Social Welfare in the Global South." *Studies on Comparative International Development*, 46:1–21.

Center for Social and Political Research. 2010. "Strategy: Zhilishchnaya Problema v Otsenkah Naselenia." Available at http://ofstrategy.kz/?nc40&version=ru, accessed July 2012.

Chazan, Naomi. 1983. *An Anatomy of Ghanaian Politics: Managing Political Recession, 1969–1982*. Boulder, CO: Westview Press.

Chubb, Judith. 1982. *Patronage, Power, and Poverty in Southern Italy: A Tale of Two Cities*. Cambridge: Cambridge University Press.

Cheru, F. "The Silent Revolution and the Weapons of the Weak: Transformation and Innovation from Below." In *Innovation and Transformation in International Studies*, edited by S. Gill et al. New York: Cambridge University Press.

Code on Health of the People and Healthcare System of the Republic of Kazakhstan. Available at http://egov.kz/wps/wcm/connect/21bab58047cf3244a134b7ec00953609/K090000193_20110705.htm?MOD=AJPERES&CACHEID=21bab58047cf3244a134b7ec00953609&useDefaultText=0&useDefaultDesc=0, accessed April 12, 2012.

Collier, David, Henry E. Brady, and Jason Seawright. 2004. "Critiques, Responses, and Trade-Offs." In *Rethinking Social Inquiry: Diverse Tools, Shared Standards*, edited by H. E. Brady and D. Collier. Lanham, MD: Rowman & Littlefield.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Collier, David, and James Mahoney. 1996. “Insights and Pitfalls: Selection Bias in Qualitative Research.” *World Politics*, 49(1): 56–91.

Collins, Kathleen. 2006. *Clan Politics and Regime Transition in Central Asia*. New York: Cambridge University Press.

Collins, Kathleen. 2002. “Clans, Pacts and Politics in Central Asia.” *Journal of Democracy*, 13(3): 137–152.

Commercio, Michele. 2010. *Russian Minority Politics in Post-Soviet Latvia and Kyrgyzstan: The Transformative Power of Informal Networks*. Philadelphia: University Pennsylvania Press.

Cook, Linda. 2007. *Post-Communist Welfare States: Reform Politics in Russia and Eastern Europe.* Ithaca, NY, and London: Cornell University Press.

Cook, Linda. 2007. “Negotiating Welfare in Post-Communist States,” *Comparative Politics*, 40(1): 41–62.

Cook, Linda. 2014. “Spontaneous Privatization and Its Political Consequences in Russia′s Postcommunist Health Sector” in Melani Cammett and Lauren MacLean, *The Politics of Non-state Social Welfare*. Ithaca, NY: Cornell University Press.

Cox, Donald, and Emmanuel Jamenez. 1998. “Risk Sharing and Private Transfers: What About Urban Households? *Economic Development and Cultural Change*, 46(3).

Creswell, John. 2009. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Los Angeles, CA: Sage.

Creswell, J., and Plano Clark. 2007. *Designing and Conducting Mixed Methods Research*. Thousand Oaks, CA: Sage.

Cromley, Ellen, and Peter Craumer. 1990. “Physician Supply in the Soviet Union 1940–1985.” *Geographical Review*, 80(2): 132–140.

Cummings, Sally. 2000. *Kazakhstan: Center–Periphery Relations.* London: Royal Institute of International Affairs.

Cummings, Sally. 2005. *Kazakhstan: Power and the Elite.* London: I. B. Taurus.

Cummings, Sally. 2012. *Understanding Central Asia: Politics and Contested Transformation.* London: Routledge.

Dasgupta, Basab, Amar Narayan, and Emmanuel Skoufias. 2009. “Measuring the Quality of Education and Health Services: The Use of Perception Data from Indonesia.” Policy Research Working Paper 5033, World Bank. Available at http://siteresources.worldbank.org/INTISPMA/Resources/Training-Events-and-Materials/Infocontent_edu_hlth_Draft_April2009.pdf, last accessed October 3, 2012.

Dave, Bhavna. 2007. *Kazakhstan: Ethnicity, Language and Power.* London and New York: Routledge.

Davis, Christopher. 1988. “The Organization and Performance of the Contemporary Soviet Healthcare System.” *In State and Welfare, USA/USSR: Contemporary Policy and Practice*, edited by Gail Laipuds and Guy Swanson. Berkeley: University of California Press.

Deacon, Robert. 2009. “Public Good Provision under Dictatorship and Democracy.” *Public Choice*, 139: 241–262.

Deacon, Robert, and Sarani Saha. 2005. “Public Good Provision by Dictatorships: A Survey.” Working paper, Department of Economics, University of California

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

at Santa Barbara. Available at http://escholarship.org/uc/item/1jk5b0vr, accessed July 9, 2012.

Deaton, A. 1992. "Household Savings in LDCs: Credit Markets, Insurance and Welfare." *Scandinavian Journal of Economics*, 94: 253–273.

Deichmann, Uwe, and Somik Lall. 2003. "Are You Satisfied? Citizen Feedback and Delivery of Urban Services." Policy Research Working Paper 3070. Washington, DC: World Bank.

Dercon, Stefan. 2002. *Income Risk, Coping Strategies, and Safety Nets*. Washington, DC: World Bank.

Devarajan, Shantayanan, Stuti Khemani, and Shekhar Shah. 2009. "The Politics of Partial Decentralization." In *Does Decentralization Enhance Service Delivery and Poverty Reduction?* Edited by Ehtisham Ahmad and Giorgio Brosio. Cheltenham, UK: Edward Elgar.

De Weerdt, Joachim. 2002. *Risk- Sharing and Endogenous Network Formation*. New York: United Nations University.

De Weerdt, Joachim, and Stefan Dercon. 2006. "Risk-Sharing Networks and Insurance Against Illness." *Journal of Development Economics*, 81: 337–356.

Diaz-Cayeros, Alberto, and Beatriz Magaloni. 2003. "The Politics of Public Spending. Part I, The Logic of Vote Buying." Background paper prepared for the World Bank Report, April 25. Available at http://www-wds.worldbank.org, last accessed March 8, 2011.

Dildyaev, G., and A. Petrushov. "Esche raz o staryh svyazah" [Once again about old connections]. *Pravda*, 7(24994): 2.

DiMaio, Alfred John. 1974. *Soviet Urban Housing: Problems and Policies*. New York: Praeger Publishers.

Domanski, B. 1991. "Gatekeepers and Administrative Allocation of Goods under Socialism: An Alternative Perspective." *Environment and Planning*, 9(3): 281–293.

Duckett, Jane. 2011. *The Chinese State's Retreat from Health: Policy and the Politics of Retrenchment*. London and New York: Routledge.

