caucasus
analytical
digest

INFORMAL RELATIONS IN EVERYDAY LIFE

Special Editor: Robert Orttung

Informal Networks in the South Caucasus's Societies

By Huseyn Aliyev, Dunedin

Abstract

Reliance on informal kinship networks and circles of friends and acquaintances in every-day life is a common characteristic of post-communist societies in Armenia, Azerbaijan and Georgia. Two decades after the end of Soviet rule in the Caucasus, the great majority of the South Caucasus's residents continue to depend on informal networks as key sources of social capital, social security, civic association and primary means of support and assistance in different aspects of day-to-day life. Having examined the origins, composition and main operational principles of informal networks, this article argues that informal networks in the South Caucasus are not only the main sources of social support, but also are tightly entangled in the web of corruption and patron-client relations which are wide-spread throughout the region.

Origins of Informal Networking

Informal networks, often described in the academic literature as civic, social, private, interpersonal or personal networks, are thought to form the base of social capital and lie at the core of inter-personal relations in modern societies. Vibrant inter-personal networking is expected to generate social capital and benefit the spread of information and knowledge. Yet unlike many Western societies, post-communist social structures are known to be dominated by 'strong tie' networks—that is composed of networks with high intra-network 'bonding' and low extra-network 'bridging' (Granovetter 1973). The lack of extra-network ties makes it difficult to transfer social capital between networks and therefore discourages the exchange of ideas and social communication. The segregated and secretive nature of post-communist networks is often explained by the necessity to create social niches free from intrusions of a totalitarian or post-totalitarian state. Richard Rose described such social systems as 'hour-glass' societies. He argued that: "The narrow midpoint of the hourglass insulates individuals from influence by an undemocratic and repressive state. There is a rich social life at the base, consisting of strong informal networks based on trust between friends, relatives and other face-to-face groups" (Rose 1997, 88). In 'hourglass' societies reliance on family and friends and participation in informal networking often replaces membership in formal civil society and also results in low levels of trust towards formal institutions.

The emergence and entrenchment of informal 'strong tie' networks in post-Soviet societies is a phenomenon dating back to the Soviet era. Decades of totalitarian control under the watchful eye of the Communist Party, in conjunction with constant shortages of day-to-day goods and services, contributed to the growth of informal networks all over the Soviet Union. Secretive, hierarchical and homogenous, such networks were functioning upon the unwritten principles of reciprocity of favours, popularly known under the Russian-Soviet

term of *blat*. While some informal structures operated mainly with the goal of procuring difficult-to-find consumer goods and services, others were built with the purpose of accumulating useful contacts and acquaintances. Yet most of these Soviet-era profit-based and need-centred networks were, both for the sake of profit and to ensure network safety, staunchly against the 'bridging' of social capital and spread of information or resources beyond a network's boundary.

In the South Caucasus, the spread of informal networks was not only determined by economic hardships and attempts to create a private sphere free from the communist authorities' control, but also came as a result of persecution by communists of traditional social structures. Described by Soviet authorities as backward and archaic, traditional extended families and local communities, such as the Armenian patriarchal family *azg* and Azerbaijan's *mahalla* communities, were forced into the informal sphere and inevitably became centres of networking. This meant that, unlike in Russia, informal networks in the Soviet South Caucasus were not merely circles of friends and acquaintances but were rooted in family, kinship and clan structures. As a result, principles of Russian *blat*—centred on exchange of favours and mutual reciprocity—became replaced in the Caucasus with concepts of family honour and paternalism. Analogous to other peripheral regions of the Soviet state, the network-operated 'shadow economy' of the South Caucasus reached colossal scale during the 1960s–1970s and often accounted for a significant portion of per capita income for the region's residents. For instance, a study by Yochanan Altman (1983) on the informal economy of Soviet Georgia reports that network-operated informal underground businesses often reached an industrial scale and required mass participation. Apart from their economic function, informal networks were also employed in politics. The Soviet policy of *korenizatsia*, aimed at elevating local elites to leadership positions in republican branches of the Communist Party

and regional administrations, unwittingly allowed kinship and clan networks to proliferate among the elites, ensuring elite continuity even after the end of Soviet rule. Inter-personal networks created and cemented by the South Caucasus elites in the 1970s and 1980s played a fundamental role in the post-Soviet governments of Eduard Shevardnadze and Heydar Aliyev.

