Understanding the Authoritarian State: Neopatrimonialism in Central Asia

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Post-Soviet States in Central Asia regularly feature in rankings of the world’s most repressive regimes. Only Kyrgyzstan has held reasonably competitive elections in the last decade. Elsewhere, authoritarianism remains the default political system. Turkmenistan is rivaled only by North Korea in its self-isolation and political repression, while in Kazakhstan and Uzbekistan, Communist-era rulers remain in charge more than 20 years after the demise of the Soviet Union. As the West engages more closely with these states—on security issues, on the Afghan campaign, and in economic relations—it is increasingly important to understand how these states function and why these authoritarian systems have proved so durable.

Two broad Western approaches to Central Asia (both equally misleading) can be identified. In the first, the authoritarian state in Central Asia is viewed as just a temporary stage in a drawn-out transition toward democracy. Eventually, given the right encouragement and support, these political leaders will embark on the same economic and political reforms that worked in Eastern Europe. Advocates of this transition theory approach emphasize the need for more capacity-building and technical assistance from international financial institutions, such as the World Bank; donors focus on good governance and promote anticorruption initiatives. After two decades of such policies, the results are disappointing. A second approach shows less interest in the long-term trajectory, suggesting instead that Central Asia should be understood primarily through the

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Strategic framework of the “war on terror” as part of a “Greater Central Asia,” which includes Afghanistan and Pakistan. In this view, weak, secular states facing the threat of radical Islamist terrorist groups deserve both political and security support. Since Central Asia became the conduit for the Northern Distribution Network (NDN) into Afghanistan, close security relationships with the United States and other Western states have only intensified.

These two approaches overlook many of the complex internal dynamics of these regimes and instead impose an external framework that offers a poor fit for the realities of Central Asia. An alternative way of understanding contemporary authoritarian rule in Central Asia is presented by the idea of neopatrimonialism, a term that describes a political system in which the familiar institutions of the modern state (government ministries, a legal system, and a legislative body) are combined with informal, behind-the-scenes politicking based on patron–client relationships, regional networks, and kinship. Political elites in these neopatrimonial states do not, for the most part, view their states as being “in transition” from an oppressive Soviet past to a democratic future; from their point of view, the neopatrimonial state offers a functioning system of governance that produces both economic goods for the elite and sufficient political stability to maintain power. In security terms, these states may appear to be ready allies for the West. In the neopatrimonial state, military bases, cross-border supply routes, and intelligence sources are all issues of business negotiation rather than ideological commitment. But these security relationships are often superficial. Such regimes often have complex relations with the insurgencies or criminal networks that they are apparently fighting against, and foreign policy alliances can shift rapidly in response to internal political events.

In these regimes, power lies not so much in formal control over institutions of the state, such as government ministries or the military, as it does in the ability to provide (or block) access to business opportunities or posts in government that allow officials to benefit from corruption. The leadership distributes these moneymaking opportunities in exchange for a cut of the financial proceeds and maximum political loyalty. Anybody thinking of turning against the regime risks losing business, property, and access to power; they may even face legal charges and imprisonment. Legal cases are easy to concoct against erstwhile insiders: everybody involved in these informal politico–business networks is likely to have at one time broken the law.

The Neopatrimonial State in Central Asia
While all the political systems in Central Asia are characterized by the dynamics of neopatrimonialism, its impact varies significantly from state to state. Kazakhstan enjoys the advantage of major oil and gas reserves that have provided the resources to maintain a certain level of stability. While the extended family and allies of President Nursultan Nazarbaev have benefited significantly from the oil and gas sector, resources have been sufficient to also allow a wider business elite to develop. Additionally, since the largesse from oil and gas has been so great, enough has trickled down to at least some groups in society to provide a relatively strong economic performance overall. An urban middle class has prompted an improved service sector, and economic growth is supported by adequate education and some social services, at least in urban areas. A relatively strong state partially compensates for the patrimonialism at the heart of the political culture.

