Corruption as a Last Resort
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“In difficult times I turn to Kanat,” Marzhan said, referring to how she relied on her uncle, the successful private farmer, to resolve her problems and avoid engaging in corruption.1 Like Marzhan, individuals in Kazakhstan and Kyrgyzstan turn primarily to family members for assistance, more so than to other personal contacts, such as friends and neighbors. Yet, only some people have relatively well-off members in their extended families who can provide the employment, income, or credit that they need. While market reform, as well as the economic chaos of the Soviet collapse, impoverished many people, some managed to adapt and prosper in the new economy. In this chapter evidence from a successful rural household and a successful urban household illustrates the type of support relatively well-off individuals can provide to their immediate and extended families and how members of these families rely on relatives as an alternative to engaging in corruption. Because of the small, dispersed nature of their families, reliance on relatives is less common among ethnic minorities than among members of titular ethnic groups.

The financial success of those individuals who are able to assist their relatives can be attributed to a constellation of factors. These individuals were relatively young and in leadership positions in the late Soviet era, and they became entrepreneurs either then or in the early independence period. They prospered as a result of market reform; whereas many people did not. This uneven effect of market reform provides an answer to the second puzzle of this book: Why do

1. Author’s interview (#161), Kazakhstan, July 22, 2001.
some people rarely or never engage in corruption even in countries where it is pervasive? Market reform has made their extended families comparatively well-off so that these individuals can obtain the goods and services they need from relatives.

**Significant Reliance on Family**

Individuals in Kazakhstan and Kyrgyzstan turn primarily to family for assistance. In Kazakhstan 35 percent of survey respondents and in Kyrgyzstan 42 percent of survey respondents have sought assistance from a family member in the past year. These numbers are considerably higher than the figures for those who turned to any state, market, or societal actors, as indicated in Table 6.1. Of different family members, relatives inside the country but not in one’s household are the most common targets of requests. In Kazakhstan 28 percent of survey respondents and in Kyrgyzstan 30 percent sought assistance from relatives in their country. This was followed by requests to household members, made by 13 percent and 19 percent, respectively. Many Kazakhs and Kyrgyz do not have kin outside their countries, so seeking help from such relatives was rare—3 percent and 2 percent, respectively. However, between the time of the survey and the global economic recession the number of Kyrgyz abroad grew when perhaps as many as 1 million people left Kyrgyz abroad to work in Kazakhstan and Russia.\(^2\)

Turning to relatives outside the countries is more common for ethnic Slavs in Kazakhstan and Kyrgyzstan, but the percentages are still small. It is important to note that these relatives, as well as the friends, acquaintances, neighbors, and coworkers, and relatives described below, are not government officials, so their assistance does not constitute corrupt exchanges.

**Evidence of Market Reform’s Differential Influence**

Although many people in Kazakhstan and Kyrgyzstan turn to family members for assistance, only a small percentage of relatives are able to provide the employment, income, and credit these individuals need. The numbers of impover-

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\(^2\) The official numbers are between 350,000 and 500,000 but thought to be much higher. Mostly young men, and some young women, become labor migrants. Vanessa Ruget and Burul Usmanalieva, “Citizenship, Migration, and Loyalty Towards the State: A Case Study of the Kyrgyzstani Migrants Working in Russia and Kazakhstan,” *Central Asian Survey* 27, no. 2 (2008): 129–41, here 130.
TABLE 6.1. Family from whom citizens have sought assistance in the past year with comparisons to other actors in Kazakhstan and Kyrgyzstan

<table>
<thead>
<tr>
<th>Any family member</th>
<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative in country</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Member of household</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Relative outside country</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

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.

3. Data are from World Bank, “World Databank,” http://databank.worldbank.org/ddp/home.do (accessed December 19, 2013). The data are from 2009 for the Central Asian countries and from 2000 for the others. These are the latest data available.

ished, as recorded in Table 6.2, are staggering, considering that poverty was rare in the Soviet Union due to extensive state welfare services. The chaos of the Soviet collapse and market reform impoverished many, and although poverty has declined in recent years, it is still high in Kyrgyzstan. Substantial income inequality exists in both countries, indicating that while some families have become impoverished, others have thrived in the new market economies. The income inequality statistic in Table 6.2 is the Gini coefficient, which has a scale ranging from zero, indicating perfect equality, to 100, indicating perfect inequality. Most recently Kazakhstan had a score of 29 and Kyrgyzstan a score of 36. For comparison, Sweden, a country known for low income inequality, has a score of 25, and the United States, where recent media coverage indicates growing income inequality, has a score of 41. In Kazakhstan and Kyrgyzstan the financially successful have been able to help members of their extended families. Let us consider an example from a village in Kazakhstan and a city in Kyrgyzstan.

A Successful Rural Household

The first case of someone who is thriving in the post-Soviet era is Kanat, Marzhan’s uncle. He is one of four private farmers in the village and its environs who
FAMILIES

have succeeded, not only in subsisting but also in building an agriculture business. His work has changed dramatically since the Soviet era. As he put it, “Before, one worked to put in time; now, one works for oneself. Before, one worked 9 to 5 and had off Sundays. Now, one works to survive.”

In the Soviet era he was the head engineer and the second in command for production at the sovkhoz. His wife was working as an accountant at the sovkhoz. They had three children to support. After independence, as the economic crisis worsened, the sovkhoz began paying workers’ salaries in grain instead of money. Kanat realized that his and his family’s economic survival was at risk so he proposed to his brother, brother-in-law, and nephews—all working at the sovkhoz—that they begin a business together. The plan was to work together until each had sufficient capital to begin his own business. The initial business was to keep the grain the sovkhoz paid them and then sell the seeds back to the sovkhoz, which lacked them. In return for the seeds, the sovkhoz provided them with land and equipment and the family and sovkhoz split the profits from the harvest. Other sovkhoz workers sold their grain immediately for cash or other goods instead of providing seed to the sovkhoz.