Post-Communist Networks in the South Caucasus

If Soviet totalitarianism and the shortcomings of the communist command economy were among the key determinants for the rise of informal networking in the South Caucasus, the post-communist social and human insecurity characterized by weak and ineffective governments, rampant unemployment and countless other plagues of the transitional period ensured the survival and continuity of such structures. Yet in contrast to the Soviet-period, the post-communist informal networks in Armenia, Azerbaijan and Georgia were no longer used to procure day-to-day consumer goods and durables, instead their main function became to assist their members in securing jobs, cementing business ties, and receiving preferential treatment in healthcare, education and other social sectors. Similarly to the Soviet era, contemporary networks remain heavily reliant on family, kinship and blood relations. The World Values Survey (WVS) administered in the mid-1990s reports that the majority of the population in Armenia (86.3%), Azerbaijan (85.1%) and Georgia (94.7%) emphasized that family plays a very important part in their lives. This data markedly contrasts responses to the WVS survey in other post-Soviet countries; only 68.3% of the public in Lithuania, 70.7% in Latvia and 79.0% in Moldova said that family ties are very important. Rather similar results were also provided by the European Values Survey (EVS) held in 2008: 93.3% of the population in Armenia, 86.7% in Azerbaijan, 91.2% in Georgia, 68.4% in Latvia, 61.9% in Lithuania and 75.5% in Moldova said family contacts are very important. Accordingly, it seems that while the reliance on kinship support fell in the Baltic and Eastern European former Soviet countries, in the South Caucasus the role of family connections either grew stronger or remained as important as in the immediate post-Soviet period. Kinship-centred informal networks thereby are at the top level of the networking hierarchy in the South Caucasus. Such networks are highly paternalistic; favours and services are distributed in accordance with the seniority of network members and often do not require reciprocity. Membership in these networks can only be obtained through the rights of birth or marriage. Unlike the Soviet age networks, the present-day kinship structures are no longer threatened by official persecution, yet, they still have to retain their secluded and homogenous nature to protect the network's resources and capital from competitors and outsiders. The central role performed by kinship groups in providing their members with social and human security is also notable from the results of the Caucasus Barometer survey, conducted by the South Caucasus-based Caucasus Research Resource Centres (CRRC) in 2008. According to the survey, 74% of respondents in Armenia, 63% in Azerbaijan and 64% in Georgia named family and relatives as the most effective source of securing personal safety and civic rights. When asked who offered them help in moments of need, during emergencies and life changes, an average of 85% of public across the region identified family and 55% extended family. Furthermore, the CRRC survey on volunteerism and public participation administered during 2011 in Georgia reported that when asked 'how would you pay for damage in a car accident,' a majority 42% of the Georgian public believed that their family will help with the payment, an additional 29% said that they would borrow money from a relative and only nine percent expected to take money from a bank.

The next level of informal networking is reserved to friends and acquaintances. Both the WVS and EVS surveys reveal notably high reliance among the South Caucasus's residents on friends. The WVS surveys conducted in 1996–97 reported that 44.7% of the population in Armenia, 35.3% in Azerbaijan and 73.6% in Georgia thought that friendship connections are very important, versus only 22.2% in Latvia, 19.3% Lithuania and 21.4% in Moldova. Administered a decade later the EVS (2008) survey presented that 49.8% in Armenia, 31.0% in Azerbaijan, 60.2% in Georgia believed that friends play a very important part in their lives. By contrast, only 27.4% of the public in Latvia, 18.3% in Lithuania and 24.2% in Moldova had similar opinion. While circles of friends are evidently less important in the South Caucasus than kinship networks, they too are an essential part of informal networking. For instance, the CRRC 2008 survey reveals that 70% of the public in Armenia, 61% in Azerbaijan and 66% in Georgia mentioned friends as a safeguard of personal safety and civic rights. 45% of people across the region also relied on friends for assistance in emergencies and moments of need. Yet unlike kinship networks, friendship-centred networking most often works upon the *blat*-defined principles of reciprocity of favours. This means that although each individual can have many friends, only the closest and the most trusted of them become a part of an individual's informal network and therefore can benefit from the exchange of favours. While kinship and friendship networks are the most widespread forms

