



Towards local sustainability: Social capital as a community insurance in Kazakhstan

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Abstract

This article focuses on how social capital, in the form of trust, reciprocal relations, and networks, has contributed to the sustainability of local communities in Kazakhstan in the face of various political and socioeconomic challenges. Drawing on qualitative data, we provide historical evidence of the persistence of locally derived social capital and investigate the ways in which it contributed to local sustainability in Kazakhstan. We first discuss how people in Kazakhstan have historically built and developed networks, reciprocal relations, and mutual trust under different political and economic institutions, for example, in the form of reciprocal labor aid as part of nomadic culture (e.g., “Asar”) and collective funds (e.g., “Kotel”) during Soviet times. We then offer an in-depth understanding of social capital as a form of insurance for local communities, and how it facilitates socioeconomic interactions in contemporary Kazakh society. This study contributes to the understanding of this traditional sense of trust and communal cooperation, as well as its viability in the context of a market economy.

Keywords

Central Asia, Kazakhstan, local community, social capital

Introduction

Social capital is generally known as features of social life—networks, trust, and norms of reciprocity—that facilitate individuals to act together more effectively to pursue shared goals (Putnam, 1995). Social scientists suggest that social capital makes communities resilient and sustainable because it allows information and various resources to be shared among members and helps communities respond to various challenges (Aldrich, 2017). For example, networks in a neighborhood provide access to resources (e.g., shelter, food, information, financial and emotional support) in crisis situations such as natural disasters, and help community members quickly respond to any challenges (Aldrich & Meyer, 2014; Elliott et al., 2010). While social capital is considered to be an important element for community sustainability, scholars in the field of Central Asian studies assume that social capital has been weak in Kazakhstan based on indicators designed for the Western communities (e.g., a low participation rate in voluntary organizations). As a result, there has been little exploration of locally derived

forms of social capital—mainly, the role of trust, reciprocity, and networks, and their possible functioning in local communities. In this paper, we challenge this assumption by exploring the way social capital has helped local communities face various socioeconomic challenges.

This research is based on qualitative data, including interviews and observations that were conducted between 2019 and 2021. The first author completed semi-structured interviews with Kazakhstani citizens from different local communities in Astana and Almaty: each interview lasted approximately 1 hour and 30 minutes. The first set of interviews was conducted

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in the form of face-to-face in-depth discussions and more recent interviews were conducted via online communication platforms (e.g., Zoom, FaceTime) due to COVID-19 restrictions. The main language of communication was Russian based on the participants' preference, but the interviews were later translated into English. The first author also conducted observations at various occasions such as community meetings and social events in the two cities and had numerous informal conversations with community members as part of data collection. All the observation was recorded in the field notes. Although the second author was not directly involved in data collection, she provided a complementary perspective to the data collection and analysis.

We begin by introducing key theoretical perspectives of social capital. We then provide historical contexts of social capital in Kazakhstan, focusing on the nomadic and Soviet periods. By explaining how social capital functioned as a fundamental resource for economic and social stability during these times, we suggest that traditional forms of social capital were important part of local strategies that sustained communities. Next, drawing from interview and observation data, we show that social capital is still deeply embedded in people's everyday lives in Kazakhstan. We explain that social capital did not only "exist" throughout Kazakhstan's history but has evolved over time in its function. In contemporary Kazakhstan, social capital has become a form of community insurance, functioning as a crucial resource for generating socioeconomic value. By using personal networks and by deepening reciprocal relations and trust, community members find ways to meet socioeconomic needs that are not provided by formal institutions. We conclude by highlighting the historical significance of social capital in Kazakhstan and provide insights into how it has been used in Kazakhstan to gauge whether or not the society can be labeled as fragile.

