Book Discussion

Johan Engvall, *The State as Investment Market: Kyrgyzstan in Comparative Perspective* (Pittsburgh, PA: University of Pittsburgh Press, 2016)

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A Rich and Enlightening Examination of the Kyrgyzstani State

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Observations and lamentations of the detrimental effects of pervasive corruption in the Central Asian states are a mainstay of the official reports of international organizations such as the World Bank, the International Monetary Fund, and the Organisation for Security and Co-operation in Europe. Undergirding many of these reports is the assumption that if these states could somehow eradicate the scourge of corruption, their economic and political development would be reinvigorated. In this insightful book on the structure of the Kyrgyzstani political system, Johan Engvall convincingly makes the case that these assumptions rest on a fundamental misunderstanding of the nature of post- Soviet Central Asian statehood.

Engvall's systematic exploration of an alternative logic underlying the organization of the post-Soviet Central Asian state produces the richest analysis of Kyrgyzstani statehood yet published. Through inductive analysis based on extensive fieldwork, the author lays bare that corruption is the "lifeblood" of the state in Kyrgyzstan. In comparison with the Western Weberian state, in which public offices are ideally filled on the basis of merit and officeholders are transparently compensated with formal salaries, the Kyrgyzstani state is revealed to be an investment market, in which public offices are licensed in exchange for payment and officeholders are entitled to informal access to rents.

Over the past decade, a number of works on Kyrgyzstani politics have focused on the importance of elite networks forged through personalistic ties. Engvall's work builds on and adds important nuances to this literature. Significantly, he argues that monetary exchanges are at the heart of many of these networks, as agents buy positions in the state. Yet, as he points out, due to the illicit nature of the transaction—and thus the lack of formal sanctioning

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options should one party renege on a deal—access to the investment market is restricted. Personal connections to a seller are often needed to establish the base level of trust required for a deal. At the same time, he uncovers that close personal ties alone are not enough; large payouts are often taken as a sign that a buyer will be loyal to a seller.

The expectation of loyalty is crucial, since the system can be quite lucrative for those involved. Even more importantly, it represents the only game in town. Investors buy access to a network of elites organized in a pyramid structure, with subordinates passing illicit gains upwards after taking a cut themselves. As Engvall points out, however, an investment in an office does not provide long-term job stability; rather, positions are seen as short-term investments with high rates of turnover. As a result of uncertainty regarding the length in time for which one will hold a particular position in the pyramid, investors are incentivized to extract as much rent as feasible while they are still in the position to do so.

Despite the short time horizons associated with investing in public offices, Engvall persuasively argues that the return on this investment is far greater and more secure than the return expected in alternative investment markets or banks. Furthermore, given the insecurity of property rights and the prevalence of street-level corruption, investing in the state is an insurance strategy for those with economic means. Wealthy individuals without a privileged position in the state apparatus may find themselves targeted by rival businessmen with access (p. 79). Through his analysis of these data, Engvall convincingly shows that the theoretical distinction between private economic interest and public state power is not relevant to the Kyrgyzstani setting. Just as importantly, he shows that—contrary to the expectations of scholars working on the neo-patrimonial literature—the state itself is the prize, as it is needed for elites to access, protect, and seize resources.

After developing his analytically rich description of the Kyrgyzstani political system, Engvall turns his attention, in a brief chapter, to an account of why two different Kyrgyzstani presidents have been chased out of office in the recent past (2005 and 2010). He argues that the elite-led uprisings that led to the downfalls of Akaev (in 2005) and Bakiev (in 2010) were predicated on the two presidents' attempts to monopolize access to public offices in or- der to enrich themselves and their families. Elites who were frozen out of the concentrated pyramid therefore had an incentive to collectively mobilize to overthrow the president. It is important to note that these elites' goal was ultimately to reclaim positions within the state in order to access resources, not to disrupt the system itself. This argument is quite plausible for Kyrgyzstan and

complements prior empirical work.1 It may also account for why the investment system persists even after any given president is replaced. However, it is not clear whether this resistance to the monopolization of resources is a result of the investment market system itself or a peculiarity of the specific system in place in Kyrgyzstan. In other words, could an alternative investment market system be constructed that would resist these periodic and disruptive governmental overthrows?

