

INFORMALITY IN EASTERN EUROPE

Structures, Political Cultures and
Social Practices

Christian Giordano &
Nicolas Hayoz (eds)



This volume deals with different aspects of informal structures and practices in Eastern Europe. Its objectives are twofold. It aims at discovering whether or to what extent informal structures and practices in Eastern Europe have meanings, functions, forms and effects different from those that can be observed in the politics and societies of Western Europe. The authors of this volume – most of them are from the region – have been invited to discuss the scientific relevance of the distinction informal / formal in their respective field of research or discipline. This points to the second objective of this volume which is to encourage a more fruitful interaction between disciplines that often disregard each other and which, despite inevitable and essential epistemological differences, have significant shared interests such as the comparative analysis of political phenomena in terms of elementary forms of social organization. The relation between informality and formality in a more methodologically pluralist and ultimately holistic way can be analysed via regards croisés between the disciplines anthropology, political science and sociology. This allows the extension of this comparative and multidisciplinary approach to other themes and phenomena of mutual interests.

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INFORMALITY IN EASTERN EUROPE

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NICOLAS HAYOZ (EDS)

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Christian Giordano and Nicolas Hayoz

Introduction: Exploring Informality in Eastern Europe through Different Disciplines

The idea for this book goes back to a discussion between anthropologists and political scientists on the meanings of informality and on the question about how to link diverging conceptions of informal practices and structures, particularly in the context of the ongoing political, economic and social changes in Eastern Europe. The objectives of this book are twofold.

First, and with regard to the main distinction of this book between informality and formality, it aims to discover whether or to what extent informal structures and practices in Eastern Europe have meanings, functions, forms and effects different from those that can be observed in the politics and societies of Western Europe. The authors of this volume – the majority among them are from the region – working with the conceptual distinction between informality and formality, have been invited to discuss these questions. A particular focus is given to the question of the extent to which informal institutions and practices can be considered as a transitional phenomenon, to be observed in certain fields, areas and periods, or whether we are confronted here with a rather more structural or persistent phenomenon. As all three important regions in Eastern Europe are covered by the contributions we may expect to see that patterns of informal structures and practices are following more-or-less the direction of the transformations in the political systems, the regional economies and societies.

Second, this volume is an attempt to bring together scholars from different disciplines under the “umbrella” distinction between informality and formality. It aims not only to inform about the potential of this distinction from an interdisciplinary and multidisciplinary perspective but also to address the question of where the points of convergence are and where the differences on the conceptual as well as on the methodological level are. In that sense the volume aims to launch a dialogue, centred on the complex social phenomenon of informality, between various disciplines in the social sciences, which, although next-door neighbours, usually have

little more than a nodding acquaintance with each other. In our opinion, from a theoretical and a methodological point of view they clearly have much to share. These disciplines are political science on the one hand and social anthropology on the other as well as sociology, especially in its more interpretative, and thus rather qualitative, forms.

The above disciplines have significantly different theoretical and methodological scopes. Yet, we believe that this interdisciplinary exchange would be fruitful, not because we are under the illusion that a common approach might be found but precisely because we wish to highlight differences and similarities between the various disciplines' approaches, which are nevertheless characterized by *family resemblances* (in Ludwig Wittgenstein's terms) due to shared cognitive interests. Finally, we believe that the discussion of the relevance of informal patterns and particularly the relationship between formal and informal norms or rules is a fertile and "productive" terrain to assess such questions. We can see only what our distinctions allow us to see! In an interdisciplinary enterprise the interesting point would be to learn to see how different disciplines address the main informality/formality distinction differently.

Political Informality in Eastern Europe

Informality has become, without any doubt, a fashionable topic of research. The amount of literature on informal practices and networks in Eastern Europe and Central Asia has increased rapidly, producing useful empirically based research material.¹ Typologies and research agendas advanced by authors like Helmke and Levitsky, focusing on the correlation between the effectiveness of informal and formal institutions and their outcomes, have obviously inspired many scholars to produce empirical research on the questions raised by these authors.² This is also the case here in this

1 For a good overview of the literature see Ledeneva (2012). See also the contributions in Meyer (2006), Mansfeldova and Pleines (2011) and Christiansen and Neuhold (2012).

2 See Helmke and Levitsky (2004) (republished in Christiansen and Neuhold 2012) and also Helmke and Levitsky (2006). See also Lauth (2012), whose work on informal institutions has also been inspired by Helmke and Levitsky's typology.

volume: Helmke and Levitsky's conceptual framework is used or critically discussed in more than half of all contributions. This can certainly be considered as a good example of the productive use of conceptual distinctions allowing a discussion with neighbouring disciplines, despite the fact that such typologies deal primarily with problems related to the political system and that the notion of institutions, so central for political scientists, is not necessarily useful for other disciplines.

Moreover, the growing interest among scholars in topics related to informality may also be explained by the fact that, in many Eastern European and Central Asian countries, different forms of informal power networks hinder or even block the democratization process. Hybrid political regimes, or regimes with considerable democracy deficits, cannot operate without informal institutions and practices.³ One may even conclude that informality is part of the governance mode of all more-or-less soft variants of authoritarian regimes. Furthermore, it seems obvious that personalized governance networks are not really structures supporting democracy and rule of law; on the contrary, they undermine them. Political scientists analysing the more-or-less democratic character of specific political structures and procedure cannot avoid the question of the impact of informal arrangements, rules or institutions on democracy.⁴

There are many contemporary studies on informal institutions revealing the persistence and perverse effects of such informal structures.⁵ The economic crisis, however, particularly in Southern Europe, has again shown the extent to which clientelist networks are co-responsible for the political, economic and financial crises in the region, in addition to the populist movements riding on the waves of widespread distrust between political elites and the population at large. However, it would be erroneous to insist only on the negative effects of informal practices or to pretend that the bad informality is only in Eastern Europe or, more generally, in the countries of the "global South". It would be also completely misleading to put the "negative" conception of informality, usually associated with corruption and clientelism, in the camp of political scientists worrying about democracy and to leave the "good" informality to anthropologists

3 For such aspects see, for example, Levitsky and Way (2010).

4 For a very differentiated analysis of this question of the impact of informal institutions on democracy see Lauth (2012).

5 See, for example, Meyer (2006), Gel'man (2012), Köllner (2012), Lauth (2012) and Ledeneva (2013).

and sociologists who do not need to deal with a particular function system such as politics.

There is the truism that no organization or democratic state can avoid informal practices, which which make sense only with regard to a formal rule. To put it differently, informality can only exist in the presence of formal rules. The meaning of these relations between the informal and the formal changes depending on specific contexts. In fact there is a growing literature, in the context of the established democracies, which analyses informality in terms of informal governance, as a “coping strategy”, particularly of executive authorities confronted with complex situations, which are not at all substituting democratic rules of the game by private ones.⁶ This changes when moving to the shores of countries with rather authoritarian political regimes such as Russia, where informal as well as formal rules are used to keep the incumbents in power and to control deviant behavior or opposition in society. In such a context it does even not make sense to speak about the danger of informal networks for democracy since the formal legal system is already an instrument of power to avoid democracy. Such informal power networks for political elites should be carefully distinguished from practices and networks at the level of “everyday citizen behaviour”, where they retain a different meaning (“to get things done”).

