

Note from the editor

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Economies of favor and informality in diversity

Cheris Shun-ching Chan

When I conducted ethnographic research on hospital care in China during 2011–14, I examined how an informal economy of favor exchanges between Chinese physicians and patients emerged, was sustained, and changed over time. The favor patients offered to physicians was a cash gift called *hongbao* (red envelopes containing money) in exchange for extra care from the physicians. Offering informal payments to physicians in exchange for quality medical care was common in post-socialist, transitional economies. Public health studies of the problem are primarily based on economic hypotheses of a shortage economy and an imperfect market (Ensor and Savelyeva 1998; Bloom et al. 2001; Lewis 2007). My findings in China, however, challenge these economic hypotheses. I found that the informal exchanges between Chinese patients and physicians were driven by the public's

generalized distrust of physicians' moral ethics, which in turn was bred by a corporatization of public hospitals. In the absence of institutional assurance, Chinese patients drew on the cultural logic of particularism and its associated cultural repertoire to induce fidelity from their physicians. Two forms of informal exchanges, namely a gifting-oriented embedded form and a bribery-oriented arm's length form, became popular at different times due to institutional factors. Thus, the informal exchanges of favor between patients and physicians are products of intricate interplays among cultural, institutional, and economic factors (Chan and Yao 2018). The ambivalent nature of informality, its neither licit nor illicit character, makes it especially appealing for sociological inquiries.

The practice of informality often involves monetary and non-monetary exchanges. Under-

ground markets and informal economies often emerge in the shadow of official economies not only in developing countries but also in well-developed and highly institutionalized countries (Beckert and Wehinger 2013). This issue contains a diverse collection of studies on informal exchanges in different geographical regions, from Israel and Central Asia to Eastern Europe, China, and Japan. The subject matters cover informal payments, naming, social eating, informal banking, gift-giving, nation-building, and the language of economies of favor. The methodology ranges from surveys to ethnography and historical accounts.

The first essay, contributed by Marius Wamsiedel, provides an account of the changes and impacts of *șpaga* (informal payments) for physicians in Romania and discusses the ambivalent moral interpretations of the practice during and after socialism. Wamsiedel found that during socialism, favors delivered by patients to physicians were mostly non-monetary. While patients in rural areas brought physicians a variety of farm produce, those from urban areas often gave cigarettes and Western-label goods to physicians, though some of them delivered envelopes containing banknotes. According to Wamsiedel, patients in rural areas offered gifts to physicians with both utilitarian and symbolic meanings, whereas those in urban areas did so primarily for utilitarian purpose. In the post-socialist era, gifts to physicians were primarily in the form of banknotes. Wamsiedel explains why this change took place and describes two types of *șpaga*: an ethical type embedded in equalitarian relationships and a predatory type embedded in unequal power. Regardless of the type of *șpaga*, Wamsiedel concludes that such practice has intensified unequal access to health care in Romania.

Intensified inequalities brought about by economies of favor sometimes involve no banknotes or materials. During her ethnographic fieldwork in Central Asia, one of Rano Turaeva's Tashkenti informants told her that "life is a market!" In "Economy of favours in Central Asia," Turaeva introduces a common practice in Central Asia – naming important people who are relevant to a given problem. A problem can be legal, like being stopped by traffic police or crossing borders, or just bad marks at school. Turaeva calls this practice the "politics of naming." Using Uzbek examples, Turaeva illustrates how naming an important person works for many as a way of solving problems, and yet each naming can entail a cost in return for the favors.

This practice is based on many aspects of social relations, such as kinship, ethnicity, and other belonging and reciprocal systems, and hence it cannot simply be framed as a corruption problem. However, the wider sociopolitical and socioeconomic implications of the politics of naming for justice systems is that unequal access to particular networks, status systems, and resources is crucial for negotiating problems and solutions. Consequently, certain groups and individuals

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are more privileged than others, which inevitably reproduces inequalities and further dependencies within power relations.

The next essay, contributed by Yanjie Bian and Lingfeng He, interestingly details under what conditions social eating facilitates favor exchanges in China. Based on large-scale surveys, Bian and He found that those who participate in social eating more often have greater probabilities of being asked to provide favors, especially when the social eating serves as a venue to meet new friends and when seating and conversations are hierarchically arranged to honor participants' identity, status, and power. However, it was only a small minority of elites (such as Communist Party members, highly educated and/or higher-income individuals) that are repeatedly in the game of "favors sought after." Bian and He further found that anti-corruption campaigns launched under the Chinese President Xi Jinping have reduced social eating participation to some extent and led to a small margin of decline in favors sought. Nevertheless, thanks to its ambivalent, gifting-oriented nature, the practice persists and its pattern and underlying logics remain the same.

Gifting is the most common form of informal and favor exchanges. Nowhere is gifting in developed economies a more delicate and calculating social etiquette than in Japan. Katherine Rupp's "The calculus of the gift" presents to us the sophisticated art of Japanese gift-giving. How to select, wrap, package, and deliver gifts to different people with different relation-

ships to the giver requires not only local knowledge but careful calculation and etiquette. The choice must be very precise and yet not so precise that it is seen as self-centered and inward. Rupp describes four interesting cases, in two of which gift-giving was performed appropriately and pleased the recipients, whereas in the other two it was performed inappropriately and harmed the relationships. The Japanese gifting practice requires such delicate calculus as its functions and symbolic meanings line up with a larger system that includes tie strength, gratitude, and hierarchy. For instance, one may see pairs of absolutely elegant Japanese tea cups for sale in departmental stores and wonder why each pair contains one larger and one smaller size of the same style. We know that the unequal size represents gender inequality, but Rupp's essay further tells us how important it is to the Japanese to manifest the relationship of domination and subordination through gifts and the act of giving. The act of giving, Rupp concludes, expresses givers' orientation with the recipients and could have immense impacts on pre-existing relationships.

This is followed by another piece on Japanese informality, entitled "The ubiquity of Japanese informality and the Okinawan *moai*" by Abel Polese. In his field observation in Okinawa, the practice of rotating saving and credit associations, named *moai*, attracted Polese's attention for a sociological account. He found that *moai*, meaning "the art of coming together regularly over the course of a lifetime to share a company and support one another financially," is run like rotating credit associations, and yet it is more than that. What is unique about it is its longevity – a *moai* can last for more than 70 years – and that it is like a social club where participants eat and drink together for socialization. Despite its social functions, Polese observed that informality in these social clubs is subject to a set of pre-defined rules which can be rather formal. *Moai* as an informal financing practice, in Polese's words, is embedded in formal structures. The structures replace the function of the state and supplement the state in its capacity to create space for socialization. Thus, *moai* serves as a social cohesion mechanism with money being the means rather than the end, which I would say serves like a Durkheimian social contract between the state and society.

National fundraising, which is supposed to be a formal and official financing activity, is actually not as straight forward. In Dan Lainer-Vos's contribution, he applies Viviana Zelizer's relational work approach to understand the success of Israel diaspora bond projects and the failure of the Irish case. He found that the Israeli government positioned bonds as partly a gift and partly an investment, allowing ambivalence and even "willful partial misunderstanding" when selling

bonds to American Jews. As a recipient of the fund, the Israeli government on one hand acknowledges American Jewish investors' generosity (gift) and on the other keeps them at arm's length (investment). The bond projects provided Israel with more than US\$35 billion over the years. In contrast, Irish diaspora bonds were issued only once, and tension between the Irish government and Irish American communities intensified after the first bond project. A key factor Lainer-Vos notes for its failure is that the Irish leaders insisted the Irish bond was an investment, while Irish American investors perceived it as a gift and demanded a voice on matters of national importance. Thus, the Israel leaders maintained a zone of indeterminacy regarding the nature of the bonds, which prevented parties from reducing the meaning of the bond to either gift or investment. The lack of such a zone in the Irish case resulted in a mismatch of demands and expectations. Lainer-Vos highlights here the impact of small organizational details and concrete relational mechanism on nation-building projects.

The last essay, contributed by Nicolette Makovicky and David Henig, takes a very different approach by focusing on the discursive and linguistic aspects of informal exchanges, transactions, and interactions. Based on a wide survey of scholarly studies of informality, Makovicky and Henig take local vernaculars of informality seriously and illustrate different vernaculars in different places, from Italy and Spain to Turkey, Hungary, and Russia, and from Chile to Nigeria and Tanzania. They argue that vernaculars of informality operate as a language and are both connotative and performative. They are constitutive of semi-legal and illegal economic practices and performative by moving people to act. Through the survey of scholars' use of language, they also argue that how researchers define "favor" matters, as favor is itself a construct rather than something out there to be discovered by empirical research. This essay presents fascinating cultural particularities in defining and describing informality as well as their common functions. The authors forcefully assert that informal economic concepts and practices are embedded in multiple dimensions of everyday life, which cannot be reduced to the language of academic enquiry.

As diverse as they are in terms of geographic sites, subject matters, and analytic frames, the contributions in this issue do share some important themes. For instance, the first three essays, by Wamsiedal, Turraeva, and Bian and He, respectively, all examine the possible unequal access and inequality problems brought about or intensified by the economies of favor. The next three essays, by Rupp, Polese, and Lainer-Vos, respectively, present three different manifestations of gifting or gifting-oriented practices. Rupp's

and Polese's examine how the micro practices reflect the larger social structures and relationships in Japan. Lainer-Vos's piece involves cross-national comparison, and cross-national comparative analysis is most vividly displayed in the last piece, contributed by Makovicky and Henig.

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Meanings and consequences of informal payments in the Romanian health care sector

Marius Wamsiedel

“If you don’t move the table, you don’t get anything,” an elderly Roma tells me bitterly during an interview about access to health care services.¹ The local idiom doesn’t make much sense to me, but from the context of our talk I could tell that it was a veiled reference to the need to make informal payments in order to receive adequate care. Many other participants echo this view, bemoaning the venality and callousness of some doctors or, more rarely, praising a “good-hearted” practitioner who has refused the money offered.

Informal payments to doctors and nurses are one of the open secrets of the health care sector in Romania, a significant source of concern for people in need of medical care, and a topic of interest for scholars of informality. This paper provides a historical overview of informal payments in Romania and discusses the ambivalent morality of the practice. I begin by introducing the economy of favors in Romanian society before and after socialism to show that informal payments in the health care sector took on different forms and acquired new meanings during the passage to a market economy). Then, I discuss the reasons why many people make informal payments even when practitioners do not request them. I conclude by showing that, despite some undeniably positive aspects (such as keeping the health care sys-

tem afloat in conditions of chronic underfinancing), informal payments impact access to and the quality of health care services, and this impact is uneven across class and ethnic lines.

The economy of favors during socialism

The few studies documenting informal practices in socialist Romania emphasize their ubiquity and ordinariness. At that time, an intricate economy of favors bearing a family resemblance to the Soviet *blat* (Fitzpatrick 2000) and the Chinese *guanxi* (Yang 1994) emerged as a practical response to the shortcomings of society’s formal organization. By mobilizing the personal network of *pile, cunoștințe și relații* (“props,” acquaintances, and connections), exchanging gifts, and making under-the-table payments, ordinary people could muddle through the vicissitudes of life (Sampson 1981). The economy of favors that was intermeshed with and exploitive of the formal economy helped them to obtain goods in scarce supply, access (quality) services, navigate a cumbersome and unpredictable bureaucracy, get coveted jobs, or avoid being dispatched to rural areas.

Health care was one field in which personal relations were essential. Steven Sampson, an American anthropologist who conducted extensive fieldwork in Romania during the socialist period (Sampson 2018), noted that connections with doctors and gift-giving were a prerequisite for good diagnosis and treatment: “quality medical care exists only if one has a personal

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doctor who can be cultivated with periodic gifts, visits, and offers of godparenthood” (Sampson 1983, 76). It should be noted that Sampson’s data was collected in a village undergoing urbanization. The doctor–patient relationships he describes are characteristic of rural areas and general practice.

To my knowledge, there are no studies examining how doctors made sense of informal transactions during the socialist period. However, the diary of Viorel Pătrașcu (2010) provides ample evidence on how rural patients used gifts and connections in the early 1970s. A general practitioner who spent his first

three years of medical practice in a remote and underdeveloped village in the northeastern part of the country, in his notes Pătraşcu describes the objects that changed hands and the context of such transactions. Aware of his inability to procure food and alcohol through formal channels due to limited supply, the locals started to provide the young doctor with eggs, meat, loaves of freshly baked bread, milk, and homemade wine and liquor. While the doctor refrains from theorizing these exchanges, they appear to be consistent with the ethos of socialist medicine and the traditional systems of reciprocity described by Mauss (2002). By offering the doctor items with both utilitarian and symbolic value, the locals paid him back for the “gift of health [care]” (Andaya 2009). The food and alcohol acted as a counter-gift, creating a social obligation to reciprocate and thus cementing personal relationships.

The informal exchanges took a different form in the cities, especially when the relevant medical care was specialized. In his memoir “The Hooligan’s Return,” émigré writer Norman Manea recounts the grim experience of his elderly mother’s eye surgery in the early 1980s in a Bucharest hospital. To set an appointment with the ophthalmologist, one had to either find a connection, no matter how loose – “So-and-so knows so-and-so, a friend of one’s wife, or sister, or mistress” (Manea 2013, 115) – or wait for six months until an appointment became available. To smooth things out and ensure that the patient got adequate medical treatment and a private room, the family took several days off work to procure gifts for the staff. The gifts were chosen based on the recipient’s status. Thus “cartons of cigarettes, soap, deodorant, nail polish, and chocolate, all with Western labels, [...] were the currency of securing the goodwill of the nurses, cleaning ladies, and assorted functionaries whose assistance would be needed” (Manea 2013, 116). The most expensive gift was for the eye surgeon and consisted of a painting worth an engineer’s monthly salary. The gift was used instead of a monetary payment, even though “sealed envelopes with greasy, crumpled banknotes [were] the normal transaction under socialism’s free medical insurance” (Manea 2013, 116). Despite using personal connections and relatively expensive gifts, however, the patient didn’t receive the coveted private room. Instead, during the four days of convalescence, she had to share a bed with her daughter-in-law caregiver and the room with five other patients.

This personal account may not be generalizable to the entire urban health care sector in the late socialist period. However, the experience it describes is by no means exceptional. Passing gifts or money to health care workers was a common strategy to shorten the waiting time, ensure standard treatment, and avoid

microaggressions of different sorts, such as being ignored or treated with contempt.

Post-socialist informality

The economy of favors did not disappear from the health care sector after the demise of socialism. Instead, it experienced substantial changes, the most significant being the monetization of informal exchanges² (Weber 2009, 232). Money gradually replaced gifts or started to be used alongside them. Several factors contributed to this process. First, the post-socialist transition was a period of severe and protracted economic crisis, with rampant inflation eroding the earning power of public service workers. Informal payments became a way for doctors and nurses to supplement meager formal incomes and cope with the increased cost of living (Rechel and McKee 2009). Second, during socialism, goods in short supply, such as imported coffee, cigarettes, chocolate, or spirits, were imbued with a symbolic value that they lacked in a market economy. The rarity turned these goods into objects of prestige to be consumed on important occasions (Chelcea 2002) or used as an alternative currency in the secondary economy (Verdery 1996, 51). That symbolic value vanished once these goods could be easily procured, and these “luxury” products became mere commodities. Third, during socialism, the vigilance of the Securitate (secret police) increased the risks associated with participating in illicit monetary transactions (Weber 2009, 232). This barrier was removed after 1989, as the authorities tended to turn a blind eye to informal payments that did not involve exorbitant amounts of money. Fourth, patients had additional incentives to give money to doctors and nurses, as their goodwill could translate into receiving free tests, subsidized medicines, paid medical leave, admission to low-cost spa facilities, and other benefits carrying a monetary value (Stan 2012, 70). In other words, the transformation of the economy and the reorganization of the health care system created the conditions in which informal payments could flourish.

In this context, it is not surprising that most studies of the economy of favors in the post-socialist health care sector focused on the nature and consequences of *şpaga*, the colloquial name for informal monetary payments in Romania.³ As scholars of informality have noted, informal practices occupy a complex moral space ranging from legal to illegal, and from licit to illicit (Polese 2014a, 86). The illegal status of *şpaga* is unambiguous: regarded as a form of bribery, it constitutes a criminal offence carrying up to ten years’ imprisonment for the receiver and seven years for the giver.⁴ Its social acceptability in the health care

sector varies considerably, depending on the context of the transaction, the existence or absence of a request, the participants' socio-economic status, the amount of money changing hands, and the timing of the transaction.

Drawing upon extensive ethnographic fieldwork and over eighty interviews, Sabina Stan (2012) distinguishes between two extreme types of *șpaga*: ethical and predatory. An exchange is regarded as ethical if it is embedded in personal relations or is guided by “the moral economy of the just price” (Stan 2012, 77), which means that the amount of money changing hands is proportionate to the service provided and the giver's economic circumstances. Thus, without being an egalitarian relationship, the exchange provides benefits to both parties to the transaction: the doctor receives compensation for their expertise and effort, whereas the patient gains personalized care and sometimes free tests and subsidized medicines.⁵ Ethical *șpaga* is a form of mutual help and a local solution to structural problems affecting health care practitioners and patients alike. Even low-income patients tend to feel sympathetic or ambivalent towards these forms of monetary exchange, considering that the doctors' low salaries are not commensurate with their education level and social status (Weber 2009, 247). At the other end of the spectrum of informal payments lies “predatory” *șpaga*, which happens when doctors use their professional position to extort money from people in need of care without any consideration for their ability to pay (Stan 2012). Predatory practices limit not only the access to, but also the quality of health care services: some patients who are unable to cover the informal fees allegedly receive sub-standard interventions.⁶ Certainly, the distinction between “ethical” and “predatory” *șpaga* is analytical; most transactions fall in-between these two extremes.