of informal social structures, the South Caucasus's residents also rely on numerous contacts with acquaintances, neighbours and members of the same ethnic groups or place of birth who form a periphery of each individual's informal network. These less significant contacts are often employed in procurement of public goods and become fundamental in extra-network dealings. Since many of these occasional contacts cannot always be reciprocated, monetary or material gifts become an essential form of payment in these 'one-off' exchanges of favours.

The 'Dark Side' of Informal Networking

Compensating for the weakness of state and civil society institutions, informal networks nevertheless are not bound by legal norms and regulations. To provide social and human security for their members in societies governed by ineffective and corrupt institutions and characterized by low levels of political trust, informal networks more often than not resort to bribery, corruption and patron-client relations. Although favours and services distributed within kinship and close-friend networks are as a rule corruption-free and only in case of reciprocating remote relatives or not-so-close friends perhaps require a token gift, dealings with 'outsiders' or non-immediate network members almost always require financial remuneration. If paying bribes in return for small-scale services, such as passing a drivers' license exam, does not necessarily require the use of contacts, most 'deals' with high and mid-ranking officials are done with an aid of contacts even if a bribe is to be paid in the end. Besides, the bribes offered for such contacts-arranged

'favours' are most often seen as a gift rather than corruption; a form of reciprocity when no such favour can be offered by an individual's kin or friendship network. For example, the Caucasus Barometer 2011 survey on volunteerism and civic participation in Georgia reports that 40% of its respondents thought that a situation of a government official recommending a relative for a job in a ministry is not corruption and another 45% said that giving a gift to a doctor for preferential treatment does not constitute corruption. While the first case is obviously an intra-network favour, the second example describes a reciprocity-based relation between acquaintances. Both situations are not commonly understood as corrupt, yet, could be seen as unfair by individuals with no such networks. Apart from sustaining practices of corruption, informal networks are also tightly knit into patron-client relations. Indeed, seniority and hierarchy in kinship networks is not only a part of traditional family structure in the region but also an essential mechanism to preserve the homogenous and segregated nature of networks vital to efficient procurement of services. In consequence, as long as the networks continue relying on paternalism as a means of preserving hierarchy and encouraging financial and material gifts as forms of extra-network reciprocity, their homogenous, segregated structure is unlikely to change. It follows then that absent 'bridging' of social capital between networks, as well as continued reliance on exclusivist and non-egalitarian, if not outright illegal, principles of operation, such social structures cannot effectively contribute to democratic transformation and institution-building.

About the Author
Huseyn Aliyev is a Ph.D Candidate at the Department of Politics, University of Otago in Dunedin, New Zealand.

