Corruption as a Last Resort
McMann, Kelly M.

Published by Cornell University Press

McMann, Kelly M.
Corruption as a Last Resort: Adapting to the Market in Central Asia.

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ISLAMIC INSTITUTIONS AND SECULAR CHARITIES

Obstacles to Providing Substitute Resources

“The mosque? What kind of help could we get from it?” Marzhan, the villager in southern Kazakhstan, responded to my question about the local mosque as a source of assistance.¹ My exchange with her highlights how societal institutions that observers have expected to provide assistance in Kazakhstan and Kyrgyzstan to a large extent do not. Mosques, Islamic schools, and proselytizing Islamic groups along with local, secular charities have grown in number since the late Soviet era when restrictions on charity, religion, and organizing were reduced. This growth and the experiences of other countries in similar circumstances raised expectations among some observers that these organizations would provide substitute resources as the Soviet welfare state eroded. Yet in reality neither Islamic organizations nor secular charities can meet the basic needs of citizens because they lack the resources.

Just as a legacy of significant state economic intervention and an absence of market-enhancing institutions weaken markets, these two conditions also contribute to a lack of resources among groups in society. Historically, Islamic institutions and local charities had few resources because of the substantial economic intervention of the Soviet party-state. Market reform, coupled with political liberalization, offered the promise of enriching the religious and secular charitable sectors; however, their resource scarcity has continued. Because of the absence of effective market-enhancing institutions, few people have disposable income to contribute to Islamic institutions and secular charities, and charities have limited

¹. Author’s interview (#161), Kazakhstan, July 22, 2001.
possibilities for obtaining credit. Interviews I conducted with representatives of these groups and with ordinary citizens confirmed that these organizations provide limited material assistance. Further supporting this point, the survey data show that few citizens turn to them for assistance. Other societal groups that have not been the focus of previous studies and speculation also do not provide substitutes for state resources. These include foreign charities, foreign companies, local businesses, professional associations, political parties, *aksakals*, and secular educational establishments. The paucity of resources available from societal groups encourages citizens to seek assistance from government officials, and to use illicit means when doing so.

The Growth of Islamic Institutions and Secular Charities

Citizens’ minimal reliance on Islamic institutions and secular charities for assistance in Kazakhstan and Kyrgyzstan is surprising at first glance, considering that their numbers have increased dramatically in the independence era. The Islamic institutions include mosques, educational establishments, and proselytizing groups; secular charities have a variety of structures and missions. The growth began in the late Soviet era as the government relaxed restrictions on charity, religion, and organizing. The rate of growth increased with the collapse of the Soviet Union and thus the end to the communist party-state’s regulation of these spheres of life. Over time the governments of Kazakhstan and Kyrgyzstan have imposed restrictions on religious institutions and secular charities, but overall, the restrictions and the implementation of these restrictions are not nearly as severe as they were in the Soviet era.

Mosques, Educational Establishments, and Proselytizing Groups

Mosques, followed in number by Islamic educational establishments and proselytizing groups, have proliferated in Kazakhstan and Kyrgyzstan. The increase in mosques has occurred throughout the territories, but especially in the southern part of each country. The southern part of each country is home to a larger percentage of ethnic Uzbeks, who generally observe Islam to a greater extent than their Kazakh and Kyrgyz counterparts. Members of the titular ethnicity in the south of each country also tend to be more observant, perhaps because of the Uzbek presence.
The number of mosques in Kazakhstan and Kyrgyzstan has grown to thousands today from double digits in the Soviet era. At the time of the Soviet Union’s collapse the Kyrgyz republic had thirty-nine mosques, whereas today the country of Kyrgyzstan has more than three thousand. In one of Kyrgyzstan’s seven oblasts, Osh Oblast in the south, officials estimate that there are seven hundred mosques. The numbers are inexact because they include both official mosques, meaning those that have registered with the state, and unofficial ones, meaning those that have not. Estimates suggest that there is one unregistered mosque for approximately every registered one. If this were correct it would mean that there was one mosque, registered or unregistered, for every 750 Muslims in Kyrgyzstan. Kazakhstan had approximately twenty-six mosques from 1944 until the political liberalization under Gorbachev. Now it has 2,228 registered mosques and about seventy that are not registered. This represents one mosque for every 4,400 Muslims in Kazakhstan.

New mosques have emerged from numerous sources. In rural areas residents have turned village buildings into places of worship. For example, in the village where I lived in southern Kazakhstan an elderly man in the village went to the mufti in Almaty in order to found a mosque from a Soviet-era prayer group. An existing building was designated as the mosque. Mosques have also been constructed in rural areas using government funds. In more densely populated areas, communities have pooled resources to build mosques, and foreign donors provided funds in the early 1990s for the construction of mosques. Saudi Arabia,
Pakistan, Turkey, and to a lesser extent Iran have provided funds. Informal leaders of prison inmates have established mosques in the prisons in each country—in almost all prisons in Kyrgyzstan. The leaders supervise the prisoners in building them and prison directors typically donate construction materials. Whereas citizens’ and foreign donors’ involvement reflects religious expression, state sponsorship has also been a sign of government officials’ attempts to increase their legitimacy and promote nationalism.

The donations from foreign countries and foreign individuals almost completely subsided with the increase in government restrictions beginning in the mid-1990s. The start of the civil war in Tajikistan in 1992, the Taliban’s seizure of Kabul in 1996, the 1999 bombings in Tashkent, and the September 11, 2001, terrorist attacks in the United States prompted these restrictions. Government officials feared strains of Islam that were unfamiliar in Central Asia, such as Wahhabism and Shiism. Only a small amount of foreign funding for mosque construction has continued; countries have sometimes linked their economic and technical assistance to acceptance of funds for the construction of new mosques. For example, Oman, Saudi Arabia, and Iran provided assistance in the oil and financial sectors but also insisted on the acceptance of donations for the construction of new mosques. Kazakhstan imposed additional restrictions on worship following a string of violent attacks in 2011, which the government attributed to Islamic extremist groups. The new regulations ban prayer rooms in public institutions and make it more difficult for religious communities to register with the state and thus to operate legally.

The number of Islamic educational establishments has also grown in Kazakhstan and Kyrgyzstan, although not to the extents that mosques have. In Kyrgyzstan the number of Islamic higher educational institutions and madrassas increased from zero in the Soviet era to nine and fifty, respectively, in recent years. The number of madrassas encompasses those registered with the muftiate, but this does not capture small, neighborhood madrassas, which would push the

number higher. The pattern is similar in Kazakhstan, with an increase to nine madrassas and numerous unregistered ones.

Many of the new Islamic educational institutions in Kazakhstan and Kyrgyzstan have been started from scratch with the assistance of foreign funders. Foreign donations have helped found more prominent educational institutions, such as the International Islamic Center in Kyrgyzstan, which is independent of the state Islamic structure and is funded by Kuwait, Pakistan, and Saudi Arabia. In Kazakhstan, Egypt funded the Nur-Mubarak Egyptian University of Islamic Culture. The most extensive foreign funder of education establishments has been the Turkish Islamic movement Gülen. The movement has established twenty-seven schools in Kazakhstan and twenty-five schools and two universities in Kyrgyzstan since 1992. The schools provide an environment supportive of religious observers, but not a religious education, according to staff and students whom I interviewed. Madrassas have been funded by foreigners and, especially in less populated areas, community members have donated to establish them. For example, the Kyrgyzstani foundation Adep Bashati was founded by a group of Kyrgyz graduates of Al-Azhar University in Cairo and is funded by businesspeople, among other locals. The foundation sponsors madrassas, courses about Islam, and hajj pilgrimages.

Islamic proselytizing organizations have also emerged in Kazakhstan and Kyrgyzstan. The largest, Hizb ut-Tahrir, is an international group that aims to create a caliphate through peaceful means. Missionaries and foreign funders of mosques and Islamic schools likely brought the ideas of the group to Central Asia.