The apparent paradox of *șpaga*

The monetization of informal transactions and the social acceptability of giving money to practitioners in exchange for (better) care are not particular to Romania. Similar phenomena have been documented in other former socialist countries, including Russia (Listrovaya 2021; Rivkin-Fish 2005), Ukraine (Polese 2014b), and Kazakhstan (Oka 2019). However, the informal payments in Romania stand out through their pervasiveness and seemingly voluntary character.

The 2013 Eurobarometer data revealed that the reported prevalence of informal payments in health care is much higher in Romania than in the other ten former socialist countries that are now part of the European Union (28 percent vs. 9 percent, the average

for all countries), and so is the likelihood of giving the money before the service (Williams, Horodnic, and Horodnic 2016). At the same time, only 6 percent of the participants in Romania reported being asked to make the payment, which is slightly lower than the average for the other post-socialist countries included in the study. Based on these intriguing findings, the authors conclude that “in Romania, informal payments in [the] healthcare system are rather related to patient behavior” (Williams et al. 2016, 54).

While this interpretation is certainly plausible, the ethnographic data suggest a more nuanced explanation. Because soliciting informal payments is illegal and socially unacceptable, health care practitioners usually refrain from making explicit demands. Nevertheless, there is a vast repertoire of maneuvers through which doctors and nurses can convey the expectation of *șpaga*, including the invitation addressed to family members to discuss the patient's situation, treating the patient coldly, or ignoring them for extended periods, performing medical acts rather roughly, delaying the administration of treatment, or alluding to the cost of the intervention in a private clinic. Moreover, the doctors and nurses do not need to engage in any of these tactical moves. The rumors of misdiagnosis or operations going wrong in the case of patients who didn't give anything (see Weber, 2009) are strong enough arguments for many to play on the safe side. Thus, patient behavior may drive informal payments, but this behavior is shaped by the stock of knowledge patients have acquired through personal or vicarious experiences of the health care system.

Unintended consequences of *șpaga*

Qualitative studies of informal payments in Romania and other post-socialist countries unravel the complex and often contradictory meanings assigned to them by participants in health care exchanges. They convincingly demonstrate that, notwithstanding some degree of overlap, informal payments are not bribes and the economy of favors is not subtly camouflaged corruption. Some monetary exchanges are mutually beneficial, helping doctors and patients achieve their goals and turning the therapeutic relationship into a personal one. Others are fundamentally exploitive. They impact patients financially and emotionally and compromise the doctor–patient relationship by breaking the expectation that doctors will act in the interest of patients rather than their own interest (Parsons 1951).

Predatory informal exchanges disproportionately affect vulnerable groups. Gerard Weber's (2009,

2015) ethnography of working-class urban pensioners shows that even ordinary payments can disrupt the lives of those who have a hard time making ends meet. When the amount of *șpaga* grossly exceeds their means, the disruption to their livelihood is significant. Pensioners cope with it by contracting loans or borrowing money from relatives and friends, postponing the payment of house maintenance costs, performing physically demanding temporary jobs on the black market, or drastically curtailing food expenditures. The financial reliance on children, some of whom are already in dire economic straits despite holding a regular job, undermines their sense of self-worth. To avoid such disruptions, many decide to self-medicate instead of seeing a doctor, even when the symptoms experienced are disquieting enough to warrant a medical check. Thus, informal payments constitute an important yet often neglected contributor to inequity of access to health care.

The impact of *șpaga* on access to health care is severe in the case of Roma as well. The second-largest ethnic minority in the country, accounting for over 3 percent of the total population (National Institute of Statistics [Romania] 2013), the Roma are more affected than the general population by poverty and poor health (Wamsiedel 2013) and less likely to be covered by national health insurance (Kühlbrandt et al. 2014). A survey conducted in one of the most developed parts of Romania, the Northwest Development Region, found that fewer of them make informal payments when using health care services compared with ethnic Romanians and Hungarians (18 vs. 42 percent and 53 percent, respectively) (Raț 2008). Interviews with Roma revealed that explicit requests to give *șpaga* in order to get admitted are common (Szeman 2018; Wamsiedel, Vincze, and Ionescu 2012) and constitute a deterrent to seeking medical care.

Endnotes

- 1 The research was conducted in 2010 in six counties in Romania (Wamsiedel et al. 2012).
- 2 Another noteworthy transformation is the decline of *blat*-like networks. However, among the participants in a statistically representative nationwide survey, more people reported mobilizing personal connections in 2010 than in 1989 (Stoica 2012). Intermediation of access is also widespread in emergency departments (Wamsiedel 2016).
- 3 The word lacks a proper equivalent in English. Roughly similar in meaning to “petty bribe,” *șpaga* doesn’t have any legal connotations, and its moral interpretation is flexible and context-dependent. The etymology is not entirely clear: some linguists (e.g., Zafiu 2002) trace it back to a Russian or Serbian word for “pocket,” while others (e.g., Boerescu 2013) argue that it most likely originates in

Concluding remarks

The economy of favors experienced continuities and changes in the passage from socialism to a market economy. The gradual increase in preferences for money instead of gifts as objects of informal exchanges and the tacit tolerance of the practice by the authorities opened the way for predatory practices in the health care sector. These practices predominantly affected vulnerable groups, disrupting their livelihoods and contributing inconspicuously to the inequities of access to medical care.

Certainly, not every practitioner demands or expects informal payments. Nevertheless, the spread of the practice and the potential repercussions for failing to give *șpaga* delineate a horizon of expectation, which is the backdrop against which people in need of medical care decide whether to seek it or not. Thus, it can be argued that while some informal monetary exchanges are benign, the monetization of informal transactions has been largely detrimental to disadvantaged members of society. In the case of Roma, there is insufficient evidence to conclude whether informal payments act as a protective mechanism, reducing discrimination or, on the contrary, racism exacerbates predatory exchanges. However, the normativity of *șpaga* prevents many of them from accessing health care services.

Further studies are needed to explore the connection between doctors’ changing work conditions and informal monetary transactions. As low wages provided some degree of moral justification to receiving *șpaga*, it is reasonable to expect that higher salaries in the health care sector should make the practice less common. The substantial increase in wages for doctors and nurses in 2018 as part of efforts to curtail the emigration of health care practitioners provides an excellent opportunity to test this hypothesis.

- an Albanian word for “compensation” or “fine.” The formerly argotic word entered the language during the First World War and became widespread during the socialist time, possibly as an ambiguous alternative to words implying criminal activity (Zafiu 2002).
- 4 However, ordinary *șpaga* cases are rarely prosecuted and, even then, the punishment of doctors is usually lenient, taking the form of suspended sentences (Benea 2021).
- 5 In the psychiatric hospital studied by Jack Friedman (2009, 388), doctors and nurses use the informal payments and gifts to morally categorize patients in terms of deservingness. The “wealthy” ones, that is the patients whose families make informal payments at the moment of admission and during hospitalization, receive the best possible care and tend to get discharged earlier than the others.
- 6 There is ample anecdotal evidence of things going wrong when

patients are unable or unwilling to pay, most of them involving surgery. For instance, before performing an appendectomy, a surgeon

tells the patient that it could be “a \$100, a \$200, or a \$300 operation”, with the implication that it was up to them (Weber 2009, 245).

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Economy of favours in Central Asia: *Tanish-bilish*, *kattalar* and *kichkina*

Rano Turaeva

“Ozbekni kichkinasi bolganan Orisni gurjisi bolganing yahshi”
(It is better to be the Russians’ little dog than a “small Uzbek” among Uzbeks)

Introduction

Central Asia has been undergoing economic, political and social transformation in recent decades after gaining independence from the Soviet Union. The challenges have included economic collapse and decaying Soviet infrastructure, as well as political turbulence and global insecurities. As a result, political, economic and social insecurities have increased, as struggles for power and resource grabbing have created what scholars then characterized as *bespredel* (Turaeva 2014) and a time of *chaos* (Nazpary 2002). The region is not only an important geopolitical space, but also culturally diverse. The state generally retreated and other systems of belonging filled the void of state support (Turaeva 2016). Most Central Asian economies are largely remittance-dependent, state salaries are ridiculously low, state support varies from nominal to low, and as a result economies, justice systems, politics and markets have largely tended towards informalisation (Turaeva and Urinboyev 2021; Urinboyev 2020; Turaeva 2018a; Fryer et al. 2014; Nasritdinov 2016). This situation of economic necessity has been characterized by the absence of market and monetary transactions to mediate financial relationships be-

tween individuals and institutions. The post-Soviet model of the informal economy is associated largely with local orders and norms of acquisition and business deals carried out through personal networks (known as *blat* in Russian and *guanxi* in China), based on the principle of reciprocity (Hann and Hart 2011, 126).

Since 2008 all the Central Asian countries, particularly after multiple crises (economic, political, geopolitical, medical), have suffered the economic consequences of those events. Economic survival and security have been provided for more and more through kinship, family and other systems of belonging (Turaeva 2014, 2016). Debts, favours, duties, dependencies and other power relations have made up a major part of people’s daily lives in Central Asia. These things have also become important reference sources for defining values and social relations.

Social roles and hierarchies are important for understanding the distribution of roles, capital and power within the framework of actual social relations. They apply everywhere, whether it be in public offices or in the private realm of social relations. The economy of favours is part of getting things done in circumstances in which state legal systems and other state infrastructure cannot fully address daily problems and provide for people’s economic survival (Ledeneva 1998, 2001; Ledeneva and Seabright 2000). The economy of favours is based on various designations of social relationships, as well as reciprocity (different kinds of reciprocity). The status of each person is crucial for their roles and duties within such a complex system of an economy of favours. This complex web of relations is made up of so-called *tanish-bilish* networks, which serve as a basis for the economy of favours.¹ *Tanish-bilish* is an Uzbek word for strategic contacts who can solve problems or help one to achieve goals. For example, in German *Vitamin B* is slang for good connections, people who could help you by putting in a good word to help you get a job or some other thing (Diewald 1995).

As the saying at the head of this paper implies, there are *katta* (big) and *kichkina* (small) Uzbeks. They have other names in other countries in Central Asia, such as elders and juniors within social status systems (*ully* and *kidjik* in Turkmen). *Kichkina* and *katta* are the adjectives that define one’s status in Uzbek society, and can be applied in all spheres of human activity, from personal and social life, to different levels of collective and political activities.² *Kichkina* refers to a person who is generally perceived to be in a lower social position and *katta* to someone in a higher one. Depending on the context *katta* and *kichkina* can mean elders and youngsters in a family context; in an office it would refer to the hierarchy there; within ethnic networks it refers to social status within the com-

munity. Age is an important variable in defining *katta* and *kichkina*, although not the only one. The use of the same terms to refer to a person's social status implies that the rules of designation, according to traditionally accepted principles, apply equally everywhere, independent of the context, whether it be in a formal situation – an office or any other public space – or at home. Furthermore, informal rules, such as the ones I describe within the framework of relations between *katta* and *kichkina*, override formal rules, such as official hierarchies determined by the rules of an office.³

I contend that an economy of favours is made up of *tanish-bilish*-like networks, in which social status is crucial for the designation of roles and duties, based largely on reciprocity (different kinds of reciprocity) and trust. The paper is organised in three parts. Part 1 outlines different forms of reciprocity, which largely define social relations. Part 2 introduces two important designations or divisions of people: *katta* and *kichkina* (*ully* and *kidjik* in Turkmen). Part 3 explains how such systems as *tanish-bilish* work in Central Asia, and that they can also be compared to *Vitamin B* systems in Germany or in other European contexts.

Reciprocity

Before I explain the status system of *kattalar* and *kichkina*, in which strategic networking is used to get things done, I will explain the key principle of reciprocity. Reciprocity is an important aspect of social and economic relations within the economy of favours. Reciprocity is one of the oldest classical anthropological concepts, widely discussed throughout anthropology and beyond (Sahlins 1972). In the context of Central Asia one may differentiate between important, less important, and superficial relations. These degrees of importance have local names which define them, how these relations should be reciprocated, as well as the role of each individual involved. They are based on various forms of reciprocity; balanced (*qaytarish garak*), generalized (*ot dushi*, *savab*, *sadaqa*) and negative (*paydalanish*) (Sahlins 1972). Sahlins (1972: 94) wrote that “reciprocity is always a ‘between’ relation: however solidary, it can only perpetuate the separate economic identities of those who so exchange.”

From the emic perspective, reciprocity is differentiated into a giver and a taker.⁴ Their views of the

exchange do not necessarily overlap and may at times be contradictory. The giver conceptualizes the transaction based on two main ideas about “reciprocity” and their relationship to the taker. On the other hand, the taker has their own theory about the transaction

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based on their interests, reciprocity and relationship to the giver, as well as future prospects. Reciprocity in this case is a somewhat abstract and subjective understanding of the participants in the transaction of exchange. Taking Sahlins' definition of reciprocity as “a relation in between”, an emic perspective would find it difficult to arrive at a qualitative description as either generalized, negative or balanced, considering the contradictory understandings of a giver and taker, as well as their individual conceptions of reciprocity. When the two ideas of reciprocity do not match, conflicts of interests arise. Often individuals-receivers entertain their own ideas of reciprocity, which at times may be comparable to “free riding” (negative reciprocity), which they (receivers) see not as a negative but as a balanced reciprocity, in the sense that they “will also give back and, if not, then God will [pay] the providers back”.⁵ There are of course other variables than reciprocity that contribute to the bonds in these social relations.

Kattalar and Kichkina

Social status systems in Central Asia are not only based on age, but are also highly gendered. Women have a different status system than men, which is defined in terms of age, marital status, social positioning, kinship and capital (diverse types of capital).⁶ *Kichkina* refers to a person who is generally perceived to occupy a lower social position, and *katta* (adjective) a higher one (*kattalar* is the plural form). Particular duties and responsibilities are expected of individuals according to their perceived status within a given community. For instance, younger females of any fam-

ily are always expected to help and cannot appear in public: if they are guests, they stay either in the kitchen or in a separate room with the children and other young women. Elderly people are always respected, while young men are expected to earn money and support their families. Both of the terms are relative to the person or community by which the individual is perceived. In one relationship or context a person can be *kichkina* (“small”) and in another *katta* (“big”). A person’s status can be defined either in reference to another person, or within a given community. In both contexts, individuals’ status depends on the social relations with others.

The social status of any person starts at home. In any family unit there are *kattala* to whom all others must listen and obey. They can also be compared to elders, whose status is mainly age and gender based. Within smaller family units *kattalar* is mainly synonymous with age sets. Age and gender are the main factors defining any person’s social status. Within larger kinship groups *kattalar* are defined not only through age and gender but also status within the group, defined additionally by their social capital, economic capital, as well professional status. *Katta* (big) can also be used as a noun to define a person of higher status; *kattalar* is a plural noun denoting more a category of people of higher status. In a formal context, such as an office, the designation *katta* is defined not only by position within the office but also social capital and social status in general within the circles known in the context. It is not always necessarily the case that a boss will automatically be treated as *katta*; it may apply to someone under him, depending on their power outside the given office, in addition to age, gender and economic capital. Besides the designated duties within a particular office, if someone is not *katta* but rather *kichkina* they are prepared to obey all kinds of orders not directly related to their job duties. The person who has the status of *katta* in the office is flexible about the use of their power in the office, to the extent of sending a *kichkina* person to do their shopping. The status of *katta* is designated by the relationship between *katta* and *kichkina*, both on the dyadic level of social relations, as well as at a group level. The status of *katta* is always relational and therefore not fixed: in one constellation one can be *katta* and in another *kichkina*.

Tanish-bilish

One always needs *tanish-bilish* if one is in Uzbekistan, Turkmenistan, Kazakhstan or Germany. Without *tanish-bilish* one cannot get a good job, do good business, or get an appointment with a good doctor. Etymologi-

cally the term *tanish-bilish* consists of two full words: *tanish* (acquaintance), and *bilish*, which is a gerund form of the verb *bilmak* and can be translated as “getting to know”. It can also be written in unhyphenated form as *tanish bilish*. Related terms in other Turkic languages include *tanish orqilu* in Kyrgyz, *tanis bilu* in Kazakh, *daniş biliş* in Turkmen, *tanysh-bilish* in Tatar, and *tanysh-bilish* in Kumyk (Aleksiev 2011: 1).

Tanish bilish in Uzbekistan or *Vitamin B* in Germany refer to networks or contacts used for extracting both material and non-material resources, or just for “getting things done” (*ishingni bitirish*). *Tanish-bilish* literally translates as “acquaintance-known”, and may thus be considered a form of social capital. Schatz has described *tanish-bilish* as “access networks”, but claims they are often mistaken for clan networks (Schatz 2004: 62). In *tanish-bilish* networks, families and other forms of kinship play a primary role in terms of affiliation and the strength of the ties. However, other ties cross-cut or overlap within the same networks, including sub-ethnicities, regional identity, clan identity, professional belonging and various kinds of friendships (*tanish*, *dost*, *chin dost*).

The *Uzbek Explanatory Dictionary* (2007: 664) defines *tanish-bilish* as, “Individual(s) who know each other and have some degree of contact” (“*Bir-birini tanijdigan va ma’lum jihatdan aloqa munosabati bor shahs(lar)*”). It gives the following example: “Well, doctor, nowadays whichever institute/university you go to only the children of *tanish-bilish* pass the entrance exam.” (“*Endi, dohtir, hozir qaysi institutga borsangiz, tanish-bilishning bolasi kiradi*”). The term can also be found in Uzbek sayings, proverbs, and songs. The Uzbek proverb *Bir ko’rgan — tanish, ikki ko’rgan — bilish* can be translated as “once seen is *tanish*, twice seen is *bilish*”. The meaning is that *tanish-bilish* can be established after meeting a person just once or twice. In contemporary Uzbek poetry one can also find such sayings as: “*Таниш-билиш сотиб олишинг мумкин, лекин до’стларни эмас ...*” This can be translated as “one can buy *tanish-bilish* but not friends”. The Uzbek film *Burilish* featured a song entitled “*Tanish-bilish*”, sung by Ruslan Sharipov and Dilshod Abdullaev, which included the lyric “*Tanish-bilish bular borki bitar har bir yumush, dostum buyogini ozing kelish*” (“If one has *tanish-bilish* one can accomplish any task, achieve things and from there on, my friend, you handle it”).

