

services" (165) seems to suggest a contrast with the state as a coherent actor handling public resources. In reality, however, Central Asian states are far from unitary; there are multiple sources to approach. The actual functioning recalls a kind of franchise system, in which multiple public officials gain licenses to use the state's brand name and its resources to supply the goods and services in their possession, often competing with other branches of the state.

One might also wonder whether McMann's picture really depicts coping strategies and corruption in Central Asia since independence (which seems to be the intention), or whether she essentially offers a more time-specific explanation of the transitional period of Central Asia in the 1990s? The bulk of the data was gathered in the early 2000s, and it is never clearly spelled out how this data may dovetail with the situation more than a decade later. The Uzbek case appears to be the big "elephant in the room." Frequently reported to be one of the most corrupt countries in the world, where the state at the local level has been informalized to the extent that the formal-informal dichotomy very much is elusive,<sup>3</sup> one naturally wonders whether the relatively favorable situation claimed to exist in Uzbekistan remains applicable. In Uzbekistan, the economy did not collapse to the extent seen in the neighboring countries, and the state remained relatively strong and more capable of exerting control and order. Although the inertia of the Soviet-style centralized leadership sheltered the country from the worst shocks of independence, this system appears to have stagnated long ago with increasing resource scarcity as a result. Admittedly, McMann alludes to as much in a footnote (78) but a more careful discussion is necessary to determine whether Uzbekistan really represents a distinct sustainable alternative or if the situation described by McMann already is a thing of the past.

### Corruption à la carte

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Most observers would agree that post-Soviet states have widespread corruption. Although the Soviet-era economic practices of resource allocation have much to do with behavioral norms of falsification, as Timur Kuran illustrated

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3 Johan Rasanayagam, "Informal Economy, Informal State: The Case of Uzbekistan," *International Journal of Sociology and Social Policy*, 21, no. 11–12 (2011): 681–696.

vividly in his book, *Private Truths, Public Lies*, the transition to capitalism did not eradicate moral double standards.<sup>4</sup> Instead, clientelist institutions and corruption deepened further in the newly sovereign states of the former USSR. Why did new market institutions fail to bring more reliable and equitable distribution regimes? If the markets are not at fault, are some societies more predisposed to manipulating and cheating through corrupt practices than others? How are critical economic resources being allocated in environments where there is a high degree of informal dealings and bribery?

Kelly McMann's book, *Corruption as a Last Resort*, provides a sophisticated and well-grounded analysis on the causes and outcomes of petty corruption through a literature survey and empirical findings from Kazakhstan, Kyrgyzstan, and Uzbekistan. Her analysis is enriched with extensive readings on political economy, international relations, and development economics. McMann suggests that corrupt behaviors are neither innate nor are they prized by Central Asian societies. They cannot solely be associated with state practice or opportunistic officialdom, either. Individuals resort to diverse forms of bribery, favoritism and clientelism to survive, given the highly uneven distribution of public goods and market opportunities. Scarcity leads to intense competition among different stakeholders. Corruption is simply a response, as well as a tool, to get ahead of others when such goods and opportunities are limited, and alternative institutions for distribution and allocation do not exist. Thus, petty corruption is dependent on market distortions and poor institutional settings lacking more equitable alternatives.

The first two chapters provide an excellent start as McMann forcefully illustrates that the lack of alternatives is a more fruitful scholarly approach to provide international comparisons and to take into account different institutional variations on markets and governance. The critical effects of market reform on corruption emerge when Central Asia's states are compared with one another. A further analysis on what different "alternatives" would mean and additional comparisons would have deepened the analysis. Another factor that deserves attention is how information asymmetries about access and knowledge have played a role in identifying and capitalizing on alternatives.

McMann presents her evidence on bribery, favoritism, and clientelism from Kazakhstan and Kyrgyzstan in the third chapter. This analysis is based on field interviews and a regional large-scale survey. Her data illustrate that most citizens consider the state primarily as an arena for competition. They seek the assistance of state officials at different levels of administration, especially at

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4 Timur Kuran, *Private Truths, Public Lies: The Social Consequences of Preference Falsification* (Cambridge MA: Harvard University Press, 1995).

the local level. Without market-enhancing institutions, individuals secure favoritism through connections and bribery. Chapter four examines how the weaknesses of market actors and market-enhancing institutions emerge as an unrealized alternative. The two countries went through extensive market liberalization through privatization, deregulation, and broader integration into world markets without having fully established market-enhancing institutions such as well functioning competition laws, regulatory institutions, and financial systems. In this economic context, McMann argues, neither market actors nor governments have been able to produce services and goods to meet everyone's basic needs, so citizens resort to multiple channels of access to obtain them. The contrasting case is Uzbekistan, a non-reformer, where individuals receive basic state provision without competing and, McMann suggests, there is less corruption. Most citizens surveyed see the state as the guarantor of goods and services. This is a highly confusing conclusion that I will address further below.