15. Khalid, Islam after Communism, 185. The university renamed itself the Kazakh-Egyptian Islamic University “Nur” after the ouster of Egyptian President Hosni Mubarak in 2011.
Asia in the early 1990s. The group’s activities primarily include distributing information through leaflets, books, magazines, videos, the Internet, and seminars. The organization has hundreds or thousands of members in Kazakhstan and thousands of members in Kyrgyzstan. The Kyrgyzstani government placed the number in Kyrgyzstan at fifteen thousand in 2008, but since then numbers seem to be on the decline as members have had to migrate to Russia and Kazakhstan in search of employment. With the return of migrants to Kyrgyzstan during the global economic recession, it is possible that this trend will be reversed. A reasonable estimate for Kazakhstan is two thousand members, all in the south. The estimates are inexact because Hizb ut-Tahrir is banned in the countries and operates clandestinely. Regionally much of the group is made up of ethnic Uzbeks from the Ferghana Valley in Kyrgyzstan and neighboring countries. Members of nontitular groups, including Russians, Tatars, Chechens, Meskhetian Turks, and Kurds, make up one-fifth of the group in the region. Primarily people ages eighteen to thirty-five join, and recently the group has been most successful in recruiting women, former convicts, and those at the younger end of the spectrum. In Kyrgyzstan, members of parliament, government bureaucrats, and successful businesspeople have joined the organization, according to the head of the government agency on religious affairs.

The Islamic Movement of Uzbekistan (IMU) and the Islamic Jihad Union (IJU) are smaller organizations. These groups also aim to create a caliphate but through violent means. Two residents of the Ferghana Valley city Namangan in Uzbekistan, Tahir Yuldashev and Juma Namangani, established the IMU in the 1990s. The IJU splintered off from the IMU approximately ten years ago as some members preferred to concentrate on overthrowing governments in post-Soviet Central Asia, whereas the IMU had turned its focus to supporting the Taliban in Afghanistan and Pakistan. The factions may have reunited because the new IMU leader, Usmon Odil, advocates refocusing efforts on post-Soviet Central Asia.

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23. The previous leader was allegedly killed in a 2009 U.S. military drone attack in Afghanistan.
Primarily an ethnic Uzbek organization, the IMU has set its sights on the government of Kyrgyzstan, as a result of the ethnic violence in the southern part of the country in 2010. Greater numbers of Uzbeks than Kyrgyz died and saw their property destroyed, and almost all of those tried after the tragedy have been Uzbeks. Abuses against Uzbeks by local security forces in the south have driven some Uzbeks to join the IMU, according to the national government.  

The IMU is estimated to have one thousand to five thousand fighters from post-Soviet Central Asia as well as from the Caucasus and Russia. The IJU is thought to have considerably fewer. Within post-Soviet Central Asia, most of these groups’ operations have been in Kyrgyzstan, Tajikistan, and Uzbekistan.

A fourth group, Tablighi Jamaat, is a missionary and revivalist group composed of Pakistanis. The group speaks with people on the street and goes door-to-door, teaching people how to observe Islam, for example, by attending mosque. An estimated ten thousand Central Asians are followers, with the majority living in Kyrgyzstan, especially in the Ferghana Valley.

Following a series of violent attacks in both countries in 2011, the governments have claimed that additional Islamic groups exist and that they are responsible for the violence. The government of Kyrgyzstan named Jaishul Madhi, meaning the Army of the Righteous Ruler, as the perpetrator of bombings and attempted bombings of public buildings. Its fifty members are followers of the deceased North Caucasian insurgent Said Buryatsky and they have received explosives training in Tajikistan and Afghanistan, the government claims. The government of Kazakhstan identified the group Jund al-Khilafah or Soldiers of the Caliphate as responsible for attacks in its country. According to the government, Kazakhstanis fighting on the border of Afghanistan and Pakistan formed the group in 2011 to attack Kazakhstan.
Secular Charities

In addition to mosques, Islamic educational establishments, and proselytizing groups, secular charities have proliferated in Kazakhstan and Kyrgyzstan since the collapse of the Soviet Union. Kazakhstan had 3,050 registered nongovernmental organizations (NGOs) as of January 1997, and Kyrgyzstan had seven hundred registered by January 1998. This constitutes approximately one NGO for every five thousand people in Kazakhstan and one for every 6,800 people in Kyrgyzstan. By 2011, more than 9,851 in Kyrgyzstan and 36,815 had registered in Kazakhstan, representing approximately one organization for every five hundred people in each country. Not all of these registered organizations have charitable missions; some are professional associations or sports clubs, for example. Moreover, not all of them are active or effective: one report indicates that only 1,500 to 2,000 actually operate in Kyrgyzstan, and another estimates that of those only five hundred “offer quality services to their target groups.” That said, the numbers do suggest that local charities have emerged and their number has increased significantly in both countries.

The most common path to the establishment of a charity has been that acquaintances in a locale perceived a problem and formed a group to resolve it. These individuals were typically acquainted through work, school, military service, or an ethnic minority network. For example, in central Kyrgyzstan two nongovernmental organizations were created by groups of teachers—one from a pedagogical college and another from a secondary school—to serve disadvantaged youth and women. In southern Kyrgyzstan one veteran contacted those in his town with whom he had served to establish a charity to help disabled and impoverished veterans and families of deceased veterans. The 1990 conflict in Osh, Kyrgyzstan, between Uzbeks and Kyrgyz encouraged local Uzbek notables there to work together to form an organization to provide material assistance and cultural support to local Uzbeks. In recent years many of these efforts have fallen into the new category of “mutual assistance groups,” typically col-

laborations among ten to fifteen less affluent women to provide microcredit to the poorest in their community and to improve local infrastructure, such as roads.\(^{33}\)

Two less common origins of charities are Soviet-era institutions or international organizations.\(^{34}\) For instance, in central Kyrgyzstan an individual who had served as deputy chair for a Soviet-era *raion* committee for women left the position in order to create a charity to support women. As she noted, in her government position she had “became familiar with how women live here . . . [but] the committee worked in Soviet ways. . . . I decided to create my own organization. In the committee [we] could not really work.”\(^{35}\) In a case of international sponsorship, the nonprofit microcredit organization Bai Tushum in Kyrgyzstan began in 2000 with the assistance of the foreign economic development organization ACDI/VOCA and the charity Caritas Swiss. By numerous paths, secular charities as well as Islamic organizations have proliferated in the independence era.

### Expectations of Islamic and Secular Assistance

Accounts of Kazakhstan and Kyrgyzstan and the experiences of other regions suggest that we could expect Islamic institutions and charitable NGOs to be a significant source of assistance for citizens. Eric McGlinchey argues that “Islamic charities have increasingly stepped in to deliver what central governments cannot.”\(^{36}\) Islamic social welfare tenets have been described as having “a high potential for the societies of Central Asia, particularly Kyrgyzstan, where according to World Bank data the poverty rate reached more than 40%. . . . Islam,

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34. Earlier studies of nongovernmental organizations in Central Asia described the preponderance of groups as government-organized or heavily influenced by international NGOs. They reached these conclusions because they conducted research primarily in the capital cities and relied largely on the accounts of representatives of international groups. By contrast, my findings are based on research not only in capital cities but also in other cities, towns, and villages, and I gathered information from domestic NGOs, local citizens, and government officials in addition to foreign representatives. For a more detailed analysis of this issue, see Kelly M. McMann, “The Civic Realm in Kyrgyzstan: Soviet Economic Legacies and Activists’ Expectations,” in *The Transformation of Central Asia: States and Societies from Soviet Rule to Independence*, ed. Pauline Jones Luong (Ithaca, NY: Cornell University Press, 2004), 213–45, here 216–17.

35. Author’s interview (#14), Kyrgyzstan, July 10, 1997.

then seems to be the most accessible alternative to the demise of the Soviet social doctrines,” another scholar concludes. This poverty has encouraged a strengthening of Islamic belief in Kyrgyzstan, as well as in Kazakhstan, so people may be more predisposed to turning to mosques and Islamic organizations for assistance. Moreover, the expansion of material assistance for Islamic institutions would mirror the situation in other predominantly Muslim countries. Millions of Muslims in other regions of the world regularly turn to their mosques and other Islamic institutions for assistance including material help and vocational training programs. As market reform has reduced government social services in the late twentieth and early twenty-first centuries, Islamic social services have proliferated in predominately Muslim countries of other regions of the world.