The term *tanish-bilish* is used both as a noun to refer to the networks themselves, and as a verb for describing the actions/exchanges involved. As an example of the former, the travel writer Christopher Alexander (2009) relates the following comment by a newly-made local acquaintance, who offered to help Alexander when he was struggling to find a place to live:

I understand that it is very difficult for you newcomers without *tanish bilish* here in our country, and yet you are our guests and you have come to help us. I have lots of *tanish bilish* and I will help you find a house. Come and live in my house until we find somewhere for you to live. (Alexander 2009)

There are two important aspects of *tanish-bilish* networks that are central to understanding their content and functional principles. First, there is the hierarchical dimension of social relations. Generational differences often overlap with social status, such as *katta* (big) and *kichkina* (small). Secondly, there are the dimensions of strength and duration of social relations mentioned above, such as superficial/short-term (*bardi-galdi/come-go*, *yuzaki/superficial*, *vaqtincha/temporary*), and more intensive and long-term (*boshqacha*, *muhim*) which are based on various reciprocities; balanced (*qaytarish garak*), generalized (*ot dushi*, *savab*, *sadaqa*) and negative (*paydalanish*) (Sahlins 1972).

These different types of reciprocities are important in any kind of exchange but particularly important in making distinctions in relation to *tanish-bilish* exchange networks. For instance, if one uses very important contacts in one's *tanish-bilish* then this would suggest a form of balanced reciprocity. *Tanish-bilish* networks usually have a strategic character and are used to extract resources of various kinds while avoiding formal rules as much as possible, as well as to solve problems. They enable informal exchanges that resemble the Soviet practice of *blat*, inasmuch as exchanges are based on favours of different kinds and not limited to informal payments ("I scratch your back and you scratch mine") (Ledeneva 1998). *Blat* is described by Ledeneva as an informal exchange within personal and kinship networks, through which both material and non-material capital flows. Sometimes *tanish-bilish* is translated into Russian as *po blatu*, for instance in media reports.

One of the strategies used within *tanish-bilish* exchanges is what can be called the "politics of naming". This strategy involves naming a very influential person or key official within the relevant sphere/field where one needs to "get things done" (*ishni bitqazish*) as a door-opener or a problem-solver. A typical example of this strategy is if one gets caught by traffic police in Uzbekistan. The first thing a driver does is demonstratively telephone someone either real and influential, or somebody fake who pretends to be an important person. The second step is to offer the phone to the police officer. If the strategy is successful the driver will be free to go without punishment; if he is not,

more phone calls are made and as a last resort a bribe may be negotiated.

Informal networks have long played an important role at all levels of social and economic interactions, not only in Uzbekistan but in Central Asia in general (Schatz 2004). Under Soviet rule they were particularly important as the elite was divided into regional clan groups, which played a decisive role in Uzbekistan's political development. Although the Soviets influenced the social and political make-up of Central Asian societies, undermining pre-Soviet social structures, they also had to work with those structures to some extent. Clanship, together with other kinship and friendship networks played a crucial role in people's orientations within their professional and social lives, and in Uzbekistan in particular political leadership was designed around clans and regional belonging (Carlisle 1986).

Tanish-bilish networks are strongly based on the principle of patron–client relations. Eisenstadt and Roninger (1980: 48, 1984) identified such variables as hierarchy, asymmetry, inequality, autonomy, spirituality, power, kinship and friendship when analysing patronage and clientelism. The same authors (Eisenstadt and Roninger 1980) described patron–client relations as relations of power and asymmetry, which direct flows of resources and structure societal relations. If the social status of a person who is seeking to use *tanish-bilish* is lower (*kichkina*) than that of the person providing the favour, then by definition the latter acts as a patron and the former as a client in this transaction. The same client and the same patron can very well exchange their roles depending on the circumstances and also depending on who is providing the service for whom.

Post-Soviet social and economic crises, coupled with growing uncertainties about the future, have led people to rethink their survival strategies and social navigation through societal and political systems. Trust networks of *tanish-bilish* served to support the needs of their members and reproduced social relations of patronage and clientelism. Regional groups that formed during Soviet rule (Carlisle 1986) have persisted as the basis of *tanish-bilish* networks. Since the state legal system and state administration collapsed or became defunct after the collapse of the Soviet Union, alternative (informal) systems of patron–client relations have served as an alternative space for "getting things done" in post-Soviet Central Asia. The networks of *tanish-bilish* have filled the void left by the state legal system and state administration, to accommodate the basic needs of ordinary people, as well as "getting things done" at the higher level of state administration and politics.

Economy of favours in Central Asia

The examples of social status systems such as *kattalar* and *kichkina* (*ully* and *kidjik* in Turkmen or other names in other Central Asian countries), varying kinds of reciprocities which are also locally defined according to status systems, *tanish-bilish* networks or *Vitamin B* kinds of connection show how economies of favours work for many people to solve problems, find solutions or just survive economically and socially in contexts such as Central Asia. The economy of favours in the Central Asian context is embedded in a complex web of social relations in which kinship, family and other systems of belonging matter. Power relations such as patron–client relations are central to understanding such a complex web of social relations and status systems.

In the process of getting things done or solving a problem it is very practical to have important names and contacts at hand. It is not unusual to see people stopped by traffic police picking up their phone to call someone important who might help them out. The politics of naming can work at different levels, such as just naming a person to get things done or solve a problem or getting them to speak directly to someone such as a police officer, who is causing trouble for the person in need of help. Depending on the status of the person named the problem may be resolved. For example, a traffic policeman can let the driver go without any consequences.

The politics of naming is embedded within networks of *tanish-bilish* and status systems of *katta* and *kichkina* based on various forms of reciprocity and trust. These complex relations are also largely embedded within the system of clientelism and patronage. Power is central within unequal relations and plays a significant role in the reproduction of inequalities and unequal access to resources. Power and agency are related concepts and are to be considered within the framework of structural constraints and possibilities. Economic and political processes create a particular context in which structural constraints for individual action are created, which in turn opens up possibilities or options for other individuals who are in more a powerful position, who can make decisions or are in a position to solve problems. This kind of configuration creates unequal positions and situations in which certain groups and individuals are more privileged than others. These particular structural constraints partly define the agency of actors with status and capital. As a result, other individuals with restricted options and less agency fall into the power of actors privileged by status and capital.⁷

Giddens (1986: xxvii) talks about “constraining aspects of structural properties of social systems”, but it is important to remember that there can be also benefits for other actors which are set aside. In the given context the “structural constraints” are low payment or non-payment practices in state agencies in which state officials are themselves caught up within economies of favours and various dependencies, whereas others are left without state support to survive on their own. These constraints not only impede the actions of clients, lessening their options and agency, but also open up structural possibilities for such actors as patrons who have different statuses and capital. Their possibilities include the resources they are in a position to control (employment, other services for solving problems or access to other resources) and are in a position to redistribute them among their clients. Actors in power positions have a say over certain resources, and possess the capacity and knowledge to create their own “markets”, with their own rules and principles of redistribution. As one of my Tashkenti informants said: “*Hayot bu bozor*” (**Life is a market!**) The term “market” carries a wider meaning here than it usually does in the economic understanding of the term. The term “market” allows the definition of a space in which services are offered and negotiated, and transactions take place in a variety of forms and content. The rules are defined and predefined by both actors and structures in which capital and status play important roles.

The agency of dependents is limited, but that does not mean it is absent. It would be erroneous to maintain that they are merely the passive recipients of the wills and intentions of those more influential and powerful than them. Giddens (2000: 93) argues that power relations are “two-way” and “are relations of autonomy and dependence, but even the most autonomous agent is in some degree dependent, and the most dependent actor or party in a relationship retains some autonomy”. Foucault (1982: 790) also pointed to the same observation by stating that the exercise of power is not possible without one important element, which is freedom. In other words, “[p]ower is exercised only over free subjects, and only insofar as they are free”. This implies that the dependent actor has chosen to enter the dependent relationship with their own interests and benefits in mind.

In the above “market”, the options for those who have limited choices are in competition with others. Knowledge of possible benefits in the market is channelled through certain networks (*tanish-bilish*), economies of favours, markets – access to which is defined in terms of status systems (*kattalar* and *kichkina*) – and reciprocity.

Concluding remarks

In this short article I have highlighted some of the aspects of the economy of favours in Central Asia, focusing on Uzbek examples, namely *tanish-bilish* (similar to the German Vitamin B system), *systems of an economy of favours*, and *status systems of kattalar and kichkina*. Furthermore, I have shown some principles related to how an economy of favours works in Central Asia, focusing on *tanish-bilish* networks for maintaining what I call the politics of naming. The politics of naming is widespread in Central Asia and basically involves settling things and problems by naming important people relevant to the field of the problem or its solution. It may be a legal problem, being stopped by traffic police, crossing borders, or just getting bad marks in school or university. As favours are not free, return favours are expected, and I outlined what emic definitions of reciprocity look like. Furthermore, I showed that relations of authority and patron–client relations cannot simply be explained by corruption alone, because the system of an economy of favours in Central Asia is based upon many different aspects of social relations, such as kinship, ethnicity and other belonging systems, as well as reciprocity.

The economy of favours in Central Asia has wider socio-political implications for justice systems,

where unequal access to particular networks, status systems and resources are crucial for negotiating problems and solutions. Unequal access to resources also has socio-economic implications, where the same status systems can reproduce inequalities and further dependencies within power relations, such as patron–client relations. In the context of local markets, “markets” being broadly defined and embedded within a complex web of social relations, power and agency are closely related concepts. “Life is a market” was one of the clearest statements on this, which has stayed with me and has provided me with a kind of framing for defining economic and other life projects of the individuals I met and knew previously in the field and at home (Uzbekistan and Germany). Wider definitions of markets and economic relations beyond simplistic rational choice theories are relevant at least in the context of Central Asia and make sense to the actors on the ground I met in different countries and different contexts.

Systematic anthropological studies in the field of the economy of favours are scarce and more are needed from post-Soviet economies. Qualitative research on the economy of favours in Central Asia would be very helpful in explaining power relations, and other survival strategies, as well as social status systems and gender relations.

Endnotes

- 1 See the encyclopedia entry on *tanish-bilish* in the *Encyclopedia of Informality* (Turaeva 2018b).
- 2 Other works on questions of power and status in other Central Asian contexts include, for example, Edmunds (1998) and Collins (2006).
- 3 See Turaeva (2016) for detailed ethnographic material that shows examples of relations between *kattalar* and *kichkina*.
- 4 I deliberately avoid using the term “receiver” because this word implies the aspect of acceptance, which is ambiguous in this context.

- 5 Alisher, 27, a Khorezmian client of the *propiska* office in Tashkent, Tashkent 2006.
- 6 I have no space here to elaborate on the issues of gender, which I have already done elsewhere.
- 7 See Baldwin (1980) for a conceptual analysis of relations between power and interdependence.

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Social eating as a favor exchange facilitator: New survey evidence from China

Yanjie Bian and Lingfeng He

Social eating – or eating a meal with significant others – is universally important for social networking in society. This article reviews a research program on social eating as a network builder and resource mobilizer for favor exchanges, and presents new survey evidence on patterns of participation in social eating and favor exchanges in China today.¹

Social eating as a network research program

Social eating has long been an issue in scholarly research. Centuries ago, the French philosopher Montaigne argued that eating was a fundamental source of human sociability because good company generated pleasure that was much more important to human beings as social animals than the consumption of food itself (see review by Fischler 2011). This wisdom was esteemed by some of the founding fathers of sociology in their discussions of the social significance of the common meal, or collective gatherings of individuals to eat, emphasizing its cultural meanings and religious functions (Durkheim 1912), as well as its implications for maintaining group cohesion through sociable conversations at the common meal (Simmel 1997 [1910]).

Contemporary sociologists have expanded Simmel's analysis in important ways. Bossard (1943), for example, considered family meals as an agent of chil-

dren's socialization and the intergenerational transmission of family culture. While time spent on family meals has decreased since the 1970s, time spent on meals away from home has increased proportionally in both Western (Warde et al. 2007) and Eastern (Kim 2020) societies. Studies have shown that eating out with neighbors, coworkers, and other friends functions to maintain group norms (Young 1971), strengthen social bonds (Giacoman 2016), increase life satisfaction (Dunbar 2017; Kim 2020), and reduce social isolation, especially for the elderly (Boyer, Orpin, and King 2016). Even fast-food places such as McDonald's restaurants have become a social, not merely a commercial space in which rituals are celebrated, status is recognized, and connections are expanded (Watson 1997).

Recent research has focused on a broad range of relational functions of social eating. In the United Kingdom, Dunbar (2017) reports that those who eat socially more often tend to have higher levels of generalized trust, greater social engagement, and larger social networks. The underlying logic is that social eating functions relationally because it *is* social. For Botswana Bushmen, with their "primitive" lifestyles, evening conversations around the campfire are predominantly social, for they share stories of relatives, neighbors, and exchange partners "with gestures, imitation, sound effects, or bursts of song that brought the characters right to the hearth and into the hearts of listeners" (Wiessner 2014, p. 14030). In advanced modern societies, relational functions are maintained to a considerable extent through social drinking, as the social consumption of alcohol creates opportunities for conversations, laughter, singing, and dancing that reinforce social bonds (Dunbar et al. 2017). These researchers have demonstrated that, compared with non-drinkers, social drinkers have more friends on whom they can depend for emotional and other support.

Independent of the above-reviewed Western research tradition, the first author of this article began to study social eating in China within the framework of a network research program implemented through a series of household surveys from the late 1990s onward (Bian 2019, 54–61). A measurement device called a "social eating network" emerged from this program (Bian 2001), which measures the frequency, structure, and friendship generation of social eating occasions attended by survey respondents. It has proved to be analytically useful in research on China (Li 2009; Zou, Ao, and Li 2012; Li and Li 2016) and East Asia (Bian and Guo 2015). The device has also been included in the International Social Survey Programme (ISSP, see Sapin, Joye, and Wolf 2020). Built into this research program are two theoretical themes, treating social

eating as (i) a network builder and (ii) a resource mobilizer for favor exchanges.

As regards the first theme, social eating is a common practice for building personal networks in China. A daily calendar study (Bian 2001) shows that in a typical week, an average Chinese urbanite has 21 percent of their lunches and dinners with friends and non-family others. These are “social banquets” that, unlike in the West, are frequently paid for by the “host,” the party that initiates the event and wants to show their hospitality to the invited parties. Only on less than a fifth of the relevant occasions is the cost of social eating shared by all parties involved. To most Chinese people, social eating is meant to provide a relaxed environment for personal conversations (75 percent), to maintain social relations (70 percent), and to meet new friends (88 percent). These patterns are widely observed within and between social classes, however measured. During social eating, gossip, secrets, and rumors are discussed and frequently concern the “dark side” of politics and politicians, thus lowering the levels of political and institutional trust for frequent social eating participants (Chen and Bian 2015).

The fact that the cost of social eating is frequently covered by only one party implies the second theme: Social eating is a resource mobilizer for favor exchanges. According to the daily calendar study (Bian 2001), more than a quarter of social eating events are purposely initiated to “talk about business” and nine out of ten such meals are paid for by the initiators/host. In these situations, hosts tend to be well-connected with high incomes, guests of honor may include Communist Party members who hold important positions, while other attendees may have diverse connections and serve as liaisons between hosts and guests. The 2012 Chinese General Social Survey (CGSS) shows that frequent social eating participants include entrepreneurs, managers, professionals, and office staffers, while social eating contexts tend to be hierarchical in the sense that seating and conversations are consciously arranged to recognize participants’ status and power (Bian 2019, 60). These features differentiate China’s social eating from “the common meal” or “communal feasts” as observed in the West, which are casual, relaxed, and social, involving friends and acquaintances of equal status (Boyer et al. 2016; Giacomani 2016; Dunbar 2017). In sharp contrast, China’s social eating occasions seem to be culturally quite different; many of them are deliberately set up to facilitate favor exchanges, a case scenario to which we now turn our attention.

Social eating as a favor exchange facilitator

To provide a frame of reference, we begin with an overview of social eating participation around the world. The 2017 ISSP module on “Social Resources and Social Capital” includes the following question: “How often do you go out to eat or drink with three or more friends or acquaintances who are not family members?” Eight response categories are provided: (1) daily, (2) several times a week, (3) once a week, (4) two to three times a month, (5) once a month, (6) several times a year, (7) less often, and (8) never. Space limitations do not permit a full presentation of the results, but two findings are summarized here. First,

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there is a great deal of interpersonal variation in social eating participation in each member society of the ISSP, and China is no exception. Second, inter-society variation is huge, ranging from an average of 13.1 days of social eating and drinking a year (Sweden) to 78.3 days (Slovenia), with China (30.2) being placed right in the middle, along with Chinese Taiwan (30.2), the Philippines (32.1), and Thailand (28.1). Further data analysis will focus on China, using 2017 CGSS, the survey source of the Chinese data in the ISSP data archive (see Bian and Li 2012 for CGSS design and data quality).