*Recommended Reading*
- Granovetter, Mark. 1973. The Strength of Weak Ties. *American Journal of Sociology, 78*(6), 1360–1380.
- Rose, Richard, et al. 1997. Social Capital in Civic and Stressful Societies. *Studies in Comparative International Development, 32*(3), 85–111.
- Altman, Yochanan. 1983. *A Reconstruction Using Anthropological Methods of the Second Economy of Soviet Georgia.* PhD Dissertation, Middlesex Polytechnic Enfield, England.
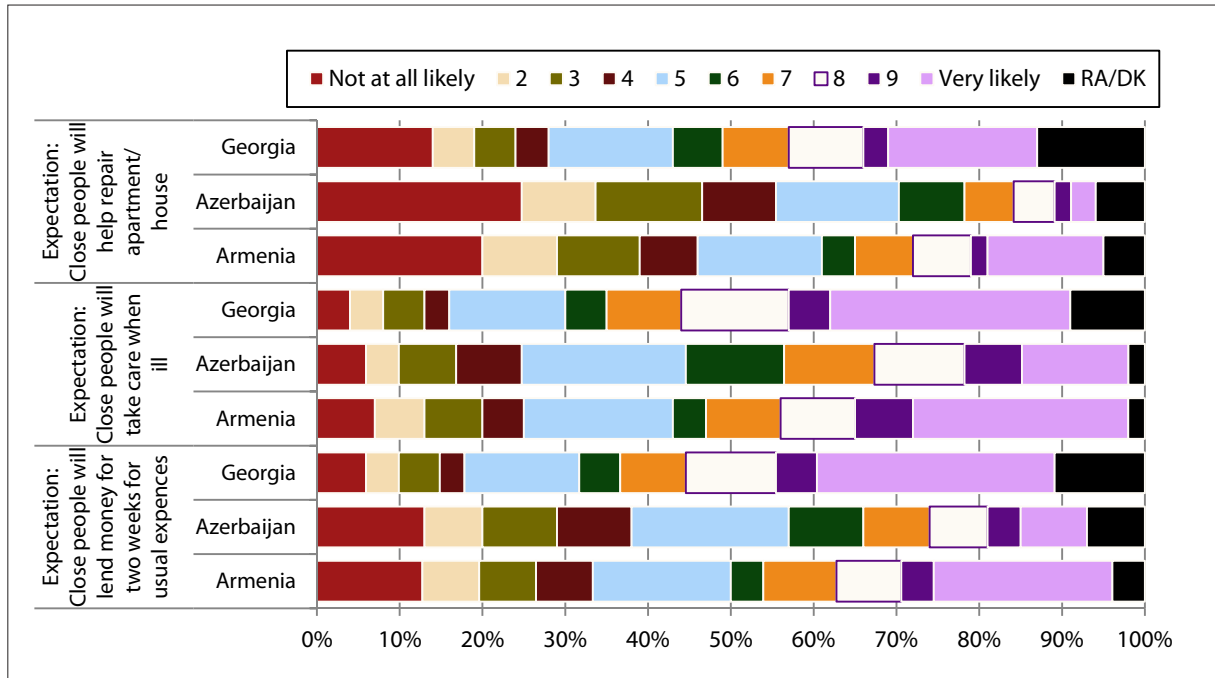
Informal Relations in Everyday Life
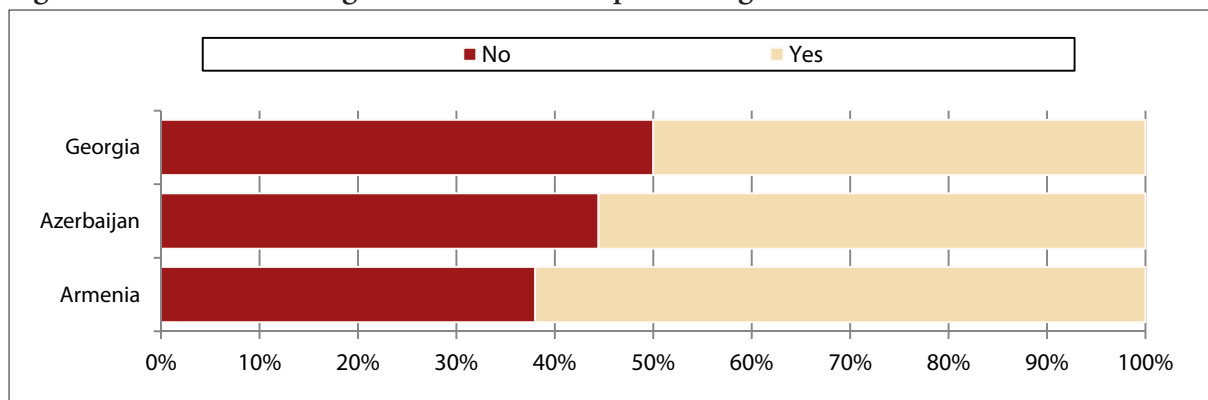
Figure 1: Close Relations
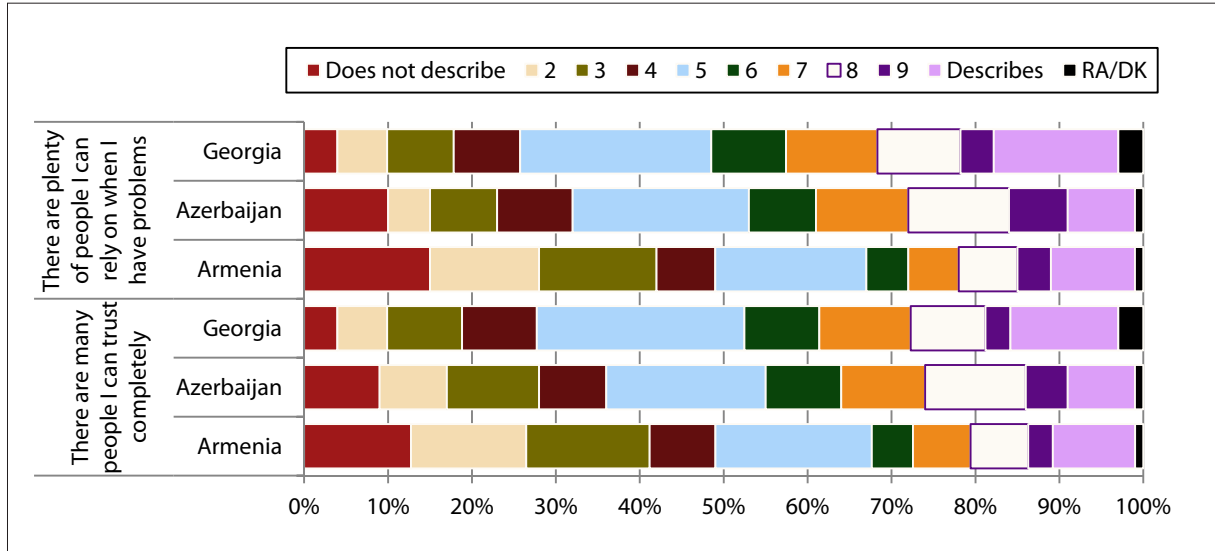
Source: Caucasus Barometer 2012 (Caucasus Resource Research Center)