The emergence of nongovernmental organizations has been one of the most popular topics among observers of Central Asia, thus leading one to believe that these groups may play a significant role in people's lives. In particular, local groups with foreign funding have received considerable attention. For example, Boris-Mathieu Pétric writes, “Nowadays, there is not one village in Kyrgyzstan that does not have one or several NGOs,” and they are dependent on foreign aid for survival. He comments also on the direct involvement of foreign organizations in Kyrgyzstan, referring to it as a globalized protectorate: “As access to public services is declining, growing numbers are dependent on international NGOs for medical services. Higher education has been privatized and foreign foundations (Soros, Fatulla Gulan, etc.) are rushing in to fill the gap left by the state.”

Evidence of Market Reform’s Effect under the Two Conditions

Islamic institutions and secular charities, however, have been limited in their ability to assist individuals. The legacy of significant state economic intervention has meant that most Islamic institutions and secular charities are starting from scratch with no experience and no resources. Market reform without market-enhancing institutions has limited their ability to secure resources; when market actors cannot provide employment, income, and credit, people do not have the funds to make generous donations to Islamic institutions and secular charities. Furthermore, charities have difficulty obtaining credit to carry out their missions.

A Legacy of State Control of Charity

The Soviet party-state’s control of the economy extended to religious and secular charity. Charity was effectively prohibited throughout most of the Soviet era because it was thought to impede efforts to establish communism. Charity was considered “one of the means the bourgeoisie uses to mask its parasitism and its exploitative face by means of hypocritical, demeaning ‘aid to the poor’ in order to deflect them from the class struggle” that would result in communism. Charity was also banned because it was viewed as unnecessary in the Soviet economic system. The thinking was that the party-state provided for the welfare of the people, so the people did not require charitable assistance. Moreover, under communism there should be no rich and no poor. So, in theory, no one was morally obligated to provide charity and no one required it. In the context of Muslim charity in Central Asia, the implication was that individuals did not have to pay zakat, an annual obligatory welfare contribution of surplus wealth, because, in theory, they did not have wealth in excess of their needs. And, Islamic institutions did not need to encourage either zakat or sadaq, voluntary contributions, because, in theory, there were no poor.

In the early years, the Bolsheviks persecuted churches, which had been the main sources of charity, and closed charitable organizations not affiliated with their movement. A decree in 1929 codified the anticharity campaign by pro-

43. Ro’i, Islam in the Soviet Union, 141n159, 234.
hbiting religious organizations from engaging in charitable activities. This extended to mutual assistance funds, shelters, funeral funds, educational establishments, and any assistance to individuals.

The campaign against philanthropy restricted the survival and development of Islamic organizations in the Soviet era. The state closed many mosques and subjected remaining and new ones to registration, strict guidelines, and monitoring. The registered mosques represented only 1 percent of all Islamic organizations; worshipping illegally in unregistered organizations was more popular. In much of the Soviet Union, Muslims did not have a registered mosque nearby, so they could not worship there. Muslims who disagreed with the state’s positions on Islam also did not attend the registered mosques. Instead, people worshipped in closed mosques, at shrines, in cemeteries, at private homes, in small structures constructed on private land plots and kolkhoz (collective farm) land, on threshing floors, and on the streets. For example, in the village where I lived in southern Kazakhstan a mullah met with ten people in a home that the participants viewed as a mosque. Neither the village nor even the raion had a mosque in the Soviet period. These meetings outside official mosques were illegal unless registered with the state. But the state granted approval only in eras when Islam was seen as less of a threat and only when a registered mosque was not accessible. Illegal worship was particularly common in Kazakhstan and Kyrgyzstan, which had a history of worshipping with mullahs outside of mosques because of the people’s nomadic roots and the low population density. Yet most illegal organizations met rarely. Many met just for a few main festivals, performance of lifecycle rites, and infrequent Fridays. Moreover, they had only small numbers of participants. And, the numbers of groups and participants rose and fell over time, with no steady increase into the late Soviet era.

Financial restrictions limited the activities of both unregistered and registered Islamic organizations in the Soviet era. In an intentional effort to reduce funds to Muslim institutions, the state prohibited them from owning property and engaging in commercial ventures. The ban on property extended to waqf, religious endowments, which were seized by the state. The greatest blow to Islamic charity was the Soviet government’s declaration that fitr, the main source

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71, here 154.
47. New mosques were mainly allowed to open during World War II in order to encourage support for the military effort.
48. In some cases local officials granted approval for worship outside registered mosques without the knowledge of higher state religious authorities, and thus provided some protection to worshippers. Ro’i, *Islam in the Soviet Union*, 185–86, 294, 300–301, 315, 317–18.
49. Ibid., 287–89, 291, 309–16.
of revenue for Islamic organizations, was not obligatory. Typically, every adult Muslim is obliged to make a payment to religious institutions or leaders during or at the end of uraz, the month-long feast concluding in the Uraz-Bayram celebration. The government did not outlaw fitr for fear of worsening relations with the Muslim population. However, donations were to be made only to registered mosques, which were then obligated to forward the money to the spiritual directorates, the official Islamic leadership, to use for salaries, maintenance of facilities, and other costs. During periods of greater religious repression donations dropped substantially. Overall, Soviet policies devastated Islamic charity.\textsuperscript{50}

The challenges posed by government restrictions were even greater for secular charities. Few of them survived communism. When the Bolsheviks closed unaffiliated organizations, they allowed only branches of a few international charitable organizations to continue to operate. These included the Red Cross, the Society for Blind People, and the Society for Deaf People; however, they were controlled by the state throughout the Soviet era.\textsuperscript{51} Their resources came from the state budget and through citizens’ required purchase of membership stamps.\textsuperscript{52} In sum, for six decades, organized charity was moribund in the Soviet Union.

**Scarce Resources for Islamic Organizations and Secular Charities**

In the 1980s, many secular charities and religious institutions emerged because legal changes enabled societal groups to form independently of the Communist Party and liberalized the practice of religion. However, they have been stymied in their missions to provide material help to average citizens because of the legacy of significant state economic intervention. Soviet prohibitions on charity meant that the new groups had no institutional history and few resources. Market reform in the absence of effective market-enhancing institutions has compounded this problem by limiting donations, endowments, and credit, which are key resources for societal groups.

\textsuperscript{50} Ibid., 27, 271, 486, 561. Despite the restrictions on religion, some charitable giving occurred. Although fitr and sadaq were only supposed to be given to a registered mosque, some individuals gave their donations directly to needy acquaintances or relatives. Furthermore, some evidence shows that registered mosques assisted destitute people who visited. And unofficial clergy, who received donations at the mazars (shrines) and in private homes when performing rites, kept the money and may have used it to help others.


Of the Islamic institutions, mosques are most relevant in terms of a mission of material assistance. Educational institutions and proselytizing groups are focused more on disseminating knowledge; some proselytizing groups also have the political objective of establishing a caliphate. Mosques, in contrast, aim to provide material assistance in addition to spiritual guidance.