Similarly, why the Kyrgyzstani investment market is built around short-term rentals and not long-term investments is an open question, since the latter equilibrium would presumably also have been a plausible outcome. Of course, it is difficult to explore these alternative dynamics, given that the book is predominantly a single case study. Although it includes some comparisons with other post-Soviet states, particularly Georgia, the author acknowledges in his conclusion that more needs to be done to systematically compare the investment market systems of states in the post-Soviet region and beyond.

Since the book is interested, first and foremost, in examining the market for public offices, it draws most of its data from interviews with public officeholders or those intimately aware of elite dynamics. As a result, its coverage of how the investment market affects non-elite behavior is somewhat limited. Although Engvall does present survey data documenting public perceptions of legal institutions such as the police and courts, how the public perceives and reacts to other state agents and bodies is underexplored. For instance, although vote buying is mentioned (p. 48), it is not made clear how this behavior fits with the concept of the state as investment market. In other words, is vote buying best seen as a side payment for elected officials, or is it an act that transforms constituents into actors within the system? While this may seem somewhat of an esoteric concern, further clarification may illuminate various actors' expectations regarding the distribution of state resources. Along similar lines, although public goods are poorly provided in Kyrgyzstan as a whole, it is surely the case that some are provided better than others in various locations. A closer look at variation in the provision of public goods may reveal information about the constraints on and incentives for actors with different positions within the pyramid system.

Ultimately, this is an excellent book that clearly articulates a novel and convincing way of understanding the Kyrgyzstani state. Scholars interested

1 Eric McGlinchey, *Chaos, Violence, Dynasty: Politics and Islam in Central Asia* (Pittsburgh, pa: University of Pittsburgh Press, 2011); Scott Radnitz, *Weapons of the Wealthy: Predatory Regimes and Elite-Led Protests in Central Asia* (Ithaca, NY: Cornell University Press, 2010).

in state formation in Eurasia and beyond will certainly find it rewarding to engage with the concept of the state as investment market. Furthermore, policymakers concerned with confronting the pervasive corruption of the Central Asian states would be well-advised to read and reflect on Engvall's sobering conclusion that dramatic and sweeping efforts, rather than piecemeal iterative policies, are needed to break down the investment market system.

"Investment Market" as an Alternative to the State Weakness Perspective

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In studies of post-communist politics and state capture, the disintegration of a state's vital functions and the subversive behavior of its agents are often seen as evidence of state weakness. The rise of consolidated authoritarian rule across post-communist Eurasia, however, makes one question the validity of arguments about post-communist state weakness. Despite ineffective law enforcement, stagnant economies, dilapidated infrastructure, and rising social inequality, most post-communist autocratic governments are firmly institutionalized and deeply rooted in their respective societies. Given the conventional conceptualizations of the modern state, it is hard to reconcile the former Soviet states' apparent failure to improve the lives of their citizens with the remarkable stability of their socio-political orders.

Johan Engvall's interpretation of the post-communist Kyrgyz state offers an insightful alternative to the state weakness perspective. Instead of seeing the under-provision of public goods, ineffective law enforcement, and rampant looting of public resources as signs of state failure, he describes these seemingly destructive situations as the core mechanisms of the Kyrgyz state. Corruption, extortion, and misuse of public office ensure the state's dominant position in society and bind together its various institutions and agents.

According to Engvall, the Kyrgyz state organization is an integrated hierarchical system of predatory officials who use their access to state authority and resources to extract rents. The book documents many forms of such rent-seeking, including the sale of public office by higher-ups, selective law enforcement by the police and tax officials, illicit payments to judges for favorable rulings, a state-provided protection racket, and legislative targeting of special interests. The logic of rent extraction holds together the entire state

apparatus, spanning from street-level bureaucrats and police officers to the president and chief justices. Ambitious individuals "invest" money and social capital to secure official positions that provide access to lucrative administrative and political rents.