Mainstream understanding of social capital

Social capital has been defined as "features of social organizations, such as networks, norms and trust that facilitate action and cooperation for mutual benefit" (Putnam, 1993, p. 35). The concept of social capital draws on an extensive body of literature from across the social sciences and has gradually formed a consistent framework that facilitates understanding of social interactions and their effect on socioeconomic life and development. Scholars such as Bourdieu (1986), Coleman (1988a, 1988b, 1994), and Putnam (1993, 1995) have attempted to develop a theoretical grounding for examining social capital and its role and dynamics in a society. All three authors discuss social capital as a feature of a social structure, generated through relations between people. However, unlike Bourdieu (1986) who links social capital with status, distinction, and an uneven distribution of capital between individuals, Coleman and Putnam refer to

social capital as a public good, i.e., an asset of the community as a whole. As such, while social capital has multiple features and uses, scholars generally agree that it creates value for those sharing the same network in terms of information, trust and reciprocity.

Drawing on the approaches of Coleman and Putnam, we understand social capital as an important resource for community sustainability. Social capital is different from any form of physical or human capital. Unlike wholly tangible physical capital (inherent in material objects), or less tangible human capital (skills and knowledge), social capital is the least tangible for it only exists in *relations* between people. Yet like other forms of capital, it is *productive* (Coleman, 1988a, 1988b, 1994). Putnam (1995, p. 664) elaborates Coleman's concept to include features of civic life such as, networks, norms, and trust. According to Putnam et al. (1993), trust forms the basis for social capital, i.e., the latter persists in societies where trust exists in social relations. Trust is generated within two closely related structures—networks of social engagement, and norms of reciprocity. A higher degree of mutual trust in a society enhances the probability of community cooperation. At the same time, cooperation itself fosters trust. In this context, the main elements of social capital—trust,¹ networks of civic engagement, and norms of reciprocity—help communities endure turbulent times and may even turn crisis situations into opportunities for greater community empowerment (Coutu, 2002).

Traditionally, the degree of social capital has been measured by two main indicators: the level of interpersonal trust and the enrolment rate in voluntary organizations. According to one study, around 78% of respondents in Kazakhstan answered that they have little or no trust in others (Spehr & Kassenova, 2012). Another research suggests that over 90% of respondents do not have official membership in voluntary organizations (World Values Survey, 2011). Based on these results, scholars assume that social capital is relatively weak in Kazakhstan (Niyazbekov, 2017). Our study suggests that the traditional indicators are not well-suited to measure social capital in Kazakhstan because they do not provide the correct reflection of the real-life phenomenon developed under certain historical and cultural context that has shaped the beliefs and actions surrounding *the use* of interpersonal networks, reciprocity and trust in contemporary Kazakhstan.

Historical contexts of social capital in Kazakhstan

An overarching feature of the nomadic Kazakh society was the extraordinary significance of social ties. One specific reason, highlighting why collaboration and social ties were extremely important is that no individual was capable of either providing or producing sufficient food and other essentials to survive in the arduous steppe conditions (Masanov, 1995). To be a nomad meant to live in a society

where people faced conditions of constant scarcity of resources. Physical hardship, aridity and extreme climate continentality depressed the natural productivity of the region. In this environment, the nomadic communes learned distinctive ways of concentrating and mobilizing the scarce human and material resources (Christian, 1994). They did so on the basis of solidarity, dense social bonds, mutual assistance and responsibility which helped secure their livelihood. As a result, it became critical to work collectively to secure a minimum level of subsistence and alleviate economic and social hardship (Masanov et al., 2000). This nomadic collectiveness is well captured in old sayings and proverbs:

“When there is no unity there can be nothing at all.”²

“Those who parted become a prey of enemy, those who run apart—become a prey of wolves.”³

“If you share your grief with people it will become smaller, if you share happiness—it will become bigger.”⁴

“It is better to go astray with a group rather than going on a right path but alone.”⁵

“To be in a group means you are in a celebration.”⁶

(Tasibekov, 2015, p. 84)

Masanov (1995, p. 136) refers to Kazakh nomadic society as a system of collective self-sustaining, resource allocation, and consumption, based on continuous mutual help and exchange of services between members of a commune. Masanov explains that nomadic social organization represented a society functioning based on voluntary collaboration and mutual help. This mutual help involved rational cooperation and practical reciprocity, allowing communities to cope collectively with difficulties which otherwise could not be overcome by a single individual. All the members of a nomadic community, therefore, participated in the production processes and other activities based on traditional principles of mutual help and reciprocity. “Asar” is an example of the way these communities interacted and captures the traditional pattern of cooperation in a nomadic community where mutual support, reciprocal aid and labor exchange were crucial.