Figure 1 displays four distributions concerning features of social eating in China. Panel A confirms that social eating participation is a common practice in China (80.8 percent of 3,092 total respondents), with 19.2 percent nonparticipants on a yearly basis. China’s rate of nonparticipation is close to that of Croatia (20.3 percent), Israel (18.5 percent), and Chinese Taiwan (18.2 percent). Confined to participants (N=2,498), Panel B indicates that social eating is functional more for relational maintenance (for meeting new friends “never,” at 11.2 percent, or “rarely,” at 47.2 percent) than for friendship expansion (meeting new friends “sometimes,” at 30.9 percent or “often,” at 10.7

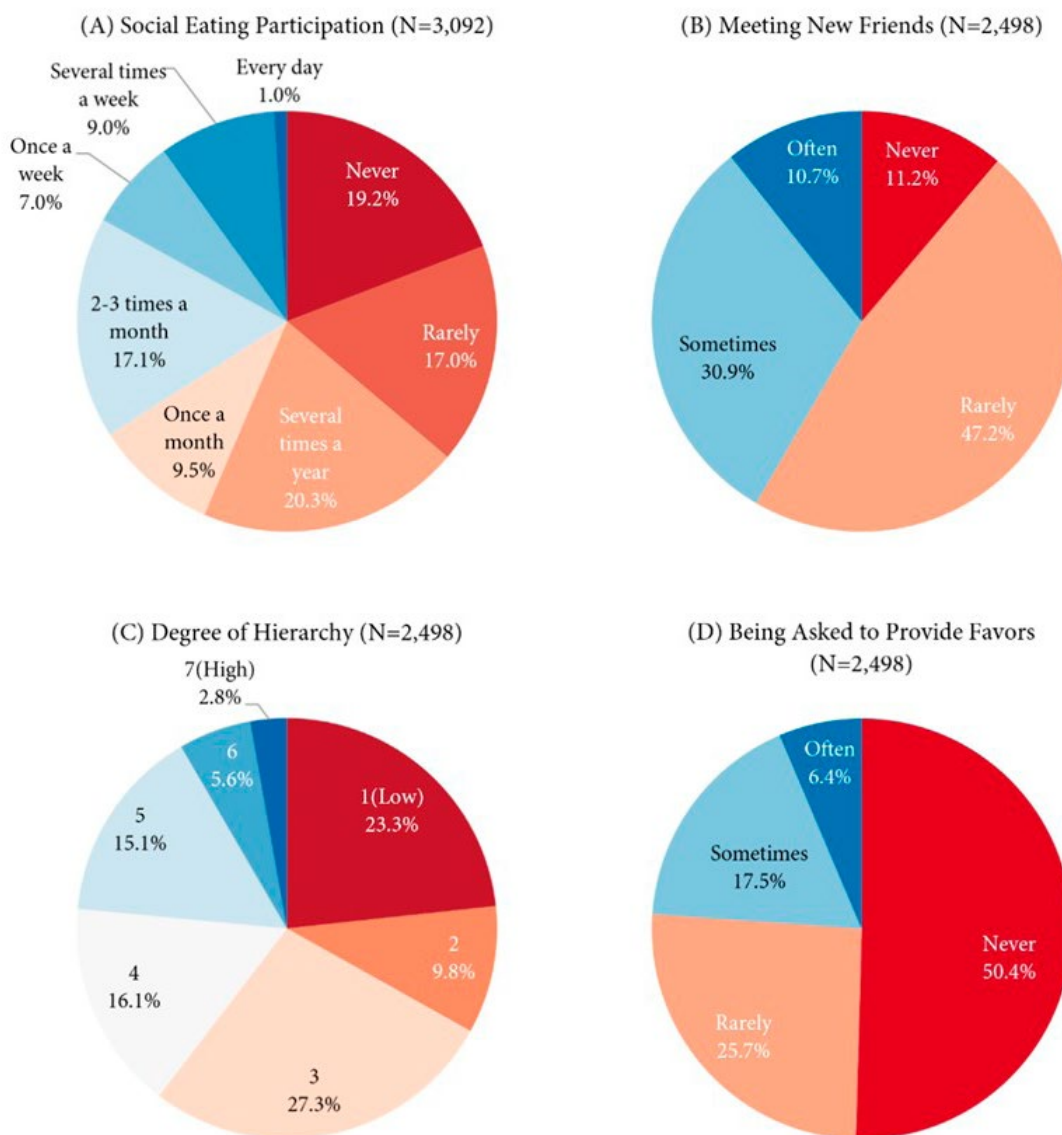


Figure 1. Social eating distributions (CGSS 2017)

percent). Panel C shows that social eating contexts vary in hierarchical characterization, from a one-degree context (23.3 percent) in which social eating is equal-status oriented, to a seven-degree context (2.8 percent) in which seating and conversations are deliberately arranged to recognize participants' identity (host, guest, attendee), status (age, seniority, honor), and power (office rank, political influence). The great majority of social eating contexts (73.9 percent) range from two degrees to six degrees of hierarchical characterization. In sum, China's social eating contexts are more or less hierarchically oriented.

Panel D represents our central interest. This is concerns the frequency with which respondents are asked to provide favors to someone known to them. China is widely known as a society centered on the notion of *guanxi*, or personalized social relations to facilitate favor exchanges (Bian 1997, 2019). While fa-

vor exchanges are a fundamental way through which individuals tried to survive and gain advantages in pre-revolution era (Fei 1992 [1947]), under Mao's redistributive socialism (Yang 1994; Yan 1996), and in the post-Mao transformation towards a market-non-market hybrid system (Chan 2009; Bian 2018), only those with access to positional power, scarce resources, and/or strategic network positions have the potential to provide favors to others connected to them directly or indirectly. This implies that, while nearly all Chinese people must seek favors from *guanxi* contacts at least once in their lifetime (Bian 2019, chapter 2), not everyone is asked to provide favors to others, and only a small minority of elites are repeatedly involved in the game of favors. Panel D provides evidence in support of this hypothesis. As shown, half of the CGSS respondents are "never" asked by anyone to provide favors (50.5 percent). Among the other

Table 1. OLS and Logistic Regressions on Favors Sought After (CGSS 2017, N=2,498)

Predictor Variables	OLS Model 1	OLS Model 2	Logistic Model 3	Logistic Model 4	Odds Ratio Model 4
Social eating variables					
Participation		0.001*		0.413*	1.511*
Friendship expansion		0.060*		0.662***	1.938***
Hierarchical context		0.080***		0.359**	1.431**
Demographic variables					
Age	-0.001	0.001	-0.002	0.003	1.003
Gender (male=1)	0.020	-0.009	-0.017	-0.059	0.943
Marital status (married=1)	-0.006	0.001	-0.054	-0.052	0.949
Hukou (urban=1)	-0.066	-0.072	-0.230	-0.238	0.788
Work sector (state=1)	0.090	0.074	0.156	0.144	1.155
Socioeconomic variables					
Education	0.021***	0.020**	0.064***	0.059***	1.061***
Party membership	0.150**	0.129*	0.397**	0.380**	1.463**
Income (log)	0.016**	0.015**	0.040*	0.035*	1.036*
Executive (unskilled=0)	0.507***	0.449***	1.036***	0.960***	2.612***
Manager (unskilled=0)	0.386***	0.374***	0.907***	0.874***	2.397***
Skilled (unskilled=0)	0.216***	0.219***	0.672***	0.697***	2.008***
Constant	1.331***	0.848***	-2.510***	-3.643***	0.026***
R square or Pseudo R square	0.074	0.101	0.061	0.074	0.074

*** $p < .001$, ** $p < .01$, * $p < .05$.

Note: In Models 3 to 5, the following variables are converted into dichotomies: Favors sought after 0=never or rarely and 1=otherwise; Participation 0=never or rarely and 1=otherwise; Friendship expansion 0=never and 1=otherwise; Hierarchical context 0=low (1,2,3,4) and 1=high (5,6,7).

half, people are asked to provide favors either “rarely” (25.7 percent), “sometimes” (17.5 percent), or “often” (6.4 percent).

Given this large variation in sought-after favors, our remaining question is twofold. First, who is likely to be asked to provide favors? Is this someone with money, status, or power? Second, does social eating participation increase one’s probability of being asked to provide favors? If so, in what ways? Table 1 provides us with answers to these questions.

Model 1 measures “favors sought after” as a continuous variable (coded 1–4), a proxy of varying intensities of favor exchange from low to high. Two sets of clear-cut results are generated. First, favor exchanges occur equally across demographic groupings (age, gender, marital status) and institutional boundaries (rural vs. urban *hukou*, private vs. public work sector). Second, propensities to provide favors are unequally distributed around socioeconomic variables and are significantly increased by one’s education, Communist party membership, income, and class power. Thus, status, money, and power are the operating mechanisms whereby favor exchanges are facilitated in China today.

Model 2 shows that social eating increases one’s propensity to be asked to provide favors. Specifically, the higher one’s participation in social eating, the greater the likelihood that one will be asked to provide favors; the more opportunities to meet new friends from social eating, the greater the likelihood that one

will be asked to provide favors; and the higher the hierarchical degree of social eating contexts, the greater likelihood that one will be asked to provide favors.

Measuring “favors sought after” as a continuous variable is not free of flaws. The variable is a 4-point scale, far less qualified than a true continuous variable would be. The “never” category, moreover, contains a simple majority, at 50.5 percent of cases. Finally, the “rarely” category (25.7 percent) is close to nonexistence among ordinary Chinese people. Therefore, we reconstruct this variable as a dichotomy, with respondents being “sometimes” or “often” asked to provide favors, coded 1 for frequent participation (23.9 percent) and otherwise coded 0 for infrequent participation (76.1 percent). This dichotomy very well matches our elite–nonelite image of favor exchanges: A minority of elite members are highly likely to provide favors to connected others, whereas the great majority of nonelite members are unlikely to be sought after for favors by anyone. Based on this binary variable, Models 3 and 4 present logit coefficients for quantitative readers, and the last column presents odds ratios transformed from Model 4 logit coefficients to allow for easy interpretations. We interpret these odds ratios below.

Let us start with the three social eating variables (converted to dichotomies as well) one by one. First, as compared to infrequent participation in social eating, frequent participation has a 51.1 percent (odds ratio of 1.511) greater probability of being asked to provide fa-

vors. This demonstrates that social eating in China is indeed a favor exchange facilitator. Next, social eating is a stronger favor exchange facilitator when it creates opportunities for people to meet new friends; the odds ratio of 1.938 indicates that the probability of being asked to provide favors is nearly doubled when social eating is a venue for friendship expansion. This implies that new friends people meet at social eating events are instrumental to facilitating favor exchanges. Finally, our third social eating variable indicates that a hierarchical context of social eating is a booster of one's probability of being asked to provide favors, in the amount of 43.1 percent.

All socioeconomic variables have survived statistical significance tests in logistic analysis. First, one year's education increases the probability of providing favors by 6.1 percent. This means that compared with a high-school graduate (12 years of schooling), a college graduate (16 years of schooling) will enjoy a 24.4 percent greater probability of being asked to provide favors. This is a large education effect. Second, as compared with non-members, being a Communist Party member increases the probability of doing favor exchanges by 46.3 percent. This is a huge political effect. Third, one unit increase in income (a log-transformed variable) generates a 3.6 percent increase in the likelihood of providing favors to others. This is a substantial economic effect. Finally, as compared with unskilled workers who have no power to control the labor of others, those who have varying degrees of control increase their probability of being asked to provide favors by 100.8 percent for skilled workers, 139.7 percent for mid-level managers, and 161.2 percent for top-ranking executives. Clearly, power is a major generator of favor exchanges.

Social eating in the context of anticorruption

Xi Jinping became China's new paramount leader at the Eighteenth CCP Congress in October 2012. Immediately thereafter, the CCP Central Committee announced "eight provisions" that marked the beginning of a nationwide anticorruption campaign. By June 2021, China had reported a total of 626,500 cases in violation of the Eight Provisions, including 392 state officials at province/ministry levels, 22,000 officials at municipality/bureau levels, and more than 170,000 county-level officials (http://zqb.cyol.com/html/2021-06/29/nw.D110000zgqnb_20210629_4-02.htm). To what extent has the anticorruption campaign affected social eating and favor exchanges in China? Figure 2 displays survey data about changing trends in social eating and favor exchanges in recent years.

Changing trends in social eating. The blue line in Figure 2 is generated from the first author's multi-year surveys of the Job Search Network project (JSNET, N=16,575) conducted in the eight largest Chinese cities (consult Bian 2022 for detailed descriptions of the JSNET project). It shows that frequent social eating participation (sometimes very often) sharply decreased from 44.4 percent in 2009 to 36.9 percent in 2014, and then further decreased to 34.3 percent in 2019 and to 31.6 percent in 2021 (but this 2 percent drop from 2019 to 2021 was likely to be caused by the Covid-19 pandemic). Each observed year has a small estimated interval at 95 percent confidence, indicating that the above-reported percentages are reflective of reality in China's largest cities. Although the data are from a limited number of such cities, they not only

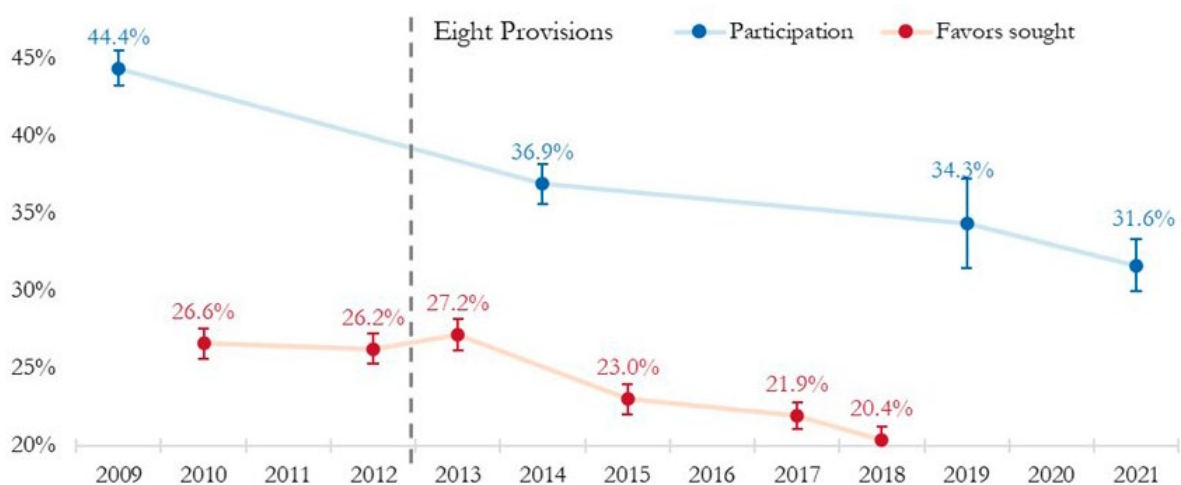


Figure 2. Percentages of frequent social eating participation and favors sought after, by year

cover a fairly large regional variation from north to south and from east to west, but also represent centrally-administered (Shanghai and Tianjin) and provincial capitals or leading cities (Changchun, Guangzhou, Jinan, Lanzhou, Ximen, and Xi'an) where the anticorruption campaign has been concentrated. Put in a national context, China's restaurants with annual revenue of over 2 million RMB (or US\$300,000) sustained an average annual growth of 20 percent from 2000 to 2012, but its growth rate sharply dropped to around 2 percent in 2013–2017 and only slowly recovered to around 10 percent in recent years (State Statistical Bureau, 2000–2022).

Changing trends in favors sought after. The red line in Figure 2 is obtained from the 2010–2018 series of CGSS datasets (N=47,779). It indicates that more than 26 percent of CGSS respondents were asked to provide favors before the anticorruption campaign, or more specifically 26.6 percent in 2010 and 26.3 percent in 2012. In 2013, just one year after the publication of the Eight Provisions, there was a 1 percent increase in favors sought after, at 27.2 percent, which can be understood as the legacy of the pre-Xi regime. Yet, the effect of the anticorruption campaign, which intensified after 2013, began to be measured from 2015 onwards, when the percentages of CGSS respondents asked to provide favors dropped to 23 percent in

2015, to 21.9 percent in 2017, and to 20.4 percent in 2018. Again, the small 95 percent confidence interval for each observed year indicates that the reported year-specific percentages are highly likely to be observed in China and that the trend displayed in Figure 2 must be taken seriously.

Limited effect of anticorruption campaigns. In both trends displayed in Figure 2, one may draw a simple conclusion about the limited effects of successive anticorruption campaigns. Many years into these campaigns we still observe a significant number of frequent social eating participants, at about one-third in 2021 (JSNET), and more than a fifth of the adult Chinese population still being frequently asked to provide favors to others in 2018 (CGSS). Of special interest here is the small margin of decline in favors sought after before and after 2013, from 26.2 percent in 2012 to 20.4 percent in 2018, or just a 5.8 percent drop during the increasingly intensified six years of continuous anticorruption campaigns, averaging about 1 percent annually. This implies the persistence of favor exchanges as a resilient cultural norm in China. Because only a minority of elites with power, status, or money are repeatedly engaged actively or reactively in favor exchanges, one wonders about what happened to these people after the start of anticorruption campaigns. Table 2 provides some answers.