Informality as Rational Choice in Society

This last remark brings us back to the second objective of this volume, concerning the dialogue between disciplines. As a starting point for such a dialogue, here between political science and anthropology, one could try to overcome a certain number of simplifications and misunderstandings in the way the two disciplines perceive each other. That “top-down” approaches are rather on the side of political science and “bottom-up” approaches are on the side of anthropology may be very often the case but, as such, it induces a wrong opposition and is not helpful. In fact the political science-oriented literature on informal governance precisely focuses on political actors – more specifically on the relationship between the interests

6 See Christiansen and Neuhold (2012), particularly the editor’s introduction. See also Florack and Grunden (2011) and Lauth (2012).

of actors, cultures of informality and formalized institutional contexts. Obviously, the differences between the disciplines with regard to the object of analysis also involve different theoretical and methodological choices, for example the use of a quantitative or a qualitative research strategy.

This being said, the usual level of analysis of institutions-oriented political science is rather on a meso level and on the macro level, whereas anthropology is interested more in the exploration of the micro level. However this does not mean that political science focuses only on the formal structures in society (the political ones) whereas anthropology or sociology would mainly deal with informality. The literature on political informality, whether focusing on democracies, transition countries or on authoritarian regimes, shows that and reveals how political scientists have learned to develop adequate concepts and distinctions to analyse the relationship between formal and informal structures and practices.

On the other hand social and cultural anthropology and interpretative sociology, characterized more by their micro perspective and usually a bottom-up outlook, are making other theoretical and methodological choices with regard to informality. Given this specific approach, data collection in anthropology and interpretative sociology, not surprisingly, is based on techniques specific to qualitative research, such as participative observation, life histories and in-depth interviews. In terms of the analysis of the various forms of informality and their relation to formal structures, anthropology and interpretative sociology tend to employ paradigms based on the concept of *Verstehen* introduced by Max Weber,⁷ developed by Alfred Schütz⁸ and applied to anthropology by Clifford Geertz.⁹

Clearly, therefore, at the centre of these two disciplines' interest is the *intentionality* of action as set forth in Husserl's phenomenology.¹⁰ Thus, the point is to find a behaviour's underlying sense in line with the social logic of the culture to which the actor belongs. If Geertz is correct in stating that individuals are enclosed in sense-making structures that they themselves have created, yet are never determined by them, then the task of the anthropologist and interpretative sociologist is to reconstruct this sense from the actors' point of view. This involves understanding, in its Weberian meaning, the actions of actors who are mostly from another culture

7 Weber (1956).

8 Schütz (1960), Schütz and Luckmann (1979).

9 Geertz (1973).

10 Husserl (1962).

and bringing to light the normality of socially and culturally shared representations and behaviours. However, Weber's understanding must not be confused with the Herderian notion of stepping into the other's shoes or identifying with the other, nor with the more modern notion of empathy derived from psychology. Understanding means keeping one's distance – better yet, employing the *regard éloigné* in line with the principle by which there is no need to be Caesar in order to understand Caesar.¹¹

Therefore, the anthropologist and the interpretative sociologist view informality and its practices, which, to a Western observer, may at first seem primitive, archaic, premodern, if not uncivilized, unacceptable, corrupt, amoral and possibly repugnant, as being neither good nor bad, neither positive nor negative and neither functional nor dysfunctional, but simply sensible in a given sociocultural context. Thus, informality, as an alternative to formality, becomes a form of rational choice within a given society or culture.

To exemplify this contextual *rational choice*, we can mention the case of societies in which the political and bureaucratic apparatus suffer from a permanent legitimacy deficit due to repeated negative collective experiences endured by the community of citizens in the past and confirmed in the present. Ultimately, this lack of trust in formal organizations, of both the state and of civil society, will also characterize the future horizon of expectations. Since these past collective experiences are confirmed in the present, then these societies cannot rationally have any expectation of trust in formality in the future. Individual members of these societies will justifiably choose to organize themselves into action sets, coalitions, factions, groups, and so forth, characterized by informal and highly personalized relationships.¹²

Informality, therefore, offers the chance to infiltrate the perilous formalized social spaces of the public sphere by means of *intelligent* and thus *sensible* strategies and, to a certain extent, privatize them to one's advantage. However, for the anthropologist and the interpretative sociologist these behaviours are not the outcome of forms of atavism, egoism, familism, nepotism and fatalism or other sociocultural and political deficits. These forms of collective representations and social behaviours are, instead, the logical consequence of a fundamental failure of the formal apparatus of the state and of civil society that has engendered an historical and deep-seated feeling of marginalization.

11 Weber (1968: 98).

12 See Giordano (2010: 35) *et seq.*

Organization of the Volume

The book is organised in three parts. The first deals with rather general, theoretical and comparative perspectives. The second focuses on Central and South-Eastern Europe, and the third brings together contributions focused on post-Soviet countries. There are good reasons for such groupings. In a post-Soviet context, with many countries under the control of rather authoritarian or quasi-authoritarian countries, specific cultures of informality may be expected which are different from those in other regions. Specific forms of informality are defining features of political regimes. Authoritarian regimes show typically more problematic and illegal forms of informality, for example corruption, and networks of power find a natural “biotope” in nondemocratic contexts.

Part I: General and Comparative Perspectives

From the “bottom-up” perspective of the anthropologist, Christian Giordano observes that, in South-East European and Mediterranean societies, what undermines public structures is not so much informality but rather the opposite: an ongoing failing statehood leads to the emergence and proliferation of informality. In this case informality is a lubricant, not a hindrance, in the organization of a society’s public life. The author shows in his historical-anthropological approach that the extent of clientelistic, corruptive and Mafia-like phenomena in public mistrust societies is correlated with a permanent discord between state and society. Informality, then, is an adequate principle of social organization linked to the dreadful experiences that members of a given society have continuously had with the state, both in a recent and distant past. For the actors affected by the permanent disaster of public powers and civil society’s institutions, the persistence, resurgence and expansion of informal behavioural models are simply the outcome of a contextual rational choice.

Nicolas Hayoz picks up this “bottom-up” perspective and tries, in the perspective of political sociology, to integrate it into a more general conception of the formality/informality distinction, where formality is always supposed to generate deviation from formal rules in the form of informality. Informality is the necessary “byproduct” of formality. Moreover,

historically and empirically, one can easily see how and to what extent the normative claims of a formal political order with all its planning, control or repression from “above” has provoked informal answers in form of strategies in order to adapt or undermine the system. Modernity is about balancing order and disorder as well as formality and informality. Quasi-authoritarian countries such as Russia, with their antimodern network structures cannot accept that they control deviation in form of protest through repression and legal means; on the other hand they admit informal deviation “internally”, for example in the form of corruption, which is a core aspect of such regimes.

From a sociological perspective, Anton Sterbling understands “informality” as the subversion of the formal rationality of the modern “legal-rational state” and its institutions via the dominance of personal relations and informal social networks. Against the background of this analytical framework, the author examines typical aspects and consequences of “informality” in South Eastern European societies. The author echoes the conclusions of Christian Giordano and emphasizes historically rooted experiences of “lifeworld” resistance to coercion by foreign or illegitimate rule, to the coercion of authoritarian regimes. On the other hand the author observes, particularly for the postsocialist period, strong “lifeworld” elements in companies and institutions, which are not really in line with the principles of modern institutions and their criteria of rationality and efficiency.

