1

Neither gift nor commodity: the instrumentality of sociability

Introduction: economies of favours

Nicolette Makovicky
School of Interdisciplinary Area Studies, University of Oxford, UK

and

David Henig
School of Anthropology and Conservation, University of Kent, UK

One of the most pervasive features of ‘actually existing socialism’ across Eurasia and the Eastern Bloc was the use of personalised connections in order to get access to goods, services and information. Known as blat in Russian, znajomości in Polish, and guanxi in Mandarin, this rich and multifaceted practice combined horizontal and vertical exchange relations to create ‘a distinctive form of social relationship or social exchange articulating private interests and human needs against the rigid control of the state’ (Ledeneva 1998: 7). Sociologist Alena Ledeneva (1998) has coined the overarching term ‘economies of favour’ to describe these social relationships and exchanges. Facilitating the flow of goods and information between private individuals, state enterprises, and the bureaucratic structures of government, such relations of exchange formed part of a ‘huge repertoire of strategies for obtaining consumer goods and services’, including working ‘off the books’, pilfering materials and tools from the workplace, and using enterprise resources for petty commodity production and trade (Verdery 1996: 27). Beyond the straightforward exchange of scarce goods, economies of favour often consisted of individuals granting ‘favours of access’ (Ledeneva 1998: 35) by making professional connections, skills, education, medical care, and resources available to others. Working to mitigate the shortages and distribution problems of
the command economy, economies of favour thus existed in a symbiotic relationship with official economic institutions as a ‘grey’, ‘informal’ or ‘second’ economy, which fed off the deficiencies of official economic and bureaucratic structures (Wedel 1992; Seabright 2000). While describing such practices as diversion of ‘public resources for private’ aims, Ledeneva notes that socialist-era economies of favour ‘resulted from the particular combination of shortages and, even if repressed, consumerism; from a paradox of equality and the practice of differentiation through privileges and closed distribution systems’ (1998: 36). Regarding the ‘second’ or ‘informal’ economy as a structural outcome of the political economy of actually existing socialism, scholars and policy makers expected economies of favour to disappear together with their dysfunctional economic hosts soon after the disintegration of the Eastern Bloc. Perceiving informal economic activities as corrupt, they confidently asserted that economies of favours would disappear as political and regulatory obstacles to free enterprise and globalisation were removed (Åslund 2004: 40). A number of economists even identified the socialist ‘second economy’ as containing the kernel of free market exchange, observing a tendency for networking practices to be employed in the service of budding entrepreneurial activities (Grabher and Stark 1997; Kornai 2000). Yet, a quarter century after the end of communist rule, there is ample evidence that ‘economies of favour’ remain firmly embedded in the contemporary social fabric, practices, and moral values of populations across the region. Informal exchange and personal networks continue to be a major source of foodstuffs, consumer goods, credit, property and access to employment, education, and medical care across the region (e.g. Bridger and Pine 1998; Day et al. 1999; Stenning et al. 2010; Morris and Polese 2013). Scholars are still grappling with how to theorise instances of nepotism, low-level corruption, and pilfering of public resources (e.g. Giordano and Hayoz 2013; Morris and Polese 2015). And most worryingly, research shows that attempts to consolidate liberal, democratic market society across the former Eastern Bloc have been accompanied by the formation of corrupt elite networks and a breakdown of the rule of law (e.g. Ledeneva and Kurkchiyan 2000; Wedel 2001, 2009; Ledeneva 2006, 2013). In short, rather than removing informality from economic and political practices, post-socialist economic and political liberalisation appears to have provided fertile ground for its proliferation.

This persistence and flourishing of everyday economies of favour, as well as large-scale political and economic fraud, has confounded the expectations of academics and policy makers alike. As Gerald Creed (2011) has pointed out, Cold War observers viewed socialist-era
economies of favour not primarily as a type of economic practice, but rather as a type of civic action: assuming that socialist society suffered from a ‘social vacuum’ created by the lack of civil society, the mistrust of state institutions, and concentration of power in the hands of the communist parties, scholars saw economies of favours as an alternative political arena enabling the general population to compete for resources. Yet, while they regarded the informal sector as a ‘source of autonomy from the state’ before 1989, they subsequently condemned the same practices as ‘negative social capital’ preventing the establishment of adequate connections between formal institutions of governance and the population (Creed 2011: 113). Re-labelled as ‘corruption’, ‘clientelism’ or ‘nepotism’, practices of circumventing official procedures and a preference for face-to-face dealings were now seen as opposition not to an illegitimate state, but rather to the ostensibly democratic and open sphere of public civic culture and the rule of law. Indeed, by recasting ubiquitous practices of making a living and navigating the state bureaucracy in terms of ‘social capital’, development agencies, non-governmental organisations (NGOs) and global financial institutions inserted the terms ‘informality’ and ‘economies of favour’ into a highly normative, globally circulating, deterritorialised language of audit and accountability, together with terms such as ‘corruption’, ‘transparency’, ‘trust’ and ‘legality’ (Haller and Shore 2005). This analytical terminology employed by policy makers imbued the concept of economies of favour with a moral burden not dissimilar from the use of debt rhetoric as a moral issue and a moral failure (see Graeber 2011).

This branding of economies of favour as a toxic legacy of socialism, in short, reflected ideal-type notions of social contract, civil society and community shared by policy makers, rather than the nature of informal practices on the ground. In response, scholars from across the social sciences have sought novel ways to rehabilitate the term and to develop grassroots understandings of the conditions of ‘actually living post-socialism’. Anthropologists in particular have seized on the concept of morality as an analytical device for problematising the dominance of the normative, global language of audit described above (Humphrey 2002; Mandel and Humphrey 2002). One strand of this literature advocates taking local definitions and terminologies of corruption into account, suggesting that people may subscribe to an alternative moral order (Werner 2002; Wanner 2005) or operate with a ‘contextual morality’, which legitimises socially and legally questionable actions in given situations (Polese 2008). Another growing body of work considers ostensibly ‘corrupt’ actions within their wider context of local practices of exchange, obligations of care, and rights
to welfare (e.g. Rivkin-Fish 2005; Sneath 2006; Stan 2007, 2012). Drawing on the classical anthropological juxtaposition of gift and commodity exchange, they document how moralities of exchange (Parry and Bloch 1989) shift with changing state and class configurations, as well as currency regimes. Beyond anthropology, recent research in the region has sought to recognise the heterogeneity of contemporary informal economic practices by employing ethnographic methods to uncover their role in the everyday, lived experience of citizens across the former Eastern Bloc (e.g. Morris and Polese 2013; Williams et al. 2013). Some scholars have furthermore argued for the development of a new typology of informal economic practices in the region, which include not only self-employment, small-scale enterprise, and paid work undertaken outside the formal economy, but also practices of self-provisioning, unpaid formal and informal employment, and the phenomena of ‘paid favours’ between kin and acquaintances (Williams et al. 2013).

Alongside efforts to throw light on the full gamut of practices which make up contemporary economies of favour in Eastern Europe, Russia and Eurasia, there are increasing efforts to rehabilitate the negative image of informal economic practices in the region. Countering the prevailing discourse of ‘informality’ as corrosive to economic and political development, scholars have recently taken a greater interest in examining how such practices might form the ‘seedbed for enterprise development and principal mechanism for delivering community self-help’ (Williams and Round 2007: 2321; Kideckel 2008). Rather than subscribing to conventional perceptions of informal employment as exploitative, low-paid labour undertaken by those marginalised by the formal economy, scholars are beginning to acknowledge that informal economic activities are often culturally meaningful to those who undertake them. Whether subsistence farming or unregulated employment, such practices not only support livelihoods under the precarious circumstance of post-socialist restructuring, but carry a certain moral value by virtue of allowing individuals to make ends meet in the face of an increasingly uncaring state. As often as they are part of a ‘survival strategy’ developed by an impoverished population, practices of self-provisioning, domestic production, and petty trade may enact long-standing norms of household reproduction and domesticity (e.g. Makovicky 2009; Ries 2009). As Morris (2012; Morris and Polese 2013) has shown in the case of Russian workers, some may choose the precariousness of self- or informal employment over the lack of autonomy and benefits of waged employment. With the reality of the post-socialist work environment not enabling the reproduction of a
“normal” working class existence’, workers’ ‘self-esteem … increasingly comes to be associated with non-dependence on the derisory returns of formal work’ (Morris 2012: 230).

Morris’ observation has recently been echoed by Caroline Humphrey (2012), who has questioned the very assumption that informal economic practices are primarily driven by the structural constraints of socio-economic inequality. Querying the degree to which post-socialist economies of favour should be understood in transactional terms of costs and benefits (and should therefore be analysed solely as a matter of political economy), Humphrey argues instead that acts of doing favours form a ‘moral aesthetic of action that endows the actors with standing and a sense of self-worth’ (2012: 23). Her observation signals the fact that the study of these phenomena requires more than the re-contextualisation of socialist-era informal economic practices into the market-capitalist present. Rather, it requires a critical re-interrogation of the conceptual relation between the categories of ‘favour’ and ‘economies’ themselves. A new collection of studies has recently been published with the goal of addressing this issue (Henig and Makovicky 2016). The contributors to this collection start by questioning what a favour is, rather than employing it as a euphemism for corruption or informality. As such, they move away from asking functional questions of exchange and reciprocity, towards interrogating the ethical and expressive aspects of human life. Examining favours, they posit, is a way of studying the moments of ‘ethical reflection, reasoning, dilemma, doubt, conflict, judgement, and decision’ that punctuate everyday life and experience (Laidlaw 2014: 23). Shifting the theoretical emphasis from studying economies of favour to studying favours sui generis does not, however, mean that the contributors regard gratuitous behaviour as uniformly benign or altruistic in nature. Neither do they see favours as operating ‘outside’ or ‘beyond’ the economic sphere. Rather, both Humphrey (2012) and Henig and Makovicky (2016) suggest that favours constitute a distinct mode of action that has economic consequences, yet without being fully explicable in terms of transactional cost-benefit analysis. Favours – and, by extension, economies of favour – have existential (as well as social and material) significance. They are constitutive of – rather than external to – the persons and relations of those who give and receive (Englund 2008: 36), being part and parcel of what the Enlightenment economist Adam Smith (1759) called the ‘sympathy’ that underpins social relations. These recent contributions to the debate surrounding contemporary economies of favours thus show how favours are a natural part of social life that can
arise in a range of situations, and how they are central to the social production of value, as well as pride, respectability and self-worth.

1.1 Blat (Russia)
Alena Ledeneva
UCL, UK

In Russia, blat is a colloquial term to denote ways of getting things done through personal contacts, associated with using connections, pulling strings and exchanging favours. Just like other economies of favours – guanxi, jeitinho, kombinacja, pituto, vruzki, wasta and torpil, presented in this volume – blat practices are associated with sociability, i.e. maintaining social contacts or networks, but also serve an instrumental purpose of gaining influence or accessing limited resources. The blurred lines between sociability and instrumentality – the two sides of the coin in an exchange of favours – highlight the ambivalence of ‘favour’. In each particular case, the puzzle of distinguishing friendship from the use of friendship (blat) can be solved on the basis of frequency or context: people who regularly draw on exchanges of this kind are seen as brokers (blatmeisters) rather than friends. More generally, drawing a line between the relationship and the use of relationship is indeed difficult. The complexity stems from the fluid nature of the context – regime of affection, regime of status, or regime of equivalence; the elusive nature of favours, as well as the wider set of political, economic and cultural constraints (Ledeneva 1998: 144–55, Ledeneva 2016).

In the Soviet Union blat contacts were commonly used to obtain goods and services in short supply or to circumvent formal procedures. A school friend working in a food store saved the best cuts of meat for you; an acquaintance at the Bolshoy Theatre box office whose daughter you had helped to enter university put aside tickets for your parents. The term referred to routine, mostly non-monetary, give-and-take practices, often associated with mutual help, mutual understanding or cooperation of ‘us’ versus ‘them’. The term itself originated in criminal jargon – perhaps in emphasising the conflict between insiders of the underworld (blatnye), and the authorities, legal order or political regime – and has carried negative connotations ever since. Blat is associated with anti-Soviet images in the satirical periodical Krokodil in the 1920s and 1930s. In Russian language dictionaries, entries on blat also appeared in the 1930s. The word acquired a ‘new common vulgar’ usage in early Soviet times (Ushakov 1935), but its meaning – ‘illicitly, by protection, by patronage’ – is registered much later (Dictionary of Russian Literary Language 1950). The
idiom ‘po blatu’ (‘through acquaintances’) was colloquially widely used but banned from official discourse. It certainly does not feature in any of the editions of the Great Soviet Encyclopaedia. As Joseph Berliner, the pioneer of the Harvard Interviewing Project, rightly observed: ‘If we were totally reliant on the written sources of the Soviet society, we might hardly have guessed the importance of blat’ (Berliner 1957: 184).

In the Soviet vernacular, the term embraced (1) vertical, or hierarchical, patterns such as protection and patronage; (2) horizontal, or reciprocal, deals of the ‘I scratch your back, you scratch mine’ type; (3) go-between practices (asking on behalf of someone rather than for oneself) and self-serving brokerage; (4) exchange of favours and access to resources associated with family, friendship and other binding relationships; (5) patterns of sociability such as mutual help, mutual understanding and exchange of information (Ledeneva 1998). By the 1980s, blat favours became so ubiquitous that it was difficult for people to separate friendship from the use of friendship: friends were meant to help out.

Three features of the Soviet system can account for the pervasive nature of blat. First, central planning and the resultant economy of shortage made favours of access to food, goods or services essential for personal consumption. Double standards emerged: although the routine redistribution of resources through personal channels was not illegal, it was not fully legitimate either, leaving it to circumstantial factors (the need, purpose and scale) to define the legitimacy of each particular transaction. Blat favours were ‘regulated’ by a specific social circle and by a broader consensus on what should be tolerated in view of consumerism.

Second, the monopoly of state property, whereby everything and nothing belonged to everyone, ensured that the blurred boundaries between the public and private were routinely crossed. Every gatekeeper with a discretionary power made a decision in favour of ‘us’, and thus redefined the public–private boundary into the more negotiable dichotomy of ‘us vs them’. Third, the centralised, future-oriented and closed nature of the economy enhanced the ‘us and them’ mentality at all levels, normalised the double standards, and enabled the so-called ‘misrecognition game’, whereby a blat transaction was viewed as friendship by its insiders, but as blat (re-channelling of public resources into a private network) by outsiders. Such ambivalence in perception was essential for sustaining an altruistic self-image while engaging in a self-serving economy of favours.

Blat practices were intrinsically ambivalent in their functions: they both served the regime and the people, while simultaneously undermining the regime and corrupting the people. In authoritarian regimes, the outcome of such ambivalence is ‘corruption with a human face’ – the
underside that lubricated the rigidity of political and economic constraints. As people used to say, ‘the severity of our laws is compensated for by their non-observance’. Soviet blat effectively became the reverse side of the over-controlling centre, thus enabling both people and the regime to survive under formally pronounced but ultimately unenforceable rules. It was an indispensable set of practices that enabled the Soviet system to function, made it tolerable, yet also subverted it. The Soviet system was best encapsulated by an anecdote on the ‘six paradoxes of socialism’: ‘No unemployment but nobody works. Nobody works but productivity increases. Productivity increases but shops are empty. Shops are empty but fridges are full. Fridges are full but nobody is satisfied. Nobody is satisfied but all vote unanimously’. Practices of absenteeism, misreporting, accessing goods in short supply, unofficial redistribution of official privileges, and widespread cynicism, were the open secrets of socialism, commonly known but officially unacknowledged and rarely registered in written sources inside the country. They eventually led to the seventh paradox of the Soviet system: ‘All voted unanimously but the system has collapsed anyway!’

It is only since the Soviet Union collapsed in 1991 that people have been able to reflect on such practices (just as in the 1950s, those who left the Soviet Union were able to describe their blat experience in the Harvard Interviewing Project (Fitzpatrick 2000)). Blat developed together with the regime and reflected its changes. At first it addressed basic necessities such as food, jobs and living space, helping kulaks to escape exile or making it possible for Bolsheviks to christen their babies despite the party ban on religious rituals. Then came the more sophisticated needs of late socialism associated with education, mobility, consumerism and self-expression. But although there may seem to be a parallel between the way contacts were used for competitive advantage in Bolshevik Russia (e.g., in order to conceal class origins given the constraints of the Bolshevik demand for a proletarian background) and in post-Soviet Russia (where contacts could allow one to be ‘appointed’ a millionaire), the nature of the regime must be taken into consideration.

The post-Soviet reforms have undermined three basic parameters of the Soviet system that constituted blat. First, functioning markets for goods and capital have replaced the economy of shortage in which everything, whether foodstuffs, goods, services, or places in hospitals and cemeteries, was bartered in the economy of favours. Second, state property was increasingly privatised, putting a price tag on the ‘favour of access’. Third, the sense of security and long-term horizon associated with socialism – ‘everything was forever’ – ceased to exist, thus making
the misrecognition of the instrumental side of sociability more difficult. The cumulative outcome of all these changes was that a new shortage emerged in post-socialist Russia – money – and the blat know-how had to adjust to it. Not only have networks reoriented themselves to serve this new type of shortage (to make money, to safeguard, to invest and to export), the use of contacts has become monetised in the sense that money is now not excluded from personalised exchanges. The monetisation of favours is particularly pronounced in the private sector that emerged in post-Soviet Russia and significantly transformed the ‘non-monetary’ feel of the good old Soviet blat. Although the expression ‘by blat’ is still known and understood in present-day Russia and countries of the former Soviet Union, the assumption of continuity of blat practices is misleading (for ‘economies of favours’ associated with the term blat in other Soviet and post-Soviet republics, see Mars and Altman 1983; Schatz 2004; Babajanian 2008; Aliyev 2013; Onoshchenko and Williams 2013).

Yet it is also misleading to assume a complete change. It was believed that once the centralised system ceased to exist, there would not be a need for alternative currencies or an extensive use of informal networks. Markets would take care of functions that used to be performed by informal networks. However, research shows that not only does the use of networks not diminish – it actually increases, especially in newly emerging sectors (Miller et al. 2001; Rose, 2001). The legacy of socialism is often blamed, and the Soviet grip is indeed part of the story. But one must not dismiss the functionality of informal practices for political regimes and their effectiveness for individual problem solving. In transitional economies, the defects of markets are compensated for by informal networks; low levels of impersonal trust in state institutions shift the burden onto interpersonal trust. The reasons for the emergence of informal practices (survival, shortage, cornered behaviour) may not be the same as the reasons for their reproduction (vested interests, proactive manipulation). Both sets of reasons need to be considered to account for the fundamental changes in the use of networks in the post-Soviet period in Russia and for the purposes of comparison.

1.2 Jeitinho (Brazil)
Fernanda de Paiva
Duarte University of Western Sydney, Australia

The word jeitinho literally means ‘a little way’, and denotes a Brazilian cultural practice that involves seeking personal favours by cajoling or
sweet-talking. DaMatta (1991: 189) describes *jeitinho* as ‘a clever dodge to bend the rules’, and it can also be viewed as a tactic to deal with unexpected events or inconvenient situations. As well as denoting the practice in general, the word *jeitinho* can be used to request help in a specific instance. Just as in English one can explicitly ask, ‘Can you do me a favour?’, in Brazil one can ask for a *jeitinho* by saying ‘Da um jeitinho pra mim’ (literally ‘Give me a jeitinho’). Hence, one might ask for a *jeitinho* when one needs an extension of time to pay an overdue bill; when one needs a cash advance from the boss before pay day; or when told at the garage that one’s car will not be fixed before the weekend. This explicitness reflects the fact that *jeitinho* is generally regarded by Brazilians as a legitimate social practice. It is considered a core element of Brazilian cultural identity (DaMatta 1984, 1991; Barbosa 1992). It is also pervasive: ‘there are no dimensions in Brazilian life that are not encompassed by *jeitinho*’ (Rega 2000: 60).