Figure 2: Expected Support

Source: Caucasus Barometer 2012 (Caucasus Resource Research Center)

Figure 3a: Activities During Last 6 Months: Helped A Neighbor/Friend With Household Chores

Source: Caucasus Barometer 2012 (Caucasus Resource Research Center)

Figure 3b: Have You Done Any Unpaid Or Paid Work for Your Family's Or Close Relative's Business for At Least One Hour Within the Past Week?
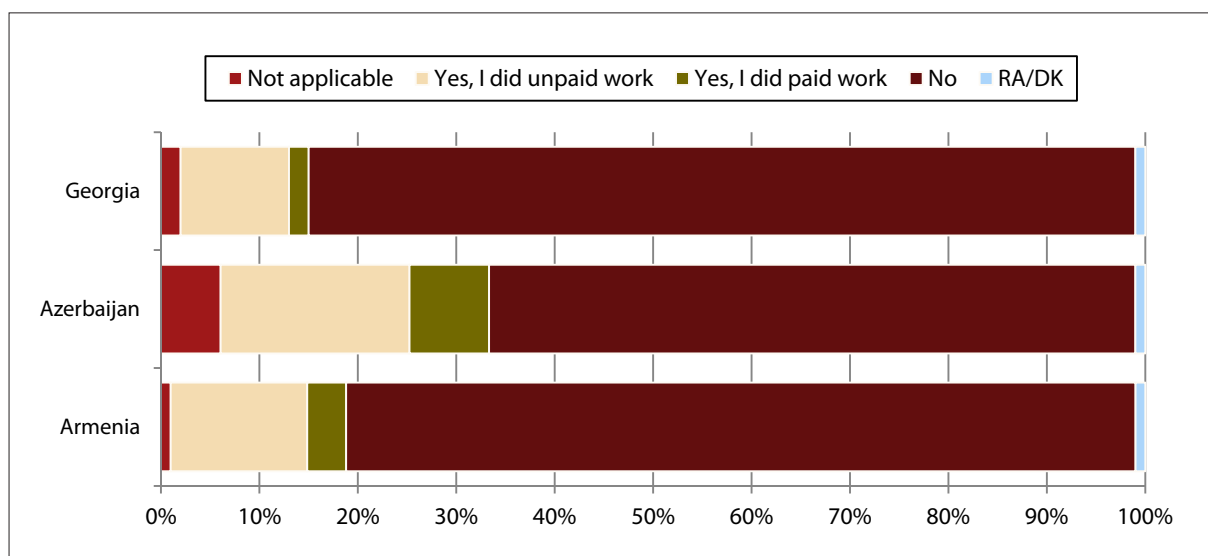
Source: Caucasus Barometer 2012 (Caucasus Resource Research Center)