In Uzbekistan, on the other hand, there is less trickle-down of wealth into the rest of society, and the state appears to have become weaker in relation to the patrimonial dynamics of political and business elites. Members of the extended presidential family have reportedly come to dominate large areas of domestic business. Swiss magazine *Bilan* estimates that Gulnora and Lola Karimova, the President Islam Karimov's glamorous daughters, have acquired a family fortune of just under $1 billion. While there has been some economic growth in the cities, in rural areas schoolchildren are still put to work in the fields to harvest cotton—a product that earns the country millions of dollars in hard currency but hardly benefits cotton farmers at all. Economic stagnation raises the price of loyalty and encourages the state to use coercion instead of financial persuasion. Even in the security apparatus, state institutions (such as the police and internal security services) are closely intertwined with personal, business, and patronage networks.

In comparison with its larger neighbor, Tajikistan has pockets of occasional liberalism: a few independent newspapers, some NGOs, and a legal opposition party (the Islamic Renaissance Party). But President Imomali Rakhmon, who came to power after a civil war in the 1990s, has gradually closed down rival political groupings and centralized power around his own family and patronage networks, based in his hometown of Danghara. His brother-in-law, Hasan Asadullozoda (Sadullayev), is one of the most powerful business leaders in the country. Poverty remains widespread, however, and many people survive economically only by working in Russia as migrant laborers. According to the
International Monetary Fund (IMF), the level of remittances rose five-fold from 2004 to 2008, reaching a record $2.67 billion (over 46 percent of GDP) in 2008.6

The extreme dictatorship of the late Saparmuryad Niyazov in Turkmenistan went beyond the complex networks characteristic of neopatrimonial rule. Instead, direct loyalty to the president appeared to be the main criterion for political survival. Since his death in 2006, his successor Gurbanguly Berdymukhamedov has dispensed with a few of the worst attributes of Niyazov’s rule—such as the ubiquitous Ruhnama, Niyazov’s own book that offered an idiosyncratic mix of moral and spiritual guidance and a guide to Turkmen customs, and became compulsory reading in schools. The regime remains highly authoritarian, but its internal dynamics have begun to adopt the classic patterns of neopatrimonial rule, with traditional kinship and regional groupings mixing with networks of business people and state officials around the president.7

STABILITY AND COLLAPSE

Neopatrimonial states are often remarkably stable in the short-to-medium term. Corruption serves a political purpose and acts as an important ingredient in ensuring short-term stability—it is the currency of what an expert on African politics, Alex de Waal calls “retail patronage politics,” which he defines as “the ability to gauge the monetary price that can be offered to any particular individual to secure his loyalty.”8 The patron–client system provides a relatively low-cost way of resolving conflicts without excessive violence. Potential opponents of the regime can be bought off with economic concessions or reined in through threats to their financial position. Ordinary people who suffer most from the inefficiencies and injustices of the system may also be dependent on the system for survival. A local patron may look much like a mafia boss to outsiders but may offer a certain level of stability and economic assistance to local people.

In the long term, however, these regimes face two major problems. First, the emergence of increasing numbers of “outsiders,” elite groups that have been squeezed out of the system either at the national or regional level. Second, a broad mass of marginalized and disaffected nonelites, who are largely ignored in the distribution of resources and face both lack of economic opportunity and political repression. When significant opposition does emerge, it tends to be led by these aggrieved elites, who turn on the very system that initially provided them with both wealth and political power. Typical of such figures are two former “insiders-turned-outsiders” from Kazakhstan: Rakhat Aliev, the former son-in-law of the president, who is now in exile in Austria, and Mukhtar

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Ablazov, a Kazakh oligarch who is accused of multibillion dollar fraud by the Kazakh government and on the run from both the Kazakh authorities and the British courts.9

More dangerous than former government allies plotting in London or Vienna are potential internal opponents to the political leadership. Opposition in Central Asia has most frequently emerged from regional elites, attempting to defend their own local business networks from rivals. When the central government attempts to clamp down on local patron–client networks in favor of central clans and groupings, local leaders are often able to mobilize thousands of supporters. The arrest of a group of businessmen in Andijan in Eastern Uzbekistan in 2004 on charges of Islamic extremism initially sparked peaceful protests by their supporters. When the business leaders went on trial, in a typically flawed court case in May 2005, thousands of people attended antigovernment demonstrations and a small group of armed men freed prisoners and took some officials hostage. In response, security forces opened fire on demonstrators, killing at least several hundred unarmed civilians. The government claimed that it had crushed an Islamist insurgency.10