Then Kristof Van Assche, Anastasiya Shtaltovna, Anna-Katharina Hornidge, building on the systems theory of Niklas Luhmann, on institutional economics and on anthropologically-inspired case studies, try to develop a perspective on the dialectics between formal and informal institutions and how it affects the potential for institutional transformation. They illustrate the making and breaking of formality by means of three case studies of evolving spatial governance, in Uzbekistan, Romania, Ukraine and Georgia. Each of these cases presents specific configurations of formality and informality, which point to socially more-or-less harmful forms of management between transparency and opacity, certainty and uncertainty. The shadow economy and corruption in Greece is the main focus of the last contribution of this section, Maximos Aligisakis’ study, which examines the Greek case in the context of other European countries (especially Southern Europe and the Balkans). The author tries to explain the reasons for the Greek situation, with its shadow economy and

its form of clientelism, by pointing to the economic and social history of the country. The author identifies in the Greek case the existence of a typical vicious circle where parallel economy and fiscal evasion, corruption and distrust reinforce each other – a cycle that is difficult to break.

Part II: Informality in Central and Southeastern Europe

Part II, focusing on country-specific case studies, opens with Nicole Gallina's chapter looking at the nature of informal power mechanisms in the Czech Republic. Nicole Gallina argues that informality in this country is systemic without being tied to clans. Rather it is linked with selected elites forming coalitions. The author concludes that informal practices tend to be volatile and are tied to persons, a situation quite different from cases of institutionalized informality such as rule capture in the case of the so-called and rather short-lived "justice-mafia" case. Interestingly, the author points to an informality circle, a game in which the participating elite configurations, interests and objectives change continuously.

Veronika Pasyukova's chapter is focusing on the analysis of institutionalization of communist legacy in postcommunist politics and labour. The communist legacy is understood as collapsed formal communist institutions and informal relations of late communism. A process of transforming formal and informal institutions after the postcommunist institutional change is considered as synchronization, or balancing, of formality and informality. To illustrate this model, the case of Poland is analysed, including mainly the relationships between the successor party (Social Democracy of the Polish Republic) and the former communist trade unions (All-Poland Agreement of Trade Unions). The analysis demonstrates that they were institutionalized as a result of informalization and formalization of their communist legacy.

In her chapter on the institutionalization of the market order and reinstitutionalization of *vruzki* (connections) in Bulgaria, Tanya Chavdarova explores the process of institutionalization of market exchange in Bulgaria after 1989. She shows that the formal institutions of market are ineffective in Bulgaria and that informal institutions such as *vruzki* may produce outcomes that simultaneously converge with and diverge from the ones that formal market institutions aim at. *Vruzki* practices embody, on the one hand, the principle of reciprocity, which contributes to the deep

social embeddedness of the market economy without undermining it. On the other hand, they may uphold the mode of hidden redistribution, which systematically subverts the market economy. During socialism, the redistributive economy was simultaneously lubricated and subverted by reciprocity and hidden market mechanisms. Chavdarova shows also that the actual market economy in Bulgaria is at the same time sustained and undermined by reciprocity and hidden redistribution.

The everyday culture of informality in postsocialist Bulgarian politics is the subject of Katerina Gehl and Klaus Roth's chapter. The authors examine the thesis that the (often very conspicuous) informality of most members of the Bulgarian political class and in political culture in general occurs for different reasons and has different social ramifications: it appears to be an integral part of the past and present political culture in South-Eastern Europe in general and therefore deserves closer inspection. They conclude that the South-Eastern European societies and their political cultures are marked by a kind and degree of informality that is very deep rooted and is thus part of their "thick culture", where informality functions both as a quasi-natural given and as a populist strategy to safeguard legitimacy and support for the political elites.

Edvin Zhllima and Drini Imami look at other forms of informality in the case of Albania: their chapter is about rural land tenure and transactions. Zhllima and Imami discuss the issue of informality within the context of land reform and property insecurity in Albania. The objective of this chapter is to investigate evidence of informality in land tenure and the land market and the strategies applied by rural landowners to face the assorted flawing cases of land transactions. This study explores the reasons and mechanisms behind the emergence of "informal institutions" to address tenure insecurity. It is based on a purposive sample survey that was carried out in various regions of Albania, taking into considerations various types of land distributions.

Adem Beha's chapter identifies informality in the Serbian parallel structures established under conditions of contested state building in Kosovo. With the withdrawal of Serbian administration from Kosovo, following the international intervention, the United Nation Interim Mission Administration in Kosovo (UNMIK) was mandated to operate and extend its authority fully over Kosovo based on the UNSC Resolution 1244. In response to the suspension of sovereignty of the Federal Republic of Yugoslavia over Kosovo by NATO troops through UN Security Council

Resolution 1244, the Serb leadership continued to resist the establishment of new international administration institutions by creating so-called parallel structures. The author shows that while Serbian parallel structures in the eastern and western parts of Kosovo have diminished their presence following Kosovo's independence, parallel structures, especially in the north, continue to be resilient, stable and resistant to integration as Kosovo institutions.

François Ruegg's chapter on social representations of informality in the case of the Roma starts with the observation that informality has no value in itself but is defined through its social representation, which can be negative or positive. Since the social status of *Roma* is that of outcasts, their informality, which is considered to be their major survival strategy, will not be recognized as positive. The author understands informality as part of the Roma's assigned and assumed identity as well as contributing to forming various stereotypes about the Roma. The author concludes by observing that informality is the very motor of Roma/Gypsies' refusal to be included in mainstream society. Once formalized, informality becomes a stigma, a formal exclusion from the normal society. The author sees here, in the formalization or stigmatization of Roma informality, a contradictory move: the recognition of any minority goes hand-in-hand with the exclusion of this minority.

Fanny Sbaraglia's chapter also starts by considering informality as a construction of discourse. The main focus is on the question of how informal networks between individuals have influenced the relationship between the NGOs and state institutions in Romania. Combining three levels of analysis the author tries to understand how the actors of the NGO sector define their sector through their perceptions. Their discourses seem to be based, on the one hand, on the representation they have of each other in the NGO sector and, on the other hand, on their relations with state institutions. Civil society in Romania is a closed sector of people working for different networks.

Political corruption, abuse of office and informal networks in Bulgaria are the subject of Sonja Schüler's chapter. The author argues that the country's political and socioeconomic development after the end of socialism has been strongly influenced by factors such as nepotism, clientelism, systems of privileges and loyalties, a culture of personalized informal networks and, last but not least, the consequences of social alienation from politics and the state. The ongoing protests in Bulgaria against political

corruption seem to confirm the author's conclusion to this analysis: the protest is also about protesting against a regime that is not able to take protest seriously or to realize serious institutional reforms.

Part III: Informality in Post-Soviet Countries

Jonathan Wheatley's chapter on informal and formal institutions in the former Soviet Union opens Part III, on informality in post-Soviet countries. It investigates the dynamic relationship between formal and informal institutions in the former Soviet Union. Political life in many republics of the former Soviet Union (outside the Baltic region) appears to be conditioned by the informal norms that prevailed during the late Soviet period. The informal institutional framework that prevails is defined by low levels of adherence to formal norms. The chapter shows how formal and informal institutions interact in such a context and looks at how informal institutional change can occur. Democracy is not a likely outcome in such political contexts dominated by informal institutions. The author shows convincingly that the impulse for change must come from outside the governing political elite rather than from within it.