In terms of its defining features, *jeitinho* can be characterised as follows. It is a *personalised* practice used to deal with extraordinary or unforeseen situations, and typically takes the form of a *cordial approach* (it is perceived to be more effective when accompanied by a smile or a gentle tone of voice). It involves a *conscious act of bending or breaking the rules*, and typically seeks *short-term rather than long-term benefits*. It is normally a *self-serving tactic*, although can also be used altruistically to help others. With regard to ethical judgement, *jeitinho* can be valued both positively as a harmless problem-solving strategy, and negatively as ruthless manipulation for personal advantage.

A particular feature that distinguishes *jeitinho* from an ordinary favour is the fact that *jeitinho* engenders *diffuse reciprocity* (Barbosa 1992). While a favour normally involves direct reciprocity between two people, *jeitinho* transactions entail a broader type of reciprocity based on the assumption that anyone can receive the benefits of an instance of *jeitinho*. As stated in a popular Brazilian adage, ‘Hoje é a vez dele; amanhã será a minha’ (‘Today it’s his turn, tomorrow it could be my turn’).

Writers such as DaMatta (1984), Levine (1997), Ramos (1966) and Rosenn (1971) conceptualise *jeitinho* more specifically as a strategy to deal with the constraints of bureaucratic rules, which make it hard for people to solve administrative problems that emerge in their day-to-day life. In the words of Levine (1997: 81), *jeitinho* is ‘the “way” to grease the wheels of government or bureaucracy, so as to obtain a favor or to bypass rules and regulations’. For DaMatta (1984: 99), *jeitinho* is a Brazilian style of ‘social navigation’ that enables citizens to deal with impersonal norms. It is a peaceful and affable way to
‘connect the personal with the impersonal’, allowing the harmonisation of opposing interests through the creation of temporary ‘relationships’ between the person requesting the favour, and the person who can potentially grant the favour. Referring more specifically to work contexts, organisational theorists conceptualise *jeitinho* as an informal problem-solving mechanism used by employees to circumvent bureaucratic rules (see, for example, Amado and Brasil 1991; Freitas 1997; Prates and Barros 1997; Duarte 2006b). The personal versus impersonal dichotomy is also assumed in this particular interpretation of *jeitinho*.

In Brazilian society *jeitinho* involves a social choice, and there is thus a ‘social weight’ attributed to it. In other words, Brazilians explicitly recognise *jeitinho* and value it as a means of solving problems, perceived as ‘essentially Brazilian’. It is taken for granted that *jeitinho* is utilised by *everyone* from the poorest to the richest (Barbosa 1992: 32) – and that the people involved in a *jeitinho* transaction are clearly aware that it is taking place. There is also an expectation in Brazilian society that a *jeitinho* will always be granted, considering that generosity, cordiality, warmth and empathy are regarded as core Brazilian attributes (Da Matta 1984, 1991; Barbosa 1992; Buarque de Hollanda 1936/1995; Duarte 2011). These characteristics are consistent with those underpinning the notion of *simpatia*, or a person’s ability to make others perceive them as charming, likeable and easy going. Establishing *simpatia* is fundamental to ensure that a *jeitinho* will be granted, considering that this practice involves coaxing a person to obtain the desired favour (Duarte 2011).

The assumption that Brazilian *jeitinho* is a benign social practice is not nevertheless universally shared. Levine (1997: 81) warns about the dark side of *jeitinho*, expressing the view that it ‘falls between legitimate favors and out-and-out corruption’. He draws attention to the fact that in Brazilian society *jeitinhos* are not always granted by someone who is a personal acquaintance. There are instances where favours are granted in exchange for ‘a tip or a larger pay-off’, which renders the practice of *jeitinho* similar to bribery. Indeed, Cavalcanti (1991) compares *jeitinho* to *bustarella* in Italy, *speed money* in India and *baksheesh* in Egypt – which are all forms of bribes or facilitation payments.

A number of similar practices to *jeitinho* exist in other Latin American countries. These include *palanca* in Colombia and *pituto* in Chile, both of which refer to useful connections used to obtain, for example, employment. *Sociolismo* in Cuba refers to the practice of using connections to access scarce resources, and is derived from the word *socio*, which means ‘pal’ or ‘buddy’. The prevalence of these terms suggests that the use of

1.2 *JEITINHO* (BRAZIL)
personal contacts to obtain preferential treatment is a common feature across Latin American cultures.

In conclusion, *jeitinho* can be conceptualised as a multi-layered cultural practice, which exists in an ethical continuum that extends from a ‘positive’ pole where it possesses benign, friendly characteristics, to a ‘negative’ pole highlighting exploitative and even corrupt characteristics (Barbosa 1992; Duarte 2006a). It reflects the complexities of a society that oscillates between a personalist worldview emphasising family and friendship, and a modern, individualistic ideology that emphasises survival-of-the-fittest (Barbosa 1992).

1.3 *Sociolismo* (Cuba)
Matthew Cherneski
UCL, UK

*Sociolismo* means the use of social networks (family, friendship, or other network connections) in Cuban society to obtain goods and services that are in short supply due to state rationing and the inefficiencies of the command economy (Lomnitz and Sheinbaum 2004: 4; Díaz-Briquets and Pérez-López 2006: 135).

The name of the concept is derived from the root word *socio*, which in Spanish means ‘partner’, ‘member’ or ‘buddy’. The best simple translation for the word is roughly ‘buddy-ism’. Furthermore, the word *sociolismo* is a pun on the commonly known Spanish word *socialismo*, which in English means ‘socialism’ (Díaz-Briquets and Pérez-López 2006: 135). *Sociolismo* is based on three important concepts within Cuban society: *simpatía* (likability), *confianza* (trust from familiarity) and *ser buena gente* (being a good person) (Díaz-Briquets and Pérez-López 2006: 135; Fernández 2000: 29). Damién Fernández views *sociolismo* as developing from the concept of *lo informal* (‘that which is informal’). He states that: ‘Lo informal is composed of groups of individuals who know and like each other [...] These groups bring together peers, superiors, and subordinates [...] Informality depends on the possibility of bending rules and bypassing legal norms because I/you am/are special and real’ (Fernández 2000: 29–30).

Cubans do not tend to use the word *sociolismo* explicitly when describing their own behaviour, but rather utilise normal words that carry an alternative, loaded meaning. Many of the words took on their second meanings during the ‘Special Period’ of the 1990s, a time of economic crisis in Cuba following the dissolution of its old economic
partner, the Soviet Union (Weinreb 2009: 65). First, the verb luchar (‘to struggle’) changed from its original, communist meaning of ‘struggling’ against imperialism and capitalism, to ‘struggling’ to survive everyday life. Nowadays, the word implies the ability to use connections in order to adjust to shortages in daily life. Sometimes this word can mean taking a little extra from the government warehouse for a friend or selling such goods for a higher price to people that need them (Weinreb 2009: 67–8).

The second word within the lexicon of sociolismo is the verb resolver, which literally means ‘to resolve’ or ‘to settle’. However, within the context of sociolismo it means something more akin to finding some type of good and taking possession of it (Weinreb 2009: 69). It can also be described as a mechanism of ‘getting things done’ and ‘to make ends meet’ (Azel 2010: 69–70).

Conseguir in the context of the language of informality means ‘to obtain’ or ‘to get’. It is comparable with the use of the Russian verb dostat’ in the context of the practice of blat in the USSR, which literally means ‘to reach’, but within the context of informality took on the meaning ‘to obtain through the use of contacts or connections’ (Ledeneva 1998: 12). Interestingly, in everyday Cuban-Spanish, the word conseguir often takes the place of the word comprar (to buy), because obtaining a good in the shortage economy often requires some other means than simply going into a shop and buying it. Weinreb gives the following example:

People say, ‘Voy a conseguir oregano’ ['I'm going to find some oregano'], instead of ‘Voy a comprar oregano’, ['I'm going to buy some oregano'] because in practice this undertaking means checking the availability of oregano in the aisles of dollar shops; asking about the availability of a secret stash kept behind the counter; finding out which neighbour has some available to borrow, barter, or sell; finding it growing wild on a bush, or giving up until word arrives that some has become available.

(Weinreb 2009: 72–3)

Finally, the meaning of the verb inventor (‘to invent’) is stretched when used as part of the lexicon of sociolismo. The main connotation the term carries is the ability to make anything from nothing in order to survive (Weinreb 2009: 76–8). Often it implies the ‘invention’ of a new way around a stifling law or restriction by the government. For example, as the Cuban economy tried to transition through the 1990s, the government experimented with some forms of market reform and capitalism. However, what came about was a situation where the government
would allow privatisation and then decide to go back on its reform (Smith 1999: 49). This created an environment of ever-changing bureaucratic regulations, which in turn resulted in an ever-changing amount of ‘invented’ loopholes to the system (Smith 1999: 58).

Even today, Cuba’s economy is still about 80 per cent controlled by the state (Bloomberg Businessweek 2012). Furthermore, the rationing of goods is still in effect, which creates country-wide shortages. This, in effect, creates the need for systems of informality and sociolismo. Cuba’s system of sociolismo is a product of the fall of European socialism. In the 1960s and 1970s, Cuba’s economy was growing at a rate of 5 per cent per year (DeFronzo 2007: 220). However, by the 1980s the Cuban economy was beginning to stagnate, along with the economies of European socialist states. This is largely because Cuba was economically tied to the Soviet Union, being close trade partners and relying on cheap goods and financial help (Valdés Paz 2005: 105). By the 1980s, Cuba was no longer able to fulfil its trade requirements and by the 1990s the Cuban economy was in complete freefall (DeFronzo 2007: 220). Under these conditions, Cuba’s second economy developed and is where the practice of sociolismo thrives. According to George Lambie, ‘the state that supplied virtually everything to the population was suddenly disconnected from its main sources of provisions, and had to let people try to resolve their own shortages’ (2010: 173). In this context, the collectivist ideological slogans (e.g. see Figure 1.3.1) have developed individualistic connotations.

Another political issue in Cuba that creates a safe haven for sociolismo practices is the extensive abuse of power by the leadership in Cuba, as well as high levels of state capture by politicians who influence government policies for their own private gain. Because of the elite’s abuse of their power in the Communist Party and the ever-increasing tax levels on the few privatised businesses on the island, everyday Cubans are frozen out of the system (Erikson 2007: 227). The general population faces shortages and cannot afford to shop at dollar stores; they are left to survive for themselves, thus leading to the expansion of sociolismo. The introduction of the US dollar as a legal currency in Cuba in 1993 exacerbated this situation, leading to the greater stratification of society, and sociolismo practices expanded exponentially (Erikson 2007: 226). When societies become stratified, those in every stratum begin to stick with their own group, thus tightening their social connections. In addition, with the introduction of the US dollar sociolismo became international. With remittances coming into Cuba, the trust networks that many Cubans had with their families in the United States became
even more deeply rooted. These trust networks, which are a vital base for socialismo, transform social structures by making society more stratified from bottom to top (Tilly 2007: 10). Because remittances play such a major role in the Cuban economy (and act as a vital source of income to individual Cubans), the trust networks in place to transfer these sums were strengthened, further entrenching the practice of socialismo in Cuban society.

1.4 Compadrazgo (Chile)
Larissa Adler Lomnitz
Universidad Nacional Autónoma de México, Mexico

Compadrazgo is a system of reciprocity in Chilean society, which involves ongoing exchanges of complimentary services (favores – favours), performed and motivated within an ideology of friendship. Such favours are often of a bureaucratic nature and usually involve giving someone preferential treatment and thus compromising the rights and priorities of third parties, or of the community as a whole.
The popular term *compadrazgo* is a euphemism for this institution, which should not be confused with the ritualistic Catholic institution of God-parenthood that shares the same name. *Compadrazgo* is typically used to obtain something with greater ease and in less time than it would otherwise take. The desired end is usually legal, though the means may be less so. Such favours are given and received in a spirit of friendship and without apparent guilty feelings. It is important to note that the initial favour is bestowed without any overt thought of a specific reciprocal return. Nevertheless, both parties understand that the beneficiary of the favour is ‘indebted’ to the person conferring the favour, meaning the latter can draw on a favour in return when the need arises. An unwritten principle of *compadrazgo* is contained in the Spanish saying: ‘Hoy por tí. mañana por mí’ (‘For you today, for me tomorrow’).

Bureaucratic favours are the most common use of *compadrazgo*: acquiring certificates, licences, permits, transcripts, passports, identity cards, tax clearances and countless other ‘red tape’ items that would otherwise require many mornings spent queuing and chasing paperwork from one office to another. *Compadrazgo* may also be used in obtaining special facilities at customs, waiver of military service, granting of import licences and other such bureaucratic awards. Pushing a friend or acquaintance to the top of a waiting list for scarce items or services that have long waiting lists is also common: telephone service, buying a car at wholesale price, scholarships and grants, service commissions abroad and so on.

Job placement is another common use of *compadrazgo*. President Ibañez (1956–62) is popularly credited with saying in relation to filling a job position, ‘Between a relative and a friend I prefer the relative; between a friend and a stranger I prefer the friend’. Lower echelon jobs in the administrative bureaucracy, which are in great demand among a large and relatively unskilled segment of the middle class, are frequently awarded through *compadrazgo*. The actual process of job hunting consists in mentally reviewing all one’s personal connections in order to locate someone who is close to the source of appointments in a given agency. Conversely, finding a person for a job opening involves going over the list of one’s relatives and friends in the hope of discovering someone suitable. Personal recommendations are vital and represent an important favour to the applicant. *Compadrazgo* may be regarded as the basic mechanism of job allocation in the irresistible growth of the low-level bureaucracy in Chile. Even highly qualified people do not apply unless they are assured of strong backing through *compadrazgo* connections.
Credit in Chile is often beyond the reach of the middle class because of the high collateral required, but a well-placed friend in a bank or credit association can facilitate matters. A *Caja* is a credit union operated under the social security system; it is supposed to provide loans, but is chronically short of funds. With the help of *compadrazgo*, as soon as fresh funds for loans become available the *compadre* (friend) can be notified ahead of the general public and his application guided to the top of the pile so as to get it processed before the funds are exhausted. The provision of confidential ‘tip-offs’ based on inside information is a typical use of *compadrazgo*. None of this appears to the practitioner as strictly illegal since (as one respondent told the author), ‘no harm is done except to the people waiting in line, every one of whom would have done the same if he’d had the right connection’.

Lawyer informants claim there is no end to the use of *compadrazgo* in legal matters. Files get conveniently ‘lost’, charges are suspended or sidetracked, witnesses are coached, fines or bail are set at minimal levels. The case of marriage annulments is typical because the legal case hinges on a technicality, e.g. proving that the clerk who performed the wedding had no jurisdiction over the place of residence of the couple. Proof may be furnished by ‘witnesses’ who could be easily discredited unless the judge was willing to go along for the sake of friendship or *compadrazgo*. Characteristically, the spirit of the law counts for less than the spirit of friendship, as long as the letter of the law has been formally complied with.

What cannot be obtained through *compadrazgo*? According to informants, anything that goes against the ideology of friendship and ‘decency’. Sexual advances made by a man as the result of granting a favour to a woman would be regarded as extremely gross behaviour. Any behaviour that infringes middle-class standards: theft, murder, taking advantage of women or vulnerable people, and in general acts against dignity and ‘chivalry’. Such acts would destroy the rationale of friendship by degrading it into downright complicity. *Compadrazgo* has a moral code that sets boundaries on permissible favours and return payments. However, cheating the Treasury (*hacerleso al Fisco*) is not regarded as a morally contemptible crime.

In general a feeling of friendship or common liking (*simpatia*) is considered essential for any *compadrazgo* relationship. *Compadrazgo* is essentially a personal relationship between individuals who regard themselves as social equals. They are people who are regarded as peers within the middle-class ideology of friendship. *Compadrazgo* is largely confined to the middle class because its members are best placed to offer favours, i.e. services of a bureaucratic, business, and professional nature. Lower-class
individuals could not reciprocate in kind, having only their manual labour to offer, while the superior status of an upper-class member would be forfeited through the exchange of such favours, which would amount to a tacit admission of social equality with the middle class. Exchange may still exist between individuals of different social levels, but it lacks the reciprocal elements of favour plus friendship characteristic of compadrazgo.

Fieldwork by the author has revealed that informants are quite ambivalent about their compadrazgo relationships. They tend to feel uncomfortable discussing personal benefits obtained, particularly financial, political or legal benefits. Favours that cut red tape are acknowledged freely, but more important benefits are mentioned sheepishly and accompanied by apologetic explanations. Most informants agree that compadrazgo should not exist in an ideal society, but important individual differences were observed in the degree of rejection. Some rationalised the use of compadrazgo as a response to scarcity and pointed out that it develops positive traits of friendship and mutual assistance. On the one hand, the ideology of friendship and unselfish assistance is viewed as positive and worth preserving at any cost. On the other hand, it is recognised that compadrazgo is unfair to others, and perhaps to society as a whole. Thus the ambivalence of attitudes appears to be grounded in conflict between the ideology of class solidarity grounded in friendship and reciprocity, and the liberal ideology of free enterprise and advancement on merit.

1.5 Pituto (Chile)
Dana Brablec Sklenar
University of Cambridge, UK

In Chile, pituto relates to a common practice based on an influential relationship with someone, used to gain some advantage (commonly a job), regardless of merit. Pituto describes a comparative advantage that someone has, based only on their network’s connections or those of their inner circle. According to Bazoret (2006), social capital is of utmost importance in the practice of pituto, as it helps to generate access to a large, informal network of services. This allows someone to activate different connections according to the obstacles they face, such as bureaucratic red tape and the inefficiency of the labour market. In consequence, in Chile there is a collective consciousness of the importance of cultivating friendships since childhood, especially those that represent a comparative advantage to one’s real social and economic position. Thus one enters adulthood with a wide and diverse network to appeal to in times of need. Consequently, pituto is a common, well-established informal practice within Chilean
society. We can observe that *pituto* is closely related to, but not limited by, the concepts of nepotism and cronyism. Bazoret suggests that *pituto* can be understood as: ‘a form of social regulation that entails a constant and systematic exchange of assistance, help and support between relatives, friends and acquaintances. It is capitalised as a symbolic debt, which generates a significant and mandatory reciprocity’ (Bazoret 2006).

Examples of the practice of *pituto* include obtaining an exemption from any kind of payment, getting a job without having competed for it, an enrolment in any setting without having applied for it, and superior or priority treatment in a public service of any kind, clearly differentiated from that received by ‘ordinary’ people. This meaning of the word *pituto* has not yet been incorporated into the *Real Dictionary of the Spanish Language* (RAE), although a related verb, *apitutar* (which effectively means providing a job by influence) is included. There is a second meaning of the noun *pituto*, which is included in the RAE, a similar concept to the English term ‘moonlighting’: ‘casual work, economically convenient, that is carried out simultaneously with a stable job and that has no official contract’ (*Real Diccionario de la Lengua Española* 2014).

There is another Chilean colloquial phrase that describes a similar phenomenon to *pituto*: *tener santos en la corte* (literally ‘to have saints in court’). Rivano Fischer (2010) explains the concept as having influences, resources or contacts in positions of power in order to make a profit or obtain a favour. While the meanings of *tener santos en la corte* and *pituto* are closely related, the main difference between them is that *santos en la corte* refers to having contacts of the highest hierarchical importance. *Pituto*, however, does not necessarily involve someone in a position of power, but simply a contact that a person is able to appeal to for help if necessary. *Pituto* is therefore a broader concept than *tener santos en la corte*.