4. Author’s interview (#153), Kazakhstan, multiple dates in July and August 2001.

**TABLE 6.2.** Poverty and inequality statistics from Kazakhstan and Kyrgyzstan

<table>
<thead>
<tr>
<th>Year</th>
<th>Kazakhstan (POVERTY STATISTICS)</th>
<th>Kyrgyzstan (POVERTY STATISTICS)</th>
<th>Kazakhstan (INCOME INEQUALITY)</th>
<th>Kyrgyzstan (INCOME INEQUALITY)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(PERCENTAGE OF THE POPULATION LIVING ON LESS THAN 2 USD PER DAY)</td>
<td>(PERCENTAGE OF THE POPULATION LIVING ON LESS THAN 2 USD PER DAY)</td>
<td>(0 = PERFECT EQUALITY, 100 = PERFECT INEQUALITY)</td>
<td>(0 = PERFECT EQUALITY, 100 = PERFECT INEQUALITY)</td>
</tr>
<tr>
<td>1993</td>
<td>18</td>
<td>30</td>
<td>33</td>
<td>54</td>
</tr>
<tr>
<td>1996</td>
<td>19</td>
<td>NA</td>
<td>35</td>
<td>NA</td>
</tr>
<tr>
<td>1998</td>
<td>NA</td>
<td>61</td>
<td>NA</td>
<td>36</td>
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<tr>
<td>1999</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2001</td>
<td>30</td>
<td>NA</td>
<td>41</td>
<td>NA</td>
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<tr>
<td>2002</td>
<td>22</td>
<td>67</td>
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<tr>
<td>2003</td>
<td>17</td>
<td>NA</td>
<td>34</td>
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<tr>
<td>2004</td>
<td>14</td>
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<td>32</td>
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<tr>
<td>2005</td>
<td>NA</td>
<td>46</td>
<td>NA</td>
<td>40</td>
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<tr>
<td>2006</td>
<td>3</td>
<td>32</td>
<td>31</td>
<td>39</td>
</tr>
<tr>
<td>2007</td>
<td>1</td>
<td>29</td>
<td>31</td>
<td>33</td>
</tr>
<tr>
<td>2008</td>
<td>1</td>
<td>21</td>
<td>29</td>
<td>37</td>
</tr>
<tr>
<td>2009</td>
<td>1</td>
<td>22</td>
<td>29</td>
<td>36</td>
</tr>
</tbody>
</table>

*a Data are available online from World Bank, “World Databank,” http://databank.worldbank.org/ddp/home.do. This poverty statistic is called the “Poverty headcount ratio at $2 per day.” The latest data are presented. A missing year and NA indicate that data are not available for that year.

*b The inequality statistics are the Gini index. The Gini index measures income inequality, with zero indicating perfect equality and 100 indicating perfect inequality. A description of the calculation can be found at the website above. NA indicates that data are not available for that year.
In the midst of this business venture, Kanat’s wife left the sovkhoz because she was not being paid and there was no heat. She was concerned about ruining her health and not being able to care for their animals and home. As she recounts, “There was no heat and often the electricity was turned off in the winter. We were freezing and people were getting bronchitis. . . . We put in a stove and we sat there in the smoke.”6 Kanat left the sovkhoz to pursue the family business full-time in 2001. At that point he had not received his salary—or even been paid in grain—for three years. Without a salary, he and his extended family had lived off profits from the business venture, his mother’s pension, and food from their land and animals. He did not leave his job earlier because “there was the expectation that investors would come.”7

Kanat and his relatives put together approximately 8,000 USD of capital to establish a private farm. The capital came from the seed venture and their long-term savings. They invested the capital immediately so they did not lose it to inflation and devaluation. They purchased combines and tractors and rented approximately 1,000 hectares from the sovkhoz to add to the 42 hectares the family had received through privatization. The business includes a 1,000 hectare grain field, 400 hectares of which are planted in wheat to sell, 100 of which are planted in barley for animal feed, and the remaining 500 that must rest every other year. The grain field brings in 5,000–10,000 USD per year depending on the snowfall and thus the moisture in the ground; the field is not irrigated.8 This money is used to invest in the business: equipment to clean the grain and warehouses to store the grain have been purchased. It will be necessary to have pesticides sprayed from a plane because dust smut is slowly working its way across the

5. Their children were fourteen, eighteen, and nineteen at the time, so they did not require much care. However, she was responsible for preparing the food and maintaining the farmhouse, which today requires her to work from 7:00 each morning until 10:30 at night, except for a nap after lunch, which everyone takes. Those minimal conveniences that had existed to help her in the Soviet era are now worn out or shuttered. For example, her Soviet-era butter churn had broken and now twice a day, after milking the family’s cows, she makes butter as well as sour cream and kurut, a hard-candy-sized cylinder of milk and salt, by hand. Preparing food takes most of her day because she begins almost every dish from the basic ingredients, such as freshly slaughtered chicken or lamb. Only bread is purchased. She also cares for thirteen chickens, many chicks, three mature cows, two calves, a turkey, two cats, and three dogs; burns the paper from the latrine; cleans chicken excrement from the breezeway, where the family eats and socializes; and maintains the many courtyards.

6. Author’s interview (#154), Kazakhstan, multiple dates in July and August 2001
7. Author’s interview (#153), Kazakhstan, multiple dates in July and August 2001.
8. In addition to harvesting grain, the farmer has cleaned grain for acquaintances in return for money or the promise of part of their future harvest. However, often the contract is broken, typically because the harvest is poor. In one case he is suing to get property from the person who owes him. The lawyer will get 10 percent of the claim whether he wins or loses. “Before people looked negatively at [lawsuits], but now it is just the times. . . . People are accustomed to it.” Author’s interview (#153), Kazakhstan, multiple dates in July and August 2001.
fields and reducing yield in those areas. Approximately 1,000 USD per year is spent to maintain a new livestock venture, designed to protect against bad grain harvests; however, this venture is not yet profitable.

SUPPORT FOR RELATIVES
In addition to the livestock venture, the earnings from the grain field must support a large number of people. The grain field provides income for Kanat, who manages the business, and the other four members of his household. The business also pays a salary to his brother who oversees the grain field, and it supports his brother-in-law who looks after the livestock, enabling them to provide for their own families. Kanat also employs five people to work in the fields, most of them relatives, including a nephew who works as a tractor operator. From March to November he employs another five people, including his nephew’s wife. Relatives receive a salary and some of the profit, and nonrelatives are paid based on the number of hectares they work. In addition to his brother-in-law, two other people work with the livestock on an hourly basis.