Galina Michaleva's chapter on the dominance of informal politics in Russia, particularly on the eve of the electoral year 2011–12 looks at the informalization of political parties and civil society in Russia. This trend is considered as result of informal practices, of the informalization of the state under Putin's rule and of increasingly repressive legal institutions making life difficult for political actors such as parties and NGOs. On the one hand, informal practices are the norm in government and bureaucracy. On the other hand even the opposition is forced into informality – due to increasing repression. Several new laws and other repressive measures were introduced recently and prevent the opposition from using formal/legal measures to express their opposition to the regime. The protest movement in Russia, as it articulated itself in the demonstrations of 2012, can also be considered as protest against this informalization of politics operated by the elites, which need to consolidate their power by establishing “subversive” institutions and by legislatively restricting civil and political activities.

In her chapter on corruption networks in the sphere of higher education in Russia, Elvira Leontyeva examines the embeddedness of corruption in the system of social practices through an analysis of network exchanges in Russian

universities. She shows how important changes to the Russian higher education system have resulted in the growth of informal activity and corruption at universities. Informal practices at Russian universities are distinguished according to a typology correlating corrupt/noncorrupt types with monetary and nonmonetary ones. The author identifies specific forms of informal practices such as *blat* at the universities – *blat* in the sense of the shadow exchange of grades. She highlights the fact that, in Russian universities, nonmonetary forms of corruption are much more often in use. Elena Denisova-Schmidt's chapter tries to explain how unwritten rules can influence human resource management in Russia. The author identifies informal practices in that field and concludes that many practices from the Soviet era have survived and are part of today's corporate culture. Studying the unwritten and/or unspoken rules that are widely used in Russian personnel management is important in order to understand how to operate more successfully.

In a different context Andrea Friedli looks at the public representation of Tatar ethnocultural youth movements in Kazan. Informal relationships are considered as a “weapon of the weak”. They seem to give the members of the Tatar youth scene and movements access to resources that allow them to represent their identities and interests in the public sphere. In that sense, informal social networks are forms of social capital and, as such, means of social struggle. Abel Polese's chapter is on the ambiguity and functions of informality exemplified by an analysis of the “running bazar” called the *elektrichka*, a small train between Odessa and Chisinau. This train is presented as microcosm incorporating many relevant aspects of post-Soviet society, particularly informal practices of the shadow economy, corruption and border problems. The weak state in Ukraine and Moldova is considered as an alimenter for a circle of smuggling and corruption; it seems to enable functioning transactions where people themselves are organizing their welfare without the state, in order “to get things done”.

In his chapter on neopatrimonialism in Azerbaijan Rail Safiyev looks at specific forms of informal practices: power structures in Azerbaijan, which are described as a neopatrimonial form of rule. The author shows how formal structures and informal practices go hand-in-hand in an authoritarian neopatrimonial power structure that is, by definition, highly personalized, allowing the ruler to control his state bureaucracy by informal means (for example by putting people in positions or by transforming positions into material benefit) as well as through formal rules. Clientelism is in fact a key feature of such a system.

Alexander Iskandaryan's chapter focuses on the importance of informal institutions for statebuilding in post-Soviet Armenia. The author argues that the nonexistence of formal institutions has led to the creation of substitutes that function, to a certain extent, like formal institutions but which remain informal. On the other hand, the author observes how, during this process of formalization of informal institutions, the informal substitutes change. Changing values in society, together with an emerging middle class, could contribute to the strengthening of formal institutions such as elections and political parties. The author sees, here, a chance for the formalization of informal substitutes.

In the last chapter of this third part, Giga Zedania focuses on the relationship between informality and the question of modernization in the case of Georgia. He parallels the distinction particularistic values/universal values with the informal/formal distinction, and differentiates between two types of informality. The author shows how, in the modernizing and changing context of the Georgian case, the relationship between informality and formality also changes. Distinguishing modernization as an ongoing process and modernization as a project put forward by political elites, Zedania observes how different political contexts produce different forms of informal institutions. He concludes that in the period after the rose revolution, the "top-down" modernization project of the new political elite – imposing new formal institutions – was not and will not be possible without a highly informalized power structure and without (re)producing new informal institutions and practices.

Conclusion

This interdisciplinary exchange of ideas should be more than a dialogue of the deaf. It could open new and more regular lines of communication, thus encouraging a more fruitful interaction between disciplines that are barely on speaking terms and that often disregard each other and which, notwithstanding inevitable and essential epistemological and methodological differences, have marked and significant shared interests such as the comparative analysis of political phenomena in terms of elementary

forms of social organization. This proposal therefore aims to encourage consideration of the relation between informality and formality in a more methodologically pluralist and ultimately more holistic way. This can also be achieved via *regards croisés* between the various social sciences present in this volume. In conclusion, we hope that our attempt at dialogue will open the way to further dialogue in order to finally establish a permanent bridge between political science, anthropology and sociology, which will allow the extension of this multidisciplinary consideration to other themes and phenomena of shared interest.

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Part I
General and Comparative Perspectives

Christian Giordano

The Social Organization of Informality: The Rationale Underlying Personalized Relationships and Coalitions

Informality in the Public Sphere: An Embarrassing Topic for the Social Sciences

The notion of informality is frowned upon by social science experts and politicians alike. It has a terrible reputation. This contempt from anthropology and sociology stems from ethical-moral normative and methodological reasons.

Most probably this bad reputation was already present, albeit implicitly, in the founding works of the social sciences in which socially established or legally required behaviours in the modern Western world play a predominant and nearly exclusive role. According to the founding fathers of sociology and anthropology, these highly formalized social practices are the ones that ensure order and cohesion in a social body. Yet, the question of a society's internal stability and integration – in accordance with this epistemological paradigm, which may broadly be defined as functionalist – is precisely the central concern of the newborn social sciences. We need only mention Emile Durkheim, for whom social research chiefly involved a systematic analysis of the various forms of social cohesion expressed in terms such as *mechanical solidarity* and *organic solidarity* (Durkheim, 1967). Everything that challenges and destroys social cohesion is a threat to the existence of a collectivity and is ultimately *anomy* – the utter lack of established, if not indeed legalized, rules. Consequently, due to its alleged lack of clearly defined rules, informality can easily be equated with anomic phenomena and thus with the worst enemies of society.

Durkheim has been one of the most important influences in anthropology, a field in which researching forms of social cohesion and their practices is still of prime importance. This is most noticeable in British social anthropology's functionalism, especially among its most distinguished representatives such as Bronislaw Malinowski, Alfred R. Radcliffe-Brown, Edward E. Evans-Pritchard, Raymond Firth and others whose contribution was the empirical study of structural, established and thus formalized forms of social organization. The exception to this trend was Max Gluckman and his Manchester school of anthropology, which studied the importance of social networks as ever changing and thus rather informal, dynamic fluid phenomena. Yet, this approach would remain a relatively isolated case on the anthropological scene. Functionalist anthropologists probably strove to prove that so-called *primitive* societies had a social system somewhat akin to those of the so-called *civilized* ones, thus debunking the conventional stereotype of the inferiority of cultures based on a savage mindset and thinking. From this institutionalist perspective, primitive societies, too, no longer appeared to be societies *sans loi ni roi*.

Given these tendencies in the mainstream social sciences, anthropologists need to assess whether the marked leaning toward social organization based on established, legalized and thus formal forms could be the more-or-less intentional outcome of ethnocentric prejudice. In fact, we cannot but wonder whether this trend might stem from the assumption that, by definition, informality is associated with societies perceived as pre-modern, backward, non-Western and thus unable to organize themselves suitably by means of formal structural models.