While no "hard" data can be found for these illicit transactions, anecdotal evidence cited by Engvall points to the market-like features underpinning these informal arrangements. The author contends that because office-buying practices are pervasive and socially acceptable, the Kyrgyz state is best conceptualized as an investment market in which it takes more money to gain appointments to offices with more lucrative rent-seeking opportunities. Without denying the important role of personal connections and primordial identities in facilitating this type of recruitment to officialdom, the book identifies monetary exchange as the core mechanism of gaining access to pecuniary rents. According to Engvall, the practice goes far beyond bribery. Office-buying at- tracts prospective officials because it offers a continuous stream of benefits associated with the abuse of state authority, resources, and legitimacy. At the same time, such a market is imperfect because illicit transactions cannot be effectively enforced. Often, an official needs to make periodic payments to higher-ups in order to remain in office. Moreover, political instability disrupts the stability and allocation efficiency of the system, subjecting public offices to periodic shakedowns.

This conceptualization of the Kyrgyz state as an investment market is supported by empirical evidence, primarily derived from various public sources and personal interviews. The history of elite turnover in Kyrgyzstan makes it possible to uncover and publicize egregious cases of corruption and favoritism in the top political institutions, while the country's pluralistic media and active international institutions make it easier to track evidence of low-level corruption and abuse of office. The author makes good use of qualitative data, as well as quantitative data from secondary sources, to demonstrate that: (1) office-selling is widely and routinely practiced in Kyrgyzstan; (2) the monetary component underpins the system; and (3) officials use various mechanisms for recouping office-buying investments. By analyzing the accounts of office-buying and official turnover that followed periods of power transition, the author was able to address the issue of the system's resilience in the face of anti-corruption initiatives. Paradoxically, he found that elite turnover (which is strongly advocated as an anti-corruption measure) increases the cost of rents because insecure officials try to recoup their investments in a shorter time period.

The book builds convincing and intuitively appealing explanations for two well-studied but much debated outcomes—corruption and economic development. Unlike much of the literature on bribery, which provides separate

logics for different types of corruption, Engvall does not distinguish between high-level political corruption and the everyday petty corruption of street-level officials. According to Engvall, the same logic underpins both. Individuals seek political and public service positions because these positions allow them to extract rents. Low-level officials plunder from the country's population and share the rents with their superiors in order to enjoy immunity and promotions. Top-level political figures not only take bribes and kickbacks from large private corporations in exchange for market access and state protection, but also receive a share of the rents collected by their subordinates. The investment market analogy suggested by Engvall puts an innovative analytical lens on this systemic corruption, bringing its multifarious manifestations in the political and administrative realms to its micro-(individual incentives to recoup investment) and macro-level (hierarchical chain of rent-seeking) common denominators.

The book's contribution to the study of economic outcomes is in elucidating the direct and well-defined causal mechanism linking state governance to economic growth. The high attractiveness of rent-seeking opportunities in the public sector crowds out investment in private enterprise, further exacerbating the post-communist imbalance between the dominant state and the state- dependent private sector.

With its insightful theoretical argument and fascinating, well-informed empirical analysis, the book makes a significant contribution to the growing body of literature focusing on informal social institutions. Departing from recent studies of nepotism, clan politics, and neopatrimonial arrangements, Engvall strongly rejects their tendency to discount the role of formal institutions. In his framework, formal modern state structures and functions underpin informal networks and transactions. The informal institutions that structure the behavior of public officials are secondary to formal state authority. *The State as Investment Market* does not see informal institutions as predating, superseding, or undermining formal state structures. Instead, rationally organized state authority enables informal mechanisms of wielding administrative and political power. When state institutions tightly regulate access to markets and economic resources, formally organized public offices become the ultimate venue for self-enrichment. This sophisticated yet elegant explanation for informal practices of state governance is a welcome addition to the institutionalpolitical economy literature.

While centered on Kyrgyzstan, Engvall's thesis does not offer a country-specific explanation, but rather advances a middle-range theory. The author recognizes that his theory applies beyond the Kyrgyz case and discusses Georgia as an example of the successful dislodging of the investment market state.

Still, the book falls short of exploring cross-national or temporal variations in the central features of the investment market framework and comparatively theorizing about the nature of the state's economic function, its resources, and organizational quality. To what extent is a functioning state a prerequisite for illicit office-buying behavior? Does the origin of the initial investment capital affect investment recouping strategies and the nature of business-state relations? The book's major shortcoming is in missing the opportunity to build a causal theory that would identify the core factors that bring about and sustain investment market states. Although the book refrains from making larger, more general causal claims, the investment market model of the state is an extremely promising analytical framework for future research on the nature of the post-communist state.