Table 2. Regression Results on Three Dependent Variables

Predictor Variables	Model 5 Attitude toward <i>Guanxi</i> OLS	Model 6 Social Eating Participation Odds Ratio	Model 7 Favors Sought After Odds Ratio
Year			
2013 (2010 & 2012=0)			1.084*
2015 (2010 & 2012=0)			0.829***
2017 (2010 & 2012=0)			0.732***
2018 (2010 & 2012=0)			0.682***
2019 (2014=0)	-3.185***	0.988	
2021 (2014=0)	-3.373***	0.647***	
Attitude to <i>guanxi</i>		1.011***	
Socioeconomic variables			
Education	-0.063	1.080***	1.055***
Party membership	-3.062***	0.996	1.195***
Income (log)	1.375***	1.563***	1.032***
Executive (unskilled=0)	0.211	1.456**	3.624***
Manager (unskilled=0)	1.035	1.480***	2.962***
Skilled (unskilled=0)	-0.769*	1.024	1.671***
Demographic variables			
Age	-0.062***	0.971***	0.995***
Gender (male=1)	1.019**	1.585***	1.233***
Marital status (married=1)	-1.347***	0.720***	0.933*
Hukou (urban=1)	-2.085***	0.923	0.986
Work sector (state=1)	-2.799***	0.754***	1.439***
Constant	58.614***	0.166***	0.107***
R square or Pseudo R square	0.038	0.123	0.079
N	9,314 JSNET	9,314 JSNET	47,779 CGSS

*** $p < .001$, ** $p < .01$, * $p < .05$.

Note: In Models 6 and 7, the following variables are converted into dichotomies: *Favors sought after* 0=never or rarely and 1=otherwise; *Participation* 0=never or rarely and 1=otherwise.

Attitude towards guanxi. No matter whether they are actively or reactively engaged in social eating and/or favor exchanges, elites and nonelites are conscious individuals who have been cultivated in Chinese *guanxi* culture. Therefore, their attitudes toward *guanxi* as personalized relations to facilitate favor exchanges are the starting point of our analysis. Model 5 shows that people are not positive about *guanxi* if they are a CCP member, a skilled worker, an older person, married, urbanite, and working in the state sector. In contrast, one tends to accept *guanxi* as a cultural norm if one is male, younger, nonurbanite, not a CCP member, has a non-state job, and earns a higher income. Note that attitudes towards *guanxi* were significantly lower in 2019 and 2021 than in 2014. However, as indicated by a low explained variance ($R^2=0.038$, or 3.8 percent), *guanxi* normalization is widespread as positive attitudes towards *guanxi* are, by and large, randomly distributed (96.2 percent unexplained variance) across social groups and strata in the Chinese population.

Frequent participation in social eating. Model 6 presents four sets of interesting results. First, frequent participation in social eating declined from 2014 (odds ratio=1) to 2019 (0.988) and 2021 (0.647), a drop of 35.3 percent within seven years. Second, positive attitudes towards *guanxi* norms increase frequent participation in social eating. Thus, attitudes indeed matter. Third, CCP members and non-members have about the same propensity to participate in social eating (odds ratio=0.996, or not significantly different from 1.0). Recall from Model 5 that CCP members have negative attitudes toward *guanxi* favoritism, but they do not themselves deviate from non-members in social eating participation, a clear indication of an attitude–behavior gap among CCP members. Finally, one’s propensity to be a frequent social eating participant is significantly increased by one’s education (8 percent for each year of schooling), income (56.3 percent for each unit increase), and class power (45.6 percent and 48.0 percent advantages for executives and managers, respectively). Note that high income earners tend to be positive about *guanxi* norms, and they also are frequent social eating participants. This is clear evidence of attitude–behavior consistency among economic elites.

Frequent favor exchangers. Are these elites frequent favor exchangers despite the anticorruption

campaigns? Model 7 provides us with a positive answer. As shown, favors sought after have significantly decreased in quantity since 2013, by 17.1 percent (from 100 to 82.9 percent) in 2015, by 26.8 percent in 2017, and by 31.8 percent in 2018. Despite these remarkable anticorruption achievements in terms of reducing overall volumes of favor seeking, the long-standing patterns in which power, status, and money produce and reproduce favor exchanges are unchanged. Specifically, one additional year of schooling generates a 5.5 percent higher propensity to be a frequent favor exchanger, and this is further increased by CCP membership, with a 19.5 percent margin over non-members; by income, there is a 3.2 percent margin for every log-transformed income unit; by class power, such as executives (2.624 times), managers (1.962 times), and skilled workers (67.1 percent) over unskilled workers. Anticorruption reduces the quantity of favor exchanges but does not affect the underlying operating logics and mechanisms.

Conclusion

With reference to a long tradition of social eating research in Western societies, two recent Chinese surveys present a systematic set of empirical evidence on social eating as a favor exchange facilitator in China. First, social eating is a favor exchange facilitator within and between demographic groupings (age, gender, marital status), as well as institutional boundaries (residential location, economic sector). Second, those who participate in social eating more often tend to have a greater probability of being asked to provide favors to others, and such probabilities are significantly higher when social eating serves as a venue for meeting new friends; when seating and conversations are hierarchically arranged to honor participants’ identity, status, and power; and when participants have higher human, economic, and political capital. Finally, social eating and favor exchanges have been affected by Xi’s anticorruption campaigns, but their effect is rather on the surface and related to volume, not in terms of hidden patterns, underlying logics, or causal mechanisms. As always, power, status, and money not only normalize the *guanxi* culture of favoritism, but have also served as mechanisms facilitating favor exchanges before and after anticorruption campaigns.

Endnote

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The calculus of the gift: Money and social relationships in Japan

Katherine Rupp

Examination of Japanese gift practices leads to a deeper exploration of networks and social relationships in Japanese society, and, at the same time, to a more detailed understanding of processes of borrowing and transformation in the history of Asian cultural interchange. The study of Japanese gift-giving necessarily also engages with an established empirical and theoretical tradition in anthropology, a tradition that often appears unable to escape from certain assumptions generated by the peculiar place of gifts in European and American popular ideologies of social life.

Gifts vs. commodities

Gifts, according to American and European conceptions, exist in a special realm outside the marketplace. Emerson, in his essay “Gifts,” writes:

The only gift is a portion of thyself. Thou must bleed for me ... I fear to breathe any treason against the majesty of love, which is the genius and god of gifts, and to whom we must not affect to prescribe. Let him give kingdoms or flower leaves indifferently. (Emerson, 1983: 94–96)

According to this interpretation, the gift is a part of the donor. The gift stands in opposition to the commodity, which circulates in the world of commercial transactions, where value is calculated based on price, and objects are not exchanged to create relationships between people but rather to turn a profit.

In Japan, gifts and commodities are not two neat, separate categories. In fact, they are almost al-

ways mixed up. Many, many gifts are made with cash, the prototypical commodity form. Even when gifts are objects other than cash, in numerous instances it is prescribed that they should be as impersonal as possible. The giving of gifts is subject to a calculus of value based on monetary price, for precise attention to monetary cost is integral to the negotiation of certain relationships. When you receive a gift from a department store, for example, there is a code printed on it, and this tells you how much the gift cost. I was even informed in an interview with a florist that when he delivers flowers to people, they ask him how much the flowers are worth. The reason why the receiver is so concerned with the price of the gift is that in many cases, a return gift is necessary, and to make the appropriate type of return gift, it is essential to know the cost of the original gift.

In my work on specific Japanese gift-giving practices, I have found the anthropological tendency to see gifts and commodities as mutually exclusive to be problematic, whether as forms of interaction in themselves or as forms of interaction taken to characterize whole societies or types of society. Models based on static or essentialist notions of the Japanese sense of self, or models that presume that the gift is a part or extension of the person of the giver, or models of whole societies as gift societies or commodity societies are not very helpful to me because they say little about the complex details and variations across the many different transactional forms I encountered in my research. I am seeking a more dynamic understanding of self and other, of subject and object, of giving person and given object.

Examples from fieldwork

Let me illustrate the direction in which I am moving with some concrete examples from my fieldwork. These were told to me by a woman whom I will call Mrs. Ueda, a housewife in her mid-fifties. She and her husband, a company employee, live in an upper middle-class neighborhood near central Tokyo. Her son and daughter both married within a short time of each other, and her discussions of the gifts that I am about to describe emerged as she was teaching me about the exchanges connected to her children's weddings. I will begin with an example about money given to the guests at her daughter's wedding.

Guests who had come from far away were given *kurumadai*, envelopes of money to help cover the cost of transportation to and from the wedding. Many guests came from Osaka (the Ueda family had lived in Osaka when the children were growing up, and many of their relatives continued to live there).

They each received 30,000 yen, because the trip from Osaka to Niigata, where the wedding was held, is expensive.

Kurumadai was offered to all guests who traveled a great distance. Some close family members made it clear before the wedding that they did not wish to receive *kurumadai*. There were also two instances at Mrs. Ueda's daughter's wedding in which *kurumadai* was returned. Mrs. Ueda was full of praise for the manner in which one of the guests returned the *kurumadai*; she did not care for the method used by the other guest. In the latter case, a seventy-year-old woman who had been the high school teacher of Mrs. Ueda's daughter sent a wallet, worth half the 30,000 yen she had been given by the Ueda family for *kurumadai*. Accompanying the wallet was a letter saying she could not accept so much reimbursement for transportation, as she had gotten a senior citizen discount on her train ticket. In the former case, an eighty-year-old man who was a friend of Mrs. Ueda's parents returned the unopened envelope containing the money with a letter saying that he did not want it, as he had come as a representative of the dead grandparents of the bride.

Mrs. Ueda spoke at some length about the reasons for her favorable assessment of the man's action and her unfavorable assessment of the woman's action. Because the man was connected with Mrs. Ueda's parents and the woman was connected with Mrs. Ueda's daughter, she did not know either one very well. But based on the way in which they returned the gifts of *kurumadai*, she made strict judgments about their characters. The man returned the envelope without even breaking its seal. She used the word *isagiyo* (pure, righteous, manly; evokes image of feudal warrior) to describe his action. "It is human nature to want to look into the envelope," she stated. "But he did not. If you wanted the money even a little bit, you would open the envelope, and then think about it, and then maybe decide to give half back." Mrs. Ueda did not like the calculating behavior of the woman. I asked Mrs. Ueda why she thought it was that the woman didn't return all the money. Mrs. Ueda pointed out that it is usually rude to return the value of any gift in its entirety; this can cause consternation to the person to whom the gift is returned. Especially when making a return gift for a gift of cash, etiquette dictates that the form of the gift must be changed, so that one does not appear to be giving back exactly what one had received. But in this case, a partial return by changing the form of the initial gift was much worse than a complete and total return of the cash, and worse than no return at all would have been.

Mrs. Ueda called this woman *ogatai*. This word describes a person who is especially rigid. It is related to another word, *girikatai* (having a strong sense of duty). People who are scrupulous in upholding their social obligations in giving and receiving are those who, among other things, always make return gifts.

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These people uphold *giri*. *Giri* is variously translated as "duty, integrity, justice, morality, righteousness, social courtesy." *Girikatai* has both positive and negative connotations. *Katai* means "hard, solid, stiff, rigid, tough." It can be used to say, for example, that a tight pair of shoes is uncomfortable. It can also describe a building's firm, sound foundations. *Girikatai* can refer to the social actions of an honest, upright, solid person; it can also describe someone who is rigid, to the extent of being unfeeling. When Mrs. Ueda used the polite prefix "o" and attached it to the word "katai," she implied the woman was too strict in her calculations. She was strict to the point of being selfish or petty.

In this case, the return of the gift object is not a sign or representation of the giver, but of the way the giver relates to others, in this case, to Mrs. Ueda's daughter and her family. It is the social act that is important, not the concrete object. And in both instances, the manner in which these two people returned the *kurumadai* affected their relationships with Mrs. Ueda and her family. The Ueda family's friendship with the woman is now strained, but the connection with the man is stronger than before.

As for the gift/commodity dichotomy, these two examples illustrate how complex that relationship is. Even though many gifts in Japan are made in cash, there is a strong ambivalence about money and about the calculations that gift-giving entails. If you receive a gift of money, the return gift should never be made with money. In fact, Mrs. Ueda told me the story of an occasion when she made a present of cash and received a return gift in the form of gift certificates, and she was really horrified; she considered the possibility that the givers wanted to cut their relationship with her. You cannot return money with money; to do so would be too calculating. To make a return gift of a gift of cash by changing its form and giving an object is

supposed to soften the gift somehow and make it less calculating; even though price codes are printed on boxes containing gifts, these objects are still a step removed from money. What is so interesting about this case is that even though the woman did everything in strict accordance with standard rules – she did not send back money, but rather an object – Mrs. Ueda was offended. It was the man who refused all contact with the money; who returned the envelope unopened; who said “I am here as the representative of the dead grandparents of the bride, and as their representative, please treat me as kin; therefore, do not give me *kuru-madai*” whom Mrs. Ueda admired.

The last two examples I wish to discuss shed some light on why there is such an ambivalence about money. Mrs. Ueda explained these instances of giving to me when she told me about the wedding of her son, a twenty-eight-year-old male upper middle class company employee. Mrs. Ueda was very pleased with one, a gift to the go-between, but very displeased with the other, a gift to the minister who performed the marriage ceremony.

Let us first examine the gift exchanges with the go-between. A marriage is made possible through go-betweens, a husband and wife. In the past, go-betweens may have played a role in arranging the marriage, although this is less often the case in present-day Japan. Their names appear on the wedding invitation, and at the wedding reception, they sit on either side of the newly married couple at a long table at the front of the room, while the parents of the bride and groom sit at the very back of the wedding hall.

Usually, the male go-between will be in a position to help the groom in his career. Mrs. Ueda's son had asked the vice-president of his company to serve as go-between. On an auspicious day before the marriage, the vice-president and his wife came to Mrs. Ueda's home and presented an elaborately decorated envelope of the requisite amount of 100,000 yen to the son and his wife-to-be.

Several weeks after the wedding, the bride and groom gave the go-betweens an odd number of Gucci plates they had purchased on their honeymoon in Hawaii, and the parents of the bride and groom gave the go-betweens 300,000 yen. Mrs. Ueda stressed that this money was not made with the direct intent to help her son get ahead in his company; rather, it was to show their gratitude to a busy man of high social standing who had kindly done them the favor of associating with them for this private matter of their son's wedding. In addition, she was sure that in the future her son would become indebted to him at the company, and all they wanted was for their son to be promoted regularly and normally. At this point, her voice wavered a little; she said hesitantly that she was not sure

how to express herself; it was probably the case, she said, that embedded in their gift to the go-between was a request to him to take care of their son. Mrs. Ueda had been sending gifts every winter and every summer to this vice-president who came to serve as the go-between, because he had been instrumental in helping her son get a job at his company. The first gift-giving season after the wedding, Mrs. Ueda sent the vice-president an Alaskan king crab worth 7,000 yen.

Auspiciousness, encompassment, and alignment

From one point of view, the cash given at these exchanges has nothing to do with buying and selling. Rather, it is connected to notions of auspiciousness, encompassment, and alignment. Giving related to weddings often emphasizes units of odd numbers. Even sums of cash that are technically even – such as 10,000 yen or 100,000 yen – are considered to be odd-numbered units of one. The cords used to tie the envelopes are made from odd numbers of strands; the cord with the highest number of strands – nine – is appropriate for a very auspicious event, such as a wedding. The envelopes that contain the money are folded in such a way that left is placed over right and top is placed over bottom. These practices stem from the philosophy of *yin* and *yang*. In terms of position, top and left are *yang*, bottom and right are *yin*. Regarding numbers, odd is *yang*, even is *yin*. Every odd number greater than one contains within it both an even number and an odd number (for example, $3 = 1 + 2$). Odd numbers are preferred to even numbers because a hierarchical principle is at work, in which “the elements of the whole are ranked in relation to the whole” (Dumont 1980: 66). The inferior becomes a member of the superior, the even is subsumed within the odd. In philosophical discourse, the relationship between *yin* and *yang* is not represented as hierarchical, but in many forms of practice, the flourishing of the natural and social worlds is accomplished only when disorder (*yin*) submits to order (*yang*).

The number of strands in the cord that ties the envelope, the odd-numbered units of bills the envelope contains, and the way the envelope is folded are all material embodiments of the encompassment of *yin* by *yang*, of female by male, and the life that flows from that hierarchical ordering. Precise measurement, in terms of both the emphasis on odd units of bills and on the cash value given, enables and underscores this encompassment. Gifts to male employees are of considerably higher cash value than gifts to female em-

ployees. Unequal treatment of male and female itself underscores the importance of reproduction, because within this symbolic system, it is through the combination of male and female in unequal relationships that life is believed to be created and sustained. This is why, for example, that in the giving of ceramic bowls to a married couple, it is important that they be a pair of two unequal parts, with the bowl for the husband larger than the bowl for the wife.

Like the gifts from the go-between to the couple, those from the couple to the go-between indicate alignment with a system based on relationships of domination and subordination that includes and extends beyond the individuals giving and receiving.

Annual gifts to superiors are made in accordance with a seasonal cycle external to giver and receiver. At summer and winter – when nature is, respectively, at its fullest and its most dead – gifts marked with appropriate seasonal symbols are presented to superiors. These gifts are objects that lend themselves to precise measurement, such as cans of oil, soap, seaweed, beer, gift certificates, and so forth. Most objects are marked clearly with a code that tells the receiver the price. The giver must not only take care to align himself and his family, or, more usually, herself and her family, with the cycle of seasons, but also with the hierarchical order of society. The cash amounts of these gifts are calculated in accordance with intersecting factors, such as strength of relationship, gratitude, and hierarchy. The gift to the go-between of 300,000 yen and the Gucci plates, as well as the first seasonal gift after the marriage of Alaskan king crab from a famous department store, are examples of alignment with this larger system. First, the odd-numbered units of cash, the odd number of plates, and the crab worth odd-numbered units of yen represent encompassment of *yin* by *yang*. Second, these gifts reflect and reinforce the hierarchical relationship between vice-president and company employee; the vice-president, in this case, because of his high status, receives more than he gives. Third, they express alignment with established hierarchies of department stores, specialty items, and name-brand goods, giving this high-ranking person goods from the top of these hierarchies.

The gifts of cash are qualitatively unique entities. The 300,000 yen given to the go-between is a unit of three, just as the 100,000 yen gift from the go-between to the couple was a unit of one. The fact that the generic, quantitative character of money can be subordinated to the unity of a single odd number is what makes gifts of cash useful for alignment. The same is true for gifts such as the Alaskan king crab, whose price is readily apparent from the code on the box and is invariably an odd-numbered unit.