Dzhandosova, Zh., N. Baitugelova, F. Dzhandosova, and S. Kunitsa. 2002. "Korruptsia v Kazakhstane Glazalmi Gosudarstvennyh Sluzhashchih, Predprininmatelei i Naselenia." Astana: Issledovatelski Tsentr Sanz.

Easter, Gerald. 2000. *Reconstructing the State: Personal Networks and Elite Identity in Soviet Russia*. New York: Cambridge University Press.

Eisenstadt, Shmuel Noah, and René Lemarchand. 1981. *Political Clientelism: Patronage and Development*. Beverly Hills, CA: Sage.

Eisenstadt, S. N., and L. Roniger. 1984. *Patrons, Clients, and Friends: Interpersonal Relations and the Structure of Trust in Society*. New York: Cambridge University Press.

Emrich-Bakenova, Saule. "Trajectory of Civil Service Development in Kazakhstan: Nexus of Politics and Administration." *Governance: An International Journal of Policy, Administration, and Institutions*, 22(4): 717–745.

Ensor, Tim, and Larisa Savelyeva. 1998. "Informal Payments for Healthcare in the Former Soviet Union: Some Evidence from Kazakhstan," *Health Policy and Planning*, 13(1): 41–49.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Erdman, Gero, and Ulf Engel. 2007. "Neopatrimonialism Reconsidered: Critical Review and Elaboration of and Elusive Concept." *Commonwealth and Comparative Politics*, 45(1): 95–119.

Erimbetov, Nurlan. March 2010. "U Nashih Chinovnikov davno Gotovy Zapasnye Aerodromy." *Svoboda Slova*.

Esanov, Akram. "Efficiency of Public Spending in Resource-Rich Post-Soviet State." Revenue Watch Institute, available at https://resourcegovernance.org/sites/default/files/documents/rwi_esanov_efficiencyofpublicspending.pdf, accessed April 19, 2018.

Fainsod, Merle. 1967. *How Russia Is Ruled.* Cambridge, MA: Harvard University Press.

Fearon, James, and David D. Laitin. 1996. "Explaining Interethnic Cooperation." *American Political Science Review*, 90(4): 715–735.

Field, Mark. 1991. "The Hybrid Profession: Soviet Medicine." In *Professions and the State: Expertise and Autonomy in the Soviet Union and Eastern Europe*, edited by Anthony Jones. Philadelphia, PA: Temple University Press.

Field, Mark. 1990. "Noble Purpose, Grand Design, Flawed Execution, Mixed Results: Soviet Socialized Medicine after Seventy Years." *American Journal of Public Health*, 80(2): 144–145.

Field, Mark. 1994. "Post-Communist Medicine: Morbidity, Mortality, and the Deteriorating Health Situation." In *The Social Legacy of Communism*, edited by James Millar and Sharon Wolchik. New York: Cambridge University Press.

Fimyar, Olena, Nataliia Yakavets, and Makpal Dzhandrina. "Educational Reform in Kazakhstan: The Contemporary Policy Agenda." In *Educational Reform and Internationalization: The Case of School Reform in Kazakhstan*, edited by David Bridges, 53–70 (Cambridge: Cambridge University Press, 2014).

Fox, Jonathan. 2012. "State Power and Clientelism: Eight Propositions for Discussion." In *Clientelism in Everyday Latin American Politics*, edited by Tina Hilgers. New York: Palgrave Macmillan.

Friedenberg, Flavia, and Steven Levitsky. 2006. "Informal Institutions and Party Organization in Latin America." In *Informal Institutions and Democracy: Lessons from Latin America,* edited by Gretchen Helmke and Steven Levitsky. Baltimore, MD: Johns Hopkins University Press.

Gaál, Peter, Melitta Jakab, and Sergey Shishkin. 2010. "Strategies to Address Informal Payments for Health Care." In *Implementing Health Financing Reform: Lessons from Countries in Transition*, edited by Joseph Kutzin, Cheryl Cashin, and Melitta Jakab. Brussels: European Observatory on Health Systems and Policies.

Galagher, K. 1994. "Doing Their Share: Comparing Patterns of Help Given by Older and Younger Adults." *Journal of Marriage and the Family*, 56: 567–578.

Gallagher, Sally. 1994. *Older People Giving Care: Helping Family and Community*. Westport, CT: Praeger.

Ganev, Venelin. 2002. *Preying on the State: The Transformation of Bulgaria after 1989*. Ithaca, NY: Cornell University Press.

Gellner, Ernest, and John Waterbury. 1977. *Patrons and Clients in Mediterranean Societies.* London: Duckworth and Co Ltd.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

George, Alexander, and Andrew Bennett. 2005. *Case Studies and Theory Development in the Social Sciences.* Cambridge, MA: MIT Press.

Gerber, Theodore, and Michael Hout. "Educational Stratification in Russia During the Soviet Period." *American Journal of Sociology*, 101 (1995): 612.

Gerring, John, and Strom Thacker. 2005. "Do Neoliberal Policies Deter Political Corruption?" *International Organization*, 59(1): 233–254.

Gleaser, E., D. Laibson, J. Scheinkman, and C. Soutter. 2000. "Measuring Trust." *Quarterly Journal of Economics*, 115: 811–846.

Gleason, Gregory. 1991. "Fealty and Loyalty: Informal Authority Structures in Soviet Asia." *Soviet Studies*, 43(4): 613–628.

Gordin, Jorge. 2002. "The Political and Partisan Determinants of Patronage in Latin America 1960–1994: A comparative Perspective." *European Journal of Political Research*, 41: 513–549.

Goskomstat, Kaz. 1990. *SSR, Narodnoe obrazovanie I nauka v Kazakhskoi SSr: statisticheskii Sbornik*. Alma-Ata: Respublikanskii Informatsinno izdatelskii tsentr.

Gosudarstvennaya programma razvitia borazovania na 2011–2020 gody [The State Program on Development of Education for 2011–2020]. Available at http://control.edu.gov.kz/ru/node/3058.

Gosudarstvennaya programma razvitia obrazvoania I Nauki Respubliki Kazakhstan na 2016–2019 Gody [State Program on Education and Science Development in the Republic of Kazakhstan for 2016–2019 years]. Available at http://control.edu.gov.kz/sites/default/files/gpron_ukaz_ot_1.03.2016_no2015_1.pdf, accessed April 19, 2018.

Gould, Roger, and Roberto M. Fernandez. 1989. "Structures of Mediation: A Formal Approach to Brokerage in Transaction Networks." *Sociological Methodology*, 19: 89–126.

Gouldner, Alvin. 1960. "The Norm of Reciprocity: A Preliminary American." *Sociological Review*, 25(2): 161–178.