The State as Investment Market: Kyrgyzstan in Comparative Perspective

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Corruption is something that Kyrgyzstani citizens see every day, engage in regularly, and complain about continuously. On so mundane a problem, one would think that nothing interesting or new could be said, but *The State as Investment Market* belies that expectation. Johan Engvall has written an honest, bold and interesting book on a subject that is at the same time omnipresent and elusive, all-too-familiar and obscure, extremely practical and theoretically difficult. Questions to the book are bound to arise.

Engvall proposes thinking about corruption—and the informal politics that haunt formal institutions in Kyrgyzstan—from a constitutional perspective: that is, to attempt to understand the problem as one that might be inherent in "how the state is constituted" (p. 5). This is very different from the more obvious approach, whereby the Kyrgyzstani state is considered—on the basis of its constitution—to be the same as any modern state, a perspective that frames such problems as corruption and informal politics as deviations from the underlying model. In Engvall's nuanced approach, corruption is not a problem facing the Kyrgyzstani state, but an essential characteristic of the state.

If so, then the model of the Weberian state—so often taken for granted and considered universally pertinent—should be put to rest and an alternative considered. Engvall briefly discusses two existing alternative models: the

Soviet state and the neopatrimonial state. While these frameworks tell important parts of the story of the Kyrgyzstani state, they are both ultimately found unsatisfactory, and Engvall offers what he argues is a better approach.

With an honesty that could match the proverbial revelation about the emperor's new clothes, Engvall's investment-market model of the state argues very simply that "money is the glue that binds the state together" (p. 26). In this model, the state—that is, the whole range of offices that make up the state—is the sort of good that can provide rich returns if an individual is wise enough to "invest" in it (in other words, buy an office). Indeed, that promise of wealth is the primary reason why a person might be interested in state service at all. The model is elaborated with the explication of four main components: ways of accessing the investment market, reasons for getting into the market, mechanisms for making a living in this market, and why an incumbent order in an investment-market state might become unstable. The presentation and discussion of these four components, each of which receives a dedicated chapter, constitutes the bulk of the book, and the author's empirical research, conducted over several years, is laid out here.

The book's elegantly simple argument for the investment-market model of the state does several important things. First, it makes an important constructive contribution to the emergent body of critique of the modern "Weberian" state. Second, it brings the human being into the center of thinking about the state: institutions and their particular configurations become secondary to the self-seeking, money-driven instincts of would-be public employees. Third, the present model offers a new, demystifying approach to understanding informal politics, and draws a logical and persuasive picture of the continuity between the formal and the informal. Fourth, in doing all the above, Engvall offers a new, clear, and parsimonious way of thinking about the sort of rampant corruption that the case of Kyrgyzstan exemplifies. Each of these is a serious achievement that furthers and broadens our thinking about the state and state-building in developing societies similar to Kyrgyzstan.

While registering all the above achievements of this book, a critical reader would be left with a few lingering questions and doubts, something that is quite natural to academia as a whole.

One concern is whether the investment-market model of the state actually provides as much explanatory insight as the author claims. The elegant and catchy name "investment market" may seem to be nothing more than a euphemism for crass, omnipresent, and self-perpetuating corruption. While both "investment" and "market" suggest particular mechanisms and logics of behavior, the author's presentation of them leaves it somewhat unclear what

real nuance they add. Specifically, what does an "investment market" have that a "market" *per se* does not? After all, in plain language, nearly any purchase we make is an investment—we spend some value in the expectation of receiving greater value for it. A state employee has to actually earn the rents from the "purchased" office; a purchase alone does not automatically entail worthwhile dividends. Hence, the critical event to which the book draws our attention— the purchasing of state office—is not, in and of itself, a complete instance of investment.