Revenue for mosques from both foreign and domestic sources is now limited. As described above, the governments of Kazakhstan and Kyrgyzstan have restricted foreign funding of mosques since the mid-1990s, and, even when it was available, this funding was provided for mosque construction, not for operating expenses or welfare programs. Domestic sources of revenue include *fitr*, *zakat*, *sadaq*, and *waqf*. Yet with limited market opportunities, few individuals have become wealthy and are able to make generous donations. By one count 27 percent of Kyrgyzstanis and 21 percent of Kazakhstanis donate money or time to a religious organization;\(^\text{53}\) however, the donations tend to be small. Consider, for example, the mosque in the village where I lived in southern Kazakhstan. It relies on the contributions of its members, but the villagers are in dire economic circumstances. Half of the able-bodied people are unemployed. Most people live off their garden plots and temporary seasonal employment. The few larger-scale private farms have not been able to expand and employ more people because of lack of credit and processing monopolies. With most villagers in poverty, the mosque has received no donations of land for an endowment and only limited donations of money and agricultural products. The imam interprets Sharia to require that people give 1 percent of their income each year. One percent of the income of impoverished villagers is little, assuming they can even afford that. The imam explained that his most reliable donation is sacks of flour once a year from the local miller.\(^\text{54}\)

Like Islamic institutions, charities have indirectly been affected by market reform under the two conditions. With limited market opportunities it is difficult for citizens to earn income. Consequently, charities cannot rely on membership dues and donations. Only one of the many civic organizations I interviewed, a group to support the Russian diaspora in southern Kyrgyzstan, collected membership dues, but only those with positions inside the organization pay. Leaders of most organizations described how the amount that members—many of whom were unemployed or earning little—could possibly pay for membership was so small that it was not worth collecting. Mutual assistance groups have relied on monthly dues, typically 10 USD per month, in order to loan money to

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\(^{54}\) Incidentally, this is the miller who has the processing monopoly.
Donations to local charitable groups have been relatively rare: the veterans’ group in southern Kyrgyzstan was able to secure some money to begin the organization by appealing to people’s nostalgia for Soviet patriotism and respect for veterans. The fund for disabled children in central Kazakhstan relied on periodic assistance from private firms and individuals.

Unlike Islamic institutions, charities have also been directly affected by the difficulties of obtaining credit and engaging in successful business ventures. Laws on nongovernmental organizations do not prohibit charities from obtaining credit, and in other countries of the world credit has been important to the expansion of the nonprofit sector. Yet, none of the organizations I examined in Kazakhstan and Kyrgyzstan had obtained credit. Limited market opportunities also make it difficult for charities to fund their activities through business ventures. Of the groups I interviewed, only the veterans’ organization in southern Kyrgyzstan engages in business, selling cotton and produce from southern Kyrgyzstan in Russia and purchasing metal there for resale at home.

With limited possibilities for membership dues, donations, credit, and business ventures, charities have been funded primarily through their leaderships’ personal resources and secondarily by foreign grants and local governments. Leaders of charities typically use their own money to register their groups because winning a grant or finding a sponsor is difficult at this early stage. Yet even more mature organizations regularly rely on their leaders’ and most dedicated members’ personal resources. For example, one of the charities in central Kyrgyzstan collects used clothes, produce, and animal products from its members to distribute to others.

Only a minority of organizations receives foreign funds, and even those that do need to rely on other sources of funding as well. Foreign funds are available only for certain missions, such as civil society development or ethnic harmony, and for certain expenses, typically not rent or transportation. They are also usually in the form of grants, one-time windfalls instead of continuous support. Finally, foreign donors are less accessible to local charities based outside of the countries’ capitals. These limitations have meant that foreign funds are not a primary means of support for local charities. With few options for support, local charities often rely on local governments for office space, meeting places, utilities, and transportation.

55. Khamidov, “Central Asia: Citizens Learning to Take the Initiative.”
56. McMann, “The Civic Realm in Kyrgyzstan.”
57. In reaction to the 2003 Rose Revolution in Georgia, the 2004 Orange Revolution in Ukraine, and the 2005 Tulip Revolution in Kyrgyzstan, where Western support for NGOs was seen as a precipitating factor, Kazakhstan has tried to discourage reliance on foreign organizations. In 2005, the government adopted a new Law on Social Contracts enabling local charities to apply for con-
Islamic organizations and secular charities to proliferate, market reform under the two conditions has limited their resources.

**Limited Material Assistance from Islamic Organizations and Secular Charities**

With their scant resources, Islamic and secular organizations do not provide the material assistance average citizens need. Religious leaders and government officials confirmed that mosques generally do not provide employment, credit, or income. For example, in the village in southern Kazakhstan, the imam explained that the mosque neither helps people find work nor assists with credit. The only material assistance the mosques provide is to distribute small amounts of food or money to the poorest villagers during the observance of uraz, Uraz-Bayram, and Kurban-Bayram (a sacrificial festival). The village deputy akim placed the number of villagers who receive assistance during celebrations at ten to fifteen.

Islamic educational institutions in Kazakhstan and Kyrgyzstan may offer their students room and board, but they do not provide employment, credit, and money. In fact, degrees from some of these Islamic higher education establishments do not even facilitate employment because these institutions are not recognized by the state. Furthermore, they typically limit their material assistance to their own students. An exception is the Adep Bashti foundation in Kyrgyzstan, which provides stipends and materials to approximately two hundred students who are studying at institutions other than its madrassas in Bishkek and Osh.

Hizb ut-Tahrir, the IMU/IJU, and Tablighi Jamaat have provided targeted, but not widespread, material assistance. Hizb ut-Tahrir offered emergency relief to earthquake victims in Naryn, Kyrgyzstan, and has organized community

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58. Other religions also provide only limited material assistance in Kazakhstan and Kyrgyzstan, typically through foreign missionaries. They are mostly of different Christian denominations, and they typically provide only periodic material assistance in small amounts to small numbers of people. An American Baptist organization in Kazakhstan was unusual in that it had a business credit program, but only five of seventy interested people received credit.


projects, such as repairing irrigation canals, in a few locations in the country, particularly in the south.\textsuperscript{62} The organization also provides material aid to its imprisoned members.\textsuperscript{63} Hizb ut-Tahrir reportedly pays young adults to distribute leaflets. However, members are also expected to contribute 10 percent of their income to the organization and purchase every issue of the organization’s Uzbek-language newspaper, \textit{Ong-Al-Waie} (Awareness), so involvement in this organization is not a good means to support oneself.\textsuperscript{64}

The IMU promised monthly salaries of 700–1,000 USD to its fighters, who have mounted incursions in Kyrgyzstan and Uzbekistan and battled U.S. forces in Afghanistan; however, former fighters reported that they were never paid.\textsuperscript{65} There have not been reports of Tablighi Jamaat providing material assistance to its supporters.\textsuperscript{66}

Secular charities are also not able to meet individuals’ needs for employment, money, and credit. The most typical assistance provided by charities is infrequent or periodic provision of goods. Although this can significantly improve recipients’ standard of living in the short-term, it does not address the long-term difficulties of lack of income or credit to create a business. Infrequent assistance includes the occasional pair of shoes or schoolbooks one of the charities in southern Kyrgyzstan is able to provide to disabled Uzbek children and the medicine and groceries that a charity in central Kyrgyzstan distributes to women and poor people. Periodic assistance typically coincides with special dates. For example, the veterans’ organization in southern Kyrgyzstan provides poor veterans and deceased veterans’ families with money and coal on December 28, when the war in Afghanistan began, and on February 15, when the troops left Afghanistan.

Local charities typically do not help with generating income. In none of the locations where I worked was there a charity that focused on finding or generating jobs for people. Credit programs by nongovernmental organizations did exist,


\textsuperscript{63} International Crisis Group, “Central Asia: Islamists in Prison.”

\textsuperscript{64} Saidazimova, “Central Asia: Banned Islamic Group Hizb ut-Tahrir Continues to Gain Members.”


\textsuperscript{66} Neighborhood Islamic charities, or \textit{jamiyats}, may be a growing presence in Osh, Kyrgyzstan. Evidence shows that they provided relief for refugees of the state violence in Andjian, Uzbekistan, in May 2005 and that local businesses support them financially. McGlinchey, “Islamic Revivalism and State Failure in Kyrgyzstan,” 26. The role of local businesses in meeting people’s basic needs directly and through religious or secular charities is further discussed later in a section on local businesses.
although they helped only a small number of people. For example, a charitable organization in central Kyrgyzstan was able to provide eight women with credit for ventures such as running a farm, operating a cafeteria, or making handcrafts. In one and a quarter years a charity aiming to help women and the poor in central Kyrgyzstan had provided approximately thirty individuals with credit to grow potatoes and wheat and make handcrafts. This assistance is significant for the recipients, but it helps relatively few people.