The importance of money

What happens when a gift that should be money is not? Let us turn now to the gift to the minister who performed the marriage ceremony, as well as the gift received from the minister. Mr. and Mrs. Ueda gave the minister 100,000 yen for performing the wedding ceremony. In return, the minister gave a book on Christianity that he himself had written. Mrs. Ueda was extremely upset, first, because the minister accepted the money from her, and second, because he gave an object other than money in return. Mrs. Ueda and her family belong to the small minority of Japanese who are Christian, and she and her husband are extremely active in their church. When she gave the minister the 100,000 yen for himself and 150,000 yen for the church, she felt sure that the minister would take the money for the church but refuse the money for himself, saying “I really can’t accept, after all the work you do to help me and the church.” Mrs. Ueda expressed anger that the church, which should be like a family, was instead being used to make money. She was especially irritated that the minister was so intent on getting as much money for himself as possible that he gave a book he had written, which cost him nothing, rather than making a proper gift of cash. Mrs. Ueda would have viewed cash as more sincere than his gift of his book. Mrs. Ueda saw the book not only as an example of the minister’s trying to give as little money as possible, but also as lacking in consideration for the couple. Cash placed in odd-numbered units, properly folded and tied in an envelope, connotes alignment with a larger order, and this is evidence of interest in a good marriage for the bride and groom. There is a sense that if all is not properly aligned, something bad might happen, such as divorce. A book one has written oneself is thus doubly inappropriate. It neither gives something up nor shows concern for the bridal pair.

In some ways, the qualities of money are used for symbolic purposes that have nothing to do with buying and selling. Money is a manifestation at a material level of a larger sense of order in which maintenance or enhancement of life is predicated on relationships of encompassment. At key points in life cycles and seasonal cycles, people align themselves with this larger order by giving precise amounts of money. Gifts of money are therefore seen as outward-oriented, as the dissolving of particularity and lining up with a larger system. It was partly because the minister gave a book he himself had written, a gift oriented inwards to himself rather than outwards to a more general system, that his gift was not well received.

In other ways, money is valued as a commodity. It represents all the things that could be bought if it

were not given away. The gift of the book the minister wrote himself was seen not only as narcissistic, but as stingy and calculating, as if the minister were trying to make a profit. If people fail to conform to their proper roles in the process of exchange, and are perceived as greedy or arrogant, they may be resented as superiors taking advantage of their positions. But as long as superiors align themselves to their proper roles and give the right amount in the right way, their actions are usually interpreted as proper, and the giving of large sums of money to them is viewed as appropriate. Mrs. Ueda's gifts to her son's superior were to ensure a good future for her son. Even though she suggested that the large amounts of cash given to the go-between were because of his high social standing and his busy schedule, there were other people attending the wedding who occupied similarly high social positions and who were also strapped for time. But those people did not stand in direct relationships of power to Mrs. Ueda's son, and thus they did not receive such large amounts of money. So, while practices of gift exchange use money for their own symbolic purposes, exchangers of gifts use these practices of giving in order to benefit themselves and those close to them. As long as these practices conform to a larger order of reproduction predicated on encompassment, people are extremely reluctant to criticize these gifts to superiors, whereas they express anger over relationships of giving and receiving with superiors that do not conform to this larger order.

Complaints about giving and receiving fall into two categories: criticisms of people for not fulfilling their appropriate roles within the larger system, and criticisms of the larger system itself. Many people expressed resentment towards forms of giving and receiving deemed to be more concerned with immediate individual profit rather than with social relationships and proper cosmic alignment. But only a minority of the people who participated in my research refused to give and receive because of the relations of encompassment underlying these practices. Those who did refuse on these grounds to participate in this system were subject to harsh criticism.

From one point of view, the cash given in these exchanges has nothing to do with buying and selling. The number of strands in the cord that ties the envelope, the odd-numbered units of bills the envelope contains, and the way the envelope is folded represent proper alignment with a larger cosmic order that enables reproduction.

From another point of view, these exchanges are very much connected with the world of buying and selling. Many of these transactions are in cash, and those that are not are usually mediated through department stores. Giving is often between people in

the workplace to enhance chances for advancement or cultivate business connections. Exchangers of gifts use practices of giving to benefit themselves and those close to them, but as long as these practices conform to a larger system, for the most part they are condoned. Hierarchical ordering is believed to create and sustain life, and refusal to synchronize one's giving and receiving with this larger system is considered inward-looking and selfish. The strong pressure to conform is probably related to certain Chinese-derived beliefs that human moral action consists of alignment with the cosmic order; a lack of such thereof results in disorder in the realms of both nature and society. This may be why so many individual Japanese people devote so much time, energy, and money to giving and receiving, and feel pressure to perform "correctly." Performing correctly means taking each particular instance of giving and linking it up to something more general and abstract, such as cycles of seasons, frameworks of specialty items from faraway places, and hierarchical orderings of human beings, department stores, or numbers. In this context, monetary and quasi-monetary signs are important for giving in that they are apprehended as specific quantities that are auspicious because they align with a greater process.

Measurement and calculation for the benefit of others

It is for this reason that at important rites of passage, such as weddings, objects may be viewed as less sincere than money would have been. Even when money was not used in giving to the extent it is today, in most parts of Japan, goods such as sake, sugar, and rice were given instead, all of which lend themselves to precise measurement. Measurement and calculation are extremely important in giving. For the gift to be perceived as sincere, proper, from the heart, it must be measured and calculated for the benefit of the recipient; it must be oriented outward rather than inward to oneself.

The wallet the teacher sent and the book the minister gave did not meet these requirements. The teacher may have thought that her long letter of explanation about her senior citizen discount conveyed how careful and conscientious she was, as a greedy person would have simply kept all the money, even though only half had been used for transportation to and from the wedding. But from Mrs. Ueda's point of view, the teacher came across as making calculations for her own benefit, as trying to call attention to herself with her many words. The minister's book on

Christianity was also full of his own pronouncements. This gift was seen as selfish, inward-oriented, as avoiding giving up money that would have been both a material sacrifice and a symbol of orientation to the outside and therefore respect and concern for the bride and groom.

Conclusion

Through my experience of listening to the ways in which people actually talk about giving and receiving, I have been led to think of the relationship between gifts and commodities in more fluid and dialectical terms. In thinking about giving as an interactional form, I am attempting to incorporate a more dynamic model of self, other, and the larger world, and espe-

cially of the complex configurations of these terms that arise in particular types of transactions. It is not primarily that the gift as an object embodies the giver's identity, but rather that the gift object signifies the act of giving itself. The object, like both giver and receiver, exists in a social and even cosmic context. As a material object, the gift signifies the whole context, and especially it makes tangible what is otherwise intangible: the relationship between the giver, the receiver, and the larger world. Finally, although the gift act may appear as if it has been determined by prior circumstances, by its appearance it also projects outward and backward; it situates people, it changes statuses, it builds relationships. There is a certain element of risk in giving. People seek to construct themselves and their relationships with others in particular ways, and sometimes they succeed and sometimes they fail.

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The ubiquity of Japanese informality and Okinawan *Moai* (模合)

Abel Polese

The search for informality

One of the first things you'll hear when arriving in Japan, as a scholar of informality, is that while Japanese society may look very formal, with everything strictly controlled and formalized, in fact it is not. Eventually, although the informal practices you're used to observing abroad do not exist here, and may be strictly regulated, precisely where a foreigner would not expect to find informality is where informality will rule. In many respects, it may be said that Japan is like a "negative" of informality: whatever is formal in your country will be informal here, and vice versa.

This intriguing vision prompts you to attempt to anticipate, in some excitement, where the loci of informality may lie in Japan, while assuming you won't be able to spot them at the beginning. So you straighten up your antennas and try to notice everything, to try to ensure that you do not miss any little detail.

And that's how it starts. You are there, embedded in a society that is based on small-scale gift-giving (Rupp 2003). You can sense informality everywhere and yet you cannot spot anything or see clearly. You try to rely on practices and customs you've observed in other parts of the world, from *guanxi* in China to *blat* in Russia, from team salons in Korea to *raccomandazione* in Italy (see Ledeneva 2018 and Zinn 2001). You may even refer to the Orientalist juxtapositions of East and West, the industrialized and the industrializing world,

and yet, the very essence of Japanese informality seems to escape you.

It takes months to realize, but even longer to accept, that if you were trying to delineate a contrast between regions of the world, you could probably say "there is Japan and there is the rest of the world." Every country, every region, every geographical area or population has some unique characteristics, something that you may deem unique or very specific to the group of people living there. This is the beauty of discovering new cultures, the fact that once or twice you will be able to say "only here have I found [insert your discovery]". In Japan, however, it seems you can say that many times. From the time you arrive, at least for a relatively long period of time, you will be surprised almost every day by a new finding, habit or special word defining a unique behavior or phenomenon.

In the beginning you will be overwhelmed by such diversity to the point of becoming unable to notice the details. But at some point you might come to the conclusion that Japan is easier to understand than to accept. It is not so difficult, at least in my experience, to notice the idiosyncrasies of Japanese society, whether those specific to a particular area or widespread across the country. But every time you encounter significant phenomena that are far from your understanding of society, of social adequacy, of social behavior, of what you deem acceptable, you will ask yourself "they really expect people to behave this way? This can't be".

This is perhaps made more difficult by the fact that, as a foreigner, you are not only forgiven for, but often expected to behave in a socially awkward way in some situations. It will take a really close and critical friend, and several rounds of interrogation about Japanese customs, to identify your mistake in the hope of not repeating it.

Inasmuch as this is fascinating, frustrating and comfortable at the same time, you will have little chance of being pointed in the right direction in your

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quest for informality. But informality in Japan exists. Ledeneva's *Global Encyclopedia of Informality* (2018) has no less than five entries devoted to Japanese informal institutions, and Japan is not short of works dealing with informality from various angles (Bhaduri and Chandra 2008; Nakagawa 2000; van Rixtel 2007).

However, to the scholar used to thinking of informality as the complement of formality, as a way of resisting the state, or as the art of bypassing the state (Polese 2021), these practices are not really “satisfactory”. I might even say they are deceptive in that they all seem perfectly embedded, acceptable and tolerated by state authorities, in a society that lives in a sort of osmotic relationship with the state. In other words, if we accept the existence of a field called the »extra-legal« (De Soto 1989); if we start from a position acknowledging the existence of a grey zone, of an area in which things are not legal but not illegal either, informality (or even Japan) becomes very hard to grasp.

The many informalities of Japan

This ambiguity is at the basis of the concept of informality, something that falls outside the concept of the legal or formal, but which is not fully illegal, but rather just needs to be understood, regulated and perhaps adjusted for the better functioning of society. This is the way some citizens express dissent (non-compliance), resist or even engage in non-political responses to policies that do not address their needs or even go against them (Murru and Polese 2020). Informality encompasses ways of dealing with economic governance (tax avoidance, tax morale, corrections of the business environment), but also with decision-making in high politics and international organizations (Roger 2020) or with everyday politics and political participation (Ledeneva 2010). It is a way of engaging with decisions and possibly rejecting them (by not complying with state instructions) in a way that will eventually make the state accept the new status quo. This is visible in the form of informal settlements, informal housing, self-aid literature (Turner 1977, Roy and Al-Sayyad 2004), exploration of the concept of alternative economies (Gibson-Graham 1998), rebuffing of capitalist and neoliberal logic or even degrowth (see table below). Within such a comprehensive framework, isn't there at least one theory that can be applied to Japan? And yet, the opportunities to explore informality in Japan are endless. Japanese society loves cash, to handle

bills and cute little coins with examples of Japanese symbols and traditional figures. Besides, the practice of visiting places where *salarymen* (サラリーマン) are given special female attention and put the bill on the company is widely known in the Western world and far from being the only “informal practice” in Japan. Also, if you spend enough time with *okanemochi* (お金持ち rich people), you will learn that it is quite common for them to demand a restaurant bill that is much higher than the actual bill. The Japanese seem very careful about accountancy, but this is a widespread exception. It is socially acceptable and nobody will blink if you ask for it. Informality is sometimes embedded in formal rules.

A friend living in Ishigaki was caught by the police driving after drinking two beers. Being over 1.90m he was scarcely affected by the alcohol and he was able to perform all the required exercises to show he was not drunk. But the ethilometer showed a figure slightly higher than was permitted, so he was jailed for as many days as he needed to decide to go to the judge and declare “yes, I was drunk” and then have his license suspended for two years. But because this happened during the New Year's holidays and the mail service was slower than usual, the judge told him that he could keep on driving until the formal letter suspending his license came. He kept on driving knowing that one day he would go home to find the letter and end his road adventures for two years.

If you are looking for stories about informality in Japan merely to be able to declare that “there is informality out there”, there are thousands of opportunities to describe a micro practice, myriad little examples that show that informality can be found on many occasions. What I missed was an example that could incarnate the essence of informality in Japan. I believe there is something beyond all these stories, a common matrix behind the tolerance of some practices and the total intolerance of others. But the question remains, what's the meaning of all this? Is there a red line allowing us to interpret these informal practices in such a way as to better understand, and explain, the society?

It can indeed be argued that informality is everywhere, no matter where the country is and how rich, or poor, its society (Morris and Polese 2014). The

A geography of informality

Discipline	Main focus	Geographical scope
Economics	Development economics	Developing world
Planning	Developing world, urban setting	Non-Western world (with an eye to the Western world)
(Human) Geography	Alternative economies	Worldwide
Area studies	Getting things done	Eurasia (expanding)
International relations	Constructing alliances, influencing political decisions	International organizations, global politics
Policy and governance	Political negotiations, policymaking	Russia, national politics, relations among elites
Political science	Corruption, nepotism, neopatrimonialism	The non-Western world with a particular focus on Eurasia

Source: Polese 2021

difference therefore lies in the areas in which governance and state informality remain prevalent (Polese 2021). By regulating societal life and circumscribing informality to some areas of public life, a state could even improve the quality of governance, for instance, by allowing non-state actors some initiative in areas in which the institutions fail to regulate and govern (Haid 2017). This may eventually allow management by citizens and for the advantage of society, *de facto* outsourcing some essential functions of the state to a community or a group of citizens. As long as this remains within the limits of the legal, and/or socially acceptable, this is a win-win situation. The state saves money and, by enhancing local governance, the area is managed by people who can be more attentive to local needs and who can act as a community, thus fostering responsibility and participation in a common project.

Inasmuch as I could find many examples of informal practices in Japan, I regularly failed to take my analysis to the next level and find some connection between these practices, ways in which they help society, and any synergy they develop with state institutions, whether positive (enhancing state authority by allowing exceptions) or negative (rejecting state instructions to impose a locally-based mode of governance in a particular area). But then I decided to go for the umpteenth time to my favorite island of the archipelago.

Okinawa encounters

Back from a snorkeling trip, I decided to have dinner at Tenji's restaurant, a mainland Japanese who, after learning the basics of Southern Italian cuisine, opened a restaurant near the docks at Ishigaki's main port. I have met many Japanese who learned cooking abroad and were able to reproduce the local dishes to perfection. But Tenji liked to experiment and to mix Japanese ingredients with the basics of regional Italian cuisine. Inspired by southern Italian conviviality, he befriended most of the Italians working on the island and started working with a restaurant owner from Rome, managing a place around a kilometer away, producing traditional Italian flavors with an Okinawan twist. It may be difficult to convince the local authorities that mixing cacao and fresh pork blood is the way to go for a delicious dessert, but that is what they were working on, along with other old recipes. Besides, Tenji would regularly reach agreement with local farmers and prepare a monthly menu with the ingredients that he could get fresh that particular month.

The evening I visited, his restaurant was booked by a small party of old friends from Tokyo. He told me,

however, that I could come just before opening to have an aperitif together. I grew up in a culture in which there are few, if any, boundaries between people and in your favorite restaurants you befriend the owner. This is similar to the attitude you will see in some small Japanese restaurants where you will also chitchat with the owner while they prepare meals or serve dishes. In a Mediterranean restaurant, you rarely open the menu but rather ask what's fresh and what the owner would like to serve you. Japan has a similar culture of *omakase* (trusting the owner's signature dishes that they choose for you). However, in some other respects, our backgrounds could not be more different because, even in the friendliest relationship between an owner and a customer in Japan, each of them knows their place and will not cross the boundary.

Okinawa is different, many would say. It's Japan without really being Japan. Perhaps also thanks to his life experiences, Tenji's attitude was more Mediterranean than one might expect. He opened a bottle of wine, he asked his assistant to prepare some snacks and we started chatting, waiting for the customers to arrive.

I was ready to go when the customers took their table. Instead, Tenji insisted that I stayed, moved me to another table and asked if I was OK chatting with him while he served the few customers. The evening, he said, was not very intense and he could also take care of me while working. This is where I heard about *moai* for the first time. Having already spent 11 months in Japan by then, I was somewhat shocked that I had never encountered the word. After all, my project, funded by the government, was about informality; all my colleagues knew what I was studying. Still, it took a friendly businessman in Ishigaki to enlighten me about a practice that would change my perception of Japanese informality.

Moai and sharing pooling schemes

Moai (模合) consists of two kanji characters. The first 模 is used for words related to imitation and reproduction; the second 合 is used for meeting or coming together. In a nutshell, it is the art of coming together regularly over the course of a lifetime to share company and support one another financially. There are several rotating saving and credit associations, all with very similar characteristics. Working with some Albanian colleagues, we proudly introduced the "unique" (in our heads) *loteria* scheme, which became widely popular in the country (Imami, Rama and Polese 2020), only to discover that this was very similar to what people were already doing from Armenia to In-

dia and beyond. A number of people pay into a common pool every month (or every agreed period) and the amount of money collected is then given, in turn, to the person(s) that need it the most. The same person continues to pay money into the pool for the coming months, even though they are not able to receive money from the pool until everyone else has benefited from the scheme at least once (Imami, Rama and Polese 2018).