With the construction of the dichotomy between societies based on formality and those ruled by unpredictable informal practices, sociology and anthropology once again stage the classic polarized scenario with modern, more highly-developed Western societies on the one hand and backward, underdeveloped, non-Western societies on the other. Thus, using the terms coined by Edward Said and by Maria Todorova (Said, 1978; Todorova, 1997), we are faced with the scientific production of *Orientalist* or *Balkanistic* stereotypic concepts. We are dealing, therefore, with an antithetic, dualistic conceptual pair whose main purpose is ideological – emphasizing and legitimizing the Western model's superiority over all other forms of social organization.

This chapter aims to show that informality in its various forms, which at first glance may seem unacceptable or objectionable, is neither anomic

nor irrational. The social production of informality, instead, is linked to a variety of relationships, networks and coalitions, mostly based on personalized trust, which can help make a collectivity run efficiently, especially when the state and its institutions, for a number of different reasons, are unable to perform their duties or meet their commitments, including their commitments to their citizens. In these cases the state is no longer able to maintain the legitimacy needed to govern and enforce the monopoly on physical force (Weber, 1956: 29).

The main thesis of this chapter will therefore stem from the assumption that what undermines public structures it is not so much informality but rather the opposite – that an ongoing *failing statehood* (not to be confused with *failed state*) leads to the emergence and proliferation of informality. In this case informality is a lubricant, not grit, in the organization of a society's public life.

Socio-Anthropological Considerations Regarding the Notion of Informality

In the first place we need to emphasize that informality is inconceivable without its opposite, formality; therefore, informality and formality are inseparable. In Weberian terms, their clear-cut separation and marked contrast is distinctively ideal-typical (Weber, 1968: 235 ff.). In the empirical reality of relationships and social interactions the two phenomena coexist in modern societies and will usually overlap, merge and combine. In other societies, rightly or not regarded as pre-modern, the separation between informality and formality is undeniably blurry, to the point that the distinction between the two is not even perceived. Consequently, the separation between the two turns out to be a deceptive construct of the outside observer.

The terms “informality” and “formality” are inherently problematic because of their extensive and contradictory semantic fields whereby their meanings will vary in accordance with social context. In modern societies, informality with reference to a person's private life is synonymous with lack of ceremoniousness, freedom from rigid conventions, flexibility, amenability, bonhomie, familiarity, spontaneity, tolerance and so forth. In this social

situation, informality evokes the idea of an open agent or environment and thus has a definitely positive connotation. When linked to the so-called public sphere, instead, informality takes on a different meaning altogether. In this case it becomes synonymous with dishonesty, illegality, double-dealing, dysfunction, unreliability, irregularity, nepotism, corruption.

Again, in the context of modernity, formality in the private social sphere is far less prized because it is an indication of social rigidity, ceremoniousness, affectation, pretentiousness, if not of an aristocratic stance bordering on arrogance. In contrast with this negative connotation of informality, formality in the public sphere becomes a very positive quality because abiding by formal aspects denotes rectitude, reliability, justice, fair administration and thus *good governance* of the common good.

Can these representations of the *informality/formality* dichotomy, put forward by distinguished representatives from the social sciences (Miszta, 2000: 17 ff.), be observed empirically in the social practices of modern societies? If not why is there a discrepancy between representations and behavioural models?

Starting from the socio-anthropological observation that informal relationships and practices in modern societies are neither a marginal nor infrequent phenomenon and even less so entail socially illegitimate relationships, in line with the observations of American sociologist Homans, we can define informality as a set of one-on-one behaviours – highly personalized – which can be regarded as the most simple, basic and universal of human relationships (Homans, 1961; Misztal, 2000: 25). Ultimately, informality entails an extra-institutional resource based on interpersonal transactions and exchanges of reciprocal services between interacting actors.

The Ideological Backdrop of Informality: Public Mistrust Societies

In many societies in the Mediterranean area and in South-Eastern Europe anthropologists must deal with specific notions of *public* and *private* that clash somewhat with ideals and ideologies specific to the Occident. In

these societies, which we will call *public mistrust societies*, the relation between public and private is clearly conceived as a binary opposition. In terms of collective representations, in fact, there is an undeniable confrontation between the public and the private sphere. There is no empirical evidence in the societies we are talking about of the well-known idea of sociologist Richard Sennett, for whom public and private spheres in the Occidental world have been a complementary *set of social relationships*, or, more metaphorically, *two atoms of the same molecule* (Sennett, 1977: 120). Accordingly, in public mistrust societies the clear-cut separation between public and private sphere and the supremacy of the former to the latter has never been questioned. The consequent evaluation of these societies' members is categorical: the private sector is regarded as the social space of security, trustworthiness and solidarity, whereas the public sector is perceived as a dangerous foreign body. For this reason, anthropologist Carlo Tullio-Altan, referring to Italy, pointed out that this country has a specific morality (Tullio-Altan, 1986). In accordance with this type of morality, which is more-or-less a standard feature of public mistrust societies, any endeavour a person undertakes in order to guarantee, achieve, and even maximize the particularistic-like welfare and benefits of his own group is legitimate, given the private sphere's essentially positive features. In line with this type of morality, these strategies can be activated even if they should damage other members of society and above all if they should jeopardize public welfare.

In parallel with the positive evaluation of private social spaces, this morality is averse to public social space. In fact, when the public universe is perceived as increasingly impersonal, objectified, anonymous and rationalized, then suspicion and distrust will increase among the members of public mistrust societies. This is precisely one of the reasons why extralocal public institutions rekindle the feeling that their ultimate aim is to rob and harass people. Anyone who thinks that this is an undisputed truth can have only one reaction – namely, to develop action strategies based on the logic that *robbing your robber* is legitimate. Thus, the opposition between private and public turns out to be one of the fundamental collective representations on which corruption practices, political scandals, Mafia activities, and mutual assistance between patrons and clients are established. However, this does not imply, and we stress this point, that such behavioural models pertain solely to public mistrust societies based on various local versions of the above-mentioned morality.

Constructing Informality: Relationships, Coalitions and Personalized Practices in Public Mistrust Societies

Despite significant structural differences, almost all experts on informality agree on stressing the *primordial importance* of family and kinship as a *solidarity group*, since according to members of a public mistrust society they represent the only types of community that can guarantee *cooperation without a hidden agenda*.

At first sight, therefore, public mistrust societies apparently fall into the category that anthropologists Rubel and Kupferer (1968) labelled *atomistic society*, whose characteristic is to be solely an *assemblage of families* (Tullio-Altan, 1986: 30). Bearing this in mind, *atomistic societies* organized entirely around perpetually contentious and competing family and kinship cores are an abstraction not found in empirical reality. A closer look at these societies reveals that their members believe in the need to extend their relationships of solidarity beyond family and kinship ties.

In public mistrust societies, when we look beyond family and kinship structures, we ought to consider above all the importance of informal interaction networks, which could be defined as a system of strongly personalized dyadic relationships.

Ritual Kinship, Instrumental Friendship and Acquaintances

Among the several types of personalized relationships used in public mistrust societies to make the public sphere more trustworthy, one of the most important ones is ritual or symbolic kinship, i.e., godparenthood (Italian: *comparaggio*; Spanish: *compadrazgo*; South Slavic languages: *kumstvo*), which to this day is still widespread especially in Euro-Mediterranean countries and South East-European Slavic countries.