The support of relatives only begins with regular employment of them. Kanat’s wife emphasized his generosity, saying “It is best that I am not involved in the business because I would scold him for helping relatives.” This assistance has included paying off a past, steep debt incurred by his brother during a ten-year period when he left the family. With the wife’s blessing their household has also given a cow to her sister-in-law who lives in another village and will provide room and board to her nephew who will attend a nearby technical school. She gives old clothes to her niece and her niece’s family who live in a neighboring village. I also witnessed the farmer frequently giving relatives rides to and from the raion center twenty minutes away by car.

AVOIDING CORRUPTION
When assistance from a relative is in the form of income, credit, or employment, an individual can avoid engaging in corrupt practices with government officials. Let us consider in more detail the case of Marzhan, the farmer’s niece, whose comment about not liking to give bribes began the book. In many ways, she is a typical rural resident: she and her husband Temir, ages forty and forty-two at the time of the interview, no longer work at the sovkhoz. Without their sovkhoz salaries, they are left with a small benefit of 470 tenge per month she receives for having many children. Temir has also been able to secure a state benefit of 750 tenge per month per child because he is unemployed; however, he has not received the payments for three months. So, in a month when they receive their

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9. Author’s interview (#154), Kazakhstan, multiple dates in July and August 2001.
benefit payments they have 3,000 tenge in income or approximately 23 USD.\textsuperscript{10} This amount can buy them potatoes and low-quality flour and cover expenses for their one cow for the month. This does not cover many other expenses. A healthier, more varied diet would require additional funds. Their few chickens, from which they eat eggs and eventually meat, each cost 417 tenge per month to care for. A sheep, which they have not been able to afford, costs 7,000 tenge and the meat can last a month if stretched. Carrots for a month cost 120 tenge. Other household and personal goods must also be purchased periodically. The most basic adult shoes cost 1,500 tenge, boots 2,500 tenge, and a coat 1,000–2,500 tenge. A bar of soap costs 35–100 tenge.

Like all villagers, Marzhan and her family must pay for services that were free or highly subsidized in the Soviet era. Electricity and gas cost more.\textsuperscript{11} Medical services are no longer free and food and linens typically must be brought from home to those who are hospitalized. Treatment for hepatitis B, a common ailment in the village, costs about 3 USD per day, according to my calculations.\textsuperscript{12} The niece explained how she and her family avoid going to the hospital and doctor, and villagers go without teeth. “Now we are afraid of getting sick,” she added.\textsuperscript{13} Fear of the expense of falling ill was a common sentiment in the village.

Primary and secondary education is officially free, but parents, including Marzhan and her husband, must pay for textbooks as well as supply coal for heating buildings and paint for renovations. The sovkhoz no longer pays for graduates to study at universities and technical schools in Almaty. Those graduates with the highest scores on entrance examinations will be awarded a government grant, but most must pay for all the expenses of a higher education.

Entertainment, while not essential for survival, can be important to community relations and the fight against substance abuse, yet this also comes at a price now. The village club, subsidized by the sovkhoz, once offered shows, concerts, etc.

\begin{itemize}
\item \textsuperscript{10} They have slightly more money at their disposal in the spring when they sell extra milk from their cow.
\item \textsuperscript{11} The village does not have gas because some residents did not pay. The private gas company reacted by cutting service to the village as it is not profitable to provide only some residents with gas. Phone service is an additional expense, 250 tenge per month, or approximately 2 USD, plus the cost of calls outside the area. Marzhan and her husband opt to have phone service because their son will soon study in the provincial capital, an hour and a half away by car. Unlike other utilities, phone service was limited in the Soviet era because of a shortage and thus long waits for service. Water was free in the Soviet era and it is basically free now. Water from household pumps, used for animals and people, is free. Water from the village canal, which is used to water gardens, comes at nominal cost. Residents order canal water in advance for a certain time and the canal is opened. The fee goes to the salary of the man who operates the canal.
\item \textsuperscript{12} Kanat’s son received a diagnosis of hepatitis B the day after I arrived. I was privy to discussions about purchasing medications and I witnessed the food preparation.
\item \textsuperscript{13} Author’s interview (#161), Kazakhstan, July 22, 2001.
\end{itemize}
and films but has now been turned into a private disco that charges for admission. The sovkhoz also no longer provides vacations.

One expense residents do not have to worry about is rent or mortgages. Through the privatization program people could buy their own homes for low prices and most were able to do so. However, the sovkhoz no longer pays for home repairs as it did in the Soviet era.

Like typical villagers, Marzhan, her husband, and their four children have coped with the lack of employment and sufficient income by living off their land. Besides a cow and some chickens, they have a calf and a horse, although the latter is too old to provide milk or transportation. They also have a garden. However, this approach is not adequate for covering all of their expenses, so, like other villagers, Marzhan looked for help outside their household. As described in the preceding chapter, the mosque does not have resources to help her, no charities exist in the village, charities in the raion capital neither provide the assistance she needs nor include her in the target population, and the village akim turned her away. Then she decided to apply to the raion credit program, which could enable her to begin an entrepreneurial venture. However, she learned that others in the raion had been offering a bribe in order to obtain credit.

Unlike many villagers, Marzhan, however, did not have to engage in corruption because she had a financially successful relative to whom she could turn for help. Her uncle Kanat hired her husband Temir to do seasonal work, the money from which will enable her son to obtain a higher education. When Marzhan’s household expenses exceed her income, Kanat helps out by giving her some money. “My husband does not love that,” she explains, but it has enabled them to survive. Kanat has also indirectly helped them with employment and income by offering advice. He advised her to try to secure an early pension for her husband because he did dangerous work during the Soviet era. He also recommended that she and her husband sue for their salaries from the sovkhoz, as approximately fifteen former employees have done.