Opposition from regional elites to authoritarian presidents has twice led to violent regime change in Kyrgyzstan. In 2005, President Askar Akaev, a liberal non-Communist leader whose family and allies began to dominate business and politics after 2000, was ousted by rival elite groups from the poorer south of the country, who succeeded in mobilizing popular opposition to the president after flawed parliamentary elections. Akaev’s successor, Kurmanbek Bakiev, learned little from this experience of revolution, and instead copied Akaev’s mistakes almost exactly. First, the Bakiev presidential family began to take over the businesses and economic interests of rival elites. Second, they started to clamp down on NGOs and the media to stifle any opposition, developing what appeared to be a typical authoritarian regime. In a moment of political déjà vu, however, a different group of regional elites—this time from the north—mobilized crowds of protestors in April 2010 to push Bakiev out of power. After a period of instability and violence, Kyrgyzstan is now trying a more pluralistic system of government, with some limited success in channeling competition between rival elite groups through the parliamentary system.11

The Kyrgyz example demonstrates how authoritarian political systems can quickly implode. The apparent stability of neopatrimonialism can be illusory. Once patronage networks break down, the state itself turns out to be a hollow shell, emptied by decades of patrimonial and informal political decision making. Ideally, these states need to engage in structural reforms that will gradually make
politics a more transparent and predictable process. But reforming a neopatrimonial system is notoriously difficult. Genuine reforms require distancing state institutions from personal and patrimonial intervention, the development of a more neutral civil service, greater independence for the courts, and clearer laws that the population largely accepts. None of these reforms are in the interests of the political elite, however, and as a result externally funded projects in these areas tend to flounder. Successive attempts by international donors to reform the judiciary in Tajikistan, for example, have failed to improve the independence of the courts or to reduce corruption. Programs aimed at capacity-building or technical assistance fail to address the heart of the problem, that “rule of law” (a truly independent judiciary) is a highly political idea that threatens the stability of the regime. A similar dynamic is evident in programs designed to tackle corruption. Genuine attempts to tackle corruption risk destabilizing the system, which relies on a constant flow of informal payments along the channels of the patron–client system. International donors support anticorruption programs and agencies, but such organs tend to become involved themselves in the corrupt patronage systems that they are designed to combat. Anticorruption drives become new methods for seizing businesses or assets belonging to political rivals.

Kazakhstan has gone some way in building up more neutral state institutions but has made limited progress in developing independent courts. Further change in that direction requires a more pluralist political system and a much freer media. The authorities in Uzbekistan have been promising political and economic reform for two decades, but with few results. Western diplomats often seek out reformers in these systems and latch onto apparently liberal, English-speaking technocrats who appear to discourse on change. In reality, however, the main struggle within these political systems is not between conservatives and reformers, as was the case in the late Soviet period, but between “insiders” and “outsiders”: between those elites who control the politico–business system and those who are excluded from its benefits. Government leaders understand that genuine reform will undermine the key dynamics of the system and eventually threaten their regime. As a result, most political shifts in neopatrimonial regimes tend to replace one set of patron-leaders with another in violent and extraconstitutional regime change, accompanied by mass social protest.

**Criminal Clients**

Although these states have often disappointed their international partners in terms of political and economic reform, they have leveraged considerable sup-
port by presenting themselves as indispensable security partners against a rising tide of transnational crime and drug trafficking in the region. The UN Office on Drugs and Crime (UNODC) estimates that some 90 tons of heroin—about 25 percent of total Afghan production—passed through Central Asia in 2010.\textsuperscript{12} Counternarcotics programs form an important part of international assistance to the region, but they have limited impact on the volume of drugs passing through these transit states. In fact, since international funding has increased, the level of drug seizures has flatlined or declined.\textsuperscript{13} Western-funded counternarcotics agencies pick up smaller traffickers, but do not touch major drug gangs linked to the patronage networks of the regime. In the political economy of neopatrimonialism, criminal groups form just another complex patronage network to be controlled and manipulated.\textsuperscript{14}