The close net of kinship relationships of a symbolic nature involves an action strategy aimed at establishing a long-term alliance between various individuals or groups of blood-relations and kinsmen sharing a fairly equivalent social status. In Mediterranean and southern Slavic societies, another far more common way to extend protection and solidarity structures is to establish dyadic relationships of symbolic kinship with people with a higher status and social prestige and/or with better political

and economic opportunities than one's own. In these cases the poor, the underlings and the powerless tend to choose their godfathers among rich and powerful people who can provide the necessary assistance to secure personal interests within the public sphere (Pitt-Rivers, 1977: 54; Zimmermann, 1982: 76 ff.; Vuidaskis, 1977: 91 ff.).

Within the framework of this analysis we need to emphasize that ties of symbolic kinship always imply reciprocal rights and duties, which guarantee the informal exchange of favours and counter-favours between socially superior and socially inferior actors.

The second type of interpersonal relationship comprises ties of friendship. In general the social institution of friendship is based upon symmetrical extra-kinship and extra-family relationships. Friendship ties usually develop among people belonging to the same class or equivalent/analogous social strata (Mühlmann and Llaryora, 1968: 8; Schiffauer, 1983: 124).

However, the notion of symmetry leads to another feature of friendship relations that is quite prevalent in public mistrust societies in the Mediterranean and South-East European area; namely, the transactional aspect of these dyadic relationships, which, as a rule, involve informal instrumental interactions (Boissevain, 1966: 23; Wolf, 1966: 10 ff.). In public mistrust societies, the instrumental aspect is intrinsic to friendship and the exchange of material favours is openly performed. These transactions among friends are not stigmatized at all, although the affection aspect is not missing and coexists smoothly with other types of favours and counter-favours in these societies as well.

In practical terms, we can add that an individual, say in southern Italy or Bulgaria as typical examples of public mistrust societies, who needs to speedily solve a problem with the civil law or wants to obtain a permit, a pension, or a license that depend upon the decision of a remote and unfamiliar office in the capital, will not apply to the relevant authorities in person but will mobilize a *close friend*. The latter in turn will get in touch with acquaintances occupying important positions in the magistracy or civil service who will help deal with the case. These instrumental relationships based on transactionality, thus on reciprocity, entail equivalent counter-favours – in our case, the mediation of acquaintances with high-ranking people.

The instrumental and transactional meanings of the term *friend*, and the term *acquaintance*, are often nearly synonymous. This was true in the long period of *really existing socialism* for example and can still be found

in postsocialist transition societies. Consequently, *acquaintances* imply the existence of a network of dyadic and polyadic social relationships based on transactional reciprocity, which is put to use to obtain what are regarded as vitally important personal favours at the expense of the common good and public resources (Ledeneva, 1998: 37). Being an *economy of favours*, *acquaintances*, especially during the socialist era, was a practically universal system of informal network that enabled these coalitions of friends and acquaintances (at times just temporary) to appropriate material-like common goods as well as symbolic-like state privileges via highly-personalized channels. An interesting aspect is that all South-East European public mistrust societies that were under socialist domination experienced these phenomena, as shown by the existence of similar if not identical terms such as *vrázki* and *veze* used in Bulgaria and in Serbia respectively. (Benovska-Sábková, 2001: 165 ff.). Finally, we ought to highlight that money plays a secondary role in these relationships; therefore, this phenomenon must be fully distinguished from corruption.

Patronage Relationships and Clientele System

Another type of interpersonal and dyadic relationship that extends the informal ties of solidarity and protection beyond the limited context of family and kinship into the public sphere is the relationship between patron and client.

The relationship between patron and client can be defined as an interpersonal and dyadic tie regulated by rights and duties usually informally defined. However, the tie between patron and client gives rise to an asymmetrical type of reciprocal dependence as the client depends more on the patron than vice versa. In other words, the client has more need for the patron than the other way around (Mühlmann and Llaryora, 1968: 3). As can be inferred by these definitions, the relationship between patron and client implies a marked social, political and economic inequality between the people involved. In the patron/client relationship there is usually a class differentiation between the actors.

The institution of patronage permeates all organizations and associations linked to wielding and controlling power. Consequently, with its

implicit strategy of personalizing social relationships, the clientele system becomes the backbone of the management of the common good, which is privatized via multiple extensive vertical links featuring dyadic and often long-term ties between patrons and clients at crucial points.

By now, each public mistrust society is embedded in a modern bureaucratic order. Thus, there is a more-or-less centralized territorial state based on a standardized administration, (in principle) impartial and hierarchically structured. Moreover, with reference to the strictly institutional aspect, the political system in the vast majority of public mistrust societies, especially in the Mediterranean and South-East European context, is typically a parliamentary democracy. Transactions between patrons and clients, in the shape of asymmetrical favours and counter-favours, are usually carried out in contexts where the administration of the common good is known to be crucial. For example, relationships between representatives of the state's power (i.e. politicians and state officials) as well as managers of civil society organizations (NGO, co-operative association, or trade union directors, for example) on the one hand, and common citizens on the other, do not comply with the principles of objectivity of common interest decreed by the abstract models of bureaucratic organization. These relationships, not personalized in theory, are invariably turned into ties of patronage, which, through the exchange of reciprocal favours, pursue essentially particularistic interests. Whoever holds a public post of any kind will at length instrumentalize the structures and resources of the legislative, executive and judiciary power solely in favour of specific people connected to his network.

According to Western societies' political philosophy, the impartial and impersonal administration of the common good is an inalienable guarantee against particularism's arbitrariness. This explains why most experts, shaped by this tradition of the Occidental modernity, link clientelist practices to corruption, nepotism and the squandering of public resources. The perspective of the actors belonging to public mistrust societies, however, is diametrically opposite. As a rule, for the actors themselves the relationships between patron and client represent the most efficient means to make the state's bureaucratic apparatus more transparent and less rigid. Paradoxically, the clientele system in public mistrust societies turns out to be a bridging mechanism between state and society that helps make the citizen's relationship with the public administration less troublesome (Vuidaskis, 1977: 88). Consequently, in postsocialist societies in South-East Europe

or in the Mediterranean area one would rather seek the help of a capable patron than apply directly to the appropriate public office that follows the unpredictable and intrinsically sluggish procedure of the public service.

The clientele system in countries of the Mediterranean area and South-East Europe is often interpreted as a legacy of archaic rural-like societies. Consequently, there is a mistaken assumption that such practices, looked upon as obsolete and socially harmful, will disappear thanks to modernization and democratization processes. The far-reaching social changes that have taken place in specific public mistrust societies in the Old Continent have certainly transformed their social fabric. Paradoxically, however, they also triggered the clientele system's adaptation to the new situation. Ironically, we can observe that the classic institution of patronage updated itself, taking on more complex and certainly less archaic forms of organization. In Italy, particularly in the Mezzogiorno, experts have witnessed the rise and development of a party-political clientele system and/or of a mass clientele system (Graziano, 1974; Belloni *et al.*, 1979; Morisi, 1993), which ultimately replaced the old clientele system of the *local notables*. Unlike the clientele system of the notables, the new forms of patronage are based on obtaining large numbers of votes in exchange for favours through the shrewd control and instrumentalization of civil society's institutions such as major co-operatives and other types of voluntary associations. Nowadays, after the reassessment of the political parties' relevance and the partial introduction of a majoritarian electoral system the clientele system in Italy seems to be thriving because the new institutions introduced in the 1990s have further encouraged the personalization of relations between the professional politician and his electors. The case of Italy therefore proves that the institution of patronage is far more flexible and durable than what institutionalist approaches, which settle for formal analysis and disregard actual social practices, still reaffirm (Putnam, 1993).