Moreover, from the word *pituto* derives the concept of *apitutado* (adj/n). Chile Transparente (2009), the Chilean chapter of Transparency International, describes an *apitutado* as:

> a Chilean character who is the son, parent, cousin or friend of a person who holds a position of power in any public or private institution, who typically has no education, merit or sufficient preparation to do some work, but remains in that position with benefits that others usually do not have because of his kinship or friendship with the person in power.

Other derivatives of *apitutado* can be found in traditional Chilean slang: (1) *apitutar* (verb), which gives the idea of ‘providing someone
with a job or other benefit by influence’; and (2) apitutarse or in other words ‘to get a job through the influence of a third party with whom there is a close link’ (Academia Chilena de la Lengua 2010).

It has been argued that Chile still suffers dysfunction in terms of its development, its modern, strong capitalist economy coexisting with a social organisation belonging to the rural economy that favours some kinds of patronage and more widely pituto (Cleary 2009). The institutionalised practice of pituto conflicts with meritocracy or the selection process based on the merits that a person may have. This situation clearly represents a threat to open and clean public and private procedures. While the levels of corruption in Chile are lower than those found in its Latin American counterparts (Transparency International 2014), it is still possible to observe such deeply rooted practices throughout Chilean society. Practices like pituto have a negative impact on the levels of transparency and integrity in the country, affecting not only the quality of democracy but also society’s confidence in its public institutions. As a logical consequence of this situation, there is a general distrust of recruitment processes – which are often thought to be based on pituto despite the efforts of the Chilean state to make them more transparent. The state has introduced a number of measures to prevent and disincentivise pituto in the public sphere. These include the creation of the Consejo de la Alta Dirección Pública (Council of High Public Administration) in 2003; the enactment of the Ley de Transparencia y Acceso a la Información Pública (Law of Transparency and Access to Public Information) in 2008; and the creation of the Consejo de Auditoría Interna General de Gobierno (Council of General Internal Audit of Government) in 1997 (amended in 2005). Nevertheless, the practice of pituto remains deeply institutionalised in the behaviour of the Chilean population.

1.6 Štela (Bosnia and Herzegovina)
Carna Brković
Graduate School of East and Southeast European Studies, Germany
and
Karla Koutkova
Central European University, Hungary

Štela is a term used in Bosnia and Herzegovina to refer to people, relations and practices implicated in obtaining public or private resources through a personalised connection. Štela implies either that the official procedure was circumvented, or that there was no official procedure for obtaining the resource in the first place.
The word štela can refer to a person (‘on je bio njena štela’, meaning ‘he was her štela’); a particular act of exchange (‘dobila je posao preko štele’, meaning ‘she got a job through a štela’); or a pervading system of exchange (‘tamo ide sve preko štele’, meaning ‘there, everything runs on štela’). Given the historical legacy of the Austro-Hungarian monarchy which governed Bosnia and Herzegovina in 1878–1918, the word štela may be related to the German verb stellen, meaning ‘to put, place or provide’, as well as to the German noun Stelle, meaning ‘a position or a place’. Veza, meaning ‘a relation’ as well as ‘a connection’, is another term used to refer to the same practice across former Yugoslav countries, including Bosnia and Herzegovina.

Some 95 per cent of people in Bosnia and Herzegovina considered štela to be ‘always’ or ‘occasionally’ necessary for accessing basic services such as employment, education, or health care, according to a United Nations Development Programme (UNDP) report on social capital and ties (Nixon 2009). The report provides quantitative and qualitative data on the overwhelming importance of štela in Bosnia and Herzegovina and suggests that most of the country’s residents understand its implicit ‘terms and conditions’ in contemporary everyday life. Table 1.6.1 shows the responses of 1,600 citizens of Bosnia and Herzegovina to the question ‘When is štela useful?’ – for accessing employment, education, health care, public authorities, and services such as obtaining a visa and other official documents. Quantitative analysis of the data set shows little variance in terms of gender, ethnicity, age or education background of the respondents.

Perceived importance of informal networks in BiH in percentages
Ethnographic research reveals a pattern similar to that presented by the UNDP report (see Bougarel et al. 2007; Grandits 2007; Vettet 2014).

Table 1.6.1 Usefulness of štela for getting …

<table>
<thead>
<tr>
<th>How useful is štela in getting...?</th>
<th>A job into school or university</th>
<th>Health care</th>
<th>Access to authorities</th>
<th>Access to services</th>
<th>A visa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always useful</td>
<td>85.7</td>
<td>80.1</td>
<td>79.4</td>
<td>76.9</td>
<td>75.1</td>
</tr>
<tr>
<td>Sometimes useful</td>
<td>8</td>
<td>10.7</td>
<td>12.8</td>
<td>14.1</td>
<td>14.4</td>
</tr>
<tr>
<td>Occasionally useful</td>
<td>1.2</td>
<td>2.2</td>
<td>2.8</td>
<td>3.1</td>
<td>4.6</td>
</tr>
<tr>
<td>Never useful</td>
<td>1.5</td>
<td>2</td>
<td>1.3</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Don’t know/No answer</td>
<td>3.5</td>
<td>4.9</td>
<td>3.7</td>
<td>4.5</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Namely, residents of Bosnia and Herzegovina of different generations, ethno-national groups, genders or income have used štela to access public and private resources throughout the 2000s and 2010s. This does not mean that identity differences were not important for redistributing access via any given štela, or that anyone could have asked anyone else to be their štela. On the contrary, people usually relied on those they already knew – friends and relatives, acquaintances, former classmates, or work colleagues – to access resources via a štela. Thus, although štela are widely used by all citizens across Bosnia and Herzegovina, they are firmly rooted in people’s existing social worlds, groups and experiences, reproducing existing social differences.

The term štela can refer to a wide spectrum of social relations. Obtaining a resource via a štela may involve a dyadic relationship in which there is one beneficiary and one intermediary, but it may also extend into a chain of connections among unequally positioned persons. It is not unusual for people not to know all the others temporarily connected by the same chain. In a similar manner, štela may refer to obtaining a resource through close relatives and friends, thereby reflecting meanings of kinship, friendship and love. However, it can also refer to temporary connections, forged on the spot among acquaintances, co-workers, or people who got to know one another through a third party.

The exact form each štela takes depends on the person who needs a resource, the contacts available to them, and the kind of resource that is needed. For instance, when people need to obtain an official document or gain access to a certain medical practitioner, they often look for a štela among colleagues, co-workers or friends of friends. However, when they search for employment, especially for permanent positions, the stakes are higher and it is more likely that a štela will be found among close relatives and friends. Therefore, when people look for a štela, they do not follow a culturally well-established set of steps or rules. As with other forms of sociality in Bosnia and Herzegovina, such as komšiluk (meaning ‘neighbourhood’, see Sorabji 2007; Henig 2012) or raja (Šavija-Valha 2013), there is no set number of drinks that has to be shared, or verbal formulas that should be exchanged, in order to obtain something via a štela. Rather, people engage in a calibration of possibilities – they use their existing social connections and relations and adapt their strategies along the way to a resource they need.

The 1992–5 war and the subsequent post-conflict state-building processes brought an influx of foreign humanitarian relief and development aid workers to Bosnia and Herzegovina, including inter alia the
UNHCR, UNDP, IOM, UNICEF, OSCE, and EU Delegation (see Pugh 2005; Helms 2013; Hromadžić 2015). The social dynamics within these organisations brought to the fore the similarities between what the domestic employees understood as štela and what the foreign staff framed as ‘networking’ (Baker 2014). For the ‘internationals’, there seemed to be a clear difference between these two practices, whereby they considered štela to be backward and corrupt. For the local employees, however, the difference between these two practices was marginal. Some of them found ‘networking’ to be a way to reframe and translate the practice of štela into the language of the Westerners. Bosnia-Herzegovinian staff considered some of the practices in the world of the ‘internationals’ to be equivalent to štela, such as the allocation of internships through personal networks as gateways to future employment, or holding ko fol (literally ‘as if’ or ‘fake’) recruitment procedures.

Štela largely provokes dissatisfaction, criticism and a certain sense of shame among people in Bosnia and Herzegovina. Although seemingly everybody uses štela, people often blame others for obtaining resources in this way and express their own powerlessness about it. Using a štela is perceived more as something to be ‘confessed’ than ‘bragged about’. The dominant perception is that there would be no need to obtain resources via a štela if Bosnia and Herzegovina were a ‘normal’ country (see Jansen 2015). That is, if it resembled a state in which jobs, health care, education, and social support were accessible to everybody. Similarly, the 2009 UNDP report indicates that its respondents shared a sense of hopelessness and resignation with the status quo: ‘(Štela) is considered normal … It is as widespread as if it were given by God (…) we cannot do anything about it (female, employed, two children, Sarajevo)’ (Nixon 2009).

When attempts to obtain a resource via a štela turn out to be unsuccessful, people sometimes try to get what they need by offering monetary payments. Most of the respondents to the UNDP report outlined rough financial amounts to be paid should one not find štela brokers among people one knew well. Thus, a monetary payment for a resource easily takes place when it is not possible to obtain the resource through personal relations. Since štela is used to circumvent an official procedure (or compensate for the lack of such a procedure), monetary exchange – despite being conceptually different from štela exchange – is in practice never located too far away from it.

Štela does not usually involve monetary transactions in Bosnia and Herzegovina, but it does create a sense of gratefulness and indebtedness to the people who help. Often, people give a token of gratitude
in return, such as a piece of jewellery, perfume, a painting or flowers. The financial value of such gifts depends on a range of factors, such as income level and whether there was a previously existing relationship with the person who helped. For instance, when family members help one to access a resource, their favour does not necessarily need to be reciprocated in the foreseeable future, because it is already embedded in a long-term relationship of give and take. However, when a štela is established through a third party, there is more of an expectation to reciprocate immediately by ‘rewarding’ the favour giver with a material (or sometimes even financial) gift upon obtaining the desired resource.

As in almost any other form of giving, helping people to obtain a resource via a štela reinforces mutual social obligations. Štela is not just a form of material exchange, but a practice that reproduces existing and creates new social connections between people. When people connected via a štela occupy similar positions of power (and therefore could provide access to similar kinds of resources), this could turn into a long-term cycle of reciprocal exchange. However, štela also often links people in unequal power positions. In such situations, štela usually reproduces existing power arrangements, by confirming that the person in a more powerful position (such as a doctor, a politician, a director of a company or a teacher) is the one who can help others via a štela. The sense of indebtedness and gratefulness for a štela to the more powerful person reconfirms existing inequalities and differences.

In addition to reproducing existing social arrangements, štela can also make new things happen. For instance, štela can contribute to increasing one’s own influence and power (Brković 2017). Some people in Bosnia and Herzegovina, over time, have learnt how to serve as a štela for an ever-increasing number of people, doing so across multiple public and private arenas (see Stubbs 2013). In being able to skilfully help others to access various resources by circumventing the official procedure, they augment their own influence and power.

1.7 Veza (Serbia)
Dragan Stanojevic and Dragana Stokanic
University of Belgrade, Serbia

The term veza (plural veze) literally means ‘connection’, and refers to the use of informal contacts in order to obtain access to opportunities that are not available through formal channels. These opportunities may
include information, services or goods for the benefit of an individual, group or organisation.

Where an individual is concerned, veze may be used instrumentally to serve the purpose of personal consumption, interests or goals; this may include access to services such as medical care, or obtaining formal documents such as a certificate, licence or permit. Veze ties may also be used by public or private organisations in order to secure privileged results. Connections in political, economic and everyday life may serve as a substitute mechanism enabling such organisations to influence other organisations’ decision-making procedures in ways that would not be possible using formal means alone.

A survey of young people (aged 19–35) found that 25 per cent of recent graduates had used their parents’ veze to find a job (Tomanovic, et al 2012). According to the same survey, 24.6 per cent of all those in employment found their jobs by means of their parents’ veze. While graduates are linked to their parents by strong ties, it is weak ties – parents’ contacts to whom the graduates themselves are unlikely to be bound – that are most likely to help them get jobs (Granovetter 1973, 1995).

Etymologically, the word veza derives from cohesion and binding exchange. The term may also refer to regular telephone communication (na vezi sa …) or to an emotional relationship between two people (u vezi sa …). The Dictionary of Serbian Language (Nikolić 2007: 134) gives several meanings, but the closest to this informal practice is ‘mutual relations between people, something that connects them, brings them together: marital ties, friendship, love, cultural affinity, trade connections’. Veza may also mean ‘a close acquaintance, friendship with an influential person’. The term’s connotations may also include intense relations that imply reciprocity and trust between actors based on mutually binding ties or the existence of a guarantor or mediator.

The term veze is often used as a euphemism for using contacts in order to get things done. The expressions used in this context are as follows: ‘I know the man’ (Znam čoveka), ‘See what can be done!’ (Vidi šta može da se uradi), ‘It will be taken care of’ (Biće sređeno) (Stanojevic and Stokanic 2014). Connections may facilitate both legal and illegal activities. In the vernacular, the term is used to embrace a wide spectrum of practices, from such trivial legal activities as passing on information about job vacancies (since for important jobs it is necessary to know the right people) or getting advice on the best doctor, through semi-legal activities such as exercising discretion and favouring a certain candidate at a job interview, to illegal practices such as fixed or unfairly awarded tenders.
is operationalised and used instrumentally (Tomanović and Ignjatović 2004; Tomanović 2008; Cveticanin 2012). Other researchers have focused on the use of connections in the economy (Cvejić 2006; Babović 2009; Stokanić 2009) and politics (Goati 2006; Pavlović 2007; Antonić 2011; Vuletić and Stanojevic 2014; Stanojevic and Stokanić 2014).

In the political sphere, one speaks of političke veze (political connections). Informal political connections have been especially important in the whole period of modern Serbian statehood (nineteenth century onwards), in particular during the monarchy (until 1945). All political parties had kafanas, traditional restaurants or bars, where political strategies and tactics were organised and negotiated (Stojanovic 2012). Although the term političke veze predates the socialist period, its use took on a new importance during that era. The Communist Party controlled the entire social system, and političke veze provided competitive advantages through access to information and state orders requiring party authorisation. Političke veze also reinforced certain individuals’ dependency on and loyalty to the Communist Party system by guaranteed privileges and personal promotion – something that also benefitted their family, friends and associates.

The years following the collapse of socialism, and especially following the overthrow of Slobodan Milošević in 2000, saw the introduction of privatisation and market reforms, and the move to a multi-party political system. Today, veze denotes not only connections to the ruling party, but also enhanced access to public resources through appointments, or the ‘assisted’ winning of state tenders by private firms. The current situation, characterised by a shortage of resources and weak institutions, ensures that the state is a significant player in the field of opportunities. For this reason, political parties fight to secure a monopoly over state resources in order to secure their own political survival. The downside of such monopolisation is a major redistribution of resources by means of informal channels. These channels include promising jobs to (potential) voters whose support could influence a large number of people to vote for the party in question, and guaranteeing private enterprises that they will receive concessions and state orders, even when the latter are supposedly awarded on a competitive basis.

Serbian opinion polls indicate that political engagement is perceived as a social lift. This in turn leads to a high level of membership in political parties. The percentage of party membership in Serbia is among the highest in Europe – 12.2 per cent (World Values Survey Data 2005–8), and it has been at this level since the period of late socialism. Furthermore, there is a high degree of fluctuating membership, whereby
membership rates of individual parties vary significantly according to whether that party is in power (Goati 2006: 134–6). This demonstrates that individuals have instrumental reasons for becoming party members.

A survey of young people in Serbia (Mojić 2012: 103) suggests that informal channels are seen as the most effective routes for social mobility. More than two-thirds of those surveyed said that knowing the right people was crucial, while about half saw political affiliation as key, and only one-third of young people saw education as important.

In the economic sphere, informal contacts are used to avoid state regulation and circumvent the constraints of formal institutions. Likewise, personal connections are used to circumvent formal procedures. Entrepreneurs create safety nets of social networks to secure predictability in the economic sphere. Risks associated with illegal informal activities are avoided by creating personal relations with business partners and consumers. Circles of trust are based on already existing social ties – close neighbours, friends and relatives. Ethnic communities use family and other connections to establish ‘ethnic niches’ in certain sectors. For example, Bosniaks in Sandžak, south-western Serbia, used social networks to organise small firms to produce jeans (Stokanić 2009). By exploiting informal connections, entrepreneurs can secure reliable workers, raw materials, machinery, partners, distributors and consumers. Meanwhile, consumers use informal networks to obtain goods and services in short supply.

Administrative connections are used not only to secure legal rights (obtaining information or administrative permits), but also to bypass legal procedures. Research indicates that administrative access plays a significant role in enabling businesses to function (Cvejić 2016). Serbian families use social networks in order to access vital resources such as health care or the police. In 2008, nearly half of those surveyed said they could rely on the support of at least three people in the case of an emergency (Tomanović 2008). Some 40 per cent could rely on one or two such persons, while only 13 per cent had no individual on whom they could rely. As regards young people, 13 per cent of those surveyed said they used their parents’ contacts to solve administrative problems (Stanojevic 2012).

Serbia’s economic and political elites are tightly intertwined. Informal ties provide members of the elite with financial support, contracts and valuable information. Patron–client relationships connecting political and economic elites facilitate but also impede Serbia’s institutional development, leading to non-transparent and divisive levels of distrust and uncertainty.
1.8 *Vrski* (Macedonia)
Justin Otten
Indiana University, USA

*Vrski* means the use of personal networks, connections and informal contacts to obtain goods and services in Macedonia. *Vrski* in Macedonian can be translated as ‘connections’, and is related to the words *vrška* (connection) and *povrzan* (connected). The term therefore has various meanings and is used in several mostly benign contexts, from the ties between people or things to the government’s Ministry of Transportation (*Ministerstvo za Transport i Vrski*, with ‘vrski’ referring to the logistics relevant to transportation).

As a form of social capital, however, the term is scarcely written about within the country (such as in media) and there is in fact little academic literature on *vrski* in Macedonia. Rather, the term is used colloquially such as when discussing an individual of means, and its informal meaning is widely understood. If asked ‘How does s/he have …?’ the reply will often simply be ‘vrski’ or an explanation of someone’s connections. For *vrski* are the connections one’s family has and as anthropologist Ilká Thiessen (2007) observed, they help individuals not only get a job but ensure that one will not be easily laid off. In fact, Thiessen noted that through *vrski* work may be given to someone who is not only unqualified, but may never perform the expected duties. ‘Who you know’ rather than expertise may thus often be the most important factor in acquiring work. Indeed, Keith Brown wrote of *vrski*: ‘the reported prevalence and importance of *vrski* is at the heart of many Macedonian critiques of how their society operates: *vrski* underpin corruption, nepotism, the black market, and every other obstacle citizens face in negotiating everyday life’ (2006: 74). Use of *vrski* can be both legal and illegal, and beneficial to an individual when successfully transacted, but a hindrance when formal mechanisms for a procedure are disregarded due to a lack of such connections.

While the practice of *vrski* is seen as corrupting, the use of such informal connections is common and many Macedonians will instinctively call upon the contacts of friends and family in order to assure a beneficial outcome. Such situations typically include acquiring work, accessing a public service (such as getting their child into the best school or completing a bureaucratic procedure), or obtaining a particular good. Shared origins are very important in a small nation such as Macedonia and in the capital Skopje, where many inhabitants are only one or two generations removed from their ancestral villages and towns. Therefore, it is common for such regional ties to be discussed and utilised.
Once a connection is made, enacting the use of *vrski* often includes meeting the connection outside in public or just outside of their office (so as to be escorted in and better assisted). The individual soliciting the favour may bring a small gift (e.g. a package of Turkish coffee, chocolates or a bottle of brandy) as a token of appreciation. Occasionally, a bribe (*mito*) is necessary in the transaction, though this is not common for most Macedonians engaged in such informal transactions. Conversation about their connection is important as well, because the closer the connection the greater the likelihood of the service or favour being successfully obtained. In fact, the individual providing the service may feel particularly obliged to lend their assistance if the individual seeking such help has been sent by a particularly important acquaintance (e.g. a mayor, godfather, or someone to whom they are indebted). The practice is thus cyclical, and helps maintain a social fabric and ‘economy of favours’ (Ledeneva 1998) comprised of cooperative, overlapping structured behaviour.