“Asar”—is an old Kazakh tradition, which survived up to date and is still popular. “Asar” means collective labour aid, usually provided for building a house, or other tasks of a labour-intensive nature that requires a lot of manpower, and interfamilial cooperation (Kenzheahmetuly, 2007, p. 200). Each member of a commune should come and provide help. After the task is completed, the help receiver organises a feast. The important feature of such aid is that helpers sacrifice their time and effort but never take any payment. Kenzheahmetuly (2007) refers to “Asar” as a vivid evidence of strong solidarity

and unity among Kazakh people, indicating how mutual support, help, and care for other members of a commune has been traditionally important for nomads.

We consider “Asar” to be a key example of how a traditional social practice can be understood in terms of the modern notion of social capital. Yet, it is worth noting that “Asar” is not unique to Kazakhstan and its nomadic history, and also exists in neighboring countries with a sedentary history such as Uzbekistan. For example, it is called “Hashar” or “Khashar” in Uzbekistan which refers to “voluntary mutual support that residents of a community provided to each other to allow community members to maintain their livelihoods” (Dadabaev, 2013, p. 184). In particular, as members of a mahalla, a neighborhood community, individuals were, and still are, obligated to provide support when needed (e.g., building irrigation channels and houses). This shows that the importance of networks and mutual support have been deeply entrenched in the traditions of people in Central Asia.

While collectiveness formed a strong basis for social capital and was the central means of survival in the pre-Soviet period, we suggest that even during the Soviet period, Kazakh culture and the nature of pre-communist social capital did not disappear but that this culture of social and economic interactions based on networks persisted. In other words, during the Soviet era, older forms of nomadic social networks did not lose their vitality. The population of Soviet Kazakhs was by large composed of second or third generations of nomads who naturally inherited the nomadic value system and strong cultural traditions that continued to have resonance in society. Communism came to Kazakhstan when it was composed of densely knit nomadic communities, where people had well-established networks and connections, and where the nomadic lifestyle instantiated the practicality of counting on social capital. It remained a universal “currency” that was easily convertible and effective.

Despite the conventional understanding that there were no market activities in the Soviet era, since any entrepreneurship was banned, there were still informal economic interactions that can be characterized as an entrepreneurial activity (Ledeneva, 2006). For example, people sold and exchanged self-produced agricultural products, hired and provided waged labor, and implemented private trading based on purchasing products at a lower price and selling them at a higher price. According to Kim (2003), the estimated share of such economic activities in average household made up almost a quarter of expenditures between 1969 and 1990. In communist republics, strict state control over market transactions brought forward the acute question of trust. In particular, the failures of the centrally planned redistribution program, deficiency in the state supply system, consumer shortages, and bureaucratic regulations all made personal networks, trust, and information more valuable for survival (Ledeneva, 1998). In such conditions, social capital facilitated the acquisition of

necessary resources and services and helped to deal with shortages. In addition to being an essential asset for coping with physical hardship, social capital became a useful tool for extending opportunities (Sik & Wellman, 1999). In the conditions where any entrepreneurship was banned as illegal activity, trust and social ties became even more important. It was integral in the conditions that required bargaining, making it easier with those who he or she could trust. This provided additional incentive for individuals to connect and form social networks, potentially enhancing the value of social capital (Chernyshova, 2013; Oka, 2015). As Sik and Wellman (1999, p. 236) explained, this is why people heavily relied on the institution of reciprocity which was seemingly outdated for the Soviet economy.

An example of this is referred to as “Kotel,” a circulation of credits that represented an institution of mutual aid during Soviet times. It is worth to note, that this is not unique to the Kazakhstani context. For instance, Geertz (1962) refers to such rotating credit associations as a mechanism which can transform a traditional form of social relationship into non-traditionalistic economic functions.