Graziano, Luigi. 1975. *A Conceptual Framework for the Study of Clientelism*. Ithaca, NY: Cornell University Press.

Gregory, Paul. "Productivity, Slack, and Time Theft in the Soviet Economy." In *Politics, Work and Daily Life in the USSR: A Survey of Former Soviet Union*, edited by James Millar (Cambridge: Cambridge University Press, 1987).

Greif, Avner, and Laitin David. 2004. "A Theory of Endogenous Institutional Change." *American Political Science Review*, 4: 633–652.

Gribanova, Svetlana. 2014. "Garmonizatsia vozmozhnostei i potrebnostei" [Harmonization of opportutnities and demands]. Available at http://expertonline.kz/a13332/, accessed on April 21, 2018.

Groves, Robert, Floyd Fowler, Mick Couper, James Lekpowski, Eleanor Singer, and Roger Tourangeau. 2009. *Survey Methodology*. Hoboken, NJ: John Wiley and Sons.

Grzymala-Busse, Anna. 2008. "Beyond Clientelism: Incumbent State Capture and State Formation." *Comparative Political Studies*, 41(4/5): 638–673.

Habyarimana, James, et al. 2007. "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review*, 101(4): 709–725.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Hale, Henry. “Correlates of Clientelism: Political Economy, Politicized Ethnicity, and Post-Communist Transition.” In *Patrons, Clients, and Policies*, edited by Herbert Kitschelt and Steven Wilson, 227–250. New York: Cambridge University Press.

Hasan, Arif. 1997. *Housing Crisis in Central Asia*. Karachi: City Press.

Healy, Judith. 2002. “The Health Care Workforce.” In *Healthcare in Central Asia*, edited by Martin McKee, Judith Healy, and Jane Falkingham (Buckingham, UK: Open University Press, 2002). Available at http://www.euro.who.int/__data/assets/pdf_file/0007/98386/E74484.pdf, accessed January 31, 2015.

Heller, Patrick. 2001. “Moving the State: The Politics of Democratic Decentralization in Kerala, South Africa, and Porto Alegre.” *Politics and Society*, 29(1): 131–163.

Helmke, Gretchen, and Steven Levitsky. 2004. “Informal Institutions and Comparative Politics: A Research Agenda.” *Perspectives on Politics*, 2(4): 725–740.

Helmke, Gretchen, and Steven Levitsky. 2006. *Informal Institutions and Democracy: Lessons from Latin America*. Baltimore, MD: Johns Hopkins University Press.

Heyneman, Stephen. 2004. “Education and Corruption.” *International Journal of Educational Development*, 24: 637.

Heyneman, Stephen P., Kathryn H. Anderson, and Nazym Nuraliyeva. 2008. “The Cost of Corruption in Higher Education.” *Comparative Education Review*, 52(1): 1–25.

Hierman, Brent. 2010. “What Use Was the Elections to Us? Clientelism and Political Trust amongst Ethnic Uzbeks in Kyrgyzstan and Tajikistan.” *Nationalities Papers*, 38(2): 245–263.

Higgins, S., et al. 2005. *The Impact of School Environments: A Literature Review*. Newcastle-Upon-Tyne: Design Council.

Hilgers, Tina. 2012. “Democratic Process, Clientelistic Relationships, and the Material Goods Probem.” In *Clientelism in Everyday Latin American Politics*. New York: Palgrave Macmillan.

Huntington, Samuel. 1968. *Political Order in Changing Societies*. New Haven, CT: Yale University Press.

Hyden, Goran. 2006. *African Politics in Comparative Perspective*. Cambridge: Cambridge University Press.

Ikimova, D. T. “Problema trudoustroistva molodyh spetsialistov v Kazakhstane.” *Obrazovanie*, 4(71): 87.

Inglehart, Ronald. 1997. *Modernization and Postmodernization: Cultural, Economic and Political Change in 43 Societies*. Princeton, NJ: Princeton University Press.

Inglehart, Ronald, and Wayne Baker. 2000. “Modernization, Cultural Change, and the Persistence of Traditional Values.” *American Sociological Review*, 65(1): 19–51.

Inglehart, Ronald, and Christina Welzel. 2005. *Modernization, Cultural Change and Democracy.* New York: Cambridge University Press.

Inoguchi, Takashi, Miguel Basanez, Timur Dadabaev, and Akihiko Tanaka, A. 2005. *Values and Life Styles in Urban Asia: A Cross-Cultural Analysis and Source Book*. Based on the Asia Barometer Survey. Tokyo: University of Tokyo Press.

International Crisis Group. February 2011. “Central Asia: Decay and Decline.” *Asia Report*, 201.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Isaacs, Rico. 2011. *Party System Formation in Kazakhstan: Between Informal and Formal Politics*. London: Routledge.

Ishiyama, John T. 2001. "Neopatrimonialism and the Prospects for Democratization in the Central Asian Republics." In *Power and Change in Central Asia*, edited by Sally Cummings. London: Routledge.

Iyer, Sriya, Michael Kitson, and Bernard Toh. 2005. "Social Capital, Economic Growth and Regional Development." *Regional Studies*, 39(8): 1015–1040.

Jensen, Nathan, and Leonard Wantchekon. 2004. "Resource Wealth and Political Regimes in Africa." *Comparative Political Studies*, 37(7): 816–841.

Johnson, Burke Johnson, and Anthony J. Onwuegbuzie. 2004. "Mixed Methods Research: A Research Paradigm Whose Time Has Come." *Educational Researcher*, 33(7): 14–26.

Johnson, R. B., A. J. Onwuegbuzie, and L. A. Turner. 2007. "Toward a Definition of Mixed Methods Research." *Journal of Mixed Methods Research*, 1(2): 112–133.

Jones Luong, Pauline. 2014. "Empowering Local Communities and Enervating the State? Foreign Oil Companies as Public Good Providers in Azerbaijan and Kazakhstan." In *The Politics of Non-State Social Welfare*, edited by Melani Cammett and Lauren M. MacLean. Ithaca, NY: Cornell University Press.

Jones Luong, Pauline. 2001. "Kazakhstan: The Long-Term of Short-Term Gains." In *Energy and Conflict in Central Asia and Caucasus*, edited by Robert Ebel and Rajat Menon. Boulder, CO: Roman & Littlefield.

Jones Luong, Pauline. 2004. *Transformation of Central Asia: States and Societies from Soviet Rule to Independence.* Ithaca, NY: Cornell University Press.

Jones Luong, Pauline, and Erika Weinthal. 2010. *Oil Is Not a Curse: Ownership Structure and Institutions in Soviet Successor States*. New York: Cambridge University Press.

Jones Luong, Pauline, and Erika Weinthal. 2001. "Prelude to the Resource Curse: Explaining Oil and Gas Development Strategies in the Soviet Successor States and Beyond." *Comparative Political Studies*, 34(4): 367–399.