On a related note, to say that a traffic police officer who knowingly buys for an exorbitant price a position with a miserable formal salary simply "invested" in a lucrative role does not tell the full story. The full story would be that he avoided more intellectually demanding, sophisticated, risk-prone engagement in the actual market as a businessman and went for a comparatively straightforward, relatively risk-free and quick-return alternative that was potentially more lucrative and required less work than a position with a similar level of risk in the actual market, such as being an employee of a business. In that sense, what Kyrgyzstani state service offers is not another market, but a lucrative, predatory, and arguably easy escape from the hard work of engaging in the real business and market. This aspect of the Kyrgyzstani political economy, addressed tangentially in the book, deserves closer inspection and a more prominent discussion, because a full appreciation of it has implications for fighting corruption and building a more legitimate market.

Another question, related more to methodology, is whether, in proposing the investment-market model as a comprehensive alternative, the author may have fallen into a confirmation bias of his argument. Resting as it does on numerous interviews with three categories of respondents, all about the many aspects and mechanisms of investment transactions over state offices, could the research have confirmed its argument while downplaying or neglecting other factors? For example, in probabilistically explaining why the 2005 and 2010 "color revolutions" took place, the author suggests that they were caused by an over-concentration of rents within a narrow circle of elites. Other possible causal factors, competing or concurrent—such as regional cleavages, reaction against repression, and international influence—are not engaged with in any substantive way.

A third concern is with the political and policy implications of the investment-market model. Relying on the example of Georgia, the author writes that "the pyramid of the state as investment market is not inevitable," but goes on, "[h]owever, to overcome the status quo, some quite dramatic measures seem to be required" (pp. 143–4), echoing Machiavelli's sense of

the near-impossibility of a republic recovering from corruption if it becomes thoroughly corrupt.2 If there is some confirmation bias in how the investment-market model is constructed, there is arguably also an in-built logic of self-enforcement and self-perpetuation of the model in any state. Any potential mitigating or deconstructive factor would have to come from outside the building blocks of the model, but the model does not have any room for exogenous factors. The only possibility for disruption is something like Georgia had: the benevolent and resolute dictatorship of Saakashvili and his party.

Any book, especially one as bold and candid as this, is bound to face doubts and questions. But its worth is not less because of them; in fact, it becomes greater because the book provides the necessary impulse for questions— whether those posed above or others—that may otherwise not have been considered. *The State as Investment Market* is an important work that should be read and taken seriously.

Investing in Rent-seeking: Origins and Implications

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When I first arrived in Kyrgyzstan a dozen years ago, I felt that the predominant transition perspective—democratization—insufficiently captured the essence of the post-Soviet political order, and that state-building needed to be the focal point of analysis. From this loosely specified point of departure, I set out to examine how the Kyrgyzstani state measured up to the ideal conception of the modern Weberian state. At the same time, I listened to officials, experts and ordinary citizens alike lament the problem of corruption. Most of them conveyed a similar message: the primitive, offensive and dysfunctional nature of corrupt practices undermined the functioning of the Kyrgyzstani state.

Gradually, however, I realized that my initial exercise—attempting to comprehend corruption through the prism of Weberian thought—amounted to an exercise as futile as trying to force a "square peg into a round hole." Rather than simply dismissing endemic corruption as a symptom of state weakness or even state failure, it became increasingly clear to me that corruption was integral to the very constitution of statehood in the country. This, in turn, called for some reconceptualization. To make sense of this order, the logic behind it, and its

2 In particular, see Niccolo Machiavellii, *The Discourses*, Book One, Chapters xvii and xviii.

rationale, I argue that the state itself can be understood as a kind of investment market, in which would-be officials buy public offices expecting to make a return on the initial investment.

Against this backdrop, it is highly gratifying to note that all commenters have interpreted the ideas and arguments of the book as I hoped they would. This allows me to proceed straight to addressing at least some of their highly constructive comments.

What is the merit of talking about the state as an investment market? Emil Dzhuraev is not wholly convinced that this particular model adds real value—as opposed to, for example, the general concept of the market or, for that matter, corruption—in understanding the constitution and performance of the state in Kyrgyzstan. A central objective of the study is to find out what motivates and enables people to engage in corrupt practices. The crux of my argument is that the actual financial payment that frequently determines access to lucrative political and administrative posts amounts to something more than simple "bribery." Rather than buying access to a single service or favor, as would be the case with an ordinary bribe, officials invest in access to an income stream associated with a particular office. That said, the descriptor "investment market" should not be understood literally, i.e. as a transparent system with a formalized market price open to anyone from the outside by means of payment. There are obvious differences between investing on the stock market and in the market of public offices. In using the investment market model, my primary aim is to emphasize buyers' motive of turning the purchase into a profit, which to my mind signals something distinct from typical trading in the marketplace.