A Successful Urban Household

The second example of thriving in the post-Soviet era is a family living in a city in Kyrgyzstan. The father, Omurbek, had made a career in the Soviet party-government, serving as a town leader and later a republic-level official. As the economy began to change under Mikhail Gorbachev, Omurbek became involved in business, acting as a middleman between farmers and bazaar merchants. His

14. Kazakhs drink horse milk as well as cow milk.
15. Author’s interview (#161), Kazakhstan, July 22, 2001.
wife, Ainura, initially continued to work as a manager in a state-run service industry. She lost her job when the firm where she was working was purchased by a foreign investor who downsized. Ainura searched for work for two months, but because she lived in a city, she was eventually able to find a job again, even in the same industry. Most recently she invested the capital they had accrued to leave her post as a manager and become the owner and operator of a business in the same industry. The family accumulated capital from their pensions and salaries as well as another venture; they renovated two apartments, which they rent, often to foreigners, for a relatively high price.

SUPPORT FOR RELATIVES
Over the years, Omurbek and Ainura’s financial success has enabled them to support their own four children, now grown, as well as their extended family. Recently they have provided money to a daughter whose husband was not physically able to work. Another way they have indirectly boosted the income of extended family is by providing free or subsidized housing in the city. Many rural and small-town residents in Kazakhstan and Kyrgyzstan have sought work in the cities, but finding housing can be difficult. As the villager Marzhan explained, “To move to the city you need money for a home and connections to get a job.”

Omurbek and Ainura provided a room to a niece who came from a small town for employment; orders dried up at the factory where she was working because state purchasing guarantees had ended. The couple will allow a grandson to live in one of their apartments when he studies at the university in the city. His own town does not offer higher education.

AVOIDING CORRUPTION
The effect of the family’s resources on decisions about corruption is particularly evident from the behavior of one of their daughters, Cholpon. In her twenties Cholpon was hunting for a job. She had purposely narrowed her search to positions that did not require paying a bribe or using a connection. She avoided government divisions where applicants bought their jobs. She even rejected the idea of asking for a position from one of her brothers, who managed a type of government office notorious for selling positions in the former Soviet Union and, before his tenure, in Kyrgyzstan. Cholpon also did not apply to international organizations where locals had control of hiring and had decided to hire based on bribes and connections instead of qualifications. Those who worked in or with this sector could easily identify these organizations, and she sought their advice. In one case, an international organization was establishing a new pro-

gram and the head, a local man, hired only his relatives to fill the second-tier positions. A woman in her forties with significant experience working in the Kyrgyzstani government with international organizations recounted a similar revelation. After losing her government job following the ouster of President Askar Akavev in 2005, she considered applying for positions with international organizations. In one case where the job description essentially matched her résumé, a friend who worked with the organization revealed to her that the search was bogus and the director, a local, had already designated relatives to hire.

How could Cholpon manage to avoid corruption in her job search? She had a back-up position that she had obtained legitimately but with the help of her family’s resources. In the early independence period her parents had used their growing capital to send her to one of the best schools in the city and provide her with extra instruction in English. This preparation made it possible for Cholpon to gain admission to a well-respected European university. Her family’s resources made it possible for her to cover the expenses of attending. With this education, Cholpon then secured a position with a multinational based in the European country. A family tragedy brought her home to consider the possibility of living and working in Kyrgyzstan; however, she could be selective in her search because the multinational was encouraging her to return. Furthermore, her language skills, European education, and impressive experience—resulting from her family’s resources (as well as her own hard work)—made it likely that Cholpon would be a top contender for a job where qualifications matter.

Values and Corruption

A closer examination of the situations of Marzhan and Cholpon reveals that they avoid corruption because they have the resources to do so; they are not morally superior to the average person in their country. Describing the distribution of sovkhoz equipment as the farm was failing, Marzhan commented, “We do not have such money,” to explain why she would not offer a bribe.\(^\text{17}\) She would consider giving a bribe if she had the money, but her uncle does not provide money for bribes, only seasonal work for her husband and emergency funds for their household. Although willing to engage in corruption, Marzhan can usually avoid it because of her uncle’s financial success and generosity. Cholpon is also like the average person in that she will engage in corruption when no other options exist. In one situation corruption was the family’s only option, but they did not realize it at the time and later regretted not having offered a bribe. Cholpon did not

\(^{17}\) Ibid.
make the final cut for a study-abroad program because the locals managing the process for the foreign organization switched the list of finalists based on who paid bribes and had connections. Her mother, Ainura, explained that she would have paid a bribe but she did not realize one was required because it was a Western program. In her current job search, however, Cholpon can act on her preference not to engage in corruption because she has other options thanks to her family’s resources.

**Ethnic Minorities**

To what extent do members of ethnic minority groups, particularly the relatively large number of Slavs in each country, rely on family assistance and, more broadly, how do they fit into this argument about corruption? Slavs depend less on family and informal government assistance because they have small, dispersed families and few connections with government officials. With fewer kin, they are less likely to have a well-off family member who can provide them with resources. However, they also lack an ethnic connection to government officials, so they are less likely to approach them for assistance in the first place and thus less likely to engage in corruption. Instead, Slavs rely on their own individual efforts to meet their basic needs.

Slavs constitute a significant portion of the populations in each country. Slavs make up 27 percent of Kazakhstan’s population and 9 percent of Kyrgyzstan’s. The category includes Russians, Germans, and Ukrainians. Russians are most numerous, composing 24 percent and 8 percent of the populations of Kazakhstan and Kyrgyzstan, respectively.

Family assistance is less common among Slavs because they have smaller households and fewer relatives nearby. As Irina, a Russian woman in the southern village of Kazakhstan, explained, “Kazakhs have many relatives and help each other. Many businesses are family businesses so they hire their relatives and help each other. Kazakhs have an advantage because of these relative connections.”

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By contrast, Slavic couples typically have fewer children than Kazakh or Kyrgyz couples, so Slavs have fewer offspring living at home or nearby. Moreover, because of Soviet job assignment policies that sent Slavs to work throughout the Soviet Union, especially in technical and managerial positions, only parts of Slavic families live in Kazakhstan or Kyrgyzstan, and the rest live in other post-Soviet republics. For example, a typical middle-aged Slav will have a spouse, one parent, and two children in the country, but all her other relatives will be in other countries. The data in Table 6.3 reflect this situation, with smaller percentages of Slavs seeking assistance from household members and relatives within the countries.