Junisbai, Barbara. 2010. "A Tale of Two Kazakhstans: Sources of Political Cleavage and Conflict in the Post-Soviet Period." *Europe-Asia Studies* 62(2): 235–269.

Kalinina, Natasha. 1992. "Housing and Housing Policy in the USSR." In *The Reform of Housing in Eastern Europe and the Soviet Union*, edited by Bengt Turner, Jozsef Hegedus, and Ivan Tosics. London and New York: Routledge.

Kanchan, Chandra. 2007. *Why Ethnic Parties Succeed? Patronage and Head Counts in India.* New York: Cambridge University Press.

Karl, Terry Lynn, 2004. "Oil-Led Development: Social, Political, and Economic Consequences." *Encyclopedia of Energy*, 4.

Karl, Terry Lynn. 1997. *The Paradox of Plenty Oil Booms and Petro-States*. Berkeley: University of California Press.

Katsaga, Alexander, Maskut Kluzhanov, Marina Kranaikolos, and Bernt Rechel. 2012. "Kazakhstan: Health System Review." *Health Systems in Transition*, 14(4).

Kelly, Janet, and David Swindell. 2000. "Linking Citizen Satisfaction Data to Performance Measures: A Preliminary Evaluation." *Public Performance and Management Review*, 24(1): 30–52.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Khan, Mushtaq H. 2000. *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*. New York: Cambridge University Press.

Khemani, Stuti. 2004. *Local Government Accountability for Service Delivery in Nigeria*. Washington, DC: World Bank Development Research Group.

King, Gary, James Honaker, Anne Joseph, and Kenneth Scheve. 2001. "Analyzing Incomplete Political Science Data: An Alternative Algorithm for Multiple Imputation." *American Political Science Review*, 95(1): 49–69.

Kissane, Karolyne. "Education in Central Asia: Transitional Challenges and Impacts." In *The Politics of Transition in Central Asia and the Caucasus Enduring Legacies and Emerging Challenges*, edited by Amanda E. Wooden and Christoph H. Stefes, 226–248. New York: Routledge, 2009.

Kitschelt, Herbert, and Steven Wilkinson. 2007. *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition*. New York: Cambridge University Press.

Knoke, David. 1990. *Political Networks*: *The Structure of Perspective.* New York: Cambridge University Press.

Kontsetpsia razvitia malokomplektnyh shkol v Respublike Kazakhstan na 2011–2020 gody [The concept of development of ungraded schools in the Republic of Kazakhstan for 2011–2020 years]. Available at http://shortandy.akmoedu.kz/documents/view/D4FD7320B6AD5B1A.html.

Kozhevnikov, E. M. 1988. *Narodnoe Obrazovanie v SSR*. Obshestvo Znanie: Moskva.

Krishna, Anirudh. 2011. "Gaining Access to Public Services and the Democratic State in India: Institutions in the Middle." *Studies on Comparative International Development*, 46: 98–117.

Kulzhanov, Maksut, and Bernd Rechel. 2007. "Kazakhstan: Health System Review." *Health Systems in Transition*, 9(7).

Kunayev, Dinmukhamed. 1980. *Sovetskii Kazakhstan* [Soviet Kazakhstan]. Alma-Ata: Kazakhstan.

Lauth, Hans-Joachim. 2000. "Informal Institutions and Democracy." *Democratization*, 7 (4): 21–50.

Law "On Education." 2007. Available at http://online.zakon.kz/Document/?doc_id=30118747&doc_id2=30118747#pos=96;4&pos2=1912;54.

Ledeneva, Alena. 2000. "*Blat* and Guanxi: Informal Practices in Russia and China." *Comparative Studies in Society and History*, 50(1):118–144.

Ledeneva, Alena. 2013. *Can Russia Modernize?: Sistema, Power Networks and Informal Governance*. Cambridge: Cambridge University Press.

Ledeneva, Alena. 2000. "Continuity and Change of *Blat* Practices in Soviet and Post-Soviet Russia." In *Bribery and Blat in Russia: Negotiating Reciprocity from the Middle Ages to the 1990s*, edited by A. Ledeneva, S. Lovell, A. and Rogachevskii. Basingstoke: Macmillan.

Ledeneva, Alena. 2006. *How Russia Really Works: The Informal Practices That Shaped Post-Soviet Politics and Business*. Ithaca, NY: Cornell University Press.

Ledeneva, Alena. 2008. "Informal Networks: Post-Communist Economics: A Topographical Map." In *What Is Soviet Now? Identities, Legacies, Memories*, edited by Thomas Lahusen and Peter Solomon. Berlin: Lit Verlag, 2008.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Ledeneva, Alena. 1998. *Russia's Economy of Favors*. New York: Cambridge University Press.

Ledeneva, Alena. 2008. "Telephone Justice in Russia." *Post-Soviet Affairs* 24:4, 324–350.

Lemarchand, Rene. 1972. "Political Clientelism in Tropical Africa: Competing Solidarities in Nation-Building." *American Political Science Review*, 66: 72–112.

Liebler, Carolyn, and Gary Sanderur. 2002. "Gender Differences in the Exchange of Social Support with Friends, Neighbors, and Co-workers at Midlife." *Social Science Research*, 31: 364–391.

Lijphart, Arendt. 1971. "Comparative Politics and Comparative Method." *American Political Science Review*, 65(3): 682–693.

Linz, Juan, and Alfred Stepan. "Toward Consolidated Democracies." *Journal of Democracy*, 7(2): 14–33.

Lonkila, M. 1997. "Informal Exchange Relations in Post-Soviet Russia: A Comparative Perspective." *Sociological Research Online*, 2(2). Available at http://socresonline.org.uk/2/2/9.html, accessed November 2012.

Loveless, M., and S. Whitefield. 2011. "Being Unequal and Seeing Inequality: Explaining the Political Significance of Social Inequality in New Market Democracies." *European Journal of Political Research*, 50: 239–266.

Lubrano, Linda. 1987. "The Attentive Public for Soviet Science and Technology." In *Politics, Work and Daily Life in the USSR: A Survey of Former Soviet Union*, edited by James Millar. Cambridge: Cambridge University Press.

Masatova, Bagdat. 2011. "Biznes Elita v Uslsoviyah Modernizatsii Kazakhstanskogo Obshchestva: Sostav I Tendentsii Izmenenii." *Analytic*, 1(59): 103–108.

MacLean, Lauren. 2011. "Exhaustion and Exclusion in the African Village: The Non-State Social Welfare of Informal Reciprocity in Rural Ghana and Cote d'Ivoire." *Studies of Comparative International Development*, 46: 118–136.