The use of *vrski* has had a negative effect on the provision of state services under the post-socialist restructuring of government and the economy. The state has intentionally exited from providing a number of formerly state-run services by implementing privatisation programmes. Privatisation has taken place due to the pursuit of free market principles, but also, arguably, in order for politicians and their *vrski* to profit privately. Through transferring responsibility to the private sector and ceasing to provide services, the state has opened up opportunities to the owners of private enterprises, who are made aware of these opportunities through their network and connections. Consequently, politicians and their acquaintances have appropriated state capital through the privatisation of its services, from utilities to higher education to agriculture. As an example, when the state’s largest winery was privatised and taken over by an investment holding firm, political figures including the (state-appointed) director of the winery as well as local and national political figures personally profited from the transaction. In particular, the former winery director acquired enough income to build a villa and small winery of his own (Otten 2013).

Another form of corruption induced by *vrski* between the public and private sectors is closely linked to the English-language concept of ‘kickbacks’. If a government agency is looking to contract out a particular service, a bureaucrat may use *vrski* networks to commission a private business that provides such services. However, both the bureaucrat and the business owner will expect personal gain from the engagement and transaction. This seeming corruption is in fact the norm; the value of
vrski combined with self-gain are lamented but expected, and should be factored into budgeting for a public–private partnership. Vrski thus combines with the interaction between public and private sectors to facilitate such kickbacks.

‘Informal’ economic practices have been defined by Hart (2009) as those falling outside of or that are invisible to bureaucratic form. He therefore states that ‘the task is not only to find practical ways of harnessing the complementary potential of bureaucracy and informality, but also to advance thinking about their dialectical movement’. Further, Hart asserts that neoliberal globalisation has expanded the scope of informal activities, so that there must be an examination of the social forms that organise them and their relation to governments, corporations and international agencies. Vrski should therefore provoke concern about the development of what Saskia Sassen (2014) calls ‘predatory formations’: mixes of elites, global networks, laws and government policies, all of which help constitute a ‘brutality’ in the modern global economy and the ‘expulsion’ of mass numbers of individuals from a decent standard of living. Indeed, to return to the case of the former winery director, his gain was a loss to many others in the community, and his villa was one in which he had to essentially hide out due to anger by the wine region’s residents over the winery’s privatisation.

Within the Southeast European region, personal networks are utilised in a comparable manner to Macedonian vrski, and in the neighbouring Slavic-speaking countries the terms are similar: vruzki (връзки) in Bulgaria (see Chavdarova 2013) and veze (везе) in Serbia. All of these practices can involve bribes, gifts and other forms of potential corruption, and are thus seen as unfair practices by those who do not benefit from them to the extent of others. Such favours help create significant privileges for individuals connected to the ruling powers and state apparatus who continue to benefit from the transfers of wealth occurring between it and the connected private firms and their owners.

1.9 Vruzki (Bulgaria)
Tanya Chavdarova
Sofia University, Bulgaria

Vruzki means connections or ties in Bulgarian. The term denotes a set of informal rules for building and maintaining personal commitments and loyalties in a formal environment; these are the rules by which a social exchange of favours takes place (Chavdarova 2013: 186–7). The objects
of vruzki exchanges are the ‘favours of access to goods and services in short supply’ (Ledeneva 1998). Vruzki work to reduce social risk and guarantee privileged access. The phrase zadejstvam vruzki (literally, to activate connections) is similar to the British idiom ‘pulling strings’. It emphasises the active element in vruzki. It is the action-taker, vruzkar (връзкар), who uses vruzki and thus engages in the practice of vruzkarstvo.

Vruzki may be based on long-term relationships that are direct and dyadic (that is, between a pair of individuals), or that are mediated and linked into a chain on a short-term basis. The norms of reciprocity prescribe some delay in reciprocation and some asymmetry in value. Vruzki are guided by the norms and ethics of interpersonal relations in general and of extended family and kinship in particular. The latter are manifested in a much-used colloquial word shurobadjanastina, which points to the nepotistic usage of vruzki in the search for employment or professional promotion. This term consists of two parts, each denoting brothers-in-law: brothers of wives (shurej) and husbands of wives’ sisters (badjanak). Already a tongue-twister, shurobadjanastina is actually a shortened version of zetjo-shuro-badjanakisum, where the add-on zetjo denotes son-in-law. The first use of this term dates to 1880, when the columnist Zahari Stoyanov published a satirical article, ‘Do you know who we are?’ (Stoyanov 1880/2002: 211). According to Stoyanov, vruzkarstvo was set to become an essential institution after the liberation of Bulgaria from Ottoman rule in 1878 and the subsequent unification of the Principality of Bulgaria and the then-Ottoman province of Southern Bulgaria in 1885. In Stoyanov’s words, ‘The Unification had first of all to be accomplished in the triple union: zetjo-shuro-badjanakisma’ (1880/2002: 214).

As an informal institution, vruzki create shared expectations among the parties to the exchange as to how their private roles in personal relationships (family, friends) interweave with their public, socio-professional roles. As a result, two mechanisms emerge through which vruzki function: either the instrumentalisation of personal relationships, or the personalisation of social relationships. The primacy of personal relationships in daily life has long been part of tradition and culture in Bulgarian society, but these relationships are also moulded by institutional factors characteristic of the European periphery, such as deep distrust of public institutions and blurred boundaries between the public and the private spheres (Giordano 2003).

The personal trust that underlies vruzki relationships has a reverse side: distrust of the faceless ‘Other’. In his seminal analysis of daily life in Bulgaria in the first capitalist period (1878–1944), Ivan Hadjiiski
articulated popular wisdom and expectations as follows: ‘Everybody is a crook until proven otherwise’ (emphasis in original); ‘Treat everyone like a crook; the burden of proving otherwise … rests on him/her’ (Hadjiiski 1945/1974: 29). To counterbalance the culture of low impersonal trust, personal trust relationships are introduced into the formal environment. These personal channels help to overcome systemic and societal mistrust by creating overlap between the private and the public spheres. Vruzki may lead to the accumulation of positive social capital, but they may also reveal the detrimental effects of negative social capital, such as exclusion of outsiders, excessive claims on group members, restrictions on individual freedoms and ‘downward levelling norms’ (Portes 1998: 15).

The content and specific manifestations of vruzki depend on concrete historical conditions. During Bulgaria’s socialist period (1946–90) vruzki closely resembled Russian blat, defined as ‘use of personal networks for obtaining goods and services in short supply and for circumventing formal procedures’ (Ledeneva 1998: 1). And while scholars refer to vruzki as the ‘second network’ (Rajchev 1985: 13–36), folklore emphasised their primary importance. As one popular saying had it, ‘Without vruzki, a person can neither be born nor die’ (Benovska-Sabkova 2001: 174).

Bulgaria’s post-1990 transition to a market economy changed the modus operandi of vruzki, as they evolved from an instrument of consumption maximisation into an instrument of utility maximisation (Chavdarova 2013). The logic can be traced back to the way in which vruzki functioned as early as Bulgaria’s first capitalist period (Chavdarova 2001; Benovska-Sabkova 2003) but remains relevant in the post-socialist period, when the indicators of impersonal, or societal, trust hit a new low (ESS 2009). The hardship suffered by ordinary people during Bulgaria’s transition from socialism to the market partly explains why vruzkarstvo has remained so vital. The shortages of goods and services that typified the socialist economy were replaced by shortages of money, jobs and trustworthy partners. Compensating for these deficiencies became a highly significant and widely spread factor in vruzhi exchanges. Recurrent exchanges of favours have shaped expectations and rules of behaviour. The rules implicitly postulate that utility is expected to increase when impersonal relationships become personal (Chavdarova 2014).

The notion of vruzki does not by definition mean violating the established formal procedures, even though everyday usage of the term often carries a negative connotation. Such widely used phrases as ‘doing/obtaining/arranging something in the second way’ indicate that vruzki presuppose taking alternative paths. But using an alternative does
not mean avoiding the formal. Like most informal practices, _vruzki_ fall between clear categories such as legal and illegal (permitted/prohibited by law), or licit and illicit (socially perceived as acceptable/unacceptable) (van Schendel and Abraham 2005). The reciprocal exchange of favours of access might be legal/licit (such as the exchange of professional favours) or illegal/illicit (when social ties are used as, for example, a means of practising corruption, clientelism or nepotism). While legal/licit informal practices imply predominantly symmetrical relations between the counterparts, asymmetrical links prevail in illegal/illicit practices. The latter are usually power relations aimed at the covert redistribution of resources. Thus, although _vruzki_ obey the principle of reciprocity, the term may also have substantial hidden redistribu- 

tional effects at the macro-level and support both profit- and rent-seeking types of behaviour.

The outcomes of the use of _vruzki_ may converge with those aimed at by formal institutions or they may diverge from them (Helmke and Levitsky 2004). On the one hand, _vruzki_ may guarantee contracts, facilitate transactions and reinforce the mechanisms of reputation, thereby supporting the public order. On the other hand, _vruzki_ could overthrow formal mechanisms since they may help create hidden monopolies and uphold unfair competition.

_Vruzki_ are found in all areas of contemporary social life in Bulgaria. Much empirical research – mostly sociological and ethnological – has been done since 1989 on specific aspects or practices related to _vruzki_. There is still, however, a need for more theoretical work that would place _vruzki_ in comparative perspective with _blat_ in Russia, _kombinowanie_ in Poland, _veze_ (אא) in Serbia (see 1.7 in this volume), _meson_ in Greece (Benovska-Sabkova 2001: 227) and _torpil_ in Turkey (Rutz and Balkan 2009: 62; see 6.10 Volume 2).

1.10 **Natsnoboba** (Georgia)
Huseyn Aliyev
Research Center for East European Studies (Forschungsstelle Osteuropa), Germany

The South Caucasian republic of Georgia has been known for the spread and importance of informal practices for centuries (Shelley et al. 2007). Until the late Soviet period, similar to its South and North Caucasian neighbours, the bulk of Georgian informal practices thrived within tightly knit kinship networks, sustained by extended patriarchal families. Such kinship networks in essence resembled those found among clan-based
and tribal societies in other parts of the world, yet were also undermined and transformed by the decades of collectivisation, urbanisation and social reorganisation associated with Sovietisation (Aliyev 2015: 77–8). The gradual retreat of extended traditional families into rural enclaves gave rise to informal networks of connections and acquaintances, which became instrumental in rapidly transforming the social milieus of Georgian urban metropolises. The widespread use of contacts and networks, known as natsnoboba, also transliterated as nacnoboba, became typical.

Natsnoboba translates from Georgian as ‘acquaintances’ and, similarly to Chinese guanxi (‘acquaintances’) or Korean gwangue (Yang 1994; Gold et al. 2002), refers to an extensive individual network of connections and contacts. The use of natsnoboba belongs to a ‘bigger family’ of informal practices – Russian blat (Ledeneva 1998), Arab wasta (Cunningham et al. 1994) and Brazilian jeitinho (Amado and Brasil 1991) – which rely on the instrumental use of connections, friends and acquaintances. Among the most notable regional equivalents of natsnoboba are Azerbaijan’s tanisliq and Armenian tsanot networks, which are similarly based upon loosely knit groups of remotely connected friends and acquaintances. The term natsnoboba has two subtly different meanings in the Georgian language, which means that researchers must analyse any use of the term in context. First, natsnoboba can refer to the strategic use of contacts: one’s informal network of acquaintances and familiar individuals, including colleagues and remote friends, but excluding close friends (the latter are considered part of closer and more intimate megobroba (friendship) groups). However, the word natsnoboba can also be used in a more general sense, to refer simply to one’s acquaintances in the sense of people one happens to know, with no implications of ‘networks’ or ‘useful contacts’. This dual use of the term makes it challenging to determine specific types of informal relations when referred to in the media.

The rise of reciprocal networks of acquaintances is a relatively recent phenomenon, especially when contrasted with kinship or friendship networks, which were at the core of Georgian social relations for centuries. Due to de-traditionalisation and social standardisation processes enforced by Soviet authorities, networks of acquaintances became part of urban life under Soviet rule. As with many other socialist societies, shortages in the Soviet command economy and the pervasive interference of the Communist Party into the private sphere accelerated the spread of informal networks in Georgia. The decline of traditional kinship structures, particularly in urban areas, and the steady appearance of blat-culture both influenced the growth of natsnoboba networks.
Expanding one’s informal contacts beyond the limits of relatively narrow family and kinship groups enabled Georgians to access resources outside of their immediate friendship ties. Given the lack of empirical data on natsnoboba, it is difficult to establish when exactly they became an integral part of Georgian social life. Reliance on networks of connections and acquaintances was best documented in studies of the Georgian informal scene in the late communist period (Mars and Altman 1983). Georgian films of that period (e.g. Mimino 1977, Tbilisi and Her Citizens 1976) also allow us to conclude that the rise of natsnoboba was associated with urbanisation, modernisation and atomisation of Georgian society under ‘developed socialism’.

Natsnoboba became particularly instrumental during the immediate post-communist period, when economic hardships and the weakness of state institutions forced the population to rely extensively on private safety nets. Of these, access to public goods distributed through natsnoboba networks was one of the key assets for every Georgian.

The tough economic environment of the 1990s often necessitated Georgians to maintain complex networks of acquaintances, which could be used in the search for jobs, receiving preferential treatment at state institutions, and other forms of problem solving. With the decline of kinship networks and the gradual shift of Georgian social organisation – particularly in urban settings – towards nuclear family groups, natsnoboba networks function as an essential element of private safety nets. As revealed during fieldwork conducted by the author in the Georgian capital city Tbilisi, natsnoboba networks have largely replaced kinship and extended family structures in their daily significance.

One of the key reasons behind the rise of natsnoboba in contemporary Georgian society, along with urbanisation and modernisation, is the potential of open-ended networks. The use of natsnoboba allows individuals to expand their connections beyond fairly narrow groups defined by kinship or close friends. By developing ‘weak ties’ (Granovetter 1973), natsnoboba contacts enable Georgians to access public goods and services inaccessible through their own networks – the feature essential for the effectiveness of the economy of favours.

A typical natsnoboba network consists of several ‘layers’ of contacts. The core of the network normally comprises an individual’s well-known acquaintances. The next layer is composed of occasional acquaintances, remote neighbours, work colleagues and former classmates. The final layer includes individuals with whom the immediate network-owner may not be personally familiar – they are friends of friends and acquaintances of acquaintances. For some services and
favours, the network-owner may have to deal with a wide range of individuals or a number of links in the chain of contacts in order to achieve the desired goal. Unlike smaller and more intimate friendship groups, natsnoboba extends across several circles of contacts. Although each individual’s list of natsnoboba contacts may include dozens or even hundreds of names, there would be only occasional interaction with most of these people. As one informant from Tbilisi stated to the author, ‘it is very important to maintain these [natsnoboba] networks, even if you are never going to contact most of them’. This means that the accumulation of contacts and expansion of one’s network functions as a form of private safety net, which can be invoked in case of emergencies. Regardless of previous cooperation (or the lack thereof) between the network members, each contact may potentially be expected to provide a favour when asked.

Employing natsnoboba connections almost always generates the need for a reciprocal favour, even if not directly. Sometimes these favours take the form of a gift including monetary gifts (krtami), sometimes they necessitate a return favour. The nature of reciprocity in each natsnoboba relation depends on the proximity between network members and the importance or value of the favour. Although natsnoboba may pave the way for a bribe, the underlying principle of using ‘acquaintances’ is to secure access to public goods or services, which cannot be acquired through a straightforward offer of a bribe. For example, prior to the 2003 Rose Revolution, receiving a land register or extending one’s passport, as well as many other official documents, often required using natsnoboba in order to access officials in state institutions.

The extensive institutional reforms implemented by President Mikheil Saakashvili specifically targeted the use of informal practices, including use of natsnoboba in dealings with formal institutions. Streamlining the workings of state institutions, reducing their centralisation and bureaucracy and simplifying application procedures for acquiring official documents have significantly undermined the importance of natsnoboba in this domain. Numerous informants interviewed by the author in 2013–14 stated that since the mid-2000s neither they nor their family members have employed natsnoboba to receive preferential treatment at state institutions. Nevertheless, natsnoboba continues to play an important role in the educational sphere and search for jobs (Aliyev 2014: 30). For instance, as reported by the Caucasus Barometer (CRRC) survey conducted in 2013, over 30 per cent of respondents indicated that using informal connections remains ‘the most important factor’ in finding a good job. Personal networks are
still widely used as community-based mechanisms of support and coping with hardship in urban areas, where for many Georgians the availability of kinship connections became even more limited in the post-communist period.

1.11 Tanish-bilish (Uzbekistan)
Rano Turaeva
Max Planck Institute for Social Anthropology, Germany

Tanish-bilish is an Uzbek term for networks/contacts used for extracting both material and non-material resources, or just for ‘getting things done’ (ishingni bitirish). Tanish-bilish literally translates as ‘acquaintance-known’, and may thus be considered a form of social capital. Schatz has described tanish-bilish as ‘access networks’, but claims they are often mistaken for clan networks (Schatz 2004: 62). In tanish-bilish networks, families and other forms of kinship play a primary role in terms of affiliation and strength of ties. However, other ties cross cut or overlap within the networks, including sub-ethnicities, regional identity, clan identity, professional belonging and various kinds of friendships (tanish, dost, chin dost). Tanish refers to an acquaintance, dost or jora to a friend and chin dost to a close friend.

Etymologically the term tanish-bilish consists of two full words: tanish (acquaintance), and bilish, which is a gerund form of the verb bilmak and can be translated as ‘getting to know’. It can also be written in unhyphenated form – tanish bilish. Related terms in other Turkic languages include tanish orqilu in Kyrgyz, tanis bilu in Kazakh, daniş biliş in Turkmen, tanysh-bilish in Tatar, and tanypsh-bilish in Kumyk (Alekseev 2011: 1).

The Uzbek Explanatory Dictionary (2007: 664) defines tanish-bilish as, ‘Individual(s) who know each other and have some degree of contact’ (‘Bir-birini tanijdigan va ma’lum jihatdan aloqa munosabati bor shahs(lar)’). It gives the following example of usage: ‘Well, doctor, nowadays whichever institute/university you go to only the children of tanish-bilish pass the entrance’ (‘Endi, dohtir, hozir qaysi institutga borsangiz, tanish-bilishning bolasi kiradi’). The term can also be found in Uzbek sayings, proverbs and songs. The Uzbek proverb Bir ko’rgan – tanish, ikki ko’rgan – bilish can be translated as ‘once seen is tanish, twice seen is bilish’. The meaning is that tanish-bilish can be established having met a person just once or twice. In contemporary Uzbek poetry one can also find such sayings as: ‘one can buy tanish-bilish but not friends’ (‘tanish-bilish sotib olishing mumkin, lekin do’strarni emas’). The Uzbek film
Burilish featured a song called ‘Tanish-bilish’, sung by Ruslan Sharipov and Dilshod Abdullaev, which included the lyric ‘If one has tanish-bilish one can accomplish any task, achieve things and from there on, my friend, you handle it’ (‘Tanish-bilish bular borki bitar har bir yumush, dostum buyogini ozing kelish’).