Clear evidence of the involvement of state elites in the drugs trade is hard to come by, but in February 2012, the United States named two Central Asians, Gafur Rakhimov from Uzbekistan and Kamchy Kolbaev from Kyrgyzstan, as ringleaders in drug trafficking in the region.\textsuperscript{15} They were accused of being part of an alleged organized crime network, the “Brothers’ Circle.”\textsuperscript{16} Although both figures now appear to be based in the Middle East, they were previously linked to political elites in Uzbekistan and Kyrgyzstan. Until the overthrow of President Bakiev’s regime in 2010, Kolbaev was considered to have the protection of the political and security establishment in Kyrgyzstan. Rakhimov was once a vice president of Uzbekistan’s National Olympic Committee. Now the U.S. Treasury claims that he is “one of the leaders of Uzbek organized crime with a specialty in the organized production of drugs in the countries of Central Asia.”\textsuperscript{17} In Turkmenistan, under President Niyazov in the 1990s, defectors claimed that drugs were stashed in the Central Bank and in the presidential palace.\textsuperscript{18} In Tajikistan, rumors of links between senior political figures and the drug trade have long been commonplace.\textsuperscript{19}

In each case, the “nationalization” of the drug trade by figures and groups close to the state offers some advantages. It limits drug-related violence—since there is almost no competition between rival organized crime groups—and it ensures that Islamist radical groups or other insurgents do not benefit from the trade. A genuine counternarcotics initiative in a country like Tajikistan would risk an outbreak of Mexico-style violence, with different gangs fighting for control of the trade. Instead, in Tajikistan, the regime has used counternarcotics initiatives
to extend its control over the entire country, first moving against drug runners in the city of Kulyab in the south in 2007 and 2008 before engaging armed groups in former opposition strongholds in the Rasht valley in 2010 and the remote Gorno–Badakhshan Autonomous Oblast (GBAO) in 2012. Fighting in GBAO in the summer of 2012 between government forces and the followers of local civil–war era commanders—many of whom reportedly enjoy popular support locally—left dozens dead.\(^{20}\)

In this sense, counternarcotics initiatives might be said to act as a form of rough-and-ready state-building, mimicking some of the dynamics described by American social scientist Charles Tilly in relation to the European state, which he described as the “quintessential protection racket [...] with the advantage of legitimacy.”\(^{21}\) But this “narco-state-building” further embeds criminality at the heart of each regime, discourages political figures from seeking genuine economic development, and makes any political upheaval even more fraught with danger. When political regimes change, control of drug trafficking routes may also shift, risking serious violence between rival groups. It seems likely that the outbreak of ethnic violence in Osh, Kyrgyzstan in 2010, in which hundreds of people died, was at least partially linked to competition over the major drug route that passes through the city.\(^{22}\)

**Offshore Authoritarianism**

Contemporary neopatrimonial authoritarianism requires a modern bureaucratic state, an informal system of patron–client relations where key decisions are made and supported by compliant security forces and judiciary. Access to the international financial system is the other mechanism needed to keep the system afloat. It is true that some authoritarian regimes, such as in Eritrea or North Korea, can manage to survive in desperate isolation, but elites in countries such as Uzbekistan and Kazakhstan crave international recognition. They own property in Europe and the United States, send their children to study in the West at the best schools and universities, and seek acceptance into the international *beau monde* of moneyed celebrity.

As in other aspects of the neopatrimonial system, international finance mixes the state and the personal in complex and corrupting ways. Political and business elites can use their influence in the state to gain control of assets through one-sided privatizations, receive preferential treatment for their businesses from the state, or receive kickbacks for providing the state licenses (typically in telecoms and mining) required by foreign and domestic investors. Carefully
controlled local banks can then be used to channel funds out of the country and into the international financial system, preferably into the murky world of offshore finance, where money of dubious provenance can be easily laundered and protected from political and business rivals. Central Asia, often portrayed as a distant, remote region disconnected from an interconnected world, in reality has some highly globalized elites engaged in these complex international financial deals. Central Asian states are thus closely interlinked with global financial networks in ways that often contribute to high-level corruption and the impoverishment of local economies.