Even with the help of foreign organizations, local charities that provide credit have a limited effect. For example, through its Poverty Alleviation Project, the United Nations Development Programme (UNDP) granted ten local organizations the funds to create microcredit programs to support rural residents’ small businesses in southern Kyrgyzstan. In three years several hundred people received loans of 1,000 to 11,000 som, or about 50 to 600 USD, for one year or less at approximately 40 percent to sew household goods, grow crops, or raise animals, among other ventures. However, this is in a province of 1.5 million people, with approximately 99,000 considered poor. Moreover, these loans, like bank credit, are only for the short term, which makes it difficult for people to escape poverty.

A promising exception is the Kyrgyzstani nonprofit microcredit company Bai Tushum and Partners, which had granted loans to more than 100,000 clients by 2010 and has offices in approximately half of the country’s raions. International awards for transparency indicate that, unlike many of its for-profit counterparts, it does not engage in predatory lending. Thanks to its nonprofit status and support from international lending institutions like the EBRD, Bai Tushum can lend to a wider group of people and offer better terms. Farmers and potential entrepreneurs are eligible, and people without valuable collateral can obtain a guarantee from another person. The rates are nonetheless high, in part, due to the lack of credit histories. Bai Tushum has contributed information to the private credit bureaus and thus has helped to expand their coverage. Its further growth will be limited as long as its counterparts are hesitant to share information.67

Unlike Bai Tushum, most local charities do not have foreign financial support. Limited resources have forced most to have narrow target populations, further reducing their ability to provide substitutes for state goods and services. Irina, the Russian woman in the village where I lived in southern Kazakhstan, described how she and her family needed help desperately but had not turned to a charity for assistance. She is a veterinarian and her husband was a construction

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worker at the sovkhoz, but she has not received her salary for four years and her husband lost his job five years ago. They try to support themselves and their two teenage sons by living off their plot of land, pig, cow, and a few chickens. Sometimes her husband can find seasonal construction work, such as building a summer kitchen. Despite these difficult circumstances, she has not turned to local charities for help because, as she puts it, “I am not a pensioner or a mother with many children so no one helps me.”68 Her perception is accurate. Unlike religious institutions that are open to helping anyone, even nonbelievers in many cases, charitable organizations typically have a narrow focus. For example, in a region in southern Kyrgyzstan an organization helped veterans while another helped invalids or disadvantaged Uzbeks. This excluded much of the population. In a central province of Kyrgyzstan, one organization focused on mothers, single parents, and children and another group helped women and the poor. The category of poor is a broad mandate that a small number of charities have taken on, but this target typically refers only to those in the most dire circumstances—those who are physically unable to work or homeless.

Charities’ limited geographic scope also reduces their influence. Unlike the Soviet party-state, which had representatives in each village and urban neighborhood, charities tend to form locally and many are based in urban areas.69 For example, the village in southern Kazakhstan had no charitable organization. The raion where it is located had no local charities only foreign ones, which have their own limitations, as will be described later. Local charities had formed in the provincial capital but their work did not extend to the village. Neither secular charities nor Islamic organizations have managed to provide widespread material assistance in Kazakhstan and Kyrgyzstan.

**Minimal Reliance on Islamic Institutions and Charitable Organizations**

Because Islamic institutions and charitable groups have little material assistance to offer, few individuals in Kazakhstan and Kyrgyzstan seek their help in solving their everyday problems. This lack of reliance on Islamic institutions and charitable groups is evident from both the surveys and in-depth interviews.

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68. Author’s interview (#158), Kazakhstan, July 19, 2001.
No more than 2 percent of survey respondents in either country sought assistance from Islamic institutions or charities in the past year (see Table 5.1). At most, 2 percent of respondents in a country selected “religious institution or leader” or “local, private charitable organization.”

Average citizens and representatives of Islamic institutions and charities I interviewed confirmed that individuals do not typically turn to these entities for material assistance. Not a single person I interviewed had turned to a mosque, Islamic educational establishment, or Islamic group, or secular charity for assistance. These individuals were in need of assistance: they included urban residents who were unemployed and actively seeking work and villagers who had no income and were trying to survive on subsistence farming and odd jobs. In these interviews I asked people to describe the problems they faced in their everyday lives and how they tried to solve them. People often explained how they had considered different options for solving their problems. No one mentioned a mosque, Islamic school, or Islamic group in this context. Instead, I would have to prompt interviewees to discuss the possibility that Islamic institutions served as potential sources of assistance. The imam in the village in southern Kazakhstan corroborated these accounts, explaining that only one person in the village of 3,300 sought material assistance from the mosque each year. “People know the mosque does not have the means so therefore they do not seek assistance,” he explained. A few individuals I interviewed mentioned that they considered seeking help from charities, but they explained that the organizations could not provide them with the resources they needed.

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70. Similarly, in her work in the late 1990s in Kyrgyzstan, Kathleen Collins did not find a single person who said they would turn to a mosque for a loan or financial assistance. Furthermore, not one indicated that a mosque was the most important factor in getting a job or being financially successful. Kathleen Collins, “The Political Role of Clans in Central Asia,” *Comparative Politics* 35, no. 2 (2003): 171–90, here 178.

71. Author’s interview (#173), Kazakhstan, July 30, 2001.
Not Averse to Islamic Institutions and Charitable Organizations

It is because of Islamic institutions’ and secular charities’ inability to meet material needs—not for other reasons—that people do not turn to them for assistance. The fact that people do use other services of Islamic institutions indicates that it is not an aversion to or suspicion of religion that keeps them from seeking material assistance. “For seventy years people were told religion was the opiate of the masses,” the imam in Kazakhstan reminds us, so it is plausible that people in Kazakhstan and Kyrgyzstan may be wary of associating with Islam. But, in fact, these countries have seen an Islamic revival, with people attending mosque, enrolling in religious classes, seeking spiritual guidance from religious leaders, reading religious literature, and making pilgrimages. Some people have also decided to pursue religious educations. The imam in southern Kazakhstan contrasted the limited material assistance his mosque could provide with the extensive work he was doing in the areas of spiritual guidance, conflict resolution, and youth courses on Islam and the Arabic language, as well as Kazakh culture. Aversion and suspicion explain only the limited contact with proselytizing groups, especially Hizb ut-Tahrir and the IMU/IJU. Most Kazakhstanis and Kyrgyzstanis prefer secular states—likely a legacy of Soviet communism—and they are aware of their governments’ bans of radical Islamist activity. So, seeking material assistance from Hizb ut-Tahrir and the IMU/IJU would be not only unfruitful but also politically misguided. With the exception of these organizations,

72. Ibid.
74. Government disapproval of certain Islamic groups is evident from Kazakhstan’s 1993 law “On the Freedom of Religion and on Religious Associations,” which initially prohibited religious political parties and then was broadened to prohibit the distribution of extremist or proselytizing materials without permission. Kazakhstan’s 1995 constitution severely limited the activities of foreign religious organizations. In Kyrgyzstan, the registration of religious organizations was introduced in November 1996 as a means of discouraging extremism, although the requirement has not been effectively implemented. The government essentially banned foreign religious organizations beginning in 1999. A presidential decree and instructions to the National Security Service in 2004 banned extremist, fundamentalist, and Shiite missionaries. In both countries, government security agencies now meet with members of proselytizing organizations to try to discourage their involvement in them, and are increasingly incarcerating them and imprisoning them for longer. International Crisis Group, “Central Asia: Islam and the State,” 25; International Crisis Group, “Central Asia: Islamists in Prison,” 5–6; Karagiannis, Political Islam in Central Asia, 31, 32, 35; Khalid, Islam after Communism, 185.
Islamic institutions’ lack of resources is the factor that discourages citizens from seeking material help from them.