“Kotel”⁷—is the organised collective accumulation and circulation of money. This practice of informal rotating saving and credit became widespread in Kazakhstan during the Soviet period. Participants (usually friends, relatives, or other members of a network) formed a circle of mutual reciprocal aid: typically, it was a monthly contribution by each member of a fixed amount of money, to benefit one member at a time. Which meant that if there were 10 people participating, and each would be paying 50 dollars,⁸ one would receive 500. 50 USD was an affordable contribution for every member, and in turn a person could receive the total amount of 500 which he or she might use for buying something considerable or settling a problem.

Since there were no formally signed agreements, participation in such institutions required a high degree of trust between members of a network. In the absence of any formal sanctions against a potential defector, each member had to be confident that the other participants would follow the rules and not give into temptation after their needs were met. The continuity of the circle depended on the basis of mutual trust and reciprocity in a very practical sense. Equally important, from a cultural perspective, there was also a social event that reinforced mutual trust in society. For instance, “Kotel” was not simply the circulation of money; participants would be invited to feasts, listen and share information in the homes of each member. This was the primary way to deepen relations between in-group members. From a transactional point of view, it can appear as a zero-sum game (where the collective gain together with total loss of utility would sum zero). However, an overarching feature of this process is that the continuous circulation (rotation) of social capital transforms it from a zero-sum game to a win-win outcome for each member.

This is because in addition to a guarantee of receiving back personal contributions, one could strengthen his or her networks, personal trust, and reputation. Social capital, like other “moral resources” (Hirschman, 1984), weakens and degenerates if not used. “Kotel” represents a circulation of social capital which aims to deepen relations between in-group members in addition to being a financial credits rotation as mentioned above.

We find that the main principle of “Kotel” credit circulation has affinities with other traditional forms of mutual help and cooperation, e.g., “Asar”—which was mentioned earlier. The fundamental features of “Kotel” and “Asar” are that they both function on the basis of group solidarity, reciprocity, and mutual trust. Putnam and colleagues (1993, p. 169) explain that such elements are all “fed by the same underlying stock of social capital.” Although such forms of cooperation can be found in different parts of the world (Ardener, 1964), the success or failure of such collective actions depend on a broader social context.

Social capital as a communal safety net in the post-soviet period

In the early 1990s, with the dismantling of the Soviet Union, the early stages of market transition and consequent deep economic downturn, social solidarity and personal trust became even more important in society compared to in Soviet times. This was because the state was no longer able to guarantee economic and social security and help the population cope with growing uncertainty. At the same time, the emerging market economy was not yet ready to ensure an adequate distribution of goods and services. For example, while income was decreasing, the annual inflation rate skyrocketed dramatically, reaching 3061% in 1992 (Ministry of National Economy of the Republic of Kazakhstan; Committee on Statistics, 2001). Economic policies, including rapid mass privatization, were often perceived as unfair,⁹ and escalated economic insecurity. In such turbulent times, the usage of social capital helped community members build a sustainable livelihood through access to dense networks, social ties, reciprocity, and solidarity. This is because, as Sik and Wellman (1999) explain, such heavy reliance on networks requires fewer costs for establishing, operating, and monitoring, or learning how to use them.

To deal with the problems that emerged from unstable economic conditions, people in post-communist countries after 1991 relied primarily on informal connections rather than formal state provisions.¹⁰ Given the pervasive lack of security provided by the state and distrust in the system, social capital was often the only option for ordinary people and newly established small-scale entrepreneurs to adapt and cope with the insecurities and economic difficulties of the transition period. Social capital produced and provided trust—an intangible yet essential asset in most economic

interactions. In the next section we provide examples of how social capital helps small business owners in local communities in contemporary Kazakhstan. In doing so, we show that social capital (networks, trust, and reciprocity) has become a valuable resource for generating added socio-economic value and helping community members sustain their livelihoods.