MacLean, Lauren. 2010. *Informal Institutions and Citizenship in Rural Africa: Risk and Reciprocity in Ghana and Cote D'Ivoire*. New York: Cambridge University Press.

MacLean, Lauren. 2011. "State Retrenchment and the Exercise of Citizenship in Africa." *Comparative Political Studies*, 44(9): 1238–1266.

Magaloni, Beatritz, Alberto Diaz-Cayeros, and Federico Estevez. "Clientelism and Portfolio Diversification: A Model of Electoral Investment with Applications to Mexico." In *Patrons, Clients, and Policies: Patterns of Democratic Accountability and political Competition*, edited by Herbert Kitschelt and Steven Wilkinson. New York: Cambridge University Press.

Matthews, Marvyn. 1982. *Education in the Soviet Union: Policies and Institutions since Stalin*. London: George Allen and Unwin.

Matthews, Marvyn. 1978. *Privileges in the Soviet Union: A Study of Elite Life-Styles under Communism*. London: George Allen and Unwin.

McKee, Martin, Judith Healy, and Jane Falkingham. 2002. *Healthcare in Central Asia.* Buckingham, UK: Open University Press. Available at http://www.euro.who.int/__data/assets/pdf_file/0007/98386/E74484.pdf, accessed January 31, 2015.

McMann, Kelly. 2009. "Market Reform as a Stimulus to Particularistic Politics." *Comparative Political Studies*, 42(7): 971–994.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

McMann, Kelly. 2007. "The Shrinking of the Welfare State: Central Asians' Assessments of Soviet and Post-Soviet Governance." In *Everyday Life in Central Asia: Past and Present*, edited by Jeff Sahadeo and Russel Zanca. Bloomington and Indianapolis: Indiana University Press.

Medina, Luis Fernando, and Susan Stokes. 2007. "Monopoly and Monitoring: An Approach to Political Clientelism." In *Patrons, Clients, and Policies: Patterns of Democratic Accountability and political Competition*, edited by Herbert Kitschelt and Steven Wilkinson. New York: Cambridge University Press.

Melvin, Neil. 2001. "Patterns of Central Regional Relations in Central Asia: The Cases of Kazakhstan, the Kyrgyz Republic and Uzbekistan." *Regional and Federal Studies*, 11(3): 165–193.

Meyer, Gerd. 2008. *Formal Institutions and Informal Politics in Central and Eastern Europe: Hungary, Poland, Russia, and Ukraine*. Opladen and Farmington Hills: Barbara Budich Publishers.

Meyerovich, Mark. 2008. *Nakazanie Zhilishchem: Zhilishchnaya Politika v SSSR kak Sredstvo Upravlenia Lud'mi 1917–1937*. Moskva: ROSSPEN.

Mikk, Titma, and Ellu Saar. 1995. "Regional Differences in Soviet Secondary Education." *European Sociological Review*, 11: 37–58.

Millar, James, and Elizabeth Clayton. 1987. "Quality of Life: Subjective Measures of Relative Satisfaction." In *Politics, Work, and Daily life in the USSR: A Survey of Former Soviet Citizens*. New York: Cambridge University Press.

Molchanova, T. V. "Osobennosti priema studentov v leningradskie VUZy v 1950–1960 gody" [The specifics of Leningrad students' admission to higher education institutions in the 1950–60s]. Available at http://cyberleninka.ru/article/n/osobennosti-priyoma-studentov-v-leningradskie-vuzy-v-1950–1960-e-gody, accessed November 5, 2016.

Morton, Henry. 1980. "Who Gets What, When and How? Housing in the Soviet Union." *Soviet Studies*, 32(2): 235–259.

Musina, Zhanat, "Po shkolam sudyat ot strane: Kak podnyat selskoe obrazovanie do urovnya gorodskogo?" *Sovremennoe obrazovnia*, 3(99): 30–32.

North, Douglass. 1990. *Institutions, Institutional Change, and Economic Performance.* New York: Cambridge University Press.

"Obshchestvennoe Slushanie Shkolam—Da, Poboram—net" [Public hearing: Schools—yes, requisitions—no]. Available at http://aspandau.kz/news/obshchestvennoe-slushanie-shkolam-da-poboram-net, accessed August 30, 2016.

Oka, N. 2015. "Informal Payments and Connections in Post-Soviet Kazakhstan." *Central Asian Survey*, 34(3): 330–340.

Olzhas, Almagul. 2008. "Aikan Akanov: 'Klyatva Gippokrata—Eto Mif'. Kto Vylechit Zdravoohranenie." *Central Asian Monitor*, December 12–18.

Orkeny, A., and M. Szekelyi. 2000. "Views on Social Inequality and the Role of the State: Post-Transformation Trends in Eastern and Central Europe." *Social Justice Research*, 13(2): 199–218.

Osipian, Ararat. 2009. "Corruption Hierarchies in Higher Education in the Former Soviet Bloc." *International Journal of Educational Development*, 29: 321–322.

Osokina, Elena. 2001. *Our Daily Bread: Socialist Distribution and the Art of Survival in Stalin's Russia 1927–1941*. New York: M. E. Sharpe.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Palacin, Jose, and Robert Shelburne. 2005. "The Private Housing Market in Eastern Europe and the CIS." Discussion Paper Series, N 2005. Available at https://www.unece.org/fileadmin/DAM/ead/misc/Palacin_Shelburne.pdf, accessed April 19, 2018.

Pearce, Lisa. 2012. "Mixed Methods Inquiry in Sociology." *American Behavioral Scientist*, 56(6): 829–848.

Pejovich, Svetozar. 1999. "The Effects of the Interaction of Formal and Informal Institutions on Social Stability and Economic Development." *Journal of Markets and Morality*, 2(2): 164–181.

Peregudov, F. I. 1989. "Perestroika I novoe myshlenie v SSSR: Povyshenie prioriteta obrazovnia v sotsialno-eonomicheskom razvitii strany" [Perestroik and new thinkng in the USSR]. *Sovremennyaya Vysshaya Shkola*, 1(65): 3–21.

Peregudov, F. I. 1989. "Zadachi I Opyt SSSR v Dele Sovershenstvovania Vysshego Obrazovnia s Perspektivoi ego Razvitia na 90-e gody." *Sovremennya Vysshaya Shkola*, 2(66): 111–116.

Peyrouse, Sebastien. 2007. *The Russian Minority in Central Asia: Migration, Politics, and Language*. Washington, DC: Woodrow Wilson International Center for Scholars.

Piattoni, Simona. 2001. *Clientelism and Democratic Representation: The European Experience in Historical and Comparative Perspective.* Cambridge: Cambridge University Press.