Charities’ limited resources are the only deterrent to seeking assistance from them. Some individuals have been suspicious of charitable organizations because they have believed leaders’ true motives are personal gain and they were unfamiliar, at least in the early independence period, with practices such as traveling abroad for seminars and applying for grants. However, people I interviewed mentioned the lack of assistance charities provide, not their suspicions, as the reason they did not turn to charities. Moreover, suspicion is unlikely to be an obstacle to seeking charitable assistance when many people have taken jobs that they were suspicious and ashamed of. In Kazakhstan and Kyrgyzstan, many people, including well-educated professionals, began buying and reselling goods to survive after the collapse of the Soviet Union. Yet people were suspicious of working in the bazaar because in the Soviet era they had been taught that “spekulatsia”—buying and reselling at a higher price—was amoral. “Teachers and doctors were ashamed to stand in the bazaar [and sell goods],” the head of an entrepreneurial association for central Kazakhstan explained. Anara, an entrepreneur in a central city of Kazakhstan, recounted that when she left her job at a technical institute to work in the bazaar, “Many thought, ‘How could a person with higher education work in the market?’” She explained to me how in the 1990s “prices doubled, and then increased five times, and when they increased ten times I woke up. We went to the store and prices had three more zeroes. I became fearful even though I had work and a salary. . . . But, I wondered how will we live if prices continue to increase.” These conditions led her to work in the bazaar. Considering that thousands of people in dire straits overcame their suspicion and shame to work in the bazaars, it is unlikely that fear and embarrassment prevent people from turning to charities for assistance. Instead, few people turn to charities or Islamic groups, because the organizations do not address the need to generate income.

**Other Societal Groups and Individuals**

Like Islamic institutions and secular charities, other groups and individuals in society cannot meet people’s needs for income, employment, and credit. Foreign charities, foreign companies, local companies, labor unions or other profes-

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75. McMann, “The Civic Realm in Kyrgyzstan.”
76. Author’s interview (#196), Kazakhstan, June 8, 2001.
77. Author’s interview (#216), Kazakhstan, June 15, 2001.
sional associations, political parties, aksakals, and educational establishments do not serve as substitutes for the state. Their difficulties in meeting individuals’ needs are reflected in the low numbers of people who have sought their help. No more than 4 percent of respondents turned to one of the groups.

Foreign Charities

Foreign organizations engaged in charitable work tend to work through local NGOs, so it is not surprising that less than 1 percent of citizens in Kazakhstan and only 1 percent in Kyrgyzstan would have turned directly to the foreign groups for assistance, as indicated in Table 5.2. Moreover, foreign organizations engaged in charitable work have many of the same limitations as local charities. Much foreign charitable assistance is narrowly targeted, infrequent or one-time, focused on goals other than generating income, and limited in geographic scope.78

One category of help is the distribution of goods to specific groups, such as refugees, disaster victims, and the poorest members of a community. In many cases this is one-time assistance. For example, the leader of a provincial branch of the Red Cross/Red Crescent in southern Kazakhstan explained that the organization tried to help each needy individual only once a year. She said that some people come repeatedly to the office and request help: “I ask, ‘Why do you eternally come here? You came not long ago and ate at the cafeteria at a cost of $1.50. . . . Do you think you are alone? Let others receive help too.’”79

Other categories of foreign assistance—educational programs and community projects—might enable people to generate income in the future, but they do not provide an immediate solution. Educational programs, by the U.S. Peace Corps and the European Union’s Technical Assistance to the Commonwealth of Independent States, for example, concentrate on teaching people foreign languages, agricultural techniques, and business skills. The community projects have local residents, typically in a rural area, improve infrastructure, such as sewer or water systems, with guidance and funds from the foreign organization.80 A foundation in a foreign language or improved irrigation is helpful for generating income but only if jobs or credit are available.

Microcredit programs offer the most promising foreign assistance; however, they illustrate an additional constraint of foreign groups—limited geographic scope. Foreign organizations typically have a representative in place to monitor

78. Other foreign groups focus less on meeting material needs, concentrating instead on developing civil society and reducing ethnic tensions, for example.
79. Author’s interview, Kazakhstan (#146), July 5, 2001.
80. Community projects aim to overcome an additional limitation of foreign assistance—poor knowledge of local needs.
TABLE 5.2. Other societal actors and institutions from whom citizens have sought assistance in the past year in Kazakhstan and Kyrgyzstan

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<td>Foreign company where you don’t work</td>
<td>&lt;1</td>
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<td>Local company where you don’t work&lt;sup&gt;a&lt;/sup&gt;</td>
<td>3</td>
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<td>Labor union&lt;sup&gt;a&lt;/sup&gt;</td>
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<td>Respected male elder</td>
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<td>4</td>
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<td>Educational establishment</td>
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Note: *n* = 1,200 for Kazakhstan and 1,199 for Kyrgyzstan. A portion of the 1,500 respondents in each country claimed that they had no problems or that describing their problems was too difficult and thus some respondents were not asked this question about seeking assistance.

<sup>a</sup> Some local companies and labor unions remain state institutions in these countries as a result of the communist period; however, market reforms have ensured that most are now nonstate entities. Counting them as market actors increases the difficulty of arguing that the reliance on the state is greater than reliance on nonstate actors.

credit recipients’ use of funds. Only with such a monitoring system is it “apparent if the money was not used for the business—if [the entrepreneurs] bought a sheep for a wedding” instead, a regional manager of one foreign organization in southern Kyrgyzstan explained.<sup>81</sup> However, almost no groups have the human resources to operate such programs countrywide, particularly in larger countries like Kazakhstan. In Kyrgyzstan it is plausible to blanket the country. In the early part of the decade residents near urban areas and in provinces viewed by foreign representatives as easier to work in were the only people likely to have access to microcredit. More recently, foreign organizations have been able to open more offices by relying on locals to staff them. For example, the American organization FINCA has its headquarters in Bishkek but also has twenty-two branches and approximately 120,000 clients. Similarly, Kompanion, backed by the U.S. organization Mercy Corps, has offices in all regions of the country and has approximately 120,000 borrowers.<sup>82</sup>

With the exception of institutions like these, foreign organizations mainly help meet everyday needs by providing funds for credit programs run by local charities. Unlike Islamic institutions and local, secular charities, the limitations faced by foreign organizations are generally not because of lack of financial resources. Instead, mandates from their governments and boards limit their target populations and objectives. Preferences for immediate, concrete solutions encourage one-time or periodic assistance and the distribution of tangible goods

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81. Author’s interview, Kyrgyzstan (101), May 15, 1998.
instead of ongoing assistance, the results of which are more difficult to measure. The difficulty of recruiting and retaining staff from the home country to work in remote locations causes programs to be concentrated in urban areas and places where it is considered easiest and most comfortable to work.

Foreign Companies

Scholars have identified foreign companies, even more than foreign NGOs, as holding the greatest promise for addressing everyday needs. For example, Pauline Jones Luong and Erika Weinthal note that “[a]n examination of several contracts with foreign companies active in the energy sector reveals a consistent pattern of foreign companies’ adopting all the social and economic burdens in the regions, cities, towns, and villages surrounding the fields to which they have bought rights to explore and produce oil and gas,” including maintaining full employment and paying back wages.  

83 Not only on paper but also in practice, foreign companies can provide individuals with the income, employment, and other assistance that they need.  

84 However, like charities, their assistance has limited target populations and limited geographic scope. They help employees of their operations and the city where they are based, but their operations do not blanket Kazakhstan and Kyrgyzstan. For these reasons, less than 1 percent of survey respondents in Kazakhstan and no respondents in Kyrgyzstan indicated that they had turned to a foreign company for assistance (see Table 5.2).

Let us explore these benefits and limitations by considering a foreign natural resource extraction firm working in Kazakhstan. From interviews I conducted with directors, employees, and residents of towns where it operates, I found that in many respects the foreign firm had taken over the welfare responsibilities of the enterprise and one large town. One director, one of many foreigners in upper management, began the story, saying, “What we perceived when we came was that the [Kazakhstani enterprise] maintains the entire town.”  