Social capital as alleviation of economic insecurity for local businesses

Most of the routine problems facing small businesses are usually small in scale but require immediate solutions. Small business owners and operators often use their networks and reciprocal relations to address problems, but rarely seek help from the state and other formal institutions (e.g., banks). One of the interviewees explained, “[we have] even lesser chance to obtain help from the state. And even if they are willing to help—it’s all about bureaucracy. They will need to collect hundreds of signatures to approve something.” Other interviewees made a similar point: “With a bank, I would have to wait for ages and at the end they might just reject me,” “usually all I need is just 100,000 tenge,¹¹ but I need them today and such cash shortage happens quite often. Bank is not an option.” The interviews show that those who look for loans to solve business matters often choose not to go to a bank due to associated lengthy processes. In the majority of cases discussed by the interviewees, the initial contacts in such situations were members of their networks—such as relatives, friends, or other community members. They would only have borrowed money from a bank, with the burden of paying interest fees, as only a last resort. The informants also explained that in most cases, unlike bank loans, they did not have to pay interest fees when securing informal loans. Moreover, some individuals expressed their lack of trust in banks with one of the interviewees answering, “I do not trust banks, and this [personal borrowing] is just a much safer and faster way to solve problems.”

Some interviewees also drew a link between having a larger network and having a better chance to succeed in business. According to one of them: “you can always rely on your family. . . they [relatives] provide all sort of support when I urgently need to solve my business matters. . . the friend of mine is lucky because he has a big family, four brothers—they all can help him when he needs money or additional pair of hands for his business.” An important feature of help and support within a group is that it has to be reciprocated. In most cases, those who have provided help will reciprocally receive it when needed. There are numerous examples in the daily community experience of Kazakhs that demonstrate this continuous circulation of favors, be it a big gathering, feasting, or collective work where members of a group (family, friends) help one another. For instance, big social gatherings are usually

organized collectively, meaning that a host usually relies on, and receives assistance from relatives and friends. This support can take many forms, be it organizational, financial, or physical such as cooking and serving guests.

The story of a shuttle trader in rural Kazakhstan shows how informal economic solutions based on personal trust and interpersonal cooperation were often used in the early 1990s, as a substitute to the regulatory function of state in the conditions of the emerging market. Interpersonal trust played the role of a counterbalance to distrust toward an ineffective state apparatus. This closely resonates with Holzlehner’s (2018) observations, regarding the seemingly paradoxical coexistence of a low level of systemic trust with a high degree of interpersonal trust, indicative of a move away from loyalty to the state toward networks of interpersonal trust. One of the interviewees shared her story about how she relies on networks and trust to run a small business in a community:

A lady runs a small shop where she sells a variety of goods such as groceries, clothes, cleaning chemicals and other essentials. Before the collapse of the USSR, she worked as a schoolteacher. She is a highly qualified professional, with 24 years of teaching experience. However, in the early 1990s, like many other professionals, she left her job to become a shuttle-trader, because the salary of a schoolteacher was not enough to make a living. As she explained, she did not have substantial financial resources, but could raise enough money for the start-up purchase from her friends and relatives. To this day, she continues to rely on her network for short-term loans. For small-scale entrepreneurs like her, networking and trust has been essential for borrowing and lending money. Also, on the basis of a relationship of trust, her customers often take goods but pay later. As she explained, she knows all of them personally and agrees for them to pay outstanding debts when they receive their salary. She does not sign any formal contracts with them but keeps a paper record of debtors. When the debt is returned—she crosses it out from the book. In addition, customers often make pre-order payments. People come and ask her to get them what they need—such as a pair of jeans, or a schoolbag for a child. She then collects money and travels to the city to purchase items from the list.