The difference in reliance on family, between the titular group and Slavs, is greater in Kyrgyzstan because of the lower level of urbanization there. In Kyrgyzstan only 9 percent of Slavs, but 22 percent of Kyrgyz, turn to household members for help, and only 17 percent of Slavs, but 32 percent of Kyrgyz, turn to relatives inside their country. In Kazakhstan, we see almost no difference between Slavs (12 percent) and Kazakhs (14 percent) in terms of household members. The difference between Slavs (25 percent) and Kazakhs (31 percent) regarding relatives in the country is smaller than the difference in Kyrgyzstan. The dissimilarity between countries can be explained by the additional 20 percent of the population of Kyrgyzstan that lives in rural areas compared to the population of Kazakhstan. Rural titular families tend to be considerably larger than urban titular families. The higher proportion of large titular families in Kyrgyzstan accounts for the greater difference between Slavs and Kyrgyz and the smaller difference between Slavs and Kazakhs in terms of relying on household members. Overall, more Kyrgyz have a larger number of relatives from whom to seek assistance.

Migration accounts for another difference between the two countries—the smaller percentage of Slavs in Kyrgyzstan, compared to those in Kazakhstan, who seek assistance from relatives within the country. In both Kazakhstan and Kyrgyzstan large numbers of Russians have migrated; however, more have left Kyrgyzstan. Ethnic violence in Kyrgyzstan in 1990 and 2010, and greater economic difficulties, as compared to Kazakhstan, have meant that a larger percentage of Russians have emigrated from Kyrgyzstan. Approximately 40 percent of the Russians who once lived in Kyrgyzstan but only 20 percent of the Russians who earlier lived in Kazakhstan have left. As a result Russians in Kyrgyzstan are

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20. It is common for the middle-aged individual’s mother, but not father, to be living because male life expectancy is significantly lower than female life expectancy in the former Soviet Union.

21. It cannot be attributed to greater rates of mixed parentage. For example, there are not more people of Russian and Kyrgyz heritage in Kyrgyzstan who are part of large extended Kyrgyz families. Of the survey respondents, only one Slav in Kyrgyzstan, and two in Kazakhstan, were of mixed ethnicity, also being members of the titular ethnicity.
less likely than Russians in Kazakhstan to have a relative to turn to for assistance. In many cases not the entire family, but instead members of the younger generation, left in search of economic opportunities elsewhere. Older Russians felt that it was too late to begin a new life elsewhere.

As an illustration of migration in these countries, consider the situation in the village in southern Kazakhstan. In the Soviet era, seventeen ethnic groups were represented in the village of 3,850 residents. Today, of the 3,300 residents, only two German families remain, and Irina’s family is the only Russian family I encountered. Irina described why Russians migrated from the village: “No one came and said, ‘You are Russian and you should leave.’ But people feared war and violence like there was in Tajikistan and Kyrgyzstan. . . . People were afraid that their children would be shot. . . . Sometimes when people are drunk they will say, ‘You are living on my land.’ . . . If there were work, people would not leave.” 22 Irina and her family had decided not to migrate for the time being, in part, because they were under consideration for jobs in Almaty in the field of veterinary science. Like many other members of ethnic minority groups, Irina moved to the village on a job assignment. She grew up in Russia and obtained a degree in veterinary science there, and then was assigned to work in the village. Unusually, her Russian husband was born in the village; his father had settled there on his way home from fighting at the front against the Japanese. For the time being, Irina and her husband have opted to try to live on their land. As she explained, “When we went on vacation in Russia, we began to feel like it was time to go home. And, when we came back here, this felt like home.” 23 So besides the job prospects, the family also has emotional reasons to stay. Yet, they have no relatives in the country.

### TABLE 6.3.

<table>
<thead>
<tr>
<th></th>
<th>KAZAKHSTAN</th>
<th></th>
<th>KYRGYZSTAN</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KAZAKHS</td>
<td>SLAVS</td>
<td>KYRGYZ</td>
<td>SLAVS</td>
</tr>
<tr>
<td>Member of household</td>
<td>14</td>
<td>12</td>
<td>22</td>
<td>9</td>
</tr>
<tr>
<td>Relative in country(^a)</td>
<td>31</td>
<td>25</td>
<td>32</td>
<td>17</td>
</tr>
</tbody>
</table>

Note: In Kazakhstan, 550 Kazakhs and 544 Slavs are included. The numbers for Kyrgyzstan are 742 Kyrgyz and 256 Slavs. Slavs included Russians, Belarusians, Germans, Poles, and Ukrainians. Most of the Slavs were Russian.

\(^a\) The questionnaire specified a relative who is not a member of the household.

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23. Ibid.
Although Slavs in Kazakhstan and Kyrgyzstan do not have much extended family in the countries, few of them seek help from relatives in other countries. In fact, they do not rely on relatives outside their countries much more than ethnic Kazakhs and Kyrgyz do. In Kazakhstan 4 percent of Slavs and in Kyrgyzstan 5 percent sought assistance from relatives in the year prior to the survey compared to 1 percent of the titular ethnic groups in each country. Slavs in Kazakhstan and Kyrgyzstan explained that, like them, their relatives outside of the countries were also struggling economically and that receiving material goods from them through the mail was difficult.

The reduced availability of assistance from relatives within Kazakhstan and Kyrgyzstan does not propel Slavs into corrupt exchanges. Policies in the Soviet and especially independence period promoted titular nationalities in government. As a result, ethnic minorities hold fewer government positions, so using connections based on ethnic identity is more difficult for Slavs. Also because Slavs have fewer relatives, a family member in a government position is a rarity. Nontitular groups are less likely to turn to government officials. Only 12 percent of non-Kazakh survey respondents sought assistance last year in Kazakhstan compared to 20 percent of Kazakh respondents. In Kyrgyzstan, the figures are 13 percent and 30 percent, respectively.

Lacking larger numbers of relatives and ethnic ties to government officials, Slavs rely more on themselves. Larger percentages of Slavic respondents, 38 percent in Kazakhstan and 49 percent in Kyrgyzstan, selected “myself” as a place to turn for assistance. Compared to members of the titular ethnic groups, 11 percent more Slavs in Kazakhstan and 18 percent more in Kyrgyzstan relied on themselves.