85 The enterprise had constructed homes and was providing free utilities and education, among other benefits. However, with the economic crisis of the early independence period, this system began to collapse. The Kazakhstani enterprise was relying on barter for inputs and for payment and was producing only 3 percent of


85. Author’s interview (#218), Kazakhstan, June 16, 2001.
what it once had. “Without cash how could they pay the workers? Workers were paid in products and clothes,” a current director explained. Or, at times the employees were not paid at all. When the foreign firm purchased the enterprise in the 1990s, the workers had not been paid for five months and the decreased production at the enterprise meant that the town could no longer provide heat to people’s homes at times. As a result, workers were finding excuses to stay at work to keep warm.

The foreign firm purchased not only the enterprise but its related facilities, including a children’s cultural center, three children’s summer camps, a textile plant that produced uniforms, and a cafeteria. It also eventually bought all the utility plants in the town as the local government was not effectively providing services, in part because of lack of investment in the facilities in recent decades. The firm also purchased a hospital and pays salaries at another one. Besides buying facilities, the firm has funded the city sports complex, schools, and children’s camps. It also contributed 1 million USD for an oblast agricultural credit fund. The fund provides half of each loan and a bank provides the other half. In one year the fund provided credit to one hundred entrepreneurs.

The firm’s direction and funding of these welfare services in this town has addressed the income and employment problems of its workers, but not of all residents. Workers received their five months of back pay and now receive 150–200 USD per month on time. This money goes far because workers receive free medical care, one free meal at the cafeteria each day that they work, resort vacations at only 15 percent of cost, and subsidized university courses in their field. These benefits have an enormous effect on the town as approximately one in seven of the town’s residents is employed at the firm. Moreover, an individual in an urban area typically lives in a household with four others—a spouse, two children, and a grandparent. However, as a worker at one of the firm’s remote locations noted, while the firm’s workers live well, other residents are trying to survive off their garden plots. Furthermore, although nonemployees in these foreign company towns have access to functioning and often improved infrastructure, such as utilities and public transportation, they may not be able to afford the prices charged by the foreign firms operating them according to market principles.

Foreign firms have in fact addressed the problems of income and employment for their own workers, but they cannot employ everyone in a location and they do not operate throughout a country. Instead, they tend to be based where

86. Ibid.
87. It is important to note that 23 percent of the enterprise’s employees at the time of purchase lost their jobs, approximately 14 percent under early retirement plans and the rest through on-time retirement, migration, or layoffs.
extractive resources are available. For Kyrgyzstan, in particular, this is of little help because the country has few of these resources.

Local Businesses

Like foreign businesses, local businesses are limited in providing charity because of geographic scope, but also because of scant resources. Businesses, particularly large businesses, are more likely to be based in cities and thus more likely to help urban residents. But, whether they are based in urban or rural areas, most businesses do not have an excess of resources to use to help people. As a result, only 3 percent of respondents in Kazakhstan and less than 1 percent in Kyrgyzstan had sought help from a local company where they do not work. The local businesses that do manage to provide charity are those that were started at the end of the Soviet era by Communist Party leaders, specifically leaders of the Komsomol, a communist youth organization for people ages fourteen to twenty-eight. These businesses were built on the advantages of Communist-era connections and, in some cases, commandeering of state resources at the end of the Soviet era. Businesses developed by average citizens in later years face the limited opportunities resulting from market reform under the two conditions. The relatively few businesses that can afford to engage in charitable work fall into two categories: those that direct most of their assistance to their own employees and those that direct most of their assistance to local residents who are not employees.

Falling into the former category is a business in a city in central Kazakhstan. Ivan, the founder and a former Komsomol leader, established the company from a Komsomol housing program he began in 1987. At the time, his city had a shortage of apartments; young people had to wait ten years for the enterprise where they worked to provide them with a unit. The enterprises had a surplus of cash but not the means or the mandate to build apartments. Ivan convinced the enterprise directors to let him use the cash to purchase construction materials. He and the employees waiting for apartments then built approximately 1,500 homes for their use. With market reform, Ivan transformed the business venture into his own private companies, one of which was the first private company in Kazakhstan. The companies continue to construct buildings as well as operate stores, produce bottled water, and expand into new areas.

Just as Ivan established the housing program with an eye to both meeting people’s needs and making a profit, he provides welfare services to his employees today. His rationale for buying houses for employees today is that an employee “should not think about where to live, but about work.”

88. Author’s interview (#217), Kazakhstan, June 15, 2001.
a cafeteria that provides free lunches to employees because he found that workers were getting sick from bringing in and eating poor quality food, and management was taking too long to go out to eat lunch. More generally, he explained why he provides extensive goods and services to his employees: “I want people to believe in the firm. That was a concern.”\(^89\) His philosophy has worked, as no employee has left voluntarily unless he or she has decided to emigrate. Ivan explained that his approach is also influenced by growing up in the Soviet era, when workplaces provided many benefits for employees.

In addition to providing houses and lunches for employees, Ivan established a day-care facility and school that are free for employee’s children, and he pays for employees’ care at the local hospital. Ivan also provides cars for employees; those who have worked well for a year or two are eligible. Finally, he makes small sums of money available for other purposes, such as an eye operation in Moscow for an employee’s daughter.

Like other successful businesspeople, Ivan has focused on helping his own employees. People in the community are aware of this; as a result, nonemployees do not approach him for help. Ivan does, however, provide some support for the community. He subsidizes the school and hospital for nonemployees and distributes food to 366 pensioners in the raion on New Year’s Day, Victory Day, and Pensioners’ Day. Assistance three times a year is more frequent than typical.

Businesses in Kazakhstan and Kyrgyzstan that make charitable donations at all typically do it only once a year, according to residents of each city and town where I lived.

Other businesspeople focus their charity primarily on the community. Consider, for example, a businessman in southern Kyrgyzstan. Bolotbek was active in the Komsomol in the Soviet era and he began his business ventures early. While a university student and a Komsomol leader, he opened small enterprises offering shoe shines and haircuts. In 1993, when he graduated from the university, Bolotbek used his accumulated capital and his Komsomol connections to purchase a restaurant through the privatization initiative. With a relatively small number of employees, most of his charity goes to members of the community who seek assistance with everyday problems. From zero to fifteen people approach him each month for help with different types of problems. To address legal problems, such as an unfair firing, he contacts government officials. For the problem of insufficient income, Bolotbek provides for individuals with his own money.

The two businesses above are exceptions; they are highly successful because they were started in the late Soviet era by well-connected people. As a result, they

\(^{89}\) Ibid.
are able to provide assistance to their employees and the community. Most businesspeople, however, lack excess income because of the legacy of significant state economic intervention and the weakness of market-enhancing institutions. Businesspeople explained to me that they could not help people by providing credit, other monetary handouts, or jobs because they did not have extra resources. For example, as one of four successful private farmers in a village in southern Kazakhstan, Muratkhan, explained, he does not help anybody outside his family because “You can only help when you have the means.”

His tractor is too old to lend and he does not have surplus cash. His comments also highlight the point that extra resources go to household and extended family members, not to charitable giving.

Overall, charitable assistance from local businesses does not provide a substitute for state goods and services. Few businesses are successful enough to make charitable donations, and they tend not to be located in rural areas. The assistance is mainly targeted at each company’s own employees. Help that does reach community members tends to be annual donations of goods.

Professional Associations

For potential entrepreneurs and businesspeople seeking to expand their ventures, professional associations would be a logical source of credit, yet in practice these associations do not serve in that capacity. Associations for farmers and for nonagricultural small businesspeople, such as traders, do “shorten the long path to becoming an entrepreneur,” as the head of a businesswomen’s association in Kazakhstan put it. However, the groups focus on supplying information about inputs, potential buyers, and government laws and regulations, instead of providing credit. Associations typically offer seminars as well as one-on-one consultations. Some associations have begun to help attract buyers, for example, by serving as a central contact point for potential purchasers. Some have also begun to lobby the government.