As this example shows, in an environment of rapid changes and instability (e.g., early 1990s), social capital—in the form of networks, trust, and reciprocity—served as a local survival strategy, alleviating political and economic insecurity and reduced fragility in the community. In the absence of formal agreements, which could enforce debt repayments if misconduct occurs, mutual interpersonal trust plays a decisive role in guaranteeing business arrangements. It works as a collective guarantee, where it is equally important to trust and to be trusted. Compared with formal contracts, social capital represents a stronger form of (pre) commitment. No contract would seriously make the customers refrain from misconduct. All that formal agreements do is make misconduct more costly and shift the focus from

trust to the effectiveness of sanctions (Gambetta, 1988, p. 221). In case of non-compliance with the terms of a contract, a simple payment of penalty fees mitigates any further moral commitment (it solves and nullifies the problem). Unlike the formal penalties associated with a breach of contract, transactions based on social capital pose a higher risk for the disruptor who will not be trusted again in the community. As one of the interviewees stressed:

“I have been living in this area and will live here for all my life, I can’t just randomly fool someone, be it a price or quality of goods I sell. Because if I lose their trust once, I won’t get it back ever again. Of course, it is not in my interests to risk. Exactly the same is related to them”.

The profound role of trust as key for all transactions has been acknowledged by anthropologists (Dasgupta, 1988). Establishing trust requires time and repeated instances of successful transactions. In this example, customers and the business owner benefit from enhanced mutual trust and a shared network. A customer receives desired goods (and pays later); the business owner learns about specific consumer demands by means of effective networking, thus avoiding the risk of having a surplus of unsold goods. It would be nearly impossible for an entrepreneur from the outside to deal in the local market using similar practices because social capital (trust, and networks) has not been accumulated. As the businesswoman explained:

“Even if someone from the city wants to sell his goods here, they prefer to do that using my shop. It is easier for them, because people know me, and they will buy from me. Locals know that even if I charge slightly more, I don’t ask for immediate payment [. . .] Our relation is not just a bare business—people come, we chat and exchange news [. . .] we learn from one another who is trustworthy and who is not [. . .] Mutual honesty is an important component of course, because if a customer fails me once I will not give him credit-goods again. Right, the same picture is on my side, if I take money and do not bring the goods they ordered, they will not make pre-order payments again”.

This response from the same encounter points to yet another aspect of how social capital, trust and networks are embedded in local business settings in Kazakhstan. Since the business owner learns from other members in the network of the trustworthiness of people, she will choose to not deal with those who have a poor reputation. Her small business is built upon honesty, personal trust, and interpersonal cooperation—that forms a distinct type of moral economy standing as an ethical counterweight to commercial individualism (Humphrey, 2018). These informal regulatory tools evolving at the grassroots level often become an addition or a substitute for formal mechanisms, making up for the lack of state-community cohesion (Darmenova, 2019). It is however worth to note that such close embeddedness of social capital in business life is especially

attributable to rural communities and that the degree of social capital pervasiveness for urban business may be somewhat different.

Contextual factors in the ongoing maintenance of social capital in modern Kazakhstani society

Maintaining and strengthening one’s social capital through frequent social gatherings is regarded as a social norm (informal duty) in contemporary Kazakhstan. There is a strong expectation that an invitation has to be accepted as a matter of showing due respect. Although such expectations do not have legal force, community members driven by “social proof”¹² are most likely to comply with them. Social capital is often considered to involve a strong commitment by community members, sometimes stronger even compared to formal regulations. The informant explained that unlike penalties that are solved the moment they are paid, “losing relations [by ignoring social gatherings] may have far-reaching negative consequences [. . .] to me it will be more ‘expensive’ to dismiss important celebrations of my close ones rather than being formally penalized for ignoring the COVID-19 gathering ban.” The following data further explain how and why people value their connections and networks, and how they are likely to behave based on social norms rather than formal rules and restrictions:

It is notable that despite the state ban on gatherings due to the COVID-19 pandemic people still keep attending weddings, funerals, and other important social gatherings. One of the interviewees mentioned, “if I don’t invite someone [for my daughter’s wedding], tomorrow they will get offended—‘*uyat bolady*’ [it will be a shame] [. . .]”. Another interviewee addressed that she feels strong obligation to attend a funeral. She said, “I have to go to the funeral, because they expect me to come. At least one person from our family has to go to show our respect.”