The term tanish-bilish is used both as a noun to refer to the networks themselves, and as a verb for describing the actions/exchanges involved. As an example of the former, the travel writer Christopher Alexander relates the following comment by a newly made local acquaintance, who offered to help Alexander when he was struggling to find a place to live (2009: 34):

I understand that it is very difficult for you newcomers without tanish bilish here in our country, and yet you are our guests and you have come to help us. I have lots of tanish bilish and I will help you find a house. Come and live in my house until we find somewhere for you to live.

The term tanish-bilish may also be used as a verb for describing how something was achieved, for example, ‘How did your daughter pass the university entrance exams, did you do tanish-bilish or did she enter by herself?’ (‘Qanaqa qilib kirdi okishga qizingiz, tanish-bilish qildingizmi yo ozi kirdimi?’).

There are two important aspects of tanish-bilish networks, which are central to understanding their content and functioning principles. First, there is the hierarchical dimension of social relations. Generational differences often overlap with social status, which is known locally as katta (big) and kichkina (small). Kichkina refers to a person who is generally perceived to occupy a lower social position, and katta a higher one. Particular duties and responsibilities are expected of individuals according to their perceived status within a given community. For instance, younger females of any family are always expected to help and cannot appear in public: if they are guests they stay in either the kitchen or a separate room with the children and other young women. Elderly people are always respected, while young men are expected to earn money and support their families. Both of the terms are relative to the person or community by which the individual is perceived. In one relationship or context a person can be kichkina and in another katta. In both contexts the status of individuals depends on the social relations with others.

Second, there are the dimensions of strength and duration of social relations: superficial/short-term (bardi-galdi/come-go, yuzaki/
superficial, vaqtincha/temporary) and more intensive and long-term (boshqacha, muhim). These are based on various reciprocities: balanced (qaytarish garak), generalised (ot dushi, savab, sadaqa) and negative (paydalanish). In bardi-galdi (short-term) relations mainly two kinds of reciprocities are chiefly involved: qaytarish garak (balanced) and paydalanish (negative reciprocity), whereas in muhim (long-term, important) relations ot dushi, qaytarish garak (balanced) reciprocities predominate (see Sahlins 1972 for studies on reciprocity and exchange). ‘Qaytarish garak’ is literally ‘must be returned’ and could be compared to a balanced reciprocity; ot dushi/from the soul (in other words, ‘with pleasure’) is synonymous to a balanced reciprocity; savab and sadaqa are part of religious almsgiving as an obligation of every Muslim (har bir musulmon burchi). Paydalanish literally means ‘to make use of’ and can be compared to negative reciprocity; it has a negative connotation that resembles free-riding. These different types of reciprocities are important in any kind of exchange but particularly important to distinguish for tanish-bilish networks of exchange. For instance, if one uses the very important type of contacts in one’s tanish-bilish then this would suggest a form of balanced reciprocity.

Tanish-bilish networks usually have a strategic character and are used to extract resources of various kinds while avoiding formal rules as much as possible, as well as to solve problems. They enable informal exchanges that resemble the Soviet practice of blat, inasmuch as exchanges are based on favours of different kinds and not limited to informal payments (‘I scratch your back and you scratch mine’) (Ledeneva 1998, 2006). Blat is described by Ledeneva as an informal exchange within personal and kinship networks, through which both material and non-material capital flow. Sometimes tanish-bilish is translated into Russian as po blatu, for instance in media reports.

One of the strategies used within tanish-bilish exchanges is what can be called the ‘politics of naming’. This strategy involves naming a very influential person or key official within the relevant sphere/field where one needs to ‘get things done’ (ishni bitqazish) as a door opener or a problem solver. A typical example of this strategy is if one gets caught by traffic police in Uzbekistan. The first thing a driver does is demonstratively telephone someone either real and influential, or somebody fake who pretends to be an important person. The second step is to offer the phone to the police officer. If the strategy is successful the driver will be free to go without punishment; if it is not, more phone calls are made and as a last resort a bribe may be negotiated.
Informal networks have long played an important role at all levels of social and economic interactions not only in Uzbekistan but in Central Asia in general (Schatz 2004). Under Soviet rule they were particularly important as the elite was divided into regional clan groups, which played a decisive role in the political development of Uzbekistan. Although the Soviets influenced the social and political make-up of the Central Asian societies, undermining pre-Soviet social structures, they also had to work with those structures to some extent. Clanship together with other kinship and friendship networks played a crucial role in people’s orientations within their professional and social lives, and in Uzbekistan in particular political leadership was designed around clans and regional belonging (Carlisle 1986).

Tanish-bilish networks are strongly based on the principle of patron–client relations. Clientelism governs these networks’ efficiency. Eisenstadt and Roninger (1980: 48, 1984) identified such variables as hierarchy, asymmetry, inequality, autonomy, spirituality, power, kinship and friendship when analysing patronage and clientelism. The patron–client relations they described are the relations of power and asymmetry, which direct the flow of resources and structure societal relations. If the social status of a person who is seeking to use tanish-bilish is lower (kichkina) than that of the person providing the favour, then by definition the latter acts as a patron and the former as a client in this specific transaction. The same client and the same patron can very well exchange their roles depending on the circumstances and also depending on who is providing the service for whom.

Post-Soviet social and economic crises coupled with growing uncertainties about the future have led people to rethink their survival strategies and social navigation through societal and political systems. Trust networks of tanish-bilish served to support the needs of their members and reproduced social relations of patronage and clientelism. Regional groups which formed during Soviet rule (Carlisle 1986) have persisted as the basis of tanish-bilish networks. Since the state legal system and state administration collapsed or became defunct after the collapse of the Soviet Union, alternative (informal) systems of patron–client relations have served as an alternative space for ‘getting things done’ in post-Soviet Central Asia. The networks of tanish-bilish have filled the void left by the state legal system and state administration, to accommodate the basic needs of ordinary people, as well as ‘getting things done’ at the higher level of state administration and politics.
The Chinese word guanxi literally means ‘relationship’ or ‘connection’. It also refers to an important aspect of contemporary Chinese culture: the need to ‘use’ guanxi, or call on personal or social connections to get things done, acquire a scarce commodity, or gain access to an opportunity. In this sense, guanxi is a dyadic social exchange relationship, in which one person helps the other, and in return, the other owes a social debt. Thus, guanxi in practice is like a gift exchange between two persons, in which there is affect or good feelings (renqing), a mutual obligation to help the other, and reciprocity, or the expectation of repayment at a later date. Gifts, favours and banquets are the objects of exchange, and the debt may sometimes be repaid after several years.

When a person is socially adept in the deployment of guanxi, he or she is said to be skilled in guanxixue, which means ‘the study of’ or ‘the art of cultivating guanxi’. While relying on social connections is true of every society, most scholars would agree that this practice is more prevalent and more discursively elaborated in contemporary China than many other places in the world. Certainly, ‘the art of guanxi’ is more important in China than ‘connections’ in modern Western societies, where individualism and self-reliance are emphasised. For these reasons, ‘guanxi studies’ have become a cottage industry in China Studies, generating many academic papers in the fields of anthropology, sociology, business management, political science and history. While the study of informal relations tends to be peripheral in many other academic contexts, in English-language China Studies, guanxi is a recognisable theme, since non-Chinese scholars have seen guanxi as a prominent feature of contemporary Chinese culture.

In contemporary China, guanxi channels are deployed for a myriad of situations and needs: to get a job; to acquire a scarce commodity; to get a child into a good kindergarten or sought-after school; to get into a high-quality hospital; to get official approvals and permits to start up a business; to get a lighter sentence for crime; to avoid penalties for violating the birth control policy; to connect up to electricity, water and gas for new buildings or residences; and so forth. Thus, guanxi are often used to skirt around the cumbersome bureaucracy, or to reach a government official, clerk or person in charge of giving permission or making selections of the recipients of some desirable good or opportunity.
Guanxi practices grow out of the traditional Chinese cultural emphasis on social relationships and the interpersonal ethics of obligation and reciprocity. The Confucian classical texts are filled with discussions of the reciprocal duties and obligations of different social roles and relationships, and the ethics and etiquettes of gift-relations and host–guest relations at rituals and banquets. However, Taiwanese culture stems from the same traditional culture, but guanxi practices there are not as pervasive as in Mainland China. Prior to Taiwanese people re-establishing contacts with Mainland China in the 1990s, the term guanxixue was not used in Taiwan. In my own work (Yang 1994), I have suggested that guanxi in China was produced out of the political-economic structures of Maoist state-socialist society, where the state took charge of all social organisations and human activities, and goods, jobs, housing and life opportunities were all allocated by the state. Guanxi culture was thus born out of the need to get permission from so many gatekeepers, whether state officials or clerks, controlling all social paths and opportunities. It proliferated due to its assuming the burden of replacing the missing market mechanism in the Maoist state-socialist order. It is not surprising that the societies of the former Soviet Bloc also came to rely on blat, a Russian term that refers to an informal exchange quite similar to guanxi (see 1.1 in this volume).

In contemporary Chinese society, most people rely on the help of well-positioned friends, relatives, former classmates, persons from the same hometown, co-workers and other connections to help them get through life. These are long-term relationships that already have built-in obligations for mutual help and reciprocity. If one needs the help of an influential person, but there is no prior relationship, then a new guanxi must be initiated and carefully cultivated. Often the help of guanxi intermediaries are necessary to introduce one to a targeted person who may grant a favour. Once the introduction is made, one needs to cultivate the relationship over some time, with friendly visits or conversation, and gift-giving or a banquet, before a request can be made with decorum. Culturally, there must be a crucial temporal delay in between the gift offering and the request or repayment. The offering of the gift, favour or banquet must be couched in terms of friendship, rather than naked instrumentalism, so that sociality, affect and utility coexist as key components of guanxi. Otherwise, without sociality or affect, the relationship would be considered a simple barter or bribery, which are culturally disparaged.

Although there is a fine line between guanxi and bribery or corruption, most Chinese do distinguish guanxi from bribery. The native distinction is mainly in terms of whether the emphasis is on the personal
relationship or on the exchanged favour or gift. If the relationship has been going on for a respectable length of time and the two people are on good terms, then it seems natural that one friend would want to help the other. However, if there is little or no prior relationship between the requestor and the granter of the favour, and cold hard cash or some costly material good is proffered in exchange for granting the favour, then it would be dubbed an act of bribery. If the gift recipient is currently holding office as an official, the monetary value of the gift is high, and the favour is granted in his or her capacity as a serving official, then this would be a case of official corruption.

Yunxiang Yan (1996) has observed that existing scholarship places too much emphasis on instrumental guanxi, whereas the bulk of Chinese guanxi have more affective resonance and are guided less by instrumental motivations. This is the case in some rural village contexts where the traditional emphasis on harmonious and affective social relations can still be found. However, given that guanxi served many functions of the missing market economy during the Maoist era of state command economy, one can also say that guanxi has become more instrumentalised in China, especially in urban areas. In the post-Mao era, instrumentalism has further increased with the logic of profit, and many rural areas have been penetrated by new market and industrialising forces, and there is mobility of rural people into urban areas. Thus, even rural guanxi have been greatly instrumentalised. When guanxi are instrumentalised, first, the emphasis shifts from the cultivation of affective social bonds to the object of exchange, the gift or favour given or received. Second, the intervening time between the presenting of the gift and the expected repayment is shortened. Thus, highly instrumentalised guanxi move closer to bribery, and this process has become more frequent in post-Mao commercial society, with a resultant increase in bribery and official corruption.

There have been debates about whether the introduction of a market economy and a legal system in the post-Mao era has resulted in a decline in the use of guanxi in China (Gold et al. 2002; Yang 2002). Most scholars agree that there are no signs that guanxi has declined overall and, ironically, its practice may have actually increased in certain domains. Although guanxi is no longer needed to purchase most goods that are now readily available in the stores bulging with consumer products, a vast arena of new needs and desires has opened up that still creates a dependence on one’s guanxi network. Yanjie Bian and others have collected quantitative data in eight Chinese cities to show that in finding employment, the dependence on guanxi has actually increased steadily
in the post-Mao era: from 24 per cent in 1979, to 45 per cent in 2002 and thereafter (Bian 2012: 150–1). Evidently, the new market economy must still adapt itself to the existing political economic structures and culture of China.

In the Maoist era, the most skilful guanxi practitioners were often the ‘supply agents’ (caigouyuan) who worked for state or collective factories, and needed guanxi to acquire raw materials. While this occupation has declined with the development of private enterprises, today’s private entrepreneurs still need guanxi for success in business. They need guanxi with key officials to get business permits, purchase real estate or rent space, waive labour or environmental regulations, get connected to the electricity grid and water sources, arrange transport routes, get passports and exit permits to go abroad, etc. So long as the state in China continues to wield such influence and control in the economy and all domains of life, and state-owned enterprises continue to represent a significant portion of the Chinese economy, there will be a need for gift-giving and guanxi to soften up those officials and clerks so that they may grant favours and opportunities.

Yet economic prosperity and the increasing globalisation of the Chinese economy have indeed brought changes to guanxi culture. The post-Mao increase in instrumentalised guanxi that blurs boundaries between guanxi and bribery has already been mentioned. The second change has been in the nature of the gifts given in return for expected favours. Whereas in the 1980s, it was enough to give cigarettes, alcohol and banquets to officials, now there is gift inflation and the ‘sexualisation of guanxi’. Male entrepreneurs trying to cultivate guanxi with officials will sometimes invite them to enjoy the women working in massage parlours, karaoke nightclubs and brothels. Thus, a variety of women’s sexual services have become the new ‘gifts’ of guanxixue. Tiantian Zheng (2009) and John Osburg (2013) have written about the cementing of masculine bonds between entrepreneurs and officials as they get together to talk business and enjoy women at these establishments. The third change can be found in the increasing transnational dimension of guanxi. Not only Chinese capital and businesses expand across the globe, but also Chinese educational and cultural networks extend overseas, thus enabling Chinese both inside and outside China to gain new opportunities abroad through transnational guanxi networks, which now may even include non-Chinese. Finally, with new social media technologies, personal guanxi networks have found a new medium to activate their members and expand their geographical and social reach. The technical properties of WeChat (weixin), which uses mobile phones to send simultaneous
messages to one’s personal contacts, is uniquely favourable to the personal network form of *guanxi*. Scholars have just started to study the confluence of *guanxi* and WeChat networks, and how these have been increasingly significant for the local mobilisation of public protests and street demonstrations in China.

1.13 **Inmaek/Yonjul** (South Korea)

Sven Horak

The Peter J. Tobin College of Business, St. John’s University, New York, USA

*Inmaek* means ‘people entangled like vine’ in Korean (Yee 2015: 38), and refers to a network of social ties and relationships one develops in the course of life (Horak 2014). Although distinctively Korean, *inmaek* ties can be described as equating with and having an identical construct to the much studied Chinese *guanxi* (Yang 1994; Luo 2000; Fan 2002; Ho and Redfern 2010; Lin and Ho 2010; Luo 2011) or *blat* in Russia (see 1.12 and 1.1 in this volume). Although *inmaek* ties can be established purposefully, they can also emerge without any instrumental intentions (Horak 2014). The social connection is conventionally developed between individuals from the same home town or alumni, people who do military service together (a relatively strong tie in Korea), ex-colleagues of a workplace who remain connected, or between people who share a hobby or are members of the same sports club. In contrast to the pillars of *yongo* – family, region and alumni (see *yongo*, 3.5 in this volume), the pillars upon which *inmaek* ties are based are more diverse. These include the notions of affection and loyalty between individuals (Lew 2013), and forging informal personal relationships as an important factor in interpersonal transactions in business, politics and society as a whole (Kim 2008). Ties can be interrelated and develop dynamically, i.e. *inmaek* can serve as a fundament to develop so-called *yonjul* ties. *Yonjul* describes the informal ties between people that are oriented towards a certain goal. The ties of *yonjul* serve as a means to an end and hence *yonjul* is purpose-based. The term *yonjul* can be translated as a ‘relationship’ or ‘connection’ to someone, implied by the *yon*. The syllable *jul* means ‘string’ or ‘rope’ (Horak 2014). As shown in Figure 1.13.1, the bases of *yonjul* ties are diverse and can overlap with *inmaek* ties, although *yonjul* ties may also be established through other direct or indirect connections (Horak 2014: 90).

Compared to *inmaek*, *yonjul* has a rather negative connotation. *Yonjul*-based ties commonly serve morally dubious transactions or
unethical purposes, so that in Korea the term is often used to describe corrupt actions of various forms and types: bribery, cronyism, favouritism, etc. (Kim 2000; Lee 2000; Horak 2016). Yonjul relations are particularistic and exclusive (Kim 2000; Yee 2000a). A typical characteristic has been described as ‘its facilitative function of backdoor rent seeking’ (Lee 2000: 369). Yonjul relationships are regarded as high trust ties extended to single individuals or relatively small communities, which are more amenable to control by peer pressure than larger ones. The rules of reciprocity, commitment and loyalty are pronounced and can be perceived by the individual as more binding than formal rules and regulations, such as corporate codes of conduct. In other words, moral obligations exert greater influence on relationships than formal rules (Lee 2000; Hitt et al. 2002; Park 2004; Horak 2015a). However, in contemporary society, yonjul and its ramifications have been viewed negatively (Yee 2000a, 2000b; Cha 2003; Horak 2015b). It has been criticised as an unfair practice, since in-group membership largely determines social progress for the individual, rather than their competence, skill or merit. In particular, it is criticised for bypassing and weakening formalised laws, rules and regulations, thereby clouding decision-making that is perceived as becoming less predictable. Today, yonjul is largely perceived as the root cause of bribery, cronyism, favouritism, corruption and all sorts of unfair and discriminatory decision-making; hence it is widely perceived as

Figure 1.13.1  Inmaek, yongo, yonjul – interrelatedness and possible tie development.
Source: Horak 2014.
amoral (Kim 2000; Horak 2016). Furthermore it is seen as the major factor blocking societal progress.

In sum, yonjul can be regarded as the dark side of informal social ties, whereas inmaek represents the bright side as it promotes the establishment of positive social capital across society. Nevertheless, what both share is a focus on interpersonal ties that characterise Korean society. Korea is often described as a relational society (Kim 2000; Horak 2015a) in terms of the way in which sociability is entangled with affection or instrumentality. In economic transactions, for instance, personal sentiments are taken into account, thus rational decision-making is seldom detached from personal factors. Solving problems in a business setting, for example, will always include personal ties and consideration of the relationships between the people involved, as they are regarded as an integral part of the solution to a problem. Conventionally a third party may be consulted to act like an intermediary or broker towards conflict resolution.

What is the basis of the affective relationships that distinguish Korean society from Western countries? In the West, the age of Enlightenment promoted a rational fact-based scientific approach to problem solving and, in parallel, Christian ideals supported inclusion and open communities based on the ideals of mercy and charity. In Korea, scholars regard shamanism as the first spiritual belief to have had a deep influence on the Korean mentality (Choe 2007; Seo 2013). Shamanism establishes a transcendental connection between nature and its creatures. According to Hahm (1986: 286), ‘the individual was always considered to be in a partially interlocking or mutually interpenetrating position with other human beings as well as the Material World. The individual was always viewed in the context of his affection network’. Confucian ethical philosophies, later introduced to Korea, are compatible with the shamanistic mindset. Confucianism essentially proposes an order principle that regulates relationships between interconnected people according to family principles, rather than between persons exercising individual rights. In Confucianism, family-like morals are extended to other social relationships in a society, for instance, between business leaders and employees, professors and students, or between friends. To establish community spirit based on family values, an intimate or emotional bond is necessary.