So who are the people who seek access to the state? While I partly agree with Dzhuraev's observation that public office offers some people an "escape from the hard work of engaging in the real business and market," state service represents something much more significant than a last resort for people without the necessary skills to engage in other arenas. As several scholars have demonstrated, the institutional framework affects not only physical capital accumulation, but also human capital investment and the allocation of talent. Douglass North famously observed that if the incentives of a particular institutional framework make piracy (redistribution) the most profitable eco- nomic opportunity, then we can expect people to invest in acquiring the type of knowledge and skills that enable them to become successful pirates.3 Under conditions of poor market-supporting institutions, the best and the brightest

3 Douglass C. North, *Institutions, Institutional Change and Economic Performance* (New York: Cambridge University Press, 1990), 77–78.

avoid productive activities, including key entrepreneurial and managerial positions. They prefer instead—on highly rational grounds—to turn their attention to jobs that promise opportunities for rent-seeking and redistribution, a trend that has negative effects on overall economic growth and welfare.4 Recent empirical research on the allocation of talent in Russia shows that, on average, the highest-performing students enroll in law programs rather than socially productive disciplines—such as science, engineering and medicine— because an education in law provides the skills and knowledge useful for rent-seeking as well as protection from rent-seeking.5 Needless to say, enrollment in law programs has exploded in Kyrgyzstan since independence, just as it has inRussia and Ukraine.

Brent Hierman and Dzhuraev raise slightly different concerns over my argument that over-concentration of rents increases the likelihood of disruptive governmental overthrows. In addressing these concerns, let me reiterate the caveat that my intent was not to present a full explanation of the complex "revolutions" in 2005 and 2010, respectively, but to demonstrate "that a focus on the changing nature of the access to the state and the distribution of administrative rents helps us assess under which conditions the likelihood for systemic failure increases" (p. 121). Even so, their remarks are highly valid, and in a later work I have tried to add some nuance to this argument by invoking concurrent international influences, as well as discussing how the concentration of rents affects local constituencies.6 First, both Akaev and Bakiev were highly dependent on external economic rents, including foreign aid, strategic alliances, and transnational links to offshore spaces. Thus, changes in international relations had profound repercussions for the country's political trajectory.7 For example, in the build-up to the fall of the Bakiev government, Russia initiated a campaign against the incumbent leadership, including targeting the Kyrgyz economy and instituting a media onslaught exposing the nepotism and corruption of the Kyrgyz leadership. These attacks communicated to a domestic as well as international audience that Moscow no longer perceived the Kyrgyzstani state under Bakiev as legitimate. Second, domestic grievances, particularly at the

4 Kevin M. Murphy, Andrei Shleifer, and Robert W. Vishny, "The Allocation of Talent: Implications for Growth," *The Quarterly Journal of Economics* 106, no. 2 (1991): 503–30.

5 Michael Alexeev, Timur Natkhov, and Leonid Polishchuk, *Institutions and the Allocation of Talent: Evidence from Russian Regions* (unpublished manuscript).

6 Johan Engvall, "License to Seek Rents: 'Corruption' as a Method of Post-Soviet Governance," in *Paradox of Power: The Logics of State Weakness in Eurasia*, ed. John Heathershaw and Edward Schatz (Pittsburgh, pa: University of Pittsburgh Press, 2017), 73–87.

7 Eric McGlinchey, *Chaos, Violence and Dynasty: Politics and Islam in Central Asia* (Pittsburgh, pa: University of Pittsburgh Press, 2011).

local level, refer to the state's ability to actually provide a basic level of public goods, whether formally or informally. As rents under both Akaev and Bakiev were concentrated with a narrow network that was uninterested in distributing them more broadly, many elites were deprived of access to resources that they could dole out to their supporters, leading to an increasing number of dissatisfied public-goods providers at the local level.8 Taken together, the waning ability of Akaev and Bakiev to conceal their family-based rule domestically and internationally severely weakened the government's ability to project it- self as performing tasks other than enriching its key players.