Uyat (shame) plays a role in Kazakhstani society as a powerful mechanism that nudges individuals to follow social norms and participate in collective actions. (Koo, 2017). The widespread motivation explained by “*uyat bolady*” exemplifies how Kazakhstani people often act in response to expectations of other members of a network. Attendance is expected and if one refuses to attend an important gathering, it may mean disrespecting a host. Because this can be viewed as an improper behavior, one sends an invitation, and invitees would not refuse to join. Aligning with the above interviews, another interviewee explained why she feels the need to strengthen her networks through gatherings: “[. . .] staying in touch [attending social gatherings] with my relatives and friends keeps it [social capital] alive. When we are together, we can survive any difficulties. Look, when my business has nearly died because of the pandemic, the only source I could rely on

was the financial help of my close people. Although, the state offered a small compensation of 42 000 tenge,¹³ that was not enough to get by [. . .].”

As Putnam and colleagues (1993) suggest, reciprocity and social cohesion are highly productive requisites of social capital. In Kazakhstan, attending social gatherings such as weddings and funerals is a way of reproducing reciprocal relations with relatives and other community members, share their emotions, and provide physical and emotional support to each other. One might say that attending such social gatherings during the pandemic seems irrational. However, the fact that people prioritize maintaining reciprocal engagement and network does not imply how people behave irresponsibly but shows how important it is to stay in their social circles and deepen their relations in order to go through the difficult times. The data also shows that the social norm of reciprocal exchange may dominate behavioral motivations and sometimes outweigh legal restrictions. This is not only because the significance of social capital has been closely intertwined with the local value system, but also because the COVID-19 pandemic brought this issue out globally. Culturally defined patterns of a behavior clearly have an effect even when they contravene formal restrictions. In a crisis situation where social norms and formal sanctions are not mutually supportive (e.g., traditional gatherings in contravention to the COVID gatherings ban), the importance (sometimes prioritization) of culturally derived social norms in the behavior of individuals becomes ever more evident.

Discussion: continuity of social capital as a locally derived sustainability strategy

There is a widely held view that the significant role of social relations, pertinent to pre-market institutions, faded away with modernisation, with economic behavior no longer defined by social obligations but by rational calculations (Granovetter, 1985). Yet, such calculations only partly explain socioeconomic realities in Kazakhstan. A large part of socioeconomic life rests upon the trust embedded in long-lasting social relations and moral accountability (Humphrey, 2018). Although the architecture of both social and economic relations in Kazakhstan dramatically changed over the last three decades, our study suggests that the centrality of social capital (networks, reciprocity, and trust) in the survival strategies of local communities has been and continues to be substantial. We show that social capital has fulfilled many roles, including, but not limited to—risk management (credit-based purchases in the shuttle-trade); financial (personal loans obtained on the basis of trust and reciprocity); marketing (learning about customer needs by exchanging information through active networking); public relations (establishing long-lasting relations and accountability); and regulatory (mutual trust reduces the risk of

misconduct). The circulation of social capital does not only benefit business owners but potentially contributes to the wellbeing of the local community as a whole. Social capital, a collective attribute, is linked to the strength of the local community and helps sustain local businesses by facilitating economic transactions.

We explored how social capital helped Kazakh communities sustain socioeconomic security under different political and economic conditions. The examples of reciprocal collective effort (“Asar”), mutual support by circulating collective funds (“Kotel”), trust and networks (rural shuttle-trade) reflect the persistent function of social capital as insurance in the local community. For instance, in the nomadic era, social relations represented a fundamental survival strategy in the challenging conditions of the steppe, where no individual could survive outside of a group. During the Soviet era, socioeconomic pressures made social capital an effective addition to the insufficient resources provided by the state. The turbulence and insecurity of the transition to market economy in the 1990s led to the persistence and growth of social capital as a substitute to a state-market institution which was failing to provide for the citizens. In this regard, we attempted to show that economic processes are embedded in social relations that are not abstract and cannot be sectioned away.