Pierson, Paul. 2000. "Increasing Returns, Path Dependence, and the Study of Politics." *American Political Science Review*, 94.

Pine, Francis, and Haldis Haukanes. 2005. "Introduction." In *Generations, Kinship and Care: Gendered Provisions of Social Security in Central Eastern Europe*, edited by Frances Pine and Halds Haukanes. Bergen: University of Bergen.

Pomfret, Richard. 2006. *The Central Asian Economic Since Independence.* Princeton, NJ: Princeton University Press.

Pons, Anna, Jeremie Amoroso, Jan Herczyński, Igor Kheyfets, Marlaine Lockheed, and Paulo Santiago. 2015. "OECD Reviews of School Resources: Kazakhstan." Available at http://www.oecd.org/edu/school/OECD%20School%20Resources%20Review_Kazakhstan_FINAL_CRC_with%20cover.pdf, accessed October 10, 2016.

Rachesikova, Natalia. 1988. "Myths to Historical Reality." *News from Ukraine*, 27.

Radnitz, Scott. 2010. *Weapons of the Wealthy: Predatory Regimes and Elite-Led Protests in Central Asia*. Ithaca, NY, and London: Cornell University Press.

Raphael, Dennis, and Ben Schlesinger. 1994. "Women in the Sandwich Generation: Do Adult Children Living at Home Help?" *Journal of Women and Aging*, 6(1/2): 21–45.

Rechel, Bernd, Bayard Roberts, Erica Richardson, Sergey Shishikn, Vladimir Shkolnikov, David Leon, Martin Bobak, Marina Krakanikolos, and Martin McKee. 2013. "Health and Health Systems in the Commonwealth of Independent States." *The Lancet*, 381: 1145–1155.

Rechel, B., M. Ahmedov, B. Akkazieva, A. Katsaga, G. Khodjamurodov, M. and McKee. 2012. "Lessons from Two Decades of Health Reform in Central Asia." *Health Policy Plan*, 27(4): 281–287.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Remmer, Karen. 2007. “The Political Economy of Patronage: Expenditure Patterns in the Argentine Provinces, 1983–2003.” *The Journal of Politics*, 69(2): 363–377.

Reproductive, Maternal and Child Health in Eastern Europe and Eurasia: A Comparative Report. 2003. Atlanta, GA: Department of Health and Human Service, Center for Disease Control and Prevention. Available at http://www.measuredhs.com/pubs/pdf/OD28/00FrontMatter.pdf, accessed January 18, 2013.

Richardson, E. 2014. “Health Financing.” In *Trends in Health Systems in the Former Soviet Countries*, edited by B. Rechel, Erica Richardson, and Martin McKee. Available at http://www.euro.who.int/__data/assets/pdf_file/0019/261271/Trends-in-health-systems-in-theformer-Soviet-countries.pdf?ua=1, accessed January 31, 2015.

Rigby, T. H., and Bohdan Harasymiw. 1980. *Leadership Selection and Patron–Client Relations in the USSR and Yugoslavia*. London: George Allen and Unwin.

Robinson, James, and Ragnan Torvik. 2005. “White Elephants.” *Journal of Public Economics*, 89: 197–210.

Rodden, J. 2002. “The Dilemma of Fiscal Federalism: Intergovernmental Grants and Fiscal Performance around the World.” *American Journal of Political Science*, 46(3): 670–687.

Roniger, Luis. 2012. “Favors, ‘Merit Ribbons,’ and Services: Analyzing the Fragile Resilience of Clientelism.” In *Clientelism in Everyday Latin American Politics*, edited by Tina Hilgers. Gordonsville: Palgrave Macmillan.

Roniger, Luis. 2004. “Political Clientelism, Democracy, and Market Economy.” *Comparative Politics*, 36(3): 353–375.

Roniger, Luis, and Ayse Gunes-Ayata. 1994. *Democracy, Clientelism, and Civil Society.* Boulder, CO: Lynne Rienner Publishers.

Ross, Michael. 2001. “Does Oil Hinder Democracy?” *World Politics*, 53: 325–361.

Ross, Michael. 2004. “Does Taxation Lead to Representation?” *British Journal of Political Science*, 34(2): 229–249.

Rozin, V. M. 1989. “Krizis kultury i obrazovania i tseli perestroika vysshey shkoly” [Crisis of culture and education and goals of perestroika of the higher education school], *Sovremennaya Vysshaya Shkola*, 1(65): 51–63.

Ryan, Michael. 1988. “Life Expectancy and Mortality Data from the Soviet Union.” *British Medical Journal*, 296: 1513–1515.

Ryan, Michael, and Richard Prentice. “Spatial Variations in the Soviet Health Service.” *British Medical Journal*, 286: 1494–1496.

Rywkin, Michael. 1989. *Soviet Society Today*. New York: M. E. Sharpe.

Salmi, Anna-Maria. 2003. “Health in Exchange: Teacher, Doctors, and the Strength of Informal Practices in Russia.” *Culture, Medicine and Psychiatry*, 27: 109–130.

Sandholtz, Wayne, and William Koetzle. 2000. “Accounting for Corruption: Economic Structure, Democracy, and Trade.” *International Studies Quarterly*, 44(1): 31–50.

Sanghera, Balihar, and Elmira Satybaldiyeva. 2012. “Ethics of Property, Illegal Settlements and the Right to Subsistence.” *International Journal of Sociology and Social Policy*, 32(1/2): 96.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Sarinzhipov, A. B. “Innovatsionnaya strategia obrazovania—faktor razvitia gosudarstva, obschestva, lichnosti.” *Obrzovanie* 3(70): 7–14.

Saveljev A. Ia, V. M. Zuev, and A. I. Galagan. “Vyshee Obrazovanie v SSR” [Higher education in SSR], Gosudarstvenny Komitet SSSR po Narodnomu obrazovaniu: Moskva:Vysshaya Shkola, 1990.

Schatz, Edward. 2004. *Modern Clan Politics: The Power of “Blood” in Kazakhstan and Beyond.* Seattle: University of Washington Press.

Schatz, Edward. 2010. “Reconceptualizing Clans: Kinship Networks and Statehood in Kazakhstan.” *Nationalities Papers*, 33(2): 321–254.

Schmidt, Steffen, Laura Gausti, Carl Lander, and James Scott. 1977. *Friends, Followers, and Factions: A Reader in Political Clientelism*. Berkeley: University of California Press.

Schultz, Daniel, and Michal Rafferty. 1990. “Soviet Health Care and Perestroika.” *American Journal of Public Health*, 80(2): 193–197.

Scott, James. 1975. *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia.* New Haven, CT: Yale University Press.

Scott, James. 1972. “Patron-Client Politics and Political Change in Southeast Asia.” *American Political Science Review*, 66(1): 91–113.