In many respects, *moai* has the same dynamic. A group of people commit to meet regularly to hand a small amount of money to a sort of treasurer, who collects it and gives the full amount to one member who happens to be in need of a larger amount of money. For instance, if 12 *moai* participants meet and each of them puts 10,000 yen into the pool, at the end of the evening, there will be 120,000 yen (1,000 euros), which can be given to someone (or two people who share it, if both are in need). The next time the group meets, everyone will pay the same amount and someone else will get the whole amount for their urgent, more substantial expenses (Yona 1975).

This aspect of *moai* makes it no different from the *loteria*-like schemes we had studied before. What makes *moai* unique is its conviviality element but also the fact that a commitment to the scheme can last more than half a century. Finally, and this is very unique to Japan, *moai* is regulated and protected by law; banks have a special field on their forms to entering a “*moai*” amount, and “*moai* bookkeeping notebooks” are available at stationary shops (Shimokawa 2006, 144).

People who commit to join a *moai* do not merely come to give money into a common pool but embed this payment in a social occasion. Participants in a *moai* meet for the whole evening, often at an *izakaya* (something between a pub and a restaurant, at which dishes and snacks are served mainly to accompany drinking), where they eat and drink together and only at the end of the evening do they hand money to the treasurer. Now, meeting with friends for a few drinks is a practice that exists all over the (drinking) world and it is also accepted that if you are tired or have another commitment you can participate next time. But going out for a *moai* is different. Here not only do you agree to meet your friends, but you also go to honor your commitment to regularly contribute to a pool of money. Obviously, if you're seriously ill you can be excused, but the permissibility of being absent for a less serious reason is, at least, ambiguous. After all, you do not want to give the impression that you're skipping the meeting to avoid paying your contribution. Besides, once you've grown used to meeting these people for ten, twenty or more years, you want to maintain the bond and you know it will be a pleasant evening.

Moai is also an extremely long-lasting association. Members may start as early as in their school years and continue for several decades, with several *moai* being reported to last for more than 70 years. Imagine keeping in touch with your childhood friends and meeting them every month for half a century. That creates not only a bond but also, some have suggested, some sort of remedy against loneliness, especially the kind that afflicts elderly people. Mental conditions caused by loneliness and isolation are said to be as fatal as biological diseases and *moai* is possibly a natural remedy for it. As a result, the practice has intrigued scholars interested in its effects on mental and physical health and some have ascribed the longevity of Okinawan people to the persistence of this informal institution (Morrow 2019, 2020).

For these reasons, *moai* seemed an ideal starting point to try to understand informality in Japan (or at least in Okinawa). It is not only a practice that has survived several generations, has both social and economic meanings, and is widespread in a region of the country. As an overview of the history of *moai* shows, the practice embeds the main and unique essence of Japanese informality: its embeddedness in formal structures.

Why *moai* is so important

While the term *moai* is somehow unique to the Okinawan archipelago (and nearby islands, such as the Amami), the overarching practice has a wider geography, with similar schemes reported in Korea, Vietnam and mainland Japan. In mainland Japan, the practice was mostly referred to as *mujin* (無尽) and, along with *tanomoshi* (頼母子), offers some degree of financial support that is somehow absent from formal financial institutions. However, at the beginning of the twentieth century, a major shift happened. In mainland Japan the 2015 *Mujin Industry Law* (無尽業法) discouraged the creation of informal financial support institutions in an effort to enhance trust towards formal financial institutions. A short revival of informal support schemes was witnessed after WWII, when the limited availability of start-up capital risked jeopardizing the development of local financial institutions (Urban Life Research Project 2009). However, this was short-lived and informal financial practices were eventually phased out (Najita 2009).

In contrast to this tendency, not only did many Okinawa-based *moai* remain unaffected by the 2015 Law, but the Okinawa Prefecture soon afterwards adopted, in 2017, the “*Moai Management Rule*” (模合取締規則). In other words, where mainland Japan strove to liquidate, the Okinawan government preferred to

keep under control and regulate (Okinawa Encyclopaedia 1983, 648). As a result, when researchers and journalists came to explore possible reasons for Okinawan people's mental well-being and longevity (*National Geographic*, *New York Times* and the Blue Zones project exploring why in some areas of the world people tend to enjoy more longevity than in others) they encountered a practice that had not changed much for centuries.

Indeed, mentions of *moai* date back as early as the eighteenth century in the Ryukyu Kingdom for the provision and joint production of labor and foodstuffs, such as agricultural products (Yoshio Watanabe et al. 2008, 502; Urban Life Research Project 2009, 94). Over the years, the practice has also been referred to as *ta-sukeai* (cooperation, mutual aid, or support), but “*moai*” and slightly different pronunciations (“*moyai*,” “*muyai*”) remains the most common name in Okinawa (Morrow 2020) to indicate an organization supporting “raising funds for new businesses, architecture, land purchases, going on to higher education, travel” (Ryukyu Government Cultural Property Protection Committee 1972, 382).

The different paths of *mujin* and *moai* can be regarded in light of what I have called the “purchase of an informal practice” (Polese and Morris 2015) and is an alternative to repression. If a government feels that an informal activity is actually beneficial to its population, there is no need to liquidate it and then come up with new mechanisms for social protection. The government can just set out a regulatory framework to take advantage of the long-standing capital and experience behind that practice. Accordingly, the function of *mujin* in mainland Japan seemed to be fulfilled by formal and formalized institutions, whereas in Okinawa a number of reasons convinced the local government to support and protect the practice. However, given that access to credit throughout Japan gradually became easier, the main *raison d'être* of *moai* is hardly merely economic. One can refer to Gudeman's (2015) distinction between market and society. Some transactions can be explained in terms of a fully economic logic, but others have a much stronger foundation in societal need.

For this reason, *moai* should not be regarded merely as an economic or monetary practice but together with its social function. Nelson sees *moai* as a sort of “moral economy” that still operates within a system of modern globalized capitalism (Nelson 2001). This is a crucial point for understanding Japanese society's relationship towards *moai*, and informality in general. *Moai* is not a practice that survives “in spite of the state” (Polese, Kovacs and Jancsics 2018), but a domesticated one that has evolved from a structure that was replacing the function of the state in

areas in which people needed support, supplementing the state in its capacity to create space for socialization. Its culturally and socially embedded essence is possibly the reason why it continues to thrive. *Moai* is a social cohesion mechanism, with money no longer being the end but the means. It is a way of creating social boundaries between people to support one another spiritually more than economically. It is a mechanism for putting your honor and trustworthiness in the spotlight and pushing you to remain in touch with other people. It therefore brings people together who would otherwise remain lonely, creating a space for socialization and mutual support.

Moai and informality

A hint at the approach Japanese society has developed can be found in the widespread use of *anzen* (安全 safe) and *anshin* (安心 peace of mind), which converge into a desire to keep society and its members safe and worry-free. In an effort to protect (and over-protect) its inhabitants, Japan seems trapped between a widespread intention to regulate every single aspect of social life and the remote realization that this may not be possible, at least not to the desired extent. I once sent, full of enthusiasm, a picture of heron and cranes bathing in the Kamogawa river in central Kyoto to a friend, who replied “yes, they are there because this is where they feed them”. It took me a moment to switch from the fascination of having wild animals living in Kyoto as a confirmation of the good relations the Japanese have with nature to the idea that Kamogawa is a huge open-sky zoological garden where birds are looked after for their safety and that of Kyoto's residents.

Informality can be found everywhere in Japan, but it seems to be subject to a set of pre-defined rules and is allowed only in specially designated areas, sort of oases of informality formally allowed by the state. *Tokyo Vice* by Jake Adelstein is probably one of the best non-academic introductions to Japanese society. While reporting on Tokyo's underworld, it covers a variety of Japanese habits and obsessions that shape the way Japanese people live their lives. In his view, the Japanese think that there is a right way to do each and every action in life, including committing suicide in the proper way (a manual on the perfect suicide was a bestseller at the time he wrote his book). Accordingly, it may come as little surprise that Japanese society and institutions attempt to indicate the right way in which informal practices should unroll. But perhaps the most telling manifestation of an attempt to regulate even what is beyond regulation is the example of a police raid given in the book. When planning to raid a

yakuza (Japanese mafia) office, the local police department will call the office and announce the raid a day in advance. Adelstein mentions that sometimes the first 15 minutes of the raid may be spent on an exchange of business cards between the police and the people in the office.

This level of continuity between formality and informality is in many respects unique. It is something along the lines of “you can do things that go against the state but only in certain areas”. The state, and society, is aware of what you’re doing but as long as you’re doing it within pre-fixed boundaries this may be acceptable or tolerated.

So what’s so special about *moai*? After all, the number of informal practices identified in Japan by scholars has been increasing in recent years. The Global Encyclopaedia of Informality alone mentions such practices as *aidagara* (relationship), *dangou* (collusive bidding), *jinmyaku* (personal connections), *keiretsu*, and *Okurimono no shûkan* (gift-exchanges). Some others have not been studied but are nevertheless known about. For one thing, my colleague Kenta Goto recently mentioned to me the existence of “*yui*” (結 to “tie”, or “knot together”), a sort of a reciprocal labor pooling mechanism you can tap in to when your labor demand suddenly surges, which often happens during the harvesting of particular crops, such as rice. People are expected to reciprocate by helping out others.

But it is perhaps regional practices, exceptions, that can shed light on the essence of informality in Japan by offering examples of practices that have survived “in spite of the state” (Polese, Kovacs, and Jancsics 2018) for social, cultural or other exceptional reasons. These include *moai* or some form of *tanomoshi* practices that can be found in Yamanashi Prefecture, but mainly in relation to food establishments (Mynavi

2013). Why have some practices survived and have not been squeezed out by formal rules? And why is an apparently similar practice allowed to survive in one region of Japan but not in others? I suspect this is at the very core of the understanding of informality in Japan, both locally and nationally. I have called informality “the art of bypassing the state” (Polese 2021), but this might apply only to a lesser degree to Japan, where the state is so embedded in society as not to let itself be bypassed so easily. Perhaps a better definition of informality that is more in line with Japan is “the space between two formal rules” (Polese 2016), that grey area in which human agency is allowed to exist and operate.

What I find unique, at this stage at least, is the apparently perfect harmony between the two, the capacity to circumscribe informal practices in some areas whose borders will not be trespassed and that will then create a sort of continuity, a line, regulating every aspect of society. There is little that is unique in *moai* per se. What is unique is the context in which *moai* has been allowed to survive. By virtue of this, *moai* has become the quintessence of how informal practices may become embedded and even regulated by the state, transformed into a (quasi) formal mechanism of governance, supplementing the state in some areas. Beyond its (apparently) economic functions, *moai* is a mechanism of social cohesion and support for the elderly, who, as long as they can support one another, remain self-sufficient as a group. In this respect, *moai* incarnates a sort of continuity and higher levels of cooperation between a government and its society, a social contract that perhaps limits the functions of informality, but also makes it possible to make use of it to provide better governance of a specific aspect of societal life.

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The strength of weak national ties: The economic sociology of nation-building

Dan Lainer-Vos

In 1949, months after the conclusion of the Israeli war of independence, Arthur Hertzberg, a devoted young Zionist who later became a renowned historian, decided to witness with his own eyes the wonders that were taking place in Israel. He traveled across the ocean, but to his surprise, his hosts assailed him with a barrage of demanding questions instead of offering a warm welcome.

“Why don’t you stay in Israel? Why didn’t more Americans come to fight? *Why don’t you send us more money?*”

As he later explained in an article in *Commentary* magazine:

Mine was not an isolated experience. Every fellow tourist from America had comparable tales to relate. Perhaps we brought much of the discussion upon ourselves. We were all rather pathetically eager to hear a word of commendation for our past efforts. (*italics added*)

Hertzberg’s recollections illustrate an important point. American Jews were the principal financial backers of the Zionist movement, and their support solidified following the Holocaust and the establishment of Israel. But given the differences between American and Israeli Jews, securing American Jewish dollars for the Zionist nation- and state-building project was anything but simple.

Believing that their donations were an act of generosity, American Jewish leaders felt entitled to retain a part of the United Jewish Appeal’s (UJA) collection (the organization that collected the donations) for local use. Furthermore, weary of the Israeli government’s socialist leanings, they demanded control over how the funds would be used in Israel. Israeli leaders, in contrast, saw

the American Jewish donations as an inadequate contribution to the national cause. That American Jewish leaders insisted on keeping some funds for local use and demanded control over the disbursement of donations in Israel was, in their eyes, outrageous.

While researchers commonly treat gift-giving as a mechanism for creating and maintaining social ties, the struggles surrounding Jewish national fundraising illustrate the limits of gift-giving as a nation-building mechanism. Given without a clear expectation of return, American Jewish donations were insufficient, because of the needs in Israel, and they also came with cumbersome and humiliating strings attached. Accepting these gifts also implied a hierarchical dependency, which Israeli leaders strongly resented.

Nation-building as a practical organizational accomplishment

The dispute between American Jews and their Israeli counterparts highlights the usefulness of examining nation-building as a relational, organizational challenge. Israeli and American Jews, and their leaders, had no difficulties imagining themselves as members of a broad Jewish collective. Still, they disagreed about the rights and obligations associated with membership in the nation. In other words, the fragmented character of the nation, which is exemplified here in a division between homeland and diaspora communities, complicated attempts to generate coordinated national action. During the 1940s, as American Jews became more deeply invested in Israel’s future, these difficulties only intensified. Had American Jews continuously faced ungrateful demands upon meeting their Israeli counterparts, they could have decided to place their hard-earned money elsewhere. Had Israeli leaders failed to find a way to smooth over the tensions with their diasporic compatriots, their nascent state would soon have faced bankruptcy, and the entire Zionist dream come under threat. To succeed in their project, nation-builders on both sides of the ocean had to develop relational mechanisms to regulate these tensions and allow both parts to participate in the national project on their terms.

My relational and practical analysis runs against the thrust of the mainstream literature on nation-building. Since Benedict Anderson’s *Imagined Communities* (1983), scholars of nationalism have focused on the cultural representations that allow subjects to *imagine themselves* as members of the nation. Scholars have identified myriad practices, from categorizations and mapmaking to rituals such as raising the flag or participation in national sports events, that

allow subjects to think of themselves as members of a national “communion.” While productive, the field’s singular focus on cultural representations trivializes the organizational challenge of nation-building. Indeed, Anderson famously argues that “regardless of the actual inequality and exploitation that may prevail in each, the nation is always conceived as a deep, horizontal comradeship. Ultimately, it is this fraternity that makes it possible... for so many millions, not so much to kill, as willingly die for such limited imaginings (p. 7). From Anderson’s perspective, the political efficacy of nationalism rests on “limited imaginings” of unity. From this vantage point, the labor involved in turning imagined identifications into concerted action is decidedly secondary. But given the fragmented and diverse makeup of the nation, how do nation-builders coordinate national efforts?

The Israeli and Irish diaspora bond projects

To overcome the socio-economic impasse, in 1951, the Israeli government floated the first issue of its Diaspora bonds, commonly known as Israel bonds. In strict legal terms, these bonds were similar to American government bonds but given Israel’s shaky economic standing and the modest interest rate Israel offered, these bonds were not financially attractive. Nevertheless, by combining ethical and pecuniary appeal, David Ben-Gurion, the Israeli prime minister at the time, and his allies in the United States hoped to raise more money than possible through traditional philanthropy and on better political and moral terms.

The American Jewish leadership, especially the leaders of the country’s Jewish Federations (local umbrella organizations that collected and distributed UJA funds in cities all over the United States), strongly opposed the bond initiative. They feared that American Jews would simply take the money they had previously donated to UJA and buy bonds. They cautioned that if such a scenario materialized, Israel would not get more money but only be burdened by crippling debt. Even worse, the Jewish Federations, which relied on the same stream of philanthropic donations, would be deprived of their primary source of income. Such a development could put the whole structure of the Jewish American community at risk.

Selling the Israel bonds, often against the opposition of community leaders, was not easy or cheap.

Rather than using the UJA’s well-oiled fundraising apparatus, organizers had to create an elaborate network of banks and independent community activists to collect money and issue the Israel bonds. Nevertheless, Israel sold more than \$145 million worth of bonds to almost 700,000 subscribers in the first three years of the drive.

Part of the bond project’s success can be related to how it was interpreted by the different fragments of the Jewish nation. Israeli and American Jews viewed the bonds differently. Israeli leaders treated the bonds mainly as an investment and enjoyed an increased stream of American dollars, free from the restrictions associated with regular philanthropy. Abba Eban, the Israeli ambassador in Washington, proudly explained that the bonds “expressed in the field of economic thinking the idea of independence and sovereignty.”

American Jews, in contrast, saw the bonds mainly as a gift to Israel. This orientation can be gleaned from the long-term trends of sales. The Israel bonds’ sales surged during wartime. In contrast with typical investors, subscribers to the Israel bonds were not deterred and in fact attracted to the risk associated with war. At the same time, Israeli leaders never failed to thank subscribers for their generosity, and American Jews, for the most part, remembered to redeem their bonds upon maturation.

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Both parties realized that the bonds were partly a gift and partly an investment. Still, by sustaining some kind of willful partial misunderstanding, American and Israeli Jews could cooperate and secure an increased flow of funds to the national project. After the first drive, others followed, and the sale of Israel bonds continues today. Over the years, Israel bonds have provided Israel with more than \$35 billion — roughly a third of Israel’s external debt.