Inmaek establishes an emotional bond between people and emphasises sociability as the essence of humanity. It describes social ties between two or more people in a network, connected either directly, or indirectly through others. A direct connection implies a stronger tie, whereas an indirect connection is considered weaker. A direct connection can easily
be established (and instrumentalised as required) by means of an indirect connection that already exists through informal group membership. Quantitative measuring of the strengths of informal ties is problematic, as such ties may be dormant, invisible or regarded as a highly private subject (Ledeneva 1998). Accordingly, whether inmaek ties can be considered strong becomes an empirical question. However, scholars assume that both contact frequency and duration are important variables in determining the strength of inmaek ties. Furthermore, reciprocal actions are important in the maintenance of inmaek ties. Examples of this include the trading of information that is not publicly available, an exchange of favours, or one of a variety of other unregulated exchanges (Yee 2015). While interpersonal interactions are generally embedded in Confucian ethics, inmaek requires adherence to particularistic ethics in specific contexts. These include loyalty and acceptance of patronage within the principles of the social hierarchy determined by Confucian norms of behaviour. Dyadic and network-based inmaek relationships follow quasi-family ideals that distinguish them from relationships with outsiders. Similar to the divisive principles of yonjul, insiders are viewed as quasi-family members and are treated with benevolence and care, whereas outsiders do not receive special attention. Inmaek implies a moral obligation to the group; more successful members are compelled by peer pressure to help less successful members (Yee 2015). Inmaek is often used with good intentions, for example, to help less fortunate people secure a job or promotion, although this sometimes results in the employment of persons who lack suitable qualifications or skills. In principle inmaek ties can be seen as positive relational capital as they are open to new members, promote the advancement of communities, and feature mutual help and social exchange – thus, inmaek has the potential to promote public good. Conversely, inmaek can become a negative force if it results in communities of small exclusive cliques that support each other for personal gain at a cost to others, acting in opposition to universal codes of conduct.

1.14 Tapş (Azerbaijan)
Leyla Səyfudtinova
University of Eastern Finland, Finland

Tapş is an informal practice of obtaining favours on behalf of others, widely practised in Azerbaijan. While nearly any resource can be obtained through tapş, access to capital, jobs, promotions and grades in the education system are the most common objects of the practice. A typical tapş transaction involves an intermediary (A) who obtains a favour
for the supplicant (B) from a third party (C). A typical example of a tapş transaction in an educational setting would be someone calling his/her acquaintance at the university and asking to help a child of his/her ‘close acquaintance’ pass an examination. The person making the phone call in this case serves as an intermediary between the student asking for the grade and the university professor who can provide the favour.

The word tapş is of Azerbaijani origin and comes from the verb taşırmaq, which means to entrust something or somebody into someone else’s custody, hence the inherently polyadic structure of tapş transactions. The word tapş was also adopted in Bakuvian urban Russian vernacular, and has been widely used colloquially, including the Russified verbal forms of ‘to entrust’ (tapshanut’) or ‘to be entrusted’ (tapshanut’sa), although this use has not been recorded in any dictionaries.

Tapş is similar to a range of other network-based informal practices, such as Soviet blat, Chinese guanxi, Bulgarian vruzki, and Arabic wasta (Cunningham and Sarayrah 1994; Ledeneva 1998, 2008; Hutchings and Weir 2006; Chavdarova 2013). Like blat and vruzki, tapş became widespread under socialism when it served to circumvent the structural constraints (especially conditions of shortage) of the Soviet economy and centralised distribution of resources (Ledeneva 1998: 37). In common with blat, tapş was used to gain private access to public resources; it is also often described in the rhetoric of help and mutual support. These commonalities, as well as the fact that Azerbaijan was integrated in the Soviet centralised system of distribution, have led some scholars to subsume tapş within blat (Aliyev 2013). In this perspective, blat is understood as a generic Soviet practice of which tapş is a specific instance. However, such a view glosses over the differences between the two practices and empties blat of its specificity as a non-hierarchical practice based on symmetrical reciprocity (‘you scratch my back, I’ll scratch yours’).

Tapş differs from blat, its closest analogue, in several significant respects. First is the structure of the exchange transactions. Although blat, as well as vruzki and guanxi, can involve circular chains of favours with many intermediaries, in its most basic form blat is a dyadic transaction between two people, one of whom provides and the other of whom receives a favour. Tapş, on the other hand, is always a polyadic practice. The most basic form of tapş is a triadic transaction, necessarily involving an intermediary. Hence another Russian euphemism for this practice in Baku: poprosit za kogo-to (to ask for someone).

The second important difference between tapş and blat stems from their embeddedness in differently configured social networks. Blat is based on non-hierarchical relationships and presupposes a more
or less symmetrical reciprocity between participants (Ledeneva 1998: 52; Fitzpatrick 1999: 63). In contrast, while some tapş transactions can involve a horizontal connection or two, for example between colleagues or friends, they are usually embedded within the hierarchical patronage networks and involve vertical patron–client ties. Often, the intermediary (i.e. the person who obtains the favour) and the supplicant are in a patron–client relationship; the intermediary and the person providing the favour are also in a vertical patron–client relationship. These patronage networks, commonly, although inaccurately, referred to as ‘clans’, permeate Azerbaijan’s society from top to bottom, and are usually kinship-based (for an analysis of the role of patronage in Azerbaijani politics see Guliyev 2012; for an ethnographic description of how political patronage interacts with kinship networks in rural Azerbaijan see Yalçın-Heckmann 2010). Depending on the status of the person obtaining the favour, tapş can be described as ‘low’ or ‘high’.

The triadic structure of transactions and embeddedness of tapş in patronage networks puts it close to the Middle Eastern practice of wasta. According to Cunningham and Sarayrah (1994), wasta ‘involves a protagonist intervening on behalf of a client to obtain an advantage for the client’ and thus, like tapş, it is as a minimum a triadic transaction that involves an intermediary. Wasta is said to have originated in the practices of mediation between conflicting tribes; although in modern times the use of wasta has become much broader, the networks based on kin remain the primary sphere in which wasta is embedded (Cunningham and Sarayrah 1994; Hutchings and Weir 2006). Similarly, in Azerbaijan, tapş is sustained by the persistent importance of kinship and quasi-kinship networks based on place of origin, often described as ‘clans’ (Guliyev 2011; Aliyev 2013).

Finally, while blat is said to be waning in the post-Soviet period, the practice of tapş remains as strong as ever. In post-Soviet Russia blat is being replaced by monetised, ad-hoc bribery, as opposed to the personalised, long-term relationships of reciprocity that used to sustain it in the Soviet period (Ledeneva 2008). In Azerbaijan, by contrast, the strengthening of patronage networks in the post-Soviet period and the practice of patronage control over distribution of considerable state wealth produced in the oil sector of the economy makes tapş a primary channel for gaining access to the distribution of these resources.

The role of tapş in Azerbaijan’s politics, economy and society is highly ambivalent. Like any other informal practice, tapş reduces the transaction costs of the actors. As a practice based on traditional kinship networks, it is often perceived as a part of cultural tradition, and therefore
a form of resistance to the individualism and alienation that Western-style modernisation brings. It also allows disenfranchised individuals and groups to access some state-controlled resources through intermediaries, bridging otherwise disconnected networks. At the same time, tapş is a particularistic practice that undermines the development of universal norms and generalised trust. Tapş also interacts with other practices from Azerbaijan’s rich repertoire of informality, including various forms of corruption. Although many tapş transaction are ad hoc in nature and involve asking for individual favours in time of need, there can be more permanent arrangements, such as ‘protection’ for entrepreneurs. Known in Russian as krysha (literally ‘roof’) and in Azerbaijani, arxa (literally ‘the back’), it refers to patronage protection by state officials against both legal taxes and the extortion of bribes. While this use of tapş undermines the universalistic logic of market competition, it does enable business activity to take place that would otherwise be impossible in Azerbaijan (Safiyev 2013b). Tapş favours can also sometimes be reciprocated by gifts or informal payments, which links the practice to bribery (hormet, referring to payments made out of gratitude for an action already done, or ruşvet, referring to payments that are offered or demanded for future actions). In other cases, tapş can serve as an alternative to bribery, by providing access to advantage which would otherwise require monetary payment. For example, in Azerbaijan’s highly corrupt educational system having tapş can protect students from extortion of informal payments by instructors and teachers.

The research on informal practices in Azerbaijan is limited, and there have not yet been any significant attempts to conceptualise tapş as a practice specific to Azerbaijani society. This is, however, a common feature of informal practices – scholars often point out that informal practices are insufficiently researched despite their pervasiveness and influence (Ledeneva 1998; Hutchings and Weir 2006). Although there is at present no research focusing on tapş specifically, several studies deal with various aspects of tapş in the more general context of informal practices. A variety of methods have been used for this research, including interviews (Aliyev 2013; Safiyev 2013a, 2013b), ethnography (Lepisto and Kazimzade 2008) and surveys (Hasanov 2009; Aliyev 2013; Sadigov 2013). Ethnographic methods in particular would be useful for understanding the complex structure of tapş transactions and the interaction of vertical and horizontal ties involved in them. However, like other informal practices, tapş is difficult to measure because of its hidden nature and the sensitivity of the issue due to its interlinking with illicit practices and political patronage.
In Kazakhstan, an influential figure with strong personal connections enabling him to achieve objectives in informal ways is called an agashka. This term is formed from the word ‘aga’, the Russianised version of the Kazakh word ‘agha’, meaning an elder male relative such as an older brother or uncle, and the Russian diminutive suffix ‘-shka’. Agashka is in wide currency mostly among Russian-speaking Kazakhs in contemporary Kazakhstan, but not generally used in the Kazakh language. The term is typically associated with a wealthy Kazakh male of middle or old age. However, the most important characteristic of an agashka lies in his ability to use informal connections to circumvent official procedures and to provide favours for his closed circle of family, friends and clients. Thus, the term agashka can be applied to any individual who functions as a patron by using personal contacts with those in official positions, irrespective of age or ethnic background. Its female version tateshka in most cases simply means an elder female relative or elder (middle- or old-aged) woman, but is also a woman with strong connections, or a spouse of an agashka. Agashka’s closest synonym is perhaps the word krysha (‘roof’ or ‘cover’) in Russian.

Agashka, in the usage we observe today, came into common use in the 1990s. While the term is not recorded in dictionaries of the Russian or Kazakh languages, analysts and journalists in Kazakhstan have made some attempts to describe the phenomenon of agashka (sometimes suffixes are added to specify reference to the general phenomenon: agashkizm, agashizm or agashestvo). While precise definitions of agashka vary somewhat among observers, there is agreement that it is an informal status. A typical agashka is a government official with a loyal following of subordinates (whom he helped to get employed), enjoying the use of a high-class official car for private purposes. However, the source of an agashka’s influence is not based on his office per se but rather his personal relationships with those in power, from high-ranking officials in the central government to heads of local administration. Although most agashki hold or have held an official position in the state or an organisation connected to it, their ability to exert influence does not necessarily correspond to the level or sphere of the official post.

The term is a pejorative word and reflects the widespread view of the prevalence of nepotism and clientelism, as well as a critical or self-mocking attitude towards the Kazakhs themselves. A popular saying,
'Bez agashki ty kakashka, a s agashkoi - chelovek' ('You are shit without agashka, and you are a person with agashka') suggests that ordinary citizens in Kazakhstan believe that people must have good connections to live a normal life. The same is suggested by a variant of the phrase, which replaces kakashka with bukashka (a small insect). Indeed, from getting a job and promotion in the government sector or national companies, obtaining or renting housing constructed under state programmes, receiving state-funded medical treatment, to securing credit from the local government or a bank loan, the power of connections and patronage dominates in many key areas of life (Sharipova 2013; McMann 2014). Despite state procedures officially being fair and equitable, in reality decisions are often made informally when state resources are distributed. Success in business largely depends on whether one has a solid and influential patron in official positions or connected to officials. Agashka is key to winning a tender for public works projects or state purchases. In addition, maintaining good relations with law enforcement institutions with the authority to control business (police, customs, prosecutors, etc.) is critically important.

Agashka as an informal institution reflects values and practices rooted in the Kazakh culture. In the traditional Kazakh society, the elders of the kin community bore the responsibility for taking care of its members. Mutual assistance among kin members is not only a socially imposed obligation, but also viewed as distinct characteristics and ethnic markers of the Kazakhs. In such cultural settings, using one’s official position for the sake of family or extended family is often taken for granted. Under the Soviet planned economy, kinship ties with high trust and reciprocal obligation served as a web of networks, providing access to a variety of resources that were difficult to obtain through official channels (Schatz 2004).

In its present form, however, agashka is also the product of the post-Soviet expansion of market relations, which brought changes to the function and nature of informal networks developed under the socialist economy. Following the introduction of market principles in the 1990s, those with financial resources increasingly prefer to invest money in expanding their practical networks beyond the kinship divisions (Rigi 2004). One of the most widespread perceptions with respect to agashka people is that their children have an advantage in getting a national scholarship to study overseas, or seeking a job in the public sector or national companies. Agashka’s network of favours, however, is not limited to family and kinship ties. Here, the simple definition by Kazakhstani political analyst Dosym Satpaev is relevant: ‘Agashka is a person whose connections bring money, and that money brings new connections’ (Caravan
Thus, the major criterion for *agashka* in post-Soviet Kazakhstan is affiliation to certain financial sources, or a group of common material interests in which a variety of ethnicities, clans and regions can be represented (Satpaev 1999; Schatz 2012; Umbetalieva and Satpaev 2012).
1.16 Zalatwianie (Poland)
Paulina Pieprzyca
Transparency International EU Office, Belgium

Zalatwianie (verbal form: to zalatwić something) is a Polish euphemism describing a range of informal behaviours carried out mostly to obtain benefits by avoiding the use of arduous legal activities or formal norms (Słownik Języka Polskiego PWN 2007). In a rough translation, the phrase ‘zalatwić something’ means ‘to get something done’ or ‘to get something done in an easier way’; it is related to the verb ułatwić, which means ‘to do something easier’. The etymology of zalatwić derives from the word łatwy (easy) with the prefix ‘za’, which means that something has been done and/or completed. The word zalatwić has its origins in Slavonic languages, but its final form has only developed in Polish (Słownik Języka Polskiego PWN 2007). Therefore, zalatwianie cannot be directly translated into any other language.

Other meanings of the word zalatwić include the phrase ‘zalatwić someone’, which means to eliminate (kill) or to professionally disable a person, i.e. to thwart their professional aims, such as being promoted. The phrase often appears in Polish criminal films, but also in discussions about murders, when people instead of saying, ‘he killed him’, rather use the phrase ‘on go zalatwił’, which can be translated as ‘he made him that way’ or ‘he made him dead’. In the second case, a person who wishes to zalatwić another can, for example, spread some compromising information about them so they cannot be promoted (a tactic particularly used among politicians) (Słownik Języka Polskiego PWN 2007).

Zalatwianie also has other meanings such as ‘excretion’, and is very often used by schoolchildren, for whom any other word associated with this particular bodily function seems vulgar or inappropriate. It is usual for a school pupil to ask a teacher if they can ‘zalatwić się’, which means ‘zalatwić myself’ or ‘take care of myself’. More generally, in the Polish language the word zalatwić plays the role of a replacement word for uncomfortable phrases such as ‘to corrupt someone’ or ‘to kill someone’. It conveys the sense that the result will be obtained using informal methods, which should not be discussed in detail because of their obvious brutality or unethical nature.

Most frequently people can zalatwić something via other people (relatives, friends, acquaintances) who are in a position that enables them to help provide or enable it. For example, one can zalatwić a medical examination or a priority appointment with a doctor if one knows someone working in a hospital, such as a doctor or doctor’s friend. It is
also possible for some people to **załatwić** something on behalf of others if they are in a position of power. Very often parents try to **załatwić** a first job for their adult children (e.g. just after graduation), exploiting their social networks and position on the labour market. This is still a very common practice in Poland (Tomaszkewicz 2012).

**Załatwianie**, like Russian **blat**, is therefore a kind of social system based on certain relationships among people (Ledeneva 1998). A person with a wide social network and large number of friends has greater scope to **załatwić** than someone with a smaller number of connections. Consequently, more people want to establish relations with such a person as they are perceived as a valuable friend who can **załatwić** a lot (Wedel 2001). However, unlike **blat**, **załatwianie** does not rely solely on the social networks and position within a group of people, but also on an individual’s tacit knowledge of how to get things done: how to approach certain institutions and/or people, and generally how to act in different situations in order to **załatwić** things. Sometimes a person does not even need a specific social network to achieve his/her goals – less than knowing people, it is important to be aware where and how things can be done, and then undertake specific actions (e.g. bribery, blackmailing) in order to obtain goods (Wedel 1986).

The word **załatwianie** became particularly popular in Poland during the communist period, where there was no easy access to goods and society relied on informal practices and networks (Morris and Polese 2013). Some argue that the exclusive nature of **załatwianie** comes from the era of Partitions (1795–1918), during which Poles could only rely on other Poles as they had been surrounded by ‘enemies’ (the authorities of the invading states) (Pacan 2009). It was better therefore to ‘get something done’ within the inner circle than to ask for help from external sources such as the Russian authorities, who would most probably be unhelpful or even worsen the situation.

According to an official report on Poland’s social situation (Czapiński and Panek 2009), the practice of **załatwianie** is still used by the majority of Polish society. It has a negative impact on general societal trust, which contributes to the lack of social integration and difficulty of creating civil society among the Polish population. Czapiński suggests that when an individual wants to **załatwić** something with another person or a group of people, they are all connected by a common secrecy and benefits, but also by a common guilt. In consequence, the trust can only exist within the group, and those outside the circle come to be considered as untrustworthy. The circles that try to **załatwić** things are everywhere and have very much the same objectives and desires. However, such groups will never interact in
order to obtain goods together, but rather stick to their own social groups because of the lack of trust in outsiders (the thinking goes: why would we załatwić it somewhere else when we can do it with ‘our’ people?). To a large degree, therefore, Polish society consists of multitudes of these exclusive informal self-help groups, which does not allow for mutual integration and the increase of general societal trust (Kamiński 1997).

Załatwianie on an individual level is almost always profitable; however, in a wider social context załatwianie, like many other informal practice, sacrifices long-term societal benefits for short-term private returns. Załatwić-ing a job for a friend always implies the rejection of a more suitable candidate; załatwić-ing a deal with a company impedes free market competition. Another negative impact of załatwianie is in reinforcing the conviction within society that the most effective way to get things done is by informal means, while official procedures will probably be a waste of time and inefficient. People therefore often opt to do something through załatwianie in the first instance and, if that fails, fall back on formal methods (although sometimes the order is reversed: when the formal methods fail, people turn to informality). In many cases, people perceive those who try to obtain goods through the formal channels as fools: if they do not know how to załatwić it, they must be either lazy, or not well-connected enough to know someone who can załatwić it for them (or both). There is a phrase in Polish: ‘on nie potrafi niczego załatwić’, ‘on niczego nie załatwi’. This literally translates as ‘he cannot get anything done’, relating to a person who is not effective in his aims; does not know how to approach certain people (or does not know them at all); and/or is too righteous or clumsy to reach his goal using informal methods (Wedel 1992).

Through efficiency improvements in the public sector and the ‘Westernisation’ of Polish society, methods of załatwianie are gradually being replaced by formal and legal practices, especially among the younger generation (Kulesza 2000). Nevertheless, this is part of a lengthy process of ideological transition from Soviet practices to Western norms of formality. The phenomena of nepotism, bribery and cronyism still operate within Polish society and załatwianie is a convenient and widely used umbrella term for them (Tumiłowicz 2009).

1.17 Vitamin B (Germany)
Ina Kubbe
Tel Aviv University, Israel

In Germany, the term Vitamin B is used colloquially to denote the various benefits that flow from cooperation between individuals. ‘B’ in this
context stands for *Beziehungen*, which means relationships, contacts and connections. The term is also used to mean networking or, in its most pronounced form, favouritism. *Vitamin B* may for example be used to refer to an influential personal relationship that enables an individual more easily to get a desirable position in the professional sphere. Such informal relationships may be either private or professional, but they usually originate from social networks that have developed during schooling, internships or studies (student fraternities, university alumni associations), shared hobbies (sports clubs, gyms) or social events (conferences, weddings). These relationships often include family members such as cousins, brothers- and sisters-in-law, and so on.