The combination of this book's primary focus on the single case of Kyrgyzstan and the rather summary treatment of other post-Soviet countries naturally raises the question of whether Kyrgyzstan represents an extreme case. Anecdotal evidence from other post-Soviet countries suggests that this phenomenon is not unique to Kyrgyzstan, and that this framework has broader post-Soviet applicability. That said, the logical conclusion to be drawn from the book is that the better the private sector works as an avenue for earning and investing, the less demand there is for investments in the market of state service. Dinissa Duvanova rightly identifies the lack of a causal theory as the book's major shortcoming. This shortcoming stems to a certain extent from the focus on (at the risk of sounding a bit lofty) discovering what kind of state has emerged in Kyrgyzstan. Consequently, identifying the mechanisms that produced this specific outcome fell beyond the scope of this work. A few thoughts on the origins of this state are nonetheless in order. First of all, it did not emerge in a vacuum, meaning that the legacy of the highly specific Soviet socialist state matters. Since the all-encompassing socialist state eliminated the very notion of private ownership and concentrated resources in the hands of the state, the breakdown of the old system entailed the state itself, with its amassed wealth and resources, becoming the principal source of corruption. In Kyrgyzstan, there seems to be a consensus that the marketization of the state took off during the latter part of Akaev's time in power. The old Soviet cadre system withered away, due to retirements or inability to cope with changing conditions. At the same time, the effects of economic liberalization and privatization resulted in money rapidly becoming a powerful mechanism for resolving issues and organizing relations among individuals. Authoritarian tendencies also seem to have played a part, as the second half of the 1990s saw increasing attacks on private businesses. In the absence of rule of law, the burgeoning independent business class preferred to go into politics to protect

8 See Scott Radnitz, *Weapons of the Wealthy: Predatory Regimes and Elite-Led Protests in Central Asia* (Ithaca, NY: Cornell University Press, 2010).

their holdings or to use various state powers—including legislative ones—to expand their business interests further. The market gravitated inexorably from the economic sphere into the realm of politics.

Finally, the US$64,000 question: Is it possible to break out of this system? Practitioners and scholars have long understood anti-corruption mainly as an incremental process of change in which countries gradually move away from systemic corruption. But if informal practices of corruption amount to the rules of the game, such a step-by-step path out of corruption holds little promise. To break out of this type of equilibrium, something more drastic seems necessary. Hence, what we really need is a better understanding of non-incremental change.

Three short illustrations on the theme may conclude the discussion. In Estonia, a new generation of reformers guided by Anglo-Saxon ideas of economic liberalization and administrative reforms quickly changed the country's development path. Extensive economic, political and judicial reforms in the early 1990s laid the groundwork. Around the turn of the millennium, the introduction of the world's most advanced system of e-government completed what is probably the quickest transition to a transparent, non-corrupt state seen anywhere in the contemporary world.9 In Georgia, the post-Rose Revolution leadership instigated a war against corruption on all fronts. Entire state bodies were dissolved overnight and then rebuilt from the ground with new personnel and new mandates. Ultimately, this direct approach was astonishingly successful in eliminating corruption in public service delivery, but proved less complete than the Estonian method in ensuring transparency and accountability at the highest level.10 Finally, a closer look at the historical case of Sweden—which was, by contemporary standards, a corrupt country until at least the early 19th century—also reveals a much more abrupt transformation than normally assumed. The emergence of a Swedish state rather free from corruption can be traced to a relatively short period of major institutional reforms that began in the mid-19th century. Within a couple of decades, these reforms produced what political scientist Bo Rothstein has labeled an "indirect big bang" of economic,political and social change.11

9 Alina Mungiu-Pippidi, "Learning from Virtuous Circles," *Journal of Democracy* 27, no. 1 (2016): 95–109.

10 Johan Engvall, *Against the Grain: How Georgia Fought Corruption and What It Means* (Washington, dc: Central Asia-Caucasus Institute—Silk Road Studies Program, 2012).

11 Bo Rothstein, *The Quality of Government: Corruption, Social Trust and Inequality in International Perspective* (Chicago: University of Chicago Press, 2011), 98–119.