Members of the ousted regime of Kurmanbek Bakiev in Kyrgyzstan presided over a network of internationally linked banking institutions that have subsequently been accused of money laundering on a mass scale. Many of the companies linked to members of the regime were registered in the British Virgin Islands or other U.K. overseas territories, and London emerged as one of the centers of this business empire. Similar networks of offshore finance have been traced to political elites in Tajikistan. The Tajik Aluminum Company (TALCO), while ostensibly a state-owned corporation, has been involved in complex offshore financial transactions linked to the ruling presidential family. In such cases, state corporations and the personal interests of leading political figures overlap in ways that make it difficult to distinguish where the state ends and patronage networks begin.

Offshore financial networks make it relatively easy to launder the proceeds of criminal activity, such as narcotics trafficking. Yet, while Western states invest significant resources in counternarcotics programs, there is little attention paid to money-laundering networks in Central Asia. Indeed, international support for integration of these post-Soviet economies into international financial structures seems to have led Western governments and international financial institutions to turn a blind eye to evidence of money laundering in the region's banks and offshore structures. The result of such policies is not only the negative impact on the economic development of these largely poor economies caused by capital flight and tax shortfalls, but also an increasingly deleterious impact on the integrity of international banking and financial structures.

Conclusion: Understanding the “Deep State”

Behind the scenes, decisions in Central Asia’s authoritarian states are made by informal networks of unaccountable government officials, law enforcement officers, businessmen, and criminal leaders. Such structures are inherently difficult
to penetrate, making it hard to gain reliable information on how decisions are made. Analysts need different tools to understand political processes in such states—a family tree is more useful than an opinion poll. But such difficulties are of a secondary nature. In many cases, diplomats and policy makers still need to accept that a better understanding of these informal power structures is a vital first step for any effective foreign policy towards the region.

The second step is to develop policies that take into account the real politics of such regimes without deepening their reliance on corruption and patronage. In its attempts to establish logistical backup networks for the Afghan campaign, the U.S. Department of Defense has become increasingly embroiled in the informal politics and business networks of the region. The negotiations around the Manas airbase in Kyrgyzstan in 2008 to 2010 were particularly damaging, involving complex deals on refueling contracts and payments for the base that finally prompted a Congressional investigation. Contracts for transit of U.S. supplies through Uzbekistan are shrouded in secrecy, prompting allegations of deals with companies close to the ruling family. Viewing the region through the simplistic lens of the “War on Terror” provides easy justification for such short-term, informal deals. But such security-led assessments of the region are misleading, underestimating key political and economic dynamics in favor of an obsession with the influence of radical Islam and terrorist activity. Too often, these security relationships further embed corruption and patronage networks as the basic dynamics of these regimes.

On the other hand, continued reliance on the kind of technical assistance programs promoted by international financial institutions is also unlikely to produce genuine political and economic reforms. At best, such programs build up technical expertise in ministries and government bodies, gradually developing a stronger state apparatus and a more effective civil service. But in the absence of serious political change, technical assistance programs tend to have a high failure rate; often they simply fuel more corruption within the government. Building up state capacity can even be counterproductive if state organs are captured by vested interests or patronage networks and used for personal advantage.

Security-led assessments of the region are misleading, underestimating key political and economic dynamics. Reforming authoritarian neopatrimonial systems is never easy. Other states and international organizations can help in some areas, but they need to develop better analysis, invest in due diligence, and prepare more realistic aid and investment policies. Above all, Western states need to engage in a healthy bout
of self-criticism if they are to make a difference. Pressure for political reform in Central Asia will be more effective if coupled with a crackdown in Western capitals on the offshore networks that help to fuel corruption in the region. Calls for economic reform and anticorruption initiatives will carry more weight if Western defense contractors and international investors are more selective about their logistics and business partners. In the era of financial globalization, supporting political and economic reform in apparently distant parts of the world is often best begun at home.

**Notes**

2. The U.S. Department of Defense funds an entire website that appears to be informed by such an analysis of the region. See: www.centralasiaonline.com.
13. Ibid., 45.
15. It is worth noting that the U.S. Treasury publicly targeted these two figures only after they lost favor with the political regimes in their home countries.
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