Just as the vitamin B that is found in food regulates vital parts of our cell metabolism and is essential for human health, *Vitamin B* plays an important role in social life, especially in the work environment. It operates through various channels such as the exchange of useful information (learning about jobs or about other candidates running for office). Practices similar to *Vitamin B* can be found almost everywhere. In Russia, for example, the practice is called *blat* and is defined as ‘the use of personal networks for obtaining goods and services in short supply and for circumventing formal procedures’ (Ledeneva 2009: 257). Already in 1651 Thomas Hobbes described the phenomenon in his *Leviathan*: ‘To have friends, is Power’ (Hobbes 1909: 66) or, as the blogger Danny Ferguson put it, ‘It’s not what you don’t know; it’s who your college roommate knows’ (Nadler and Schulman 2006).

From an ethical point of view, the use of *Vitamin B* has a potential dark side (Bourdieu 1989; Plümper and Schimmelpfennig 2007; Gurr 2014). It is commonly seen as neither good nor ‘fair’ if someone exploits relationships or contacts to gain informational advantage (Dederichs 1999). Such behaviour is viewed as unethical because one person’s benefits usually come at the expense of others who lack such networks (Lin 2000). At the same time, however, *Vitamin B* can have the opposite effect. When a group of relatively disadvantaged people cluster together, the result may be that all the members of the network suffer socially or economically, for example, from closed recruitment opportunities or unfair pricing agreements (Flap et al. 2000; Spence et al. 2003).

In German, it is common to say that ‘Eine Hand wäscht die andere’ (‘One hand washes the other’), the English equivalent being ‘You scratch my back and I’ll scratch yours’. In everyday speech, it is also common to say ‘Ich habe den Job über Vitamin B bekommen’ (‘I got the job thanks to Vitamin B’). Indeed, a substantial proportion of individuals, in Germany and in many other countries, use network contacts when looking for
employment. A study by McDonald et al. (2012) found that more than half of the Germans studied had used informal contacts in order to secure at least one job; 40 per cent of them had done so even without engaging in an active job search, compared to just 27 per cent of US workers. According to Germany’s Institute for Employment Research (2017), one third of all vacancies that were filled in 2013 were assigned by means of personal contacts; moreover, this trend was rising. Research also shows that the benefits of personal contacts in a job search depend on the size of the institution or company, on an individual’s qualifications and on his or her gender. The largest share of new hires via personal networks are found among German micro-entities. Furthermore, vacancies that are filled by means of Vitamin B tend to be those that require either very high or very low qualification levels. One in three unskilled or low-qualified workers in Germany owes his or her job to friends or relatives. At the same time, Vitamin B is also used to fill highly paid and leading positions; this suggests that, if all the applicants for a particular job are equally well qualified, Vitamin B is likely to provide the leap of faith that will secure the post. Men remain more likely than women to secure an appointment by means of Vitamin B because they usually have better connections (‘old boy network’).

Vitamin B is based on trust and reciprocity (mutual exchange) and the logic of how it works is simple: if Person A and Person B get along well together, there is a high probability that Person C, who is also well connected with Person B, will also get on well with Person A; this will be the case in both private and professional relations. Accordingly, Vitamin B is shorthand for an individual’s social capital, the value of all social networks and the inclinations that arise from them to do and to get things for and from one another.

Social capital has been defined as ‘investment and use of embedded resources in social relations for expected returns’ (Coleman 1988; Lin 2000: 786). It is conceptualised as the quantity and/or quality of resources that an actor is able to access or use through his or her location in a social network (Lin 2000). Following Putnam (2000), who distinguishes between bridging and bonding social capital, Vitamin B refers to bridging social capital and is linked to what network researchers refer to as ‘weak’ ties. These are loose connections between individuals who may provide one another with useful information or new perspectives, but who do not usually provide emotional support. (Bonding social capital, by contrast, is found between individuals in tightly knit, emotionally close relationships, such as family and close friends.) One advantage of weak over strong ties is that the information shared by close-friendship
circles’ members may be very similar and therefore less useful, whereas networks whose members are dispersed and dissimilar are more likely to generate new information.

At times, Vitamin B is seen as a euphemism for corrupt practices, closely linked to favouritism, nepotism, cronyism and patronage, where power is abused in favour of one’s community of friends, family, associates or co-religionists (Nadler and Schulman 2006). It follows that Vitamin B can undercut the transparency, equality, fairness and accountability that should be part of the hiring and contracting practices of responsible companies and institutions. Proponents argue that it is not wrong to hire or appoint someone you already know, as long as they are well qualified. It is, however, often difficult to define the precise point at which the border between the legitimate use of Vitamin B is crossed and favouritism or corruption takes over. Universities and certain other public institutions have adopted procedures that aim to reduce the influence of informal relationships. Members of an appointments committee are, for example, required to declare a conflict of interest and to leave the room when discussion turns to a candidate who is personally known to them. Such practices are as yet rare, however.

1.18 Jinmyaku (Japan)
Sven Horak
The Peter J. Tobin College of Business, St. John’s University, New York, USA

The Japanese term jinmyaku loosely translates as ‘personal connections’. The word jin stands for ‘person’ and myaku translates as ‘vein’, as in a geological vein of mineral deposits. Jinmyaku is of paramount importance in business and politics and is vital in other aspects of life. Members of a jinmyaku network support and help each other in terms of career progression and in making decisions. Having a large jinmyaku network consisting of influential members is said to be ‘a symbol of security and status’ (Erez 1992: 57). Establishing jinmyaku is a lifetime process, which starts early in life at a child’s school. Whereas the Japanese are known to be rather reserved towards people they do not know, an introduction by a third person through jinmyaku can open doors and help in debates or negotiations where rational arguments alone cannot secure an agreement (Mitsubishi Corporation 2011).

In comparison with Westerners, Japanese people in general are considered to be less sociable in terms of establishing social ties through small talk, or in establishing friendships with foreigners, defined here as
persons who belong to a different organisation or community (Nakane 1965; Scarborough 1998). In terms of ascribing trust and sociality, Japanese people tend to distinguish between in- and out-groups. The depth and prioritisation of relationships tend to correlate with their duration, thus long-term relationships are maintained on a preferential basis. This is in direct contrast to the ways in which social ties are formed in the West, where people meet less often and frequently move according to career demands, which requires them to develop new social ties in their new place of residence. Westerners tend to establish affinity to others on the basis of shared traits and interests; the Japanese do so on the basis of shared affiliations, obligations or allegiance. Accordingly, the resulting focus on personal relationships, both formal and informal, means that Japan has often been described as a ‘network society’ (Kumon 1992).

In business, the development of large jinmyaku networks is considered of utmost importance in decision-making, both as an external source of information gathering for the firm, as well as for career progression (Gilbert 2003). Jinmyaku relationships relate to relationships within the company between superiors, peers and subordinates, and also to external relationships with customers, decision makers in other organisations and government officials. Tact and skill are required to develop jinmyaku. Within an organisation, important factors include the duration of membership of the network, loyalty and seniority, as well as the care of subordinates and mentoring. The ability to be sensitive to and adequately relate to a situation is also required. As is common in Japanese organisations, decision-making and problem solving involves a large amount of informal coordination, information exchange, the involvement of various stakeholders and the reconciliation of interests and negotiation before a formal decision is made. The final decision is frequently the official result of what has previously been agreed informally. A trusted jinmyaku network is a precondition for the informal coordination of this process (Suzuki 1989). To complete an important project or task, or to progress in one’s career, job-related skills are important, but a large jinmyaku network is of equal significance. Given both, it is possible to strengthen one’s position as a trusted member of an organisation.

The typical flow of communication in Japanese firms is characterised by a strong top-down attachment, according to corporate hierarchy, which is determined by seniority (Erez 1992: 51). Frequent direct communication with lower ranked employees is encouraged, as is involvement in training activities or employee selection. Top-level managers in
Japan are expected to be approachable. Whereas the decision-making process originates at the top of the hierarchy, the bottom-up approach ensures that each employee is involved, informed and able to contribute to the solution. This ensures consensus among employees and is considered to improve the quality of decision-making. It is usual for middle management to formally trigger a decision-making process by circulating a document to be signed (by stamp) by each manager involved (the so-called ‘ringi system’), to show approval. Simultaneously informal discussions take place to exchange ideas, reach consensus and convince others, with the aim of attaining compromise among the decision makers involved (Erez 1992). Jinmyaku is a precondition for influencing and reaching decisions. In the first instance it is applied internally within a company; however, as private and business spheres are not separate in Japan, jinmyaku is also part of informal meetings outside of the workplace. Interactions include dinner or drinks meetings and weekend sporting activities with colleagues, superiors, suppliers, subcontractors and other external stakeholders. Jinmyaku is important in an external context, as seen in the practice of former retired government officials becoming managers of large businesses, usually at 55–60 years of age. This practice is common in Japan and is known by the term amakudari (天下り – descent from heaven, derived from ama meaning heaven and kudari meaning descending). Through amakudari, the government is able to influence and control decision-making within a company; in return, the company benefits from close ties to the government through the retired bureaucrats (Kevenhörster et al. 2003). This practice has often been associated with corrupt activity as the government-officials-turned-managers help to acquire public contracts, delay inspections and ensure various forms of preferential treatment through their jinmyaku network within the administration (Suzuki 1989; van Wolferen 1993).

1.19 Jaan-pehchaan (India)
Denise Dunlap
The University of Massachusetts Lowell, Manning School of Business, USA

The age-old practice of facilitating business by exchanging favours is referred to in India by the Hindi words jaan-pehchaan. Batjargal (2007) defines jaan-pehchaan as ‘Hindi networks’, while other scholars define it as ‘[getting] something done through somebody you know’ (McCarthy et al. 2012; Puffer et al. 2013). Jaan may be variously translated as ‘life’,


to know’, ‘to be acquainted’, ‘wise’, and ‘intelligent’, while pehchaan may be translated as ‘recognition’ or ‘identity’.

While best known in northern India, jaan-pehchaan is known throughout the country’s 20 officially recognised languages. These include Assamese, Bengali, Dogri, English, Gujarati, Hindi, Kannada, Konkani, Malayalam, Oriya, Punjabi, Tamil, Telugu, Malayalam, Manipuri, Mizo, Urdu and others. Jaan and pehchaan are the most common variants; also common are jan, jān, pahčān, pehechan and pehchan. In 1965, Mohammed Rafi, one of India’s most admired singers, popularised the term throughout India with his song ‘Jaan Pehechaan Ho’. The song begins with the lyrics, ‘Jaan-Pehechaan ho, Jeeana Asaan ho’, which may be translated as ‘If I knew you through contacts, references or know-hows, then life would be easier’. It was featured in the Bollywood film Gumnaam (‘Unknown’ or ‘Anonymous’).

Zhu et al. (2005) examined how Indian businesspeople assess relationship-building in the context of jan pehchan, or ‘right connections’, and found that they prefer the more indirect style of developing connections with ‘the right people for doing business’ (p. 75). McCarthy et al. (2012) reported a dearth of research on how jaan-pehchaan connections are used in business in India. This result was not surprising given the widespread unwritten and oral manner in which personal communications are used in business across India.

To help fill this gap in the scholarly literature, the author conducted a series of interviews from 2009–14, asking over 30 Indian executives employed in India by US and other foreign multinational firms to describe how jaan-pehchaan relationships are used in both business and personal settings. The interviewees described jaan-pehchaan as an umbrella term for social capital used within specific socio-cultural groups and related networks in India. They further noted that the trust developed within jaan-pehchaan relationships can lead to the use of favours to accomplish professional or routine personal tasks, and in worst-case scenarios may spill over into bribery. The interviewees also revealed that using jaan-pehchaan is an accepted way of doing business and that developing nurturing relationships, especially with close acquaintances, through the use of in-group favours, lends a helping hand to those seeking jobs, business loans or contracts.

One interviewee, a 52-year-old Indian working for a US multinational company, offered the following example. He had a particularly important contact working at an Indian company, engaged in a similar kind of industry. Initially, their relations were purely business related. Over time, however, they developed into a family friendship, since the
two men were of approximately the same age and social background. The contact had a son who wanted to enrol in a graduate engineering programme, and approached the interviewee to identify good schools and help secure a place. By contacting his own former classmates who now held academic teaching posts, the interviewee was able to secure a place for the son and satisfy his contact’s request. Once this ‘favour’ was granted, reciprocity was expected. Predictably, this took the form of the contact providing privileged information about how the US multinational might better position itself against local Indian competition. Explaining that such favours are common in India, the interviewee added, ‘This is how the network grows’. He considered such exchanges of favours to be entirely ethical since no law was broken. ‘Neither of us’, he said, ‘subverted the system’. Contrasting favours with bribery, he stressed that ‘Bribery is different because it is an attempt to subvert and break the law’.

These interviews highlight the instrumental role that jaan-pehchaan plays in Indian business relationships. In this respect, and taking account of the high rates of growth occurring in key sectors of India’s economy – agriculture, industry and the service sector – Indian managers are finding themselves in an increasingly open business environment. They are, as a result, having to re-think how best to use jaan-pehchaan to advance their companies’ business interests in future (Zhu et al. 2005). One interviewee commented that until the early 1990s the expectation was that, when jaan-pehchaan was used within the intimacy of sambandhi (close family ties), reciprocity of favours was the expected norm. The same had been true in business. It followed that those who lacked strong personal relationships found it hard to advance either their personal or their business interests. Today, the interviewee noted, following efforts by the state to liberalise the economy, such reciprocity is no longer ‘always’ required or expected. In the past, he implied, jaan-pehchaan played an even more critical role in lessening the opportunity costs borne by millions of Indian citizens who had to navigate around India’s slow, inflexible and bureaucratic rules of government.

It seems unlikely, however, that the importance of jaan-pehchaan connections will decrease substantially, given the collectivistic nature of India’s society. This has developed over centuries and is based on criteria such as caste, gender, language, religion and sect, rural or urban community, philosophy and culture. The caste system, dating back several centuries, served as a system of social stratification in which succeeding generations shared a common history and tradition of responsibility.
integral to their group identity. It centred on the teachings of Hinduism, which in this respect acted less as a religion and more as a way of life. The varna (class, social order) system referred to the four social classes into which society was divided. Each varna – Brahmins (religious leaders and administrators), Kshatriyas (the ruling elite and the military), Vaishyas (farmers, craftsmen and merchants) and Shudras (labourers and servants) – had its own ‘order of life’ which promised, if correctly observed, to enable the individual to break free from the bondage of material life and realise their true spiritual identity. Within each group, members formed links, through either marriage (sambandi) or occupation, whereby they protected and fostered their relationships and businesses. Meanwhile certain groups, known today as Dalits or Harijans, were traditionally regarded as untouchables and excluded from mainstream society altogether.

The varna system continues indirectly to shape business even today. For instance, India’s Tata Group is both a successful multinational conglomerate and a modern example of a successful company that continues to be largely controlled by the Vaishya community of businessmen.

India is not and should not be viewed as a homogeneous country when it comes to developing, fostering and using jaan-pehchaan connections. For instance, there are many in-group bonds across India and each forms well-established networks with norms, based on trust, that offer not only identity but also protection, leading to conscious and unconscious preference giving. A lack of cohesion among these various in-group networks or jaan-pehchaan connections can create serious difficulties for outsiders trying to navigate through this complex system (Schuster 2006). The social capital and trust embedded within these complex connections are multi-layered and cannot be easily replaced by traditional Western business contracts. Not having the ‘right’ jaan-pehchaan connections has been and continues to be a significant handicap for foreign businesses operating in India.

To conclude, all those interviewed by the author confirmed that the practice of developing jaan-pehchaan connections remains essential for successful business and that those without such connections, especially foreign firms, will find themselves at a significant disadvantage. Understanding the nature of these time-honoured relationships and how they work is therefore critically important since the loyalty shared within them can fundamentally influence the ability to achieve personal and professional goals and interests (Schuster 2006; McCarthy et al. 2012; Puffer et al. 2013).
**Aidagara** (Japan)

Yoshimichi Sato
Tohoku University, Japan

*Aidagara* is a Japanese term used generally to mean that a social relationship exists between two persons. However, the meaning of the relationship is actually rather more complex. Hamaguchi’s theory of methodological contextualism helps to explain the difference between *aidagara* and social relations (Hamaguchi 1985). Methodological individualism, according to Hamaguchi, assumes that the boundary of an actor as an individual does not include his or her interaction with another actor. In other words, he or she can exist as a singular entity. When he or she then interacts with another actor they get involved in social relations with the other actor (see Hamaguchi 1985: fig. 2). Hamaguchi argues that methodological individualism cannot capture important characteristics of social relations in Japan and proposes using methodological contextualism instead.

Methodological contextualism, in contrast to methodological individualism, assumes that the boundary of an actor covers his or her relations with another actor (Hamaguchi 1985: fig. 3). Such actors are called contextuals or relational actors in methodological contextualism. Contextuals, in contrast to individuals, cannot exist without their relationship with another actor, because the relationship is a part of his or her self. Furthermore, contextuals do not think that they can fully control their relationship with another actor, while individuals think that their relationship with another actor is in their full control.

This relationship between contextuals is called *aidagara* in the Japanese cultural context. Then the difference between *aidagara* and social relations in methodological individualism becomes clear. A social relation is one between independent individuals, while *aidagara* is a kind of social system in which contextuals interact.

The most important characteristic of *aidagara* is that the Japanese do not think that *aidagara* between them is a result of their intention, because they do not think that they can control it. Rather, they think that it is created by a power beyond them, which they call *en* (Hamaguchi 1985). *En* is thought to be an unobserved power that realises *aidagara* between people. Thus the Japanese use the word to positively interpret their new relationship with another person. For example, two Japanese businesspersons who encounter each other at a business meeting would say, ‘*Koremo nanika no go-en desuraka kongotomo yoroshiku onegaishimasu*’ (*En enabled us to get together, so let’s keep our good relations*).
En is also referred to in wedding ceremonies such as in ‘En ni megumarete kekkon surukotoni narimashita’ (‘Good en made us get married’).

In contract situations, en is also used when a person does not want to maintain associations with another person. A businessperson who wants to sever his or her links with a potential business partner politely would say, ‘Go-en ga nakatta to iukotode’ (‘We should not enter the business, because we do not share en’). He or she implies that ending their association is not because of his or her intention, but because of the lack of en.

Thus aidagara is believed to be the embodiment of en, which the Japanese believe (or pretend to believe) that they cannot control. These characteristics are different from those of similar concepts such as guanxi and social capital. Guanxi is a Chinese word expressing social relationship. It was thought to exist only in China during and after the Cultural Revolution, but Lin (2001) argues that it exists in other countries and at other time periods, implying that it is a general concept. He defines guanxi as follows (Lin 2001: 159): ‘guanxi are enduring, sentimentally based instrumental relations that invoke private transactions of favors and public recognition of asymmetric exchanges’. What is important in this definition is that guanxi is instrumental. For example, if person A wants to conduct business in a city in China, he or she needs to find a person (person B) who has large social networks of locals in the city and needs to establish a relationship with him or her. If person A succeeds in establishing a relationship with person B, he or she may then utilise person B’s networks to conduct business. Person A, in this case, intends to establish a relationship with person B in the expectation of using the relationship as an instrument.

This makes guanxi different from aidagara. The Japanese do not believe that they can intentionally establish aidagara between themselves and another, acknowledging that it is not their personal intention but en that creates aidagara. As mentioned above, they refer to en intentionally only when they want to end their aidagara.