Sharafutdinova, Gulnaz. 2010. *Political Consequences of Crony Capitalism: Inside Russia.* Notre Dame, IN: University of Notre Dame Press.

Shefner, Jon. 2012. “What Is Politics For? Inequality, Representation, and Needs Satisfaction Under Clientelism and Democracy.” In *Clientelism in Everyday Latin American Politics,* edited by Tina Hilgers. New York: Palgrave Macmillan.

Shibutov, M. December 2012. “Razmer Vzyatki v Kazakhstane Mozhet Sostavyat do 50% ot Vydelyaemyh Gossredstv.” *Nasha Gazeta*.

Shlapentokh, Vladimir. 1984. *Love, Marriage, and Friendship in the Soviet Union: Ideals and Practices*. New York: Praeger Special Studies.

Shlapentokh, Vladimir. 1989. *Public and Private Life of the Soviet People*. New York: Oxford University Press.

Shleifer, Andrei, and Daniel Treisman. 2005. “A Normal Country: Russia after Communism.” *Journal of Economic Perspectives*, 19(1): 151–174.

Shleifer, Andrei, and Robert Vishny. “Corruption.” August 1993. *Quarterly Journal of Economics*, 108(3): 599–617.

Simis, Konstantin. 1982. *USSR: The Corrupt Society. The Secret World of Soviet Capitalism.* New York: Simon & Schuster.

Snyder, Richard. 2001. “Scaling Down. The Subnational Comparative Method.” *Studies in Comparative International Development*, 36(1): 93–110.

Starr, Frederic. 2006. “Clans, Authoritarian Rulers and Parliaments in Central Asia.” *Silk Road Paper*. Central Asia–Caucasus Institute and Silk Studies Program, Washington, DC, June 2006.

Stiglitz, Joseph. 2000. “Formal and Informal Institutions.” In *Social Capital: Multifaceted Perspective*, edited by Partha Dasgupta and Ismail Serageldin. Washington, DC: The World Bank.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Stiglitz, Joseph. 1986. "The New Development Economics." *World Development*, 14(2): 257–265.

Stokes, Susan. 2006. "Do Informal Rules Make Democracy Work?" In *Informal Institutions and Democracy: Lessons from Latin America*, edited by Gretchen Helmke and Steven Levitsky. Baltimore, MD: Johns Hopkins University Press.

Stokes, Susan. 2005. "Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina." *American Political Science Review*, 99(3): 315–325.

Stokes, Susan. 2007. "Political Clientelism." In *The Oxford Handbook of Comparative Politics*, edited by Charles Boix and Susan Stokes. Oxford: Oxford University Press.

Stoner-Weiss, Kathryn. 2006. *Resisting the State: Reform and Retrenchment in Post-Soviet Russia.* New York: Cambridge University Press.

Tashakkori, A., and C. Teddlie. 1998. *Mixed Methodology: Combining Qualitative and Quantitative Approaches.* Thousand Oaks, CA: Sage.

Taukina, Rozlana. September 2011. "Goudarstvennoe Delo, Ili Zdorovje Budushchego Pokolenia." *Svoboda Slova*.

Thelen, Helen. 1999. "Historical Institutionalism in Comparative Politics." *Annual Review of Political Science*, 2: 369–404.

Thelen, Helen, and J. Mahoney. 2010. "A Theory of Gradual Institutional Change." New York: Cambridge University Press.

Tilly, Charles. 1990. *Coercion, Capital, and European State, AD 990–1992*. New York: Blackwell.

Tilly, Charles. 2007. *Democracy*. New York: Cambridge University Press.

Tomiak, J. J. "Introduction: The Dilemmas of Soviet Education in the 1980." In *Western Perspectives on Soviet Education in the 1980s*. New York: Palgrave MacMillan, 1986.

Treisman, Daniel. 2007. *The Architecture of Government: Rethinking Political Decentralization*. Cambridge: Cambridge University Press.

Troschke, Manuela. 2013. "Social Capital and the Formation of a Market Economy: The Case of Uzbekistan." In *Institutional Reform in Central Asia: Politico-Economic Challenges*, edited by Joachim Ahrens and Herman Hoen. New York: Routledge.

Tsai, Lily. 2007. "Solidary Groups, Informal Accountability, and Local Public Goods Provision in Rural China." *American Political Science Review*, 101(2): 355–372.

Tsai, Kellee. 2006. "Adaptive Informal Institutions." *World Politics*, 59: 116–141.

Tsenkova, Sasha. 2008. "Provision of Affordable Housing for Europe North America and Central Asia: Policies and Practices." Prepared for United Nations-HABITAT. Available at http://www.ucalgary.ca/ev/cities/research_series, accessed January 17, 2012.

Turgumbaev, Adil. 1979. "Ot Bezgramotnosti—k Vysotam Obrazovannosti" [From Illiteracy to the heights of education]. Alma-ata: Mektep.

United Nations Development Programme (UNDP). 2005. *Human Development Index: Human Development Report 2005*. New York: United Nations Development Program.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Vanhane, Tatu. 1999. "Domestic Ethnic Conflict and Ethnic Nepotism: A Comparative Analysis." *Journal of Peace Research*, 36: 55.

Waite, L. and S. Harrison. 1992. "Keeping in Touch: How Women in Mid-Life Allocate Social Contacts among Kith and Kin." *Social Forces*, 79(3): 637–655.

Walder, Andrew. 1988. *Communist Neo-Traditionalism: Work and Authority in Chinese Industry*. Berkeley: University of California Press.

Weber, Elke, Ann-Renee Blais, and Nancy Betz. 2002. "A Domain-Specific Risk-Attitudes Scale: Measuring Risk Perceptions and Risk Behaviors." *Journal of Behavioral Decision- Making*, 15: 263–290.

Wegren, Stephen. 2005. *Moral Economy Reconsidered: Russia's Search for Agrarian Capitalism*. Gordonsville: Palgrave Macmillan Press.

Weingrod, Alex. 1968. "Patrons, Patronage, and Political Parties." *Comparative Studies in Society and History*, 10(4): 377–400.

Werner, Cynthia. 1998. "Household Networks and the Security of Mutual Indebtedness in Rural Kazakhstan." *Central Asian Survey*, 17(4): 597–612.

Willerton, John. 1992. *Patronage and Politics in the USSR*. New York: Cambridge University Press.

Yakavets, Natalia. 2014. "Educational Reform in Kazakhstan: The First Decade of Independence." In *Educational Reform and Internationalization: The Case of School Reform in Kazakhstan*, edited by David Bridges, 1–27. Cambridge: Cambridge University Press.

Yerby, Alonzo. 1968. "Medical Care in the Soviet Union." *Medical Care*, 6(4): 280–285.