**Friends, Acquaintances, Neighbors, Coworkers**

The importance of family, even to ethnic minorities, is further underscored when we compare reliance on family with reliance on friends, acquaintances, neighbors, and coworkers. Individuals do seek assistance from friends, acquaintances, neighbors, and coworkers; however, turning to nonrelatives for assistance is considerably less common than turning to relatives. This is evident from

24. The percentages of respondents were rounded. In Kazakhstan, 550 Kazakhs and 544 Slavs are included. The numbers for Kyrgyzstan are 742 Kyrgyz and 256 Slavs. Slavs included Russians, Belarusians, Germans, Poles, and Ukrainians. Most of the Slavs were Russian.

25. No significant differences are evident between members of titular and nontitular ethnicities in terms of seeking assistance from friends, acquaintances, neighbors, and coworkers.
the data in Table 6.4. In Kazakhstan 35 percent sought assistance from any family member, whereas only 12 percent sought help from a neighbor, friend, acquaintance, or coworker. The respective figures are 42 percent and 9 percent for Kyrgyzstan. Assistance from friends and acquaintances is most sought after and from coworkers least sought after, with help from neighbors falling in-between.

Some friends, acquaintances, neighbors, and coworkers can address the problem of lack of money. They typically provide employment or assistance with entrepreneurial ventures, sometimes including credit. Recall how the mining students at the university in central Kazakhstan had used friends, acquaintances, and neighbors, as well as relatives, to find work. Employment assistance is not limited to those fresh from university or technical school. A former mine administrator in the same province started a cable television company and hired many of his former workers from the mine. Finding employment through this approach, however, is not successful for those who do not have friends, acquaintances, and neighbors who can provide this type of help. Not having friends, acquaintances, and neighbors who could provide work was a common refrain I heard from the unemployed.26 Furthermore, the unemployed do not have coworkers to whom they can turn for assistance.

When friends, acquaintances, and neighbors cannot provide a job, they may be able to help people start a business instead. Sulushash, the successful auto parts entrepreneur in central Kazakhstan, described how she and her husband began their business with the help of others. An acquaintance in the bazaar agreed to sell the husband some auto parts, which he could then resell at a slightly higher price. This work did not require any start-up capital, and it allowed him to learn which products would sell. Sulushash later joined him in working for the acquaintance. However, she noted that “You cannot earn real money working for someone else. With your own business you can earn more.”27 So with the help of their former boss and other acquaintances, they began their own auto parts distribution business. The former boss took the couple on buying trips to Russia and gave them advice. “We are like his graduates,” Sulushash explained.28 Other acquaintances lent them money at 5–7 percent per day. This was a steep

26. Another problem was that even friends, acquaintances, and neighbors who had the capacity to offer a job were unlikely to work in the sphere in which the unemployed person has been trained. For example, an unemployed music teacher in central Kazakhstan explained how her acquaintances and friends, as well as family, work in accounting and trade so they cannot help her. As she explained, “I do not have any relatives or acquaintances in other spheres of work. . . . All the good jobs are through acquaintances. Many are family businesses.” The result is that many people work outside their area of expertise. From the employer’s perspective, hiring friends, acquaintances, neighbors, and family can result in poor workers. Author’s interview (#210), Kazakhstan, June 13, 2001.

27. Author’s interview (#195), Kazakhstan, June 7, 2001.

28. Ibid.
rate but the only way for them to obtain capital. Other entrepreneurs also described how they had obtained credit from acquaintances. The percentage is very high, but there is no collateral requirement—which is the main obstacle for urban entrepreneurs seeking loans from banks. A Russian acquaintance also helped Sulushash and her husband by letting them pay only 50 percent of the costs of goods and paying the rest on their next buying trip.

Sulushash described how this assistance to entrepreneurs is not unusual. “People help each other at the market, so money does not sit but grows. . . . If your car breaks down, you use a friend’s and go together [to purchase goods]. When three or four people work together, everyone’s position improves. . . . It is hard for one to improve alone.”29 This cooperation occurs among members of different ethnic groups, including Kazakhs, Russians, and Ukrainians, she explained. Sulushash and her husband have now begun to help other entrepreneurs. “We all began with nothing. It is hard to refuse people who have nothing, who have small children. A person may be good but cannot even earn a piece of bread. . . . I am not afraid of competition. . . . I do not need a private jet or a luxurious home.”30 They helped a neighbor who had three children and whose husband had lost his job and begun to drink. The couple set her up to distribute auto parts. In addition, Sulushash and her husband help those who have worked with them for about three years go out on their own.

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.

### TABLE 6.4. Family and personal contacts from whom citizens have sought assistance in the past year in Kazakhstan and Kyrgyzstan

<table>
<thead>
<tr>
<th>FAMILY</th>
<th>KAZAKHSTAN</th>
<th>KYRGYZSTAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any family</td>
<td>35</td>
<td>42</td>
</tr>
<tr>
<td>Relative in country</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Member of household</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Relative outside country</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERSONAL CONTACT (NONFAMILY)</th>
<th>KAZAKHSTAN</th>
<th>KYRGYZSTAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any personal contact (nonfamily)</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Neighbor</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Friend</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Acquaintance</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Coworker</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

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.

\( a \) The questionnaire specified a relative who is not a member of the household.

\( b \) The questionnaire specified friend who is not also a neighbor.

29. Ibid.

30. Ibid.
Employment and business help more commonly comes from friends and acquaintances than from neighbors, particularly in rural areas where neighbors face the same financial challenges. As Irina, the Russian woman in the village in southern Kazakhstan, explained, “Life is more difficult in the village because it is hard to find work. In the city you can go to a person’s home and ask to wash the floor. If you go to a neighbor here and ask to wash the floor, she would laugh.” Instead, neighbors provide a wide range of other assistance. Living on the farm in southern Kazakhstan, I saw neighbors sharing food, such as a delicacy made from pig fat, and providing free services, such as giving a ride to the raion capital, inoculating chickens, or cutting hair. Money and groceries are also common forms of assistance from neighbors. Irina explained, “There is a Russian proverb: ‘You don’t buy a home, you buy a neighbor.’” At times she has lent 50 USD to a neighbor until he was able to harvest his grain or sell his goods at the bazaar. On other hand, she said, “There have been times when I could not lend someone 20 tenge . . . and we are not poor.” This assistance occurs in cities too. The urban couple, Omurbek and Ainura, frequently gave food to the children of an alcoholic neighbor in their apartment building and also provided money for the neighbor’s burial later. This assistance among neighbors occurs among all nationalities. “Whether you lend to a person depends not on nationality, but on the decency of the person, on whether he will return it. There are no bad nationalities, but there are bad people,” according to Irina. Friends, acquaintances, neighbors, and coworkers do lend a helping hand to each other, even though family is the most common place to turn for assistance.