The following two chapters examine the role of Islamic institutions and secular charities and the uneven effect of market reform on families. These sections provide less rigorous data or fieldwork evidence on the degree of support these institutions provide. The dramatic rise in the number of mosques points out the gradual emergence of a new political and social space that has to be taken seriously in institutional analysis of alternative markets. Business interests get short shrift here. Further analysis on enterprising activities by families would have helped to put corruption in a context of different patronage and exchange regimes and would have enriched McMann's arguments in relation to market players and alternative institutions.

The final section on policy recommendations to reduce corruption rests on the assumption that providing citizens with alternatives to corruption can be an effective anti-corruption strategy. I agree with McMann's dismissal of those who suggest downsizing the state can reduce the amount of resources controlled by officials and thus would cut back corruption opportunities. However, her notion of increasing alternatives rests on implicit assumptions of having a benevolent state, abundant resource endowments (unless captured elsewhere through expansionist policies), and a non-Hobbesian society. On this pessimistic note I turn to more substantive matters.

While recognizing the original contribution of the book on corruption in Central Asia, I would like to highlight a few disagreements I have with McMann's analysis. At the theoretical level, I find seeking a relationship between corruption and marketization and liberalization is problematic. I tend to agree that market liberalization opens wider possibilities for corruption; there is much evidence from China in this respect. However, the analysis can

be more meaningful when corrupt practices are measured in relation to scale, form, and different institutions of clientelism. That is to say, corruption under single-party authoritarian rules, communist regimes, and weak democracies all have different structural patterns and institutional trajectories. Absence of alternatives may only be a conceptual framework for petty corruption, but what are its implications for a broader corruption analysis? Abundance of market provisions may be curtailing other forms of large-scale corruption. For example, how does the absence of alternatives apply to lobbying activities of corporations at government level for policy changes? How about the lucrative procurements grabbed by politically connected firms in mature capitalist economies? Second, corruption analysis in the context of the state and/or a specific geographical unit needs further questioning in relation to allocation and distribution regimes in multiple zones of space and time. The recent special issue of *Central Asian Survey* on “Offshore Central Asia” illustrates that the region’s economic assets and natural resources are increasingly integrated into global value networks.<sup>5</sup> Offshore accounts and money transactions show a complex interplay among multiple actors involving the region’s ruling elites, new business classes, and Western financial and legal institutions across multiple geographical domains.

My final reservation is about the timing and the use of data. McMann argues that Uzbekistan’s continued provision of state goods and services and its citizens’ less severe problems with money and unemployment underscore that market reform reduced government assistance and exacerbated economic challenges in Kazakhstan and Kyrgyzstan. I think this finding does not hold for what many researchers, including myself, have observed in Uzbekistan. My enterprise survey shows very high dissatisfaction levels with all major institutions in the country.<sup>6</sup> One explanation may be that McMann’s data is relatively old and not fully updated to support her claims today. The late 1990s and the early 2000s coincided with a period of relative tranquility in Uzbekistan, when Kazakhstan and Kyrgyzstan were suffering from market transition turbulence. This changed from the mid-2000s. I observed deep stress in the Uzbek economy when I visited the country during that period and subsequently. Falsifications and corrupt practices were everywhere. Many lived on the income brought by seasonal jobs in Russia, Kazakhstan, and elsewhere. Businesses were stifled by oligarchic rule and a Soviet style-banking regime. Kazakhstan, on the other

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5 John Heathershaw and Alexander Cooley, “Offshore Central Asia: An Introduction,” *Central Asian Survey*, 34, no. 1 (2015): 1–10.

6 Gül B. Özcan, *Building States and Markets: Enterprise Development in Central Asia* (London: Palgrave Macmillan, 2010).

hand, looked totally different, more confident, less suspicious and oppressive than Uzbekistan. These diverging economic paths and political choices reflect on starkly different living standards and well-being in the region today.

Despite these critical comments, the book has many good qualities and I recommend it to any scholar of Central Asia, transition economics, and corruption studies.

### Explaining Corruption: Author's Response

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Much of the scholarly work on corruption has attributed the problem to government officials' incentives and capacity as shaped by broad economic, political, and societal influences, such as market reform, lack of democracy, and culture. *Corruption as a Last Resort*, as Igor Logvinenko and Johan Engvall note, shifts the focus to average citizens, the overlooked party in illicit exchanges. Moreover, unlike many other works, this book not only identifies a broad influence – market reform – but also traces the causal mechanisms that link the broad influence to individuals' decisions to engage in corruption. Specifically,

Market reform can undermine the ability of markets, societal groups, and families to provide essential goods and services when two conditions are present: (1) states have previously exerted significant economic control and 2) reforms failed to create institutions to strengthen markets, such as credit registries, judicial systems, and anti-monopoly policies. When market reforms are introduced under these two conditions, market actors and societal groups start from scratch with few resources and limited opportunities to increase them. At the same time, market reform reduces many families' resources: price liberalization results in higher prices that drain families' savings, and economic restructuring closes or downsizes inefficient enterprises that once employed family members. Under this set of circumstances, essential goods and services are not readily available from markets, societal actors, and extended family. Simultaneously, market reform, regardless of the two conditions, eliminates formal government programs, so the state provides fewer needed goods and services. Unable to readily obtain essential goods and services from markets, societal actors, extended family, or formal government