Zainnullina, Gahuar, Richard Dodder, and Zainullina Gulnar. 1990. "Privatizing the Housing Sector: The Case of Kazakhstan 1985–1995." *Journal of Political, Economic, and Social Studies*, 24(2): 173–194.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

Index

access, 65; to education, 77, 86; to housing viii, 115; unequal, to health services, 55–57, 59
access networks, viii, xiii
accountability, 9
age, 26, 29, 33, 137
akimat, 64, 111, 118
akims, 12, 50, 51, 52
Almaty, 62, 111, 112, 115, 117, 118, 121
Astana, 112, 113, 115, 117, 118, 121

Boone, Cathenrine, 7
blat, xi, 21, *22*, 22–23, 41, 57, 62, 63, 64, 65, 78, 79, 80, 81, 112, 135
bribery, 92, 96. *See also* corruption
brokers, 58
byudzhetniki, 114, 115

Central Asia, 2, 76
Central Asian republics, 74, 75, 78
central authorities, 12
clan politics, 13; clan politics approach, 3
clientielism, subversive, xi
clientelist exchanges, viii, ix, xi
Cook, Linda, 69n75
corruption, vii, 93, *94*, 97, 120, 127
cultural approach, 2, 7, 13. *See also* explanations cultural

Decentralization, viii, 6,10–12, 48, 50, 85; administrative decentralization 11–12, 39; fiscal, 10–11, 39, 49, 85; partial, 10–12, 10–11, 49, 53, 58, 85

education, 28, 34; administration of, 71; level of, 28; the Ministry of, 73, 85, 94; quality of, 73, 87–89, 94–95
education in Kazakhstan, 81–82; education, higher, 95–96
education in the Soviet Union, 71
envelope-passing medicine, 46
Erimbetov, Erlan, 50
ethnicity, 30, 34
exchanges: clientelist exchanges, 5; informal, reciprocal, xiv, xiii, 24, 26, 33, 39
explanations: frequency of help, 21; structural explanations 4, 6

gender, 26, 30, 33
generation: older, 27, 29, 32; younger, 27, 29
generational effect, 25
Gorbachev, Mikhai, 107

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

government, 91, 111; administrative, 10–11, 49–50; central government, 12; local government, 1. *See also* central authorities
government transfers, *51*

Hale, Henry, 30
health, 35
healthcare, 39; administration of 41; healthcare reforms 40; indicators, *61*; informal, 42; provision of, 45, 52; healthcare expenditures, x, 52, 53, *54*
healthcare provision, 41. *See also* provision of healthcare.
healthcare sector, 63
health services, 55–57
help: amount of, 25; ask for, 24; informal, vii, 21, 24–25, *33*; frequency of, 24, *33*; the level of informal, 25; sources of, 25; type of, 25
higher education institutions, 74
housing 105, 109, 110; distribution of, 108–110, 114, 122; housing prices, *113*; housing trends, 112; provision, *107*; shortage of, 109, 88. *See also* state housing
housing policy, 105, 110–111; housing 2000 program, 107

income, 28, 34. *See also* level of income
Infant mortality rate, *45,* 54, *55*
informal connections, 63
informal institutions, vii, 1–2, 7, 130. *See also* informal exchanges
informal payments, vii, viii, 40, 46–47, 57, 61, 71, 89–94, 129; informal, exchanges, vii, xiii, xiv, 21, 66, 93, 95–96, 127; informal parental payments, 97
institutional explanations, 3; institutional analysis, 13. *See also* explanations

Jones-Luong, Pauline, 11

Kazakhs, 26, 30, 58
Kazakhstan, viii, 4, 5, 9, 31, 34, 39, 55, 56, 75, 84, 93, 105, 109, 122, 127, 130
Khrushchev, Nikita, 78

Ledeneva, Alena, 30
level of income, 28, 34
life expectancy, 53
Ligachev, Egor, 76
The *Literaturnaya Gazeta*, 81
Logunov, Anatoly Alexeyevich, 72

MacLean, Lauren, 5, 30, 31
marital status, 31
market failure, xii, 5
market reforms, 4, 6, 111, 112; market economy, viii
medical care, 43, 62; access to, 47, 64; quality of, 43; quantity of, 43
medical personnel, 56, *57*; level of satisfaction with, *57*
medical private services, 62
medical quota spots, 59
medical services, 48; quality of, 55; stratification of, 43
McMann, Kelly, 5, 7, 8, 28, 110
Medicine, envelope-passing, 46; commercialization of, 64
modernization, theory of, 28, 29

nepotism, 78
networks, horizontal and vertical, xiv
non-state providers, xii
North, Douglas, 2

The perestroika, 72, 77
Petropavlsovsk, 115, 118, 121
The Pravda, 80
private goods, xiv
propiska, 46
public goods, xiv, 9; provision of, vii; underprovision of, 8

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

reforms in the education system, 76
requisitions, 92
risk aversion, 31
rural residence, 29, 33, 57
Russians, 26, 58

The Salamatty Kazakhstan, 53
Satpaev, Dosym, 50
scarcity, 8
Schatz, Edward, 30
school requisitions, 92
schools 75, 82, 89, 90, 91; admission to, 92; facilities, 90; ungraded schools, 74, 87; urban schools, 87; Scott, James, xiv
social support, 27
socialized medicine, 42
Soviet education, 72.
Soviet healthcare, 41–48
Soviet medical care, 41 See also education
The Soviet Union, xii, 41, 45, 71, 73, 91, 110
state: oil-rich, 9; failure of, 7, 27, 127
state-building, 7, 8
state capacity, 129
state housing, 105
the state housing program, 113, 114–116, 117, 122
state-housing program, 2005–2007, 114, 115, 120
state retrenchment, vii–viii, 6, 8, 13, 22, 26–27, 53, 55, 60, 65, 82, 84, 110, 128
structural explanations, 6, 12
survey, xv, 21, 76, 96, 112, 117, 120, 133–138

telephone right, 77
ties, vertical and horizontal, xiv; kinship 23
transparency, the issue of, 118

underinvestment 85, 93
The Unified National Test, 94–95
The UNT. See The Unified National Test
urban residence, 29

welfare provision, 9, 32

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

About the Author

Dina Sharipova is Assistant Professor of Political Science and Research Director of the College of Social Sciences at KIMEP University in Almaty, Kazakhstan. She received her Ph.D. degree at Indiana University, Bloomington, in 2013. Dr. Sharipova's research interests include post-Soviet politics, state-building, formal and informal institutions, and identity politics in Central Asia. She has published articles on nation-building, nationalism, and security issues in Central Asia.

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use

EBSCOhost - printed on 2/12/2023 10:11 PM via . All use subject to https://www.ebsco.com/terms-of-use