The Roots of Success

For family, friends, neighbors, or any individual to provide employment, credit, or money—especially significant sums of credit or money—they must have some means. This begs the question of how these individuals became financially successful in the first place. What is special about this small number of people who are thriving financially? Did they, by any chance, use corrupt means to become relatively wealthy? Use of illicit means would be ironic as it would mean that engaging in corruption enabled others to avoid it at a later date. What I found, however, is that corruption does not account for these individuals’ eco-

32. Ibid.
34. Ibid.
nomic ascendance. Instead, being relatively young, holding a leadership position in the late Soviet era, and entering business either then or in the early independence period were key factors.\footnote{Interestingly, in addition to these factors, being female makes one more likely to be an entrepreneur, although it does not necessarily mean one will succeed in business. As a local employee of an EBRD small business program explained, “Many women are in business, whereas men have not adapted. . . . For men there is a kind of inertia. . . . In the East a woman is brought up to care for her children, so she will take any work to earn a single kopeck because she needs to feed her children.” Sulushash, the auto parts distributor, described how concern for the children motivated her to build on her husband’s experience working for someone in the bazaar to develop their own business. Talking about their three children, she explained “I needed to prepare the children, their education, their development, their psychological state.” She has used their earnings to send their children to a better school, buy them a computer, and send them on trips to the United States and France. She contrasted her personality with her husband’s: “I set a goal and fulfill it. I am not afraid.” She described her husband as indecisive and risk averse. The idea of seeking credit upset him, she explained, because he was afraid they would lose their home. Author’s interview (#193), Kazakhstan, June 5, 2001. Author’s interview (#195), Kazakhstan, June 7, 2001.}

At the end of the Soviet era many of the people who are financially successful today were in their twenties to forties. The younger ones were in university, and the older ones were working in a variety of different fields. Age is an important characteristic in the sense that the people of these generations were beyond childhood and well before retirement age, so they could not rely on parents or pensions for support. They needed to figure out how to succeed in the new economic system.

Yet why did only a small number of those from these generations succeed financially? They were in positions of leadership in the late Soviet era, and these positions gave them resources, contacts, and experience that would be useful in the new economy.\footnote{Future generations will not have the benefit of these Soviet-era experiences to facilitate their entrepreneurial ventures and, in turn, support large numbers of relatives. One economic phenomenon that is new in the post-Soviet era is labor migration; however, this does not hold the same long-term promise of enriching households. Remittances do not endure in many cases. Migrants, typically young men, often establish new families in the countries where they work and abandon their wives and children in their homeland. Another common scenario is for migrants to return home after a relatively short period due to difficulties finding jobs or because of racial and ethnic harassment or legal problems abroad. Time will tell whether enough young men continue to send money home and overcome these obstacles so that remittances will be an alternative to corruption for a significant number of people. International Crisis Group, “Central Asia: Migrants and the Economic Crisis” (Bishkek: International Crisis Group, 2010).} The younger people were leaders of the Komsomol. For example, Sulushash, the auto parts distributor, was in her late twenties and head of her school’s Komsomol organization when the Soviet Union collapsed. Other examples include the entrepreneurs Ivan, who began in construction, and Bolotbek, who began in shoe shining and haircutting. Those individuals at the older end of the age range held leadership positions at their workplaces. Muratkhan, the farmer described earlier in this chapter, worked as the head engineer and the
second in command for production—positions he characterized as comparable to being a company vice president—at the sovkhoz. The three other successful farmers in the village also had vice-president-like positions in the sovkhoz. Omurbek, the father in the successful urban household, was a town leader and then a republic-level official. Successful entrepreneurs also emerged from industry. Nikolai, the successful store owner in a small town in central Kazakhstan was once a mine director.

The most clear-cut example of the use of resources from one’s position is Ivan, the entrepreneur who built his construction business out of the Komsomol housing program when he was a Komsomol leader. For older entrepreneurs, the higher salaries of leadership posts, when coupled with good savings practices, also meant that these individuals had some of their own capital to begin a business, particularly if they began them before inflation hit in the independence period. Contacts were also important. Typically, the most helpful connections were not with government officials but with small traders who could offer market advice. Bolotbek, the former university Komsomol leader who began in shoe shining and hair cutting, however, described how contact with local officials was beneficial to establishing his business: he knew all the local officials, including information about illegal and amoral things they had done, so he could make demands of them. In such leadership positions, these future businesspeople also gained some helpful experience, even though the economy had changed dramatically. For example, the former mine director explained his willingness to take a loan even on poor terms to begin his business, saying, “In the mines we were also borrowing. Credit is always advantageous.”

Another characteristic common to successful entrepreneurs is that many of them began their ventures early. Some started their businesses in the late Soviet or early independence era, whereas others began their businesses in later years but before they lost their formal employment. Sulushash, the auto parts distributor, Anara, the woman working in the bazaar, Ivan, the construction entrepreneur, and Muratkhan, the successful farmer, began their ventures in the late 1980s or early 1990s. Some others, including, for example, the store owner Nikolai, began their businesses in the late 1990s, but early in the sense that their formal employment had not yet dried up. This is significant because even though the economic crisis of the 1990s had not decimated their fields they were willing to take a risk with an entrepreneurial idea.

Entering business early meant that these individuals were the first to take advantage of opportunities. Ivan, the entrepreneur in central Kazakhstan who built apartment buildings, profited from the economic reforms in the late 1980s, as

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37. Author’s interview (#191), Kazakhstan, June 5, 2001.
well as his Komsomol position. He was the first to take advantage of the excess cash of enterprises and the need for housing. In the same region of Kazakhstan, Anara, described earlier as working at a technical institute, now has a successful business selling food in the bazaar because she seized an opportunity in the early 1990s. At the technical institute where she worked, employees had to pay a percentage of their salaries in order to receive their wages in cash instead of coupons to use at a store. She accepted coupons so as to not lose a percentage and then found that she could obtain goods that were in short supply at a store for miners. She then sold the goods at the end of the street near the institute and doubled her money. Anara expanded her business to sell in nearby sovkhozes and the city bazaar. Kanat’s initial venture selling seeds back to the sovkhoz similarly took advantage of the state farm’s financial crisis in order to earn income for his family.