Corrupt Practices

Corruption can be defined as a system of social practices based on reciprocal, voluntary and illegal (i.e. punishable by the state) transactions between two or more individual or collective actors.

Due to their net-like structures, the clientele system and corruption are often erroneously considered to be identical phenomena. On the other hand, corrupt practices, due to the transactions' voluntary aspect, should neither be confused with the various types of blackmail nor with the violent and criminal forms of behaviour associated with Mafia organizations and extortion rackets.

The term "voluntary", however, should not be understood as an absolute. Corrupt practices in many cases are not immune from pressure or other types of coercion. This is especially true in social systems in which these transactions are so widespread and normal that the actors have no other choice than to comply with the standards of the society they live in, although they might prefer to follow a lawful course of action. The scandal of *Tangentopoli* in Italy in the early 1990s is a good example of this type of situation.

Several experts express the opinion that corruption, as previously defined, involves only a serious and intentional lack of concern of one's duties as an actor in the public sector. Carefully analysed, this close correlation between corruption and public sphere appears to be too reductive. The definition by which corruption is merely *the abuse of public office for private gain* is hardly a marginal simplification because it restricts evidence of these illicit behaviours to the public domain – specifically the political and bureaucratic arenas. We cannot deny that corrupt practices emerge also in the private sector, for example within or between companies operating in a market economy. Therefore, we can differentiate between public and political corruption on the one hand and the private and economic one on the other (Heidenheimer *et al.*, 1989: 8 ff.). Obviously, this dichotomy is purely analytical, since a *de facto* clear-cut demarcation between the two forms in most cases is far less visible than we might suppose.

After these explanations, we can venture to define corruption from a sociological and anthropological point of view. Corruption is a reciprocal exchange of favours in which two or more persons linked in an informal and temporary net-like coalition obtain illicit benefits at the expense of other individuals, private groups, public collectivities and communities of citizens. In fact, corruption can be defined as such only within a legal system guaranteed by a single state or a transnational community of states that openly declare its illegality. Without the penal aspect defined by state laws, corruption would merely be another strategy to maximize profits. Although the state or its representatives might not be directly involved in

corrupt practices, the latter's penal characteristic requires the intervention of the judiciary power. This fact is relevant not only judicially but also socio-anthropologically.

From these general observations, we can establish the first significant difference between corruption and the clientele system. In fact, although corrupt practices, due to the intrinsic nature of the exchanges, are criminally indictable illegal transactions, in most cases the relationship between patron and client, according to Occidental standards, implies behaviours that might be morally and politically reproachable but are not downright illicit. The client who obtains votes in exchange for favours for his patron by mobilizing his small network of relatives and friends via widespread canvassing is hardly infringing the criminal code. The differentiation between these two types of personalized transactions lies in the qualitative difference between the illegality of corruption and the non-legality of clientelist practices.

Secondly, corrupt practices nearly always involve monetary issues. Accordingly, in Italy terms like *tangente* or *mazzetta* (bribe), well-known words by now, bring to mind substantial amounts of money circulating in corrupt practices. This monetary aspect, on the other hand, is an exception in clientelist transactions where the exchange of favours covers a wider and less specific range and the favours' sociopolitical aspect definitely outweighs the economic aspect.

Thirdly, we ought to stress that in cases of corruption there is usually a single transaction, which in general is not repeated periodically as happens in clientelist favours; consequently, the latter take on far more incorporated aspects of reciprocity.

Mafia Networks: Managing Protection in Public Mistrust Societies

Generally the Mafia has been viewed as a very efficient organization that can defy the state. This view's flaw lies in having created a representation of Mafia in the likeness of bureaucratic institutions, deemed as holders of the administrative rationality. Therefore, the Mafia has been cast as a counter-state, i.e. as a mirror-like reproduction of the state itself. This is the crux of

the bureaucratic myth. According to this perspective, the Mafia is a pyramid organization ruled by a strong centralism and a firm hierarchical order. Yet, this representation of the Mafia, which originated mainly in public administration environments, is based upon an ethnocentric assumption, i.e., on the belief that an efficient organization must be based on formal institutions that are identical or at least similar to those of the state.

From the late 90s on the problem of Mafia structures has been reassessed owing also to the inconsistency of the bureaucratic myth we have described. At present there is a growing awareness that the Mafia is an amazingly flexible phenomenon. One could almost say that the Mafia is always one step ahead of the state – it is able to modernize itself more quickly than the public structures. At this point, the rightful assumption is that the Mafia is neither a Freemason-like secret society nor a formal centralized organization, but rather a complex system of networks consisting essentially of interpersonal relationships (Hess, 1988: 119–133). This does not mean that relations among Mafiosi take place by the light of the sun, but rather that the formal rituals represent a marginal reality and possibly a relic of the past.

On the other hand, claiming that within the Mafia sphere there are no bureaucratic-like organizational structures would be unreasonable nowadays, yet conversely one could claim they are not as pervasive as was believed in the past, although these structures are present in the shape of small, formally established nuclei (Paoli, 2000). Thus, we can concur with the well-grounded hypothesis that these formally structured Mafia cores (for example, a *famiglia* or *cosca* with well-defined roles, hierarchies, rituals and contract relationships among its members) is integrated in an extensive network of informal and hardly permanent relations with unskilled criminals, with occasional or regular clients, and above all with powerful politicians and distinguished entrepreneurs. In turn, the various nuclei join forces temporarily, forming more or less lasting, yet rarely enduring alliances. The power of Mafia networks, which by virtue of their inherent flexibility and imperceptibility can easily avoid being snared by the law, lies in the markedly informal aspect of social relationships with the world beyond the nucleus. The law's action, based on its formal instruments, in fact reveals critical shortcomings when it tries to lay hold on *undercover* structures in general and Mafia ones in particular.

In order to explain the persistence and diffusion of the Mafia phenomenon we need to start from the fact that, in a given society, there is

no reciprocal relationship of trust between citizen and state. In this case, obviously enough, most of the community of citizens would rather join informal and highly personalized protection networks. However, this is also the fertile ground in which Mafia networks flourish because the term “Mafia” does not only stand for transnational organized crime. As regards to local society, Mafia above all stands for the *management of public distrust* through the *industry of private protection* (Gambetta, 1993).

This formula indicates that, in an environment of widespread distrust in the public sphere, Mafia networks are extensive organizations that can guarantee the proper running of public transactions among private individuals, either groups or single individuals. Consequently, large sections of the economy also have no intention of associating directly with the market and would rather rely on Mafia control. Finally, we need to stress that the private industry of private protection is not based solely on wholesale violence. Although violence is an essential characteristic of Mafia behaviour, it should actually be regarded as an *ultima ratio*, used only in case of serious and repeated violation of agreed terms.

Mafia networks, therefore, as an industry of private protection, arise and develop in societies in which the state has lost or has never been able to obtain the citizens’ trust. This is precisely the case both in Italy, where the recognition of the state has always been shaky, and in postsocialist countries, where the downfall of communism simply exposed a deep, centuries-old crisis of the legitimacy of what the actors themselves perceive as the public sphere.

The lack or inadequacy of trustworthy structures within the public sphere in the end drives citizens to turn to informal protection networks (mainly Mafia-like ones), which in turn tend to appropriate the state or even take its place.