This difference is also found when aidagara is compared with social capital. Social capital is a technical term in social sciences expressing social relations (see Portes (1998) for an excellent review of the concept). Specialists in the study of social capital are roughly divided into two camps when it comes to how social capital is created among people. Some scholars such as Coleman (1988) argue that social capital is a by-product of past interactions among people. For example, suppose that two close friends decide to be business partners and establish a new company. They did not become friends expecting that they would go into
business together at some future time. Becoming good business partners, according to Coleman, is a by-product of their friendship. In contrast, other specialists in the study of social capital, such as Burt (1995), argue that social capital can intentionally be created. Japanese businesspeople, for example, attend ‘business cards exchange’ parties (neishi kokankai in Japanese) to become acquainted with people in other industries, in the expectation of creating new business opportunities. Thus they intentionally try to create social capital. This second group of scholars investigates social capital as a tool with which actors try to realise a goal.

Although they share some common characteristics, aidagara and en differ from social capital in two ways. First, aidagara is not necessarily a by-product of a relationship. As previously mentioned, two businesspersons meeting each other for the first time would believe their aidagara was established thanks to en. Furthermore it is important to note that aidaraga is not intentionally created. These differences make it challenging for outsiders who attempt to interpret relationships between Japanese people through the Western model of social capital, which does not work in the same way in Japanese society.

1.21 **Amici, amigos** (Mediterranean and Latin America)
Christian Giordano
University of Fribourg, Switzerland

Amici and amigos are the Italian and Spanish words for friends, which, in the Mediterranean and Latin America context, may indicate a specifically instrumental use of friendship ties. Friendship is a recurring theme in social sciences and in sociology in particular. Some of the classic sociology authors have often delved into this topic closely connected to the question of basic interpersonal relations and of cohesion and solidarity among human beings. With reference to interest for the sociological as well as anthropological issue of friendship, first and foremost we ought to mention authors such as Ferdinand Tönnies, Georg Simmel, Niklas Luhmann and not least Anthony Giddens, among others. All of these authors, who may be considered experts on this theme, share a decidedly occidental concept of friendship, i.e. that the emotional aspect is the primary characteristic of this relationship between two individuals. In his now classic text *Runaway World* (Giddens 1999: 61), Giddens formulated the hypothesis that sexuality, love, relationships between parents and children as well as those between friends follow the same development models in the globalisation process. In a possibly too optimistic or maximalist way, Giddens underscores that this evolution occurs
‘almost everywhere’ (Bell and Coleman 1999: 1). This would imply that the Occident’s emotional friendship would become a universal phenomenon. Empirical evidence, however, suggests a rather different scenario since in specific societies this type of evolution is not observable or remains rather marginal because instrumental friendship, as defined by American anthropologist Eric J. Wolf with reference to Latin America and Central America in particular (Wolf 1968: 1 ff.), is predominant. In line with Eric J. Wolf, in this entry we will highlight how this type of informal dyadic relationship is very common also in Mediterranean societies, yet present also in specific African societies. Consequently, instrumental friendship cannot be regarded as a sociological exception or a mere ethnographic oddity.

Before concentrating on the characteristics of instrumental friendship, those of emotional friendship need to be considered. In fact, instrumental friendship can only be defined by contrast with the emotional one (Reina 1959: 44 ff.; Wolf 1968: 10). The latter occurs when two individuals exchange intangible reciprocal favours: spiritual, moral, romantic, abstract, sentimental, psychological. Sociologically speaking, emotional friendship arises when two individuals help each other in specific cases in which one of them needs intangible, emotional support in specific situations of tension, stress or pressure from their community (Wolf 1968: 10). Thus, emotional friendship is a form of solidarity preventing someone from feeling alone or neglected. In most cases, an emotional friendship is a private and intimate psychological relationship generally involving only two individuals. Instrumental friendship, instead, is a socially broader phenomenon since it has a more public quality (Wolf 1968: 12).

Instrumental friendship in Mediterranean and Latin American societies is a symmetrical extra-kinship and extra-family relationship. Therefore, it is a dyadic relationship between two individuals with roughly the same social position and the same economic means. There can be no class or social strata difference between friends. Note that these relationships occur primarily among men. Age difference appears to be irrelevant (Magnarella 1975: 168). Far more important, instead, is that there must not be a disproportionate social gap, a great difference in prestige or a conspicuous class disparity between the two partners of the dyadic relationship.

Crucial to instrumental friendship is the symmetry and resulting transactional nature of the relationship. In fact, the important aspect of dyadic friendships, especially in Mediterranean societies, is not so much the mutual moral, spiritual or psychological support. This does not imply
that these forms of mutual favours are missing, but rather that they are secondary. Far more important, in fact, is the symmetrical exchange of the more material opportunities that may arise from intermediations with important contacts and acquaintances in high places and in positions of power. In Mediterranean and Latin American societies, a person experiencing some problem with the administrative justice or state bureaucracy will try to influence the outcome of a legal action or to obtain a favourable ruling by mobilising a close friend who he presumes or is sure has the right friends for the task.

Yet, as previously mentioned, Mediterranean and Latin American instrumental friendships are always transactional because favours rendered must be honoured by corresponding counter-favours. For example, if a person wins a lawsuit or is granted a licence to open a bar or a shop through the good offices of a friend, the latter will ask the former to return the favour, if the need arises, in order to obtain a sought-after public construction contract. Instrumental friendships are characterised precisely by this logic based on the transactional symmetry of favours. In Italy’s Mezzogiorno in particular, it is quite unremarkable and no one tries to conceal the fact that friends with ‘important acquaintances’ are mobilised to better one’s own and one’s family economic position. Neighbours and others in general would be amazed or become suspicious if someone turned down a friend’s practical help on mere moral or sentimental grounds. This type of person might even jeopardise his reputation and consequently be regarded as a fool or, worse still, as someone blatantly honourless. He would be deemed unable to adequately protect his own family’s interests from the treacherous risks posed by his rivals and more in general by the public sphere, i.e. local administration, state bureaucracy and so on.

These observations point up that material and instrumental transactions between friends are in accordance with current social norms and conventions; therefore, society regards them as ‘normal’ and ‘rational’ interactions. To the single actors, friends who utterly reject any instrumental transaction seem ‘abnormal’ and ‘deviant’. In a sense, Western or Euro-American societies appear as a ‘topsy-turvy world’ to Mediterranean and Latin American actors, and certainly not a desirable ideal. Yet, we need to underscore that instrumental friendships have a multiplex character, i.e. they are not based on single, predetermined and unchangeable roles (Boissevain 1974: 30 ff.). The exchange of favours and counter-favours touches many aspects of everyday life; thus, the informal structure of the single roles within a dyadic relationship between instrumental friends is highly differentiated. Ultimately, instrumental friendship must
be regarded as an essential extension of a nuclear family and relatives, and those who do not conform to this type of relationship’s social norms will be censured by their community. The logical outcome in such cases is public ridicule or marginalisation.

At this point, we need to underscore that the term friend, understood as a person of whom one can ask a favour that will then be reciprocated with a comparable favour, has an extremely positive connotation. Indicative of this state of affairs is the Mafioso rhetoric in Sicily in which the term friend of friends (amici degli amici) defines a relationship, not free from mutual instrumental favours, between members of the same Mafia group or even between a boss and his personal political connections. The alleged ritual kiss between Mafia boss Totò Riina and Italy’s former Prime Minister Giulio Andreotti would have corroborated the prosecution’s thesis of their instrumental friendship.

With reference to instrumental friendship, we cannot focus solely on an analysis of this dyadic relationship. The societies we are examining are socially extremely complex and their members are integrated into highly diversified informal coalitions in which other types of interpersonal relationships are observable. These latter along with instrumental friendships broaden and enhance the highly personalised and essential network of a single individual or nuclear family. In this entry, we will focus on two basic types of relationships. The first of these relationships, aside from instrumental friendship, is godfatherhood (Italian comparaggio, Spanish compadrazgo, Greek koumbaria, Balkan kumstvo), i.e. the relationship between godparent and godchild that is particularly significant within the Christian world of Europe’s south and south-east and in all of Latin America. In the Islamic Mediterranean world, where godfatherhood does not exist, functionally similar relationships can be observed.

The second type of interpersonal and dyadic relationship that extends the ties of solidarity and protection beyond the limited context of instrumental friendship is the relationship between patron and client. These two roles may also overlap. The patron often institutionalises his informal role by taking on the role of godfather as well. The comparaggio institution in Calabria has been cornered by powerful politicians linked to the electorally strongest parties and by high-ranking bureaucrats. Politicians try to acquire as many godchildren as possible in order to control the votes of entire families, and to secure extra votes that can win them the election (Piselli 1981: 210 ff.). The crucial feature of these two types of relationships, therefore, is their verticality. This means that both
godfather and patron are acknowledged as individuals on the higher rungs of the social ladder, with more prestige and more opportunities than their godchildren and clients.

In brief, instrumental friends are primarily middlemen who ensure an increase of their partners’ informal social capital (Bourdieu 1980: 2–3). Clearly, the principle of reciprocity applies, i.e. whoever performs a favour will expect an analogous counter-favour, otherwise instrumental friendship can turn into rivalry, if not enmity.

**Conclusion: managing favours in a global economy**

Sheila M. Puffer and Daniel J. McCarthy
D’Amore-McKim School of Business, Northeastern University, USA

A broad view of favours across the globe (as illustrated by the wide array of practices across 19 countries provided in the content of this chapter) raises questions about the relationship between ‘economies of favours’ in post-socialist countries, discussed in the introduction to Chapter 1, and the ubiquitous nature of the exchange of favours in developed countries. The use of personal contacts for getting things done is extraordinarily important in everyday life for citizens of most countries as they seek information or access to institutions such as those in education and health care, and especially, as empirical data suggest, in seeking employment or advancement in one’s career. The phenomenon also features prominently in the conduct of business in emerging or transitional economies, as well as international business and management.

Emphasis on managing favours is important as it is usually managers who effectuate the practice in a global business environment by seeking contracts, as well as licences to operate and various types of permits. ‘Favors span a number of issues such as corporate growth strategies, foreign direct investment, joint ventures and other alliances, multinational headquarters-subsidiary relations, knowledge transfer, human resources management, and business ethics’ (Puffer, McCarthy and Peng 2013: 321). In addition, the use of favours by managers in emerging markets ‘impacts their organizational outcomes of firm growth, legitimacy, and reputation, as well as […] can facilitate or inhibit the international expansion of their firms’ (Puffer, McCarthy, Jaeger and Dunlap 2013: 329). The realities of dealing with various governments and bureaucracies, represented by the entries in this volume, are inherent in the
business arena of developing nations. However, they may also manifest themselves in developed economies, often resulting in lobbying governments, bureaucracies and elected officials, thus generating practices involving paying for favours, yet legalised in those environments.

Although the use of favours is not limited to transition economies, McCarthy et al. contend that it is ‘more deeply ingrained culturally, more frequently employed, and more positively viewed in those environments having formal institutions with relatively weak legitimacy, more so than in developed economies’ (2012: 27, 28). In fact, several management scholars have identified systematic cultural differences between developed and developing countries which have an impact on management practices and firm behaviour (see Jörgensen et al. 1986 in Puffer, McCarthy, Jaeger and Dunlap 2013: 329; Jaeger 1990; Hoskisson et al. 2000; Aycan 2004).

According to von Weltzien Hoivik (2007), outcomes from using favours in developed economies are likely to be less predictable than in emerging economies where cultural traditions generally place more pressure on the grantor of the favour to see that the desired outcome is achieved. For instance, regarding a job reference, the expectation in the US is that the person granted a favour is likely to gain an interview but not necessarily to be hired, while in emerging economies such as Brazil, Russia, India and China, being hired would be expected. Another example would be the permeability of lines between personal and business relationships in China, in contrast to the West, where they are separated by norms and rules regarding conflicts of interest.

Economies of favours can be viewed as part of the informal economies, defined as ‘commercial activities that occur at least partially outside a governing body’s observation, taxation, and regulation’ (AoM call 2012). Although the informal economy is not regulated by societal institutions in the same way as the formal economy, it is not similar to the black market or shadow economies, where practices and transactions are basically instrumental and less defined by social capital and social exchange (Bruton et al. 2012). The importance of sociability is often a fundamental lens for viewing favours, yet insufficient by itself and should be viewed in the context of network theory, transaction cost theory, institutional theory, stakeholder theory, and ethical perspectives around the topics of agency theory and integrative social contracts theory (ISCT).

In fact, the very definition of favours might need a change. We propose to understand favours as ‘an exchange of outcomes between individuals, typically utilising one’s connections, that is based on a
commonly understood cultural tradition, with reciprocity by the receiver typically not being immediate, and where the process and outcomes would not generally be considered bribery within that cultural context’ (McCarthy et al. 2012: 27, 28). A cross-disciplinary outlook is essential in driving this change. For decades, favours fell into the themes of anthropology (Malinowsky 1922; Mauss 1990/1950), sociology (Homans 1958; Blau 1964; Burt 1992; Scott 2008), and economics (Polanyi 1957; North 1990). According to Blau, in contrast to economic exchange, the social exchange of favours ‘entails unspecified obligations’ and ‘involves favors that create diffuse future obligations … and the nature of the return cannot be bargained’ (Blau 1964: 93). This view from an eminent sociologist contains many of the elements of the proposed, more complete, definition of favours. The cross-discipline consensus is that the use of favours is fundamentally anchored in the culture with its social traditions, referred to as an informal cultural-cognitive institution (Scott 2008).

The definitions of favours seek to distinguish them from bribery, but the boundaries between the two are blurred. On the one hand, accepting the culture for favours can lead to bribery: favours may not constitute bribery per se and are generally not illegal in most countries, but they can result in negative consequences for the society, such as creating an uneven playing field for various actors (especially those excluded from the networks within which favours are exchanged). On the other hand, Puffer, McCarthy, Jaeger and Dunlap (2013: 329) note that:

favors may, in fact, be used to avoid paying bribes that carry associated costs and potential penalties. In contrast to favors, bribery involves a payment in money or in kind, with the expectation of something in exchange that requires unethical behaviour on the part of the recipient of the bribe (Luo 2002; Rose-Ackerman 2002), and is considered illegal as well as unethical in most countries.

To place the proposed definition of favours in perspective, favour exchange in China has been categorised as a social norm, while bribery is seen to be a deviation from the social norm (Luo 2002).

Favour exchanges are defined by both culture and the stage of development of a country’s formal institutional system that ‘can lead to different perceptions regarding the ethicality of using favours. In developed economies where agency theory is fundamental to explaining corporate governance and managerial behaviour (Jensen and Meckling 1976),
managers would often consider some transactions involving favors to be unethical’ (McCarthy and Puffer 2008: 13). McCarthy et al. (2012: 4) posit that:

In emerging economies, however, agency theory has far less impact on business and managerial behaviour because strong, legitimate formal institutions are required to effectuate the principles of that theory, and those are generally lacking in those economies. [Thus] the use of favors in such economies is based in the cultural-cognitive institutions that fill the void created by the weak legitimacy of formal institutions in those countries. Individuals thus are often faced with a pervasive bureaucracy due to the communist or colonialist pasts of these countries. Thus we posit that the ethicality of using favors, including those used to achieve business goals, is highly dependent upon the context, particularly the country and its cultural context, and more specifically the communities within that country.

In fact, as McCarthy and Puffer establish (2008: 14–15):

although often claimed to be an amoral theory, agency theory is used in practice by some Western businesspersons to judge the ethicality of corporate governance and other decisions and behaviours. Some critics thus argue that it must be considered in the context of morality: ‘Most agency theorists, despite the denials, make moral claims. Moreover, these moral claims are open to challenge’ (Bowie and Freeman 1992: 21). Those authors conclude that ‘an adequate theory of agency needs assistance from ethical theory’ (Bowie and Freeman 1992: 21).

In contrast to agency theory that is usually based in some form of capitalism in developed economies, the consideration of ISCT may be preferred to judge the ethicality of favours and transactions involving those practices, particularly in undeveloped or developing economies. This is because ISCT takes into account the cultural-cognitive institutions of individual countries based on their historical traditions and values (McCarthy and Puffer 2008: 14–15):

ISCT acknowledges the legitimacy of many local norms, doing so in an inductive fashion by observing behaviours and recognizing underlying cultural values. ISCT recognizes what ‘is’ in the context of a local community as the basis for legitimacy of local norms, provided they are consistent with hypernorms and
the theory’s priority rules, rather than what ‘ought to be’ as the basis for ethical legitimacy. Local norms will generally prevail as the ethical standard if they are ‘consistent norms’ that are more culturally specific, reflecting cultural variations (England 1975), provided they meet the tests of consistency noted above (Carroll 2004; Donaldson and Dunfee 1999; Spicer et al. 2004).

In summary, rather than the more rigid interpretations of the appropriateness, and even ethicality of practices such as favours inherent in agency theory, ISCT provides an appropriate level of flexibility for those behaviours by recognising their cultural-cognitive foundation, but with limitations. Thus this theory is far more appropriate and useful for judging ethicality of practices such as favours in developing economies, and can often be applied with value in developed economies.

The various practices presented in this chapter fall under an overarching umbrella of favours, although the practice in different countries may manifest itself in numerous and varying ways. The definition of favours, differentiated from bribery, has proven to be a useful tool with which to review the entries in this volume and to relate them to the different cultural, legal and institutional environments. While recognising the ubiquitous nature of such practices, we also acknowledge significance of the cultural-cognitive institutions, inclusive of a countries’ historical and cultural traditions and values. Given that developed economies have more stable and legitimate formal institutions, they might be less reliant on such informal institutions as exchange of favours, even as the increasing complexity of modern societies seems to produce an unintended consequence for seeking informal shortcuts.

**Bibliography to Chapter 1**

**Introduction: economies of favours**

Nicolette Makovicky and David Henig


### 1.1 *Blat* (Russia)

Alena Ledeneva


### 1.2 *Jeitinho* (Brazil)

Fernanda de Paiva


1.3 **Sociolismo** (Cuba)
Matthew Cherneski


1.4 **Compadrazgo** (Chile)
Larissa Adler Lomnitz
1.5 Pituto (Chile)
Dana Brablec Sklenar


1.6 Štela (Bosnia and Herzegovina)
Čarna Brković and Karla Koutkova


1.7 Veza (Serbia)
Dragan Stanojevic and Dragana Stokanic


1.8 Vrski (Macedonia)
Justin Otten


1.9 Vruzki (Bulgaria)
Tanya Chavdarova


1.10 Natsnoboba (Georgia)
Huseyn Aliyev


1.11 Tanish-bilish (Uzbekistan)
Rano Turaeva

Alekseev, M. E. 2011. ‘О некоторых общих моментах в словосложения тюркских и дагестанских языков’ (‘About Some Similarities in Word Formation of Turkic and Dagestan Languages’).

Vestnik VEGU 1(51): 88–94.


### 1.12 Guanxi (China)

Mayfair Yang


### 1.13 Inmaek/Yonjul (South Korea)

Sven Horak


1.14 *Tapş (Azerbaijan)*

Leyla Sayfutdinova


**BIBLIOGRAPHY**


1.15 Agashka (Kazakhstan)
Natsuko Oka


1.16 Zalatwianie (Poland)
Paulina Pieprzyca


1.17 Vitamin B (Germany)
Ina Kubbe


1.18 Jinmyaku (Japan)
Sven Horak

1.19 **Jaan-pehchaan (India)**
Denise Dunlap


1.20 **Aidagara (Japan)**
Yoshimichi Sato


**Recommended reading**


1.21 **Amici, amigos (Mediterranean and Latin America)**
Christian Giordano


### Conclusion: managing favours in a global economy

Sheila M. Puffer and Daniel J. McCarthy


---

**BIBLIOGRAPHY**