From 9 March to 7 May 2013

10 March 2013	The defeated presidential candidate Raffi Hovannisian goes on a hunger strike in Armenia and calls on incumbent President Serzh Sarkisian to step down
10 March 2013	The former Georgian State Security Minister Valery Khaburdzania says that he intends to establish a pro-Russia party in Georgia
12 March 2013	Armenian President Serzh Sarkisian meets with Russian President Vladimir Putin in Moscow as part of his first foreign trip after his re-election
12 March 2013	The President of the breakaway region of Abkhazia Alekandr Ankvab meets with Russian President Vladimir Putin in Moscow
14 March 2013	Armenia's Constitutional Court rejects a claim by defeated presidential candidate Raffi Hovannisian that the February elections in Armenia were rigged
14 March 2013	Two Azerbaijani activists, including an employee of the US-funded National Democratic Institute (NDI), are detained in Baku
18 March 2013	Georgian Defense Minister Irakli Alasania visits Azerbaijan and meets with Azerbaijani President Ilham Aliyev to discuss deepening cooperation between the two countries
18 March 2013	Georgian Defense Minister Irakli Alasania says that Georgia is negotiating with the European Union its contribution to the EU military training mission in Mali
22 March 2013	The Russian Foreign Ministry criticizes Georgian–US military exercises held at the Vaziani military base in Georgia and says that they are a "cause for concern"
22 March 2013	Georgia starts the rotation of its two battalions stationed in the Helmand province of Afghanistan
25 March 2013	A constitutional amendment is passed by the Georgian Parliament that strips the President of his right to appoint a new government without the Parliament's approval
25 March 2013	Armenian President Serzh Sarkisian signals that he is ready to engage in a dialogue with defeated presidential candidate Raffi Hovannisian
27 March 2013	The twenty third round of the international Geneva talks is held with a discussion on a revised draft of a statement on the non-use of force
28 March 2013	The Foreign Ministers of Azerbaijan, Georgia and Turkey sign a plan to expand cooperation between the three countries in Georgia's Black Sea port of Batumi
28 March 2013	Senior clerics of the Georgian and Russian Orthodox Churches meet with leader of the breakaway region of Abkhazia Alexander Ankvab in Russia's Black Sea resort of Sochi
30 March 2013	The Georgian Foreign Ministry expresses "grave concern" over Russian military exercises in the Black Sea
9 April 2013	Georgian President Mikheil Saakashvili visits Turkey and meets with Turkish President Abdullah Gül in Ankara
10 April 2013	The Azerbaijani Azad Fikir University (Free Thought University), set up to promote democratic values, is closed following a visit from officials from the Azerbaijani Prosecutor General's Office
10 April 2013	Thousands of workers held a protest at the headquarters of Qafqaz LTD Company, which manages the World Bank-sponsored Silk Road Project in Azerbaijan, to demand the payment of their salaries
11 April 2013	The chief of Russia's consumer protection agency Rospotrebnadzor says that the Georgian Borjomi mineral water has been reregistered and is officially eligible to resume exports to Russia
12 April 2013	Defeated presidential candidate Raffi Hovannisian travels to Moscow on a one-day visit
19 April 2013	Supporters of the Georgian opposition United National Movement party hold a rally in the centre of Tbilisi
22 April 2013	Azerbaijani Foreign Minister Elmar Mamadyarov meets with Israeli President Shimon Peres on a visit in Israel to discuss the Middle East situation and the conflict over the disputed region of Nagorno Karabakh
24 April 2013	Thousands of people gather to commemorate in Yerevan the mass murder of Armenians during World War I in Ottoman Turkey
25 April 2013	A park opens in honour of the late Azerbaijani President Heydar Aliyev in the Ukrainian capital Kyiv