While these associations provide information about credit—usually about the challenges of obtaining it or referral to a government credit program—it is rare for them to have credit programs themselves. The businesswomen’s association is an exception; it has a small fund to supplement credit that female entrepreneurs have been able to obtain elsewhere. A farmers’ association in central Kyrgyzstan was also able to provide credit during a two-year period thanks to a grant from the UNDP. It assisted thirty-five farmers; however, the terms allowed

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90. Author’s interview (#174), Kazakhstan, August 1, 2001.
91. Author’s interview (#150), Kazakhstan, July 6, 2001.
only for purchasing seed or animals and for repayment six months later, so this credit did not enable expansion in terms of employment or processing. Like the other options for credit, this one has disadvantages: it helps only small numbers of people, has limited geographic coverage, and offers small amounts over short loan periods.

Another type of employment organization, the labor union, has been even less successful in assisting people. Labor unions were important welfare organizations in the Soviet era, but without the Communist Party’s support and with the shift of workers from industry to bazaars, the old unions disintegrated and few new ones have formed. From the Soviet era to the present day, reliance on labor unions dropped from 18 percent to 1 percent in Kazakhstan and from 12 percent to 1 percent in Kyrgyzstan. Like charities, those new ones that have developed lack resources, in part, because of market reform under the two conditions.

**Political Parties**

Political parties also have not generally been a source of income, employment, and credit for people. Parties in Kazakhstan and Kyrgyzstan are not the party machines familiar in previous centuries in the United States. Parties are relatively small and short-lived because of government repression, unfavorable electoral rules, and divisions among elites. Like charities, they are also resource-poor, in part, because of market reform under the two conditions. The only exception to these generalizations are “parties of power,” those parties established by sitting presidents to ensure that they remain in power. These parties do not lack resources because their leaders can draw on resources from their government positions.

Given this general landscape of parties, no survey respondent in either country reported turning to a political party for assistance. In their capacity as government officials, some oblast and national deputies who are members of parties of power do provide material assistance, as described in chapter three. However, the resources are from the government, not the party organization, and individuals associate the assistance with the government officials, not with the party. Of the other parties in Kazakhstan and Kyrgyzstan, a couple of the larger, longer-lived parties reported receiving requests for assistance. One oblast division of a party in Kyrgyzstan reported that it received from zero to three requests per month. Bolotbek, the former Komsomol leader who began with shoe shine and

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92. “Political party” was not an option on the survey, but respondents were encouraged to list anyone or any group they had turned to, even those that did not appear on the card provided.
haircut businesses, also headed an oblast division of a party. However, he used his profits from his successful businesses, not party funds, to assist people. Furthermore, those who requested assistance were targeting him, a well-known businessman, more than the party.

In general, parties that are not parties of power do not provide material assistance except for one-time handouts during elections. However, these resources come not from the political parties, but from state or personal resources. For example, the head doctor of a veterinary clinic distributed government veterinary medicine. A candidate in central Kyrgyzstan who worked on an oblast state property committee tasked with implementing privatization offered to tell voters “where they could profitably place their [privatization] coupons.” At other times, parties help people with legal or bureaucratic problems, such as an illegal firing or unreceived veterans’ benefits, and they do this by contacting government officials. Political parties are not a source of employment, income, or credit.

Aksakals

Particularly in the early independence period local and foreign observers speculated that aksakals may be influential in Kazakhstan and Kyrgyzstan. Aksakals, literally white beards, are respected male elders in the community. Typically, aksakals are men who held positions of responsibility in the Soviet era, for example, as heads of industrial enterprises, sovkhozes, or local party divisions. The governments have granted them some formal authority, such as in the development of aksakal courts, which have been designated to resolve minor disputes in Kyrgyzstan. However, individuals do not turn to them for help with employment, income, or credit. Only 4 percent of survey respondents in Kyrgyzstan and 1 percent in Kazakhstan had sought help from them. In none of the rural or urban locations where I lived in either country did I find any evidence that aksakals help people obtain credit or employment. They are not sources of assistance because they no longer have access to the resources of their former posts, assuming those enterprises or offices even exist, and their influence has waned because they are more familiar with Soviet ways than contemporary ones. After all, they are accustomed to socialist, not marketizing, economies. As the editor of a newspaper in southern Kyrgyzstan observed in an interview with me, “There are young people now who can explain [survival in the market economy] to people. There are people who are prepared [to step in]. Most are businessmen.”

93. Author’s interview (#22), Kyrgyzstan, July 2, 1997.
94. Author’s interview (#56), Kyrgyzstan, April 29, 1998.
Educational Institutions

A more plausible source of assistance for young people who seek help in finding a job would be their educational institutions, but although the state no longer assigns jobs to graduating students, educational institutions have not stepped in to fill this void. Instead, graduating students tend to rely on connections to secure employment.

To illuminate the process I interviewed university staff and students graduating from a mining department in a university in central Kazakhstan. I focused on mining majors because they are some of the students most in need of assistance finding jobs. While the mining industry has enormous potential, it is a field that has gone through a period of layoffs during the independence phase. In this era, mining graduates have not always been in demand to the same extent as their counterparts in foreign language, economics, and computer science departments. Unfortunately, the help that their educational institution provides is limited.

The university staff and students have adapted to the end of the Soviet employment guarantee. The department chair commented, “When [job assignments were] centralized our heads did not hurt, but life dictates changes.” To help students find jobs, the department established an agreement with a foreign firm operating in Kazakhstan. The firm’s management agreed to review students’ files and test them; it typically employs ten to fifteen of the sixty who graduate each year. The department has also secured contracts for placement at a few other firms where department faculty members have made contacts through their research. The university sends letters to potential employers each year and holds a job fair.

The university makes a concerted effort; however, most students have to find jobs through connections, and these jobs are often not in their field. One student found work at a firm that produces iron bars for fences, where his neighbor is a director. The student explained, “I want to work in my field but the main consideration is that the salary is high and stable.” One fortunate student had three job offers, all secured through connections: an acquaintance proposed that he work as a mining technician in a nearby mine; an aunt secured a position for him as a mining safety engineer, which would allow him to travel around Kazakhstan; and a friend who is a Russian army general offered to help this student, an ethnic Russian, obtain a career in the Russian military.

As the director of a university office involved with placement explained, “The government’s role is to make sure that enterprises operate. Nothing else is

95. Author’s interview (#175), Kazakhstan, May 28, 2001.
96. Author’s interview (#176), Kazakhstan, May 28, 2001.
needed. . . . Students should study well and find work on their own. This is normal and students are accepting of this.” The students, in fact, were divided on this issue. The two students described above were accepting. The first commented: “No one is guilty [for the poor economic situation]. Before, coal production was state-run. Now employers may decide how to run the business. . . . It is just the market . . . the economy.” Similarly, the second said: “There should not be an [employment] guarantee because enterprises are private now and take those whom they need. . . . Companies now pay more for a well-educated person.” On the other hand, another student who had neither a job nor connections in her field suggested, “The government should propose jobs for people but allow them to refuse . . . because many people now do not work in their fields.” While student opinion about the effects of market reform on job hunting was divided, all of the students were in the same position of relying more on connections than on their university to secure a job.

Societal institutions in Kazakhstan and Kyrgyzstan do not provide the employment, money, and credit that individuals need. They have not replaced the Soviet welfare state. The institutions some observers thought to be most likely to play this role, Islamic organizations and local charities, do not have the resources to help. Market reform in the context of a history of significant state economic intervention and absent or weak market-enhancing institutions has meant that few individuals are able to make generous donations and few opportunities exist for secular charities to obtain credit. For these and other reasons, foreign charities, foreign companies, local businesses, professional associations, political parties, aksakals, and secular educational establishments also do not offer substitutes for state goods and services. The next chapter examines one institution that has, in fact, been able to provide some individuals with the employment, income, and credit they need—families.

98. Author’s interview (#177), Kazakhstan, May 28, 2001.
100. Author’s interview (#182), Kazakhstan, May 29, 2001.