Conclusion: the Historical Legacy of Informality

The clientelist, corrupting and Mafia practices in the frame of informality should not be considered exclusive to public mistrust societies perceived as archaic collectivities, or to those plagued by social, cultural and moral backwardness (Banfield, 1958; Lepsius, 1965: 321; Tullio-Altan, 1986: 57 ff.;

Pardo, 2004; Haller and Shore, 2005: 3 seq.). This would be yet another ethnocentric theory of the sociocultural deficit of some societies compared to others, namely Western ones. Societies deemed to be more advanced have cronyism, clientelism, corruption and Mafias too, although probably to a lesser extent or perhaps just better concealed because the state is more efficient.

The question of the diffusion and the continuity and persistence of informality and its associated social relationships in public mistrust societies cannot be adequately dealt with via a culturalist approach, which usually employs an overly essentialist, static notion of culture by which the actors are locked up in a sort of immutable iron cage and are thus reduced to robots without a choice. An interpretation based on the pure and simple use of the rational choice paradigm appears to be highly reductive as well.

An historical-anthropological approach, instead reveals quite clearly that the extent of clientelist, corruptive and Mafia-like phenomena in public mistrust societies is strictly correlated with a permanent discord between state and society (Pardo and Prato, 2010). In Weberian terms we could say that there is a split between legality and legitimacy as shown in the following diagram:

Formal state institutions	Informal relationships and social networks
Legal	Partially illegal or semi-legal
Non-Legitimate	Legitimate

The roots of this discord between state and society and the consequent split between legality and legitimacy reach deep into a distant history. Yet, history cannot be reduced to a mechanical or automatic sequence of objective facts. Instead, it must be understood as an interpreted past activated by the actors themselves in their present to be interpreted (Ricoeur, 1985: vol. 3, 314). Thus, we reach the question of history as a past that is experienced either in a direct or mediated way and then actualized (Giordano, 2005: 53–71). This concerns what has been defined as the presence or efficacy of history (Schaff, 1976: 129; Ricoeur, 1985: Vol. 3, 495). Unlike socio-genetic narratives, the historical-anthropological view does not deal as much with the sociologically relevant roots of informality and its manifestations in the social practices of public mistrust societies, but rather with the social

construction of continuity by which Mafia activities in the minds of members of some societies take on and maintain a specific meaning.

According to the historical-anthropological view, this endurance, despite inevitable socio-structural changes, springs from the tight and permanent interaction between the collective spaces of experience, in the sense of interpreted past, and the horizons of expectation to be considered, instead, as imagined future (and thus to be interpreted) in the present (Koselleck, 1979: 349 ff.).

Informality as an adequate principle of social organization (along with its social practices, mentioned above) is strictly linked to the dreadful experiences that members of a given society have continuously had with the state both in a recent and distant past. Obviously, these negative spaces of experience, which have a marked influence on the actors and the formation of their horizons of expectation, do not reproduce themselves automatically by tradition – just because they are handed on from generation to generation. These spaces of experience must be constantly confirmed in the present. Traditions and mentalities are extremely mouldable phenomena whose plausibility and adequacy must be permanently verified and confirmed. In accordance with the members' perception of these experiences, the corresponding systems of representations and behavioural models will be strengthened, modified, or discarded.

As already mentioned, the reproduction of negative spaces of experience in public mistrust societies, such as the one in the Mezzogiorno or those of Eastern Europe, goes hand in hand with the constant failing of the state and of civil society's institutions. Yet, such a public inability to carry out one's duties is not only an objective fact that can be observed from the outside but, far more important, is also shared within and consequently built as such by the citizens themselves. Thus, for the actors affected by the permanent disaster of public powers and civil society's institutions, the persistence, resurgence and expansion of informal behavioural models are simply the outcomes of a contextual rational choice. Paraphrasing Pizzorno, in fact, members of public mistrust societies in the Mediterranean and South East-European areas resort to informality with good reason since nobody is foolish to the point of doing things that serve no purpose or that could be damaging (Pizzorno, 1976: 243).

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Nicolas Hayoz

Observations on the Changing Meanings of Informality

On the Relevance of the Informal/Formal Distinction

In his famous book *Seeing like a State*, James Scott (1998: 310) discusses the perverse and destructive effects of “extreme instances of massive, state-imposed social engineering”, such as Soviet agricultural collectivization and central planning, concluding that “formal order, to be more explicit, is always and to some considerable degree parasitic on informal processes, which the formal scheme does not recognize, without which it could not exist, and which it alone cannot create or maintain.” The author gives many impressive examples of communism’s “big intentions”, showing that formal rule could not operate without its informal counterpart and that “nonconforming practice is an indispensable condition for formal order” (Scott, 1998: 352). This expresses quite well the dialectics between the formal order subjacent in social-engineering designs and informal processes on which they are dependent.¹

This view can be read on at least two levels. Social engineering in the form of totalitarian or authoritarian experiments produces effects and social reactions not foreseen in the designs of its designers, be they resistance, “exit” strategies, noncompliance or parallel informal worlds (Hankiss, 1990). A similar pattern can also be observed in the cases of ineffective, corrupt states whose legitimacy is being questioned and where informal practices compensate for the failing state. Such personal informal networks can be considered as problem-solving strategies (“to get things done”), which in many countries (not only postcommunist ones) go together with a lack of generalized trust and trust in formal institutions and civic networks (Rose, 2000a). The literature on trust explains this “withdrawal” in the world of personal networks and personal trust-based relations with

1 See also the “anarchist” variant of this argument in Scott (2012).

the inequalities and discriminations perceived in society (Uslaner, 2002). In that sense one can only agree with Christian Giordano's conclusion (in this volume): "members of public mistrust societies in the Mediterranean and South East-European areas resort to informality with good reason." It would make no sense to consider such a "contextual rational choice" as negative or as "suboptimal strategy". On the other hand, in a "top-down" perspective, things look different because, for the political and economic elites, informal networks, personal trust and trustworthiness are means for achieving and maintaining power.

However, Scott's observation can and should also be read in a more radical way. From a sociological point of view, the observation that formality is always parasitic on informality may appear as a truism. Political scientists who are accustomed to thinking in institutional categories would probably have more problems accepting a view considering informality as consubstantial to formality. Political scientists usually focus, instead, on functional aspects of informal structures or institutions. For those looking at informality in Western democracies, functionality with regard to formal structures would point to the question "to what extent does informality confirm or not the objectives of formal rule?" (Pannes, 2011: 40) or "to what extent are informal institutions complementary to formal rules?" (Helmke and Levitsky, 2004). On the other hand, scholars focusing more on transition countries or so-called hybrid regimes are more interested in the fate of democracy – the question of whether informal institutions are strengthening or undermining democracy. Here the negative aspects of informality are clearly the centre of interest: situations where formal and informal institutions are divergent and produce competing institutions, in Helmke and Levitsky's (2004) terminology. Ledeneva (2012: 377) points to typical examples of competing institutions studied by scholars such as "clientelism, patronage, corruption, mafia, and crony capitalism that help redefine the formally declared political regimes in Latin America, Eastern Europe and central Asia." In all these cases, informal institutions are considered to undermine the formal institutional order and, with it, democracy. As some of the authors of his volume demonstrate, a considerable number of rather (quasi-) authoritarian political regimes, particularly in the countries of the former Soviet Union, are based on personalized, informal networks of power (Levitsky and Way, 2010).

It seems that the understandable fascination of scholars for negative informality leaves important aspects of the formal/informal distinction underexposed. The heuristic potential of this distinction is rarely