29 April 2013	Georgian Prime Minister Bidzina Ivanishvili asks for assistance from international partners to re-establish ties with Russia disrupted during the Russian–Georgian war of 2008
2 May 2013	The Georgian State Ministry for State Reintegration says that Romania has become the eleventh country to recognize Georgia's neutral travel documents designed for residents of the breakaway regions of Abkhazia and South Ossetia
2 May 2013	The Georgian Parliament launches the discussion of a package of bills partly decriminalizing the entry of foreign citizens into the breakaway regions of Abkhazia and South Ossetia from territories other than those controlled by Tbilisi
2 May 2013	Azerbaijan protests the arrests of two Azerbaijani citizens along with four Iranian activists of Azerbaijani origin in the city of Tabriz in Iran
2 May 2013	The Georgian National Olympic Committee votes in favour of Georgian athletes taking part in the Sochi Winter Olympics of 2014
3 May 2013	EU Commissioner for Enlargement and Neighborhood Policy Stefan Fuele urges Azerbaijan to meet its democracy and human rights commitments and expresses hope that the presidential elections will be held fairly during a visit to the country
7 May 2013	Georgian President Mikheil Saakashvili meets with Azerbaijani President Ilham Aliyev in Baku on the sidelines of the South Caucasus Forum to discuss the ongoing construction of the Baku–Tbilisi–Kars railway line
7 May 2013	The Azerbaijani Parliament approves an amnesty for nine thousand inmates

Compiled by Lili Di Puppo

For the full chronicle since 2009 see www.laender-analysen.de/cad

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Center for Security Studies (CSS) at ETH Zurich

The Center for Security Studies (CSS) at the Swiss Federal Institute of Technology (ETH Zurich) is a Swiss academic center of competence that specializes in research, teaching, and information services in the fields of international and Swiss security studies. The CSS also acts as a consultant to various political bodies and the general public.

Research Centre for East European Studies at the University of Bremen

Founded in 1982, the Research Centre for East European Studies (Forschungsstelle Osteuropa) at the University of Bremen is dedicated to the interdisciplinary analysis of socialist and post-socialist developments in the countries of Central and Eastern Europe. The major focus is on the role of dissent, opposition and civil society in their historic, political, sociological and cultural dimensions. With a unique archive on dissident culture under socialism and with an extensive collection of publications on Central and Eastern Europe, the Research Centre regularly hosts visiting scholars from all over the world.
One of the core missions of the institute is the dissemination of academic knowledge to the interested public. This includes regular e-mail newsletters covering current developments in Central and Eastern Europe.

The Institute for European, Russian and Eurasian Studies, The Elliott School of International Affairs, The George Washington University

The Institute for European, Russian and Eurasian Studies is home to a Master's program in European and Eurasian Studies, faculty members from political science, history, economics, sociology, anthropology, language and literature, and other fields, visiting scholars from around the world, research associates, graduate student fellows, and a rich assortment of brown bag lunches, seminars, public lectures, and conferences.

Resource Security Institute

The Resource Security Institute (RSI) is a non-profit organization devoted to improving understanding about global energy security, particularly as it relates to Eurasia. We do this through collaborating on the publication of electronic newsletters, articles, books and public presentations.

Caucasus Research Resource Centers

The Caucasus Research Resource Centers program (CRRC) is a network of research centers in Armenia, Azerbaijan and Georgia. We strengthen social science research and public policy analysis in the South Caucasus. A partnership between the Carnegie Corporation of New York, the Eurasia Partnership Foundation, and local universities, the CRRC network integrates research, training and scholarly collaboration in the region.