Starting businesses relatively early and being the first to take advantage of new opportunities also indicate specific personality traits. These financially successful individuals seem to be more willing to take risks. Many people have suffered economically and some can identify opportunities, but only a smaller number have taken advantage of these opportunities, in part because of their leadership experience and resources but also because they were not risk averse. An official from a provincial small and medium-size business development office in Kazakhstan explained this well: “Many fell into business. Many lost work with the end of the union. . . . [However], the first wave of entrepreneurs left work on their own because they wanted to work independently. . . . They were the bravest individuals.” This was in 1989 to 1993, and many created businesses related to their formal employment, as the construction entrepreneur, coupon schemer, and Kanat did. The official continued, “The second wave occurred after the disintegration of the union [in the mid-1990s] when people lost work and industry stopped. . . . People were forced into the bazaar.” Many of them struggled.

These successful entrepreneurs recounted how they were unusual in the risks that they took. They also contrasted themselves to others who are not risk-takers, who continued in their formal jobs, and are now in more difficult situations. Anara, the former employee of the technical institute, explained, “It is harder for those who stayed because now they cannot find different work.” Unlike most of his colleagues, Nikolai, the former mine director now store owner, chose to leave his job in 1998. Some had already been laid off but many continued to work at the mine, not receiving their salaries on time or receiving their salaries

38. The latest trend is the third wave. “The third wave of people have studied business and entrepreneurship. They are not forced into business. . . . These young people are studying with a particular goal in mind. . . . They know where they are going.” Author’s interview (#205), Kazakhstan, June 11, 2001.

in-kind. Nikolai, the former director, described how he is different: “In the mines most people were not initiators. There were few leaders. . . . The Soviet system discouraged leadership. . . . Workers were like screws. . . . Put them in their place and they work. . . . At the mine things were always changing, and I was always solving problems. . . . Therefore, I was more self-reliant and a person who takes initiative. . . . I also knew I should feed my family.”

Nikolai added how he read an article about a business school in Japan where students were sent to different public places, like a store or the metro, and had to sing out loud. At first he thought, “What is the point of this? What if I cannot sing? Now that I am in business I understand. I should be able to sing a song and I should not have a complex. I can sing that song anywhere. . . . Few people can sing this song.”

As a result of his willingness to take initiative and stand out, Nikolai is now in a better position than his former colleagues. “I am breathing different air. . . . I am much better off than my neighbor who continues to work in the mines. . . . I am one of the richest people in town,” he explained.

One mine director who did not leave on his own has been demoted to cleaning work at the mine. Mining workers who were later laid off try to survive mostly by living off their small plots of land.

The personalities and experiences of these successful entrepreneurs can also be contrasted with those of unemployed people I interviewed. For example a teacher in her forties in central Kazakhstan lost her job at a music school and has been looking for work. She described how the end of the Soviet employment system and start of the new economy were not a good fit for her. “For me a job assignment would be better. But, some people have more initiative than me.”

Of the traits shared by the financially successful individuals, Soviet-era leadership positions offered the most potential for corruption. Studies have described how political and economic leaders in the Soviet era used their positions to enrich themselves. Judging whether an economic behavior in this environment was corrupt, either by legal or cultural definitions, is difficult. In the late Soviet era when economic reforms were outpacing the legal changes, it often was

40. Author’s interview (#191), Kazakhstan, June 5, 2001.
41. Ibid.
42. Ibid.
43. Author’s interview (#210), Kazakhstan, June 13, 2001.
not clear what economic behavior was illegal. From the perspective of Soviet citizens much of the new economic behavior, even that specifically allowed by law, violated ethics built upon decades of Soviet prohibitions against buying and selling for a profit. As individuals in post-Soviet countries have become more accustomed to new economic behaviors and more familiar with new laws, their assessments of what is corrupt have changed.

Whether by legal or cultural definitions of corruption, financially successful individuals in Kazakhstan and Kyrgyzstan did not accrue benefits from their positions illicitly in most cases. Spending one’s salary or drawing on one’s work experience to start a business is not corruption. By contrast, using state resources for private gain is evidence of corruption. The entrepreneur who began in housing might fall into this category; however, the legal framework at the time when this entrepreneur transformed the Komsomol housing program into his own private company was too murky to make a legal judgment about corruption. Culturally, the interpretation is clear-cut with locals not viewing the conversion as corrupt.\(^{45}\) An unambiguous example of corruption is the former university Komsomol leader’s use of blackmail threats to help build his business. The former example is more common than the latter, and overall, youth, Soviet-era leadership positions, and early ventures, not corruption, best explain the financial success of these individuals.

Relatively well-off individuals in Kazakhstan and Kyrgyzstan have offered others, mainly family members, an alternative to engaging in corruption. By assisting with employment, income, and credit, they enable their family members to meet their needs without approaching government officials with offers of bribes and other favors. Those who do not have financially successful relatives must resort to corruption. Markets, religious organizations, and secular charities also cannot provide them with the goods and services they need because market reform under the conditions of a legacy of significant state economic intervention and weak market-enhancing institutions has limited these institutions’ resources. Market-enhancing institutions are particularly important to making alternative sources of essential goods and services available and stemming corruption: the analysis of ninety-two countries demonstrated that corruption is lower where market-enhancing institutions are effective. This global analysis also highlights that the problem of market reform promoting corruption is not specific to Central Asia; it exists wherever there is a history of substantial state

\(^{45}\) Of course, their evaluations are now colored by his generosity toward his employees and his charitable acts.
economic intervention and weak or absent market-enhancing institutions. Many countries of the world have these attributes, thus making a solution to petty corruption all the more critical. Establishing strong market-enhancing institutions as well as reducing restrictions on societal groups may be effective anticorruption strategies. Regrettably, it seems unlikely that Kazakhstan and Kyrgyzstan will implement these strategies.