We illustrated how contemporary local socioeconomic relations are aligned with the traditional norms of reciprocity, social ties, mutual help, solidarity and cooperation. They allow for commercial practices to go hand in hand with the specific business ethics associated with local cultural practices. In this case, economic activities fit symbiotically into traditional values (Geertz, 1962). Such a synthesis allows for a gradual evolution to new forms of market behavior rather than a clash between traditional constraints and modern business practices. We regard this remarkable persistence and embeddedness of social capital (which have not been entirely replaced by formal organizations, for example, banks, or other financial institutions), in the life of modern Kazakhstani communities as evidence of their viability. Their existence, in modern Kazakhstan, means that a traditional sense of trust and cooperation remains in place albeit alongside “rational” economics.

We consider our findings on locally derived notion of social capital as suggestive rather than fully conclusive. We do not imply that the traditional sense of reciprocity and solidarity discussed here are the only or the main preconditions and determinants for social capital. Yet, we believe that a unique historical path, local social norms, and cultural orientations are not simply soft factors, but they form the basis of contemporary social capital in Kazakhstan. Despite the swirl of dramatic socioeconomic and political changes in Kazakhstan during the last century and specifically the last three decades, traditional forms of social capital as insurance have not degraded. Putnam et al. (1993, p. 182) explain that “social context and history profoundly

condition the effectiveness of institutions [. . .] Where the regional soil is fertile, the regions draw sustenance from regional traditions, but where the soil is poor, the new institutions are stunted.”

While we believe that our findings have broader implications for understanding social capital in the context of sustainability of the Kazakhstani society, this will require further investigation. Since social capital is essentially a local phenomenon, defined by connections between people, we believe that examining local perspectives of social capital through qualitative studies might be more suitable than using quantitative indicators. We rather highlight that the persistent historical and cultural continuity of social capital in sustaining communities in Kazakhstan should be a part of any indicators that decide whether society is strong or fragile.

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Notes

- To define personal trust we refer to Gambetta's (1988) suggestion (p. 217): “. . . a particular level of the subjective probability with which an agent assesses that another agent. . . will perform a particular action. . . , both *before* he can monitor such action. . . and in a context in which it affects *his own* action. . . When we say we trust someone or that someone is trustworthy, we implicitly mean that the probability that he will perform an action that is beneficial or at least not detrimental to us is high enough for us to consider engaging in some form of cooperation with him.” (Italics is original)
- Бірлік болмай – тірлік болмас (не будет единства, не будет ничего).
- Жарылғанды жау алады, бөлі нгенді бөрі алады (разделившиеся становятся добычей врагов, разбежавшие – добычей волков).
- Қайғы бөліссен азаяды, қуаныш бөліссен көбейеді (горе, разделенное /с людьми/, – уменьшится, радость разделенная – увеличится).
- Жалғыз жүріп жол тапқанша, көппен бірге адас (чем в одиночку идти правильной дорогой, лучше со всеми вместе плутать).
- Көппен көрген ұлы той (быть с большинством – большой праздник).
- “Kotel” (котел) translated from Russian means—a pot
- This figure is given as just an example, in practice the amount of contribution was subject to negotiations between participants. It could be any amount (whether 5 or 100 dollars as well) as a matter of agreement.
- A specific suspicion in relation to rapid privatization (especially in early 90's) was widespread in the community. Between the lines of such attitude was the argument that the wealth which had been generated collectively (during Soviet period) was conveyed from the state to “privileged” individuals. This is because having enough capital to privatize businesses was a luxury not affordable to ordinary people [excerpt from the field note].
- “. . . When in 1996 New Russia Barometer asked people on whose help they rely, only 7 per cent referred to formal organisations. . . When problems arise, more than half rely upon informal social capital, a network of friends and relatives.” Rose et al. (1997) cited in Wallace et al. (1997, p. 5). Very similar situation in terms of state-community relationship occurred in transitional Kazakhstan.
- Tenge is a local Kazakhstani currency.
- The principle of social proof applies especially to how one decides what constitutes correct behavior. “We view a behavior as correct in a given situation to the degree that we see others performing it” (Cialdini, 2009, p. 99).
- 42 500 tenge is financial aid provided by the Kazakh government to those citizens who lost the main source of income during the state of emergency, due to the COVID-19 pandemic.

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