Things could have gone very differently. In 1920, facing similar struggles over raising and distributing philanthropic funds, the nascent Irish government issued diaspora bonds in the United States. Like the Israel bonds, the Irish bonds combined elements of gift-giving and investment. The first issue of the Irish bonds enjoyed considerable success, raising more than

\$5 million from more than 300,000 subscribers, the largest sum ever raised for Ireland in the United States.

But in the Irish case, the sale of the bonds only intensified tensions between Irish American organizations and the Irish government. Irish American leaders treated the bonds almost exclusively as a gift. Accordingly, they continued to demand a voice on matters of national importance in return for their contributions. The Irish leaders, in contrast, insisted that the Irish bond was an investment. They rejected the Diaspora's demands without really easing their demand for national sacrifice from their American compatriots. Consequently, the struggles between Irish leaders and key Irish American organizations intensified, and an attempt to float a second issue of the Irish bonds in the United States in 1921 utterly failed.

Engineering multivocality

The similarities between the Israeli and Irish bond projects are striking, but they were not the same. While both bonds were multivocal objects that comprised elements of gift-giving and market exchange, in the Israeli case, the organizers managed to maintain a zone of indeterminacy that prevented parties from reducing the meaning of the bond to either gift or investment. For instance, the Israel bond organization stipulated that in case of death, inheritors would be able to cash the bond immediately and without penalty, effectively turning the bond into a type of life insurance. Importantly, the trickle of early redemptions that this stipulation created served as proof against claims that the Israel bond was a gift in disguise. The Irish organizers failed to incorporate similar qualifications into their bonds and certain organizational errors, such as failing to deliver bond certificates to people who had paid for the bond, allowed different groups to reduce the meaning of the bond to a gift in disguise.

Over and above the finance, the contrasting outcomes of the bond projects influenced the development of Irish American and Jewish American ties to Ireland and Israel, respectively. In the Irish case, the bond project's conflicts led to the disintegration of major Irish American organizations. The intense fighting between different organizations also crystallized the differences between Irish and Irish American communities and the incompatibility of their interests. The fact that being Irish today in the United States is expressed mainly through symbolic gestures devoid of practical implications, such as wearing green on St. Patrick's Day, is due in part to the collapse of the bond project.

In contrast, in the Jewish case, the bonds provided American and Israeli Jews with an additional venue in which to engage with each other (one that

was less humiliating for Israelis than traditional philanthropy). By preventing tensions between Israeli and American Jews from erupting into a head-on conflict, the bonds contributed to the belief that the differences between these communities were somehow extraneous. Through the ongoing sale of bonds, American Jews became not only financially invested in Israel's future but emotionally invested as well.

The "secret" of the success of the Israeli bond and the collapse of the Irish bond has little to do with the obvious macro-sociological "suspects" of historical comparative sociology (religion, socio-economic status, international power constellations, and so on) and everything to do with organization. Small organizational details, such as subscription procedures and mechanisms for the transfer of money, played a critical role in determining the fates of these projects. It may be possible to link these differences to the biographies of key actors. The Irish organizers of the bond project were essentially rebels who had escaped Ireland and found themselves in the middle of a complex project in New York. They may have been effective national fighters but were awful administrators. The Jewish project, in contrast, benefited from the support of many capable lawyers and community activists who were essentially bureaucrats. They probably would have been awful in urban warfare, but they were pretty good at designing an effective bond subscription campaign.

The strength of weak national ties

The contrasting trajectories of the Jewish and Irish bond projects illustrate the importance of concrete relational mechanisms in the process of nation-building. Because national communities are extremely heterogeneous, cultural representations of unity alone are unlikely to bridge the differences between fragments of the nation, especially when national mobilization demands action and not just symbolic identification. To succeed, nation-builders must construct concrete mechanisms that can mediate between different groups.

The success of the Israeli bond project and the failure of the Irish bond project were not preordained. Judged without hindsight, a historical observer might have expected the opposite outcomes, that the Irish nation-building project in the United States, which enjoyed broad support among Irish Americans in the late 1910s would be more likely to succeed than the contested Zionist project. But when the Irish bond project collapsed, conflicting Irish organizations accused each other not only of embezzlement but also of betrayal of national obligations. This development

rendered the imagination of Irish unity across the ocean untenable. In contrast, successful mediation of differences in the Jewish case allowed American Jews to deepen their engagement with Israel and to think of themselves as partners in the Zionist project.

A close examination of the bond projects offers surprising insights into the strength of national ties. The conventional wisdom suggests that “members of the nation... will never know most of their fellow-members, meet them, or even hear of them ... and yet they experience membership as a deep, horizontal comradeship” (Anderson 1983: 6–7). That is, even though the objective social distance between members of the nation is large, members experience their belonging as *the absence of social distance*, as a type of strange “communitas” (Turner 1969). Allegedly, it is this intense experience that propels members of the nation to great sacrifices.

The cases I examined here suggest a radically different account. Rather than recruiting members into an undifferentiated community, the Israeli and Irish bond projects enrolled members in a highly differentiated community, in which members were expected to engage in differential sacrifices. American Jews were enlisted as moral investors. Israel encouraged them to sacrifice little (with relatively low interest rates for

what could be considered a very risky junk bond) and effectively excluded them from participating in national decision-making. In other words, the bond project replaced the ties created by gift-giving with the more “arms-length” ties of (a particular kind of) investment (Uzzi 1996). The mechanism for enrolling American Jews in the Zionist project was all about creating a *precise social distance* from more centrally position members within the nation. Had they been too distant from core groups, they would have probably drifted away completely. Had they been recruited into an equal position, Israeli leaders would have had to take their preferences into account in policymaking. The arms-length distance created by the bonds allowed American Jews to remain involved in the Zionist project as enthusiastic spectators only.

In the Irish case, in contrast, nation-builders issued bonds but continued to demand deep sacrifices from their compatriots in the United States, and this mismatch of demands and expectations created animosity and disillusionment among many Irish Americans. The viable path to nation-building, in these cases at least, seems to be creating relational mechanisms that maintain differentiated ties between different groups and carry distinct rights and obligations toward the nation.

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Economies and favours: What's in a word?

Nicolette Makovicky and David Henig

Introduction

People do things with words. Metaphors, jokes, utterances, idioms and vernaculars are basic elements of how people communicate, create their communities and organisations, and act on and make sense of the world they inhabit (Austin 1962; Lakoff and Johnson 1980). Consider, for example, these ways of talking about drinking and eating: in Kenya, someone might ask you to buy them a cup of tea; in Morocco they might ask for a coffee; and in Lebanon you might be surprised to be asked to bring sweets when dealing with an official. In Turkey, you might be asked for 'cash for soup', a dish traditionally eaten at the end of a night of heavy drinking. These requests and invitations, when uttered in the context of commensality, can create a sense of friendship, care or family belonging. When uttered in other contexts, however, such idioms can act as 'codes' referring to a range of informal economic activities – in this case, petty bribery and corruption.

Recent scholarship from the economic and social sciences has provided ample evidence that informal economic activities come in many, diverse guises, reflecting local histories, moral economies and socio-economic contexts (Agbiboa 2022; Tidey 2022; Zinn 2019). While documenting such diversity, however, few scholars have given any consideration to their discursive and linguistic aspects. Rather, references to vernacular expressions for unofficial (and/or illegal) economic activity have been used to add ethnographic 'flavour' to academic writing on the subject, or as a key to cataloguing, describing and comparing informal economic practices from across the globe (Ledeneva et al. 2018). Yet, there is plenty of evidence that words, embodied expressions and ways of speaking are pivotal to making illegal and informal transactions, institutions and networks function. Indeed, vernaculars of informality themselves often refer to the language of criminals or

subalterns (such as the French *verlan* and Russian *pa-donki*)¹, or acknowledge the importance of 'talking well' for the making of informal deals (a common expression in Kenya, Uganda and Somalia).

In this article we advocate taking local vernaculars of informality seriously, arguing that language is a constitutive part of all economic practices, including informal ones, and the models of corruption and informality through which scholars have studied them. Approaching such vernaculars as conceptually powerful and analytically generative, we propose that focusing on communicative practices – as well as on functional or systemic factors – can provide a new conceptual approach to studying economic informality. It opens up the possibility of gaining insights into local, context-situated conceptions of enumeration, value and morality, as well as meaning-making practices, enriching our understanding of the ways in which these activities reflect local histories, moral economies and socio-economic contexts. It also allows us to probe how concepts and models of economic agency are embedded in everyday speech and actions, and how they co-exist and intersect with other conceptions of agency and social action that conventionally fall outside the category of economic action – including welfare, charity, community and kinship relations, and ritual exchange.

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We build our approach through the examination of vernacular expressions for economic informality drawn from our project *Languages of Informality*,² the *Global Encyclopaedia of Informality* project led by Professor Alena Ledeneva,³ as well as our previous work on post-socialist economies of favour (Henig and Makovicky 2013, 2017; Makovicky and Henig 2018a, 2018b). Surveying these collections of vernaculars, we observe two things. First, terms for commonplace informal economic practices refer to 'everyday' situations and categories, generally falling within three globally occurring categories: references to food and drink, metaphors of concealment and movement, and references to human relationships. Secondly, we ob-

serve that vernaculars of informality operate as a language of affect in both senses of the word: they are both *connotative* and *performative* in that they do not simply refer to everyday practices and social ties, but move people in indeterminate ways to act by appealing to feelings of duty, care and empathy, as well as the desire for wealth and power.

We concluded with a provocation: if we accept that vernaculars are productive of economic thought and practices, must we then not also consider whether language itself creates informality through its performative effects?

From economies to favours (and back)

Recently, anthropologists and sociologists have turned their attention towards studying how language shapes the way people make economic judgements, viewing the economy as a product not only of practice, but also of words, rhetoric and persuasion (Keane 2019). Ethnographers studying everything from financial markets to popular culture have produced ample evidence of how economic transactions are animated through language: money 'talks', dollars are 'happy' or 'sad' (Oliven 2009), markets are the artefacts of words (Holmes 2013), capital is 'manic' and markets 'depressive' (Martin 2000); furthermore, language falls short in the world of derivative finance (Appadurai 2015). They share their interest in how economic decisions and markets are shaped by circulating economic theories, business strategies and speculations about the future with a growing number of economic sociologists (Mitchell 2005; Beckert 2016; Beckert and Bronk 2018). Furthermore, scholars interested in discourse – such as the geographer Doreen Massey (2013) – have argued that contemporary neoliberal capitalism is markedly discursive in character (also Fairclough 2006; Holborow 2015). They argue that language itself constructs the hegemonic order of global capitalism, extending the concepts and terminology of the market into ever new domains.

Studying formal economic institutions and ideas, these works are united by a common focus on the ways in which economic intentions and actions are expressed, as well as their functions and outcomes. They view the economy and the economic as operating through persuasive language. In contrast, scholars of informal economic practices have tended to approach verbal and nonverbal communication primarily as ways of facilitating unofficial exchanges, or ways of concealing their exact nature and diverting attention from its possible negative outcomes. Noting that

acts of bribery in India cannot be separated from the popular narratives of corruption which give them meaning, for example, Akhil Gupta (2005) has already demonstrated that language plays a key role in the performance of illicit behaviour. Similarly, Alena Ledeneva (2011) has argued that informal transactions which circumvent the law, as well as test the boundaries of moral behaviour, are made possible by coded speech and subtle gestures. Both thus approach popular euphemisms and idioms for unofficial (or illegal) exchanges as part of a social 'misrecognition game' (Ledeneva 1998) or an act of 'wilful blindness' (Bovensiepen and Pelkmans 2020) designed to mitigate the social and moral ambiguities of informal economic activities in everyday life.

Scholars of informality, in other words, have tended to treat language and gesture as a mediating force, rather than in its full potentiality as a constitutive part of the creation and regulation of informal economic practices. One reason for this has been a general adoption of the transactional and interest-laden language of exchange, investment, and return for their analysis. Take the expression 'economies of favour', coined by Alena Ledeneva (*ibid.*) to describe Soviet and post-Soviet-era citizens' use of personal relations to get hold of scarce goods and services in times of shortage (*blat*). Alluding to both calculation and affect, the phrase deftly encompasses the way informal practices mix instrumental and affective relations, goal-oriented and gift exchanges, and 'formal' and 'informal' institutional ties. Assumed to be driven primarily by economic needs or opportunism, they are a type of exchange that flourished in situations in which personal and institutional roles and responsibilities are ambiguous, and contradictory – perhaps incompatible – social, moral and economic demands are made of individuals (Brković 2017). Indeed, Ledeneva notes, such economic 'favours' are themselves ambiguous, sharing 'features of the free gift and self-serving exchange, of network-driven endowment and self-generated investment' (2016: 26).

While acknowledging that economic informality involves both material exchange and social recognition, such formulations ultimately bestow greater explanatory importance on the former. Curiously, scholars have been less willing to adopt transactional language in their analysis of the Chinese practice of *guanxi*. Like scholars of economic informality in other parts of the world, they show how the common habit of using social contacts to exchange goods, labour, money, or mutual help involve both affect and instrumentalism, sentiments and material debt (Kipnis 1997; Yang 1994; Yunxiang 1996). *Guanxi*, they note, occupies the same social space as friendship; creating not only tensions between self-interest and other feel-

ings, but a situation in which looking out for the welfare of others is a constituent part of the relationship (Strickland 2010). Focusing on matters of sociality over matters of economy, such readings of *guanxi* place greater analytical emphasis on the importance of cultural and historical context. Furthermore, they suggest that activities which might at first glance be regarded as 'economic' intersect with and are informed by other fields of social life – such as kinship relations and religious practices.

These differential readings of *blat* and *guanxi* illustrate the importance of language in the construction of the models we employ to study economic informality – in particular, the degree to which tropes of interest and affect are allowed analytical purchase. In Caroline Humphrey's (2017) examination of illicit payments in Mongolian and Russian higher education, a focus on affect leads to a re-description of the concept of 'economies of favour' itself. Despite the nature of her subject, Humphrey refuses to use 'favour' as a euphemism for bribery or nepotism. Favours, she proposes, are not ill-disguised transactions, but rather a *sui generis* way of acting that deserves theorization on its own terms. They differ from other actions by their affects and ethics, rather than their morphology: while an action may take the form of barter, a gift, or even a commercial transaction, performing it as a favour 'adds a "gratuitous" extra to any practical function it may have, and turns the act into something incalculable' (2017: 51). Favours are thus involved in the production of social esteem and personal reputation; they are a 'a moral aesthetic of action that endows actors with standing and a sense of self-worth' (*ibid.*).

Humphrey's argument serves to highlight the fact that the giving and receiving of favours is above all an ongoing, reflexive exercise in moral reasoning and action. This is the major insight of our book *Economies of Favour after Socialism* (Henig and Makovicky 2017). Seeking to critically re-interrogate the conceptual relations between the categories of 'favour' and 'economics', we argued that favours are a distinct mode of action which have economic consequences, without unfolding in a regime of direct equivalence or being fully explicable in terms of transactional cost-benefit analysis (*ibid.*: 4). Favours are not simply altruistic, instrumental or reciprocal in nature. Rather, they are indeterminate because they have the potential to be one or all of these things. This makes them ethnographically and theoretically slippery; they resist fixed interpretation both in real life and in our theoretical attempts to square them with purely transactional frameworks of exchange. But rather than conceiving of this ambivalence or ambiguity as a conceptual problem to be resolved, we suggested that it is a productive outcome of everyday social interaction. As socially

and morally ambiguous gestures and idioms, favours help to mediate between the values, expectations and moral frames that underpin social interaction (Henig and Makovicky *forthcoming*).

Informal economic practices, which involve both calculation and the pursuit of social recognition, rarely fit into pre-conceived categories of human action and intention. As such, they demand theoretical labour on the part of social scientists seeking to (re)construct an emic account of their meanings and effects. At the same time, this intellectual labour has also worked to construct economic informality as the object of our enquiry by formulating the linguistic and methodological tools for documenting, defining and studying such practices. This is especially visible in the particular ways scholars have attempted to concretize and locate such practices within, outside or alongside formal bureaucracies, institutions and markets. Colin Williams and John Round (2007) have shown that informal economic practices tend to be represented in the scholarship in one of four ways: as residual or historical economic practices ripe for formalization; as a by-product of contemporary capitalist economies; as complementary to and interdependent with formal structures; and finally as posing a positive alternative to the formal economic sector. They show how each of these discursive representations offer a partial reading of informality, importing tropes of development and modernization, normative hierarchies and ideas about economic and social embeddedness into descriptive models.

In the same way that definitions of 'economies of favour' (or 'favours') direct our analytical gaze, such models of economic informality create the reality they purport to describe, especially when they are translated into policymaking (Chen 2012; Deléchat and Medina 2021). But while we have come some way in acknowledging the performativity of our own theoretical language (Callon 1998), scholars of informality have yet to extend the same courtesy to the language of the people who actually undertake such economic activities. In the following, we survey a small collection of vernacular terms for informal economic practices, seeking to highlight the ways in which economic action is mobilized through the words, actions and gestures of those involved. We suggest that examining vernaculars can shed light on the concepts and models of economic agency that influence decision-making and processes of value-creation, and also how these intersect the desires, obligations and opportunities of individuals. Rather than making assumptions about their discursive function, then, we ask: 'What are people talking about when they use vernaculars of informality?' 'What is persuasive and efficacious about their language?' And finally, 'how does the language create informality?'

Vernaculars of informality

Vernaculars of informality from across the world are characterized by a surprising consistency of genres and tropes. Many vernaculars of informality make metaphorical reference to concealment and movement. To take the example of 'bribery', the Japanese use a particularly poetic term *sode-no-shita* ('under the sleeve'), conjuring up images of bundles of bills discreetly hidden or slipped between people. People make allusions to unmarked envelopes all over the world. In Latvia, the term *aplokšņu alga* ('envelope wage') derives from the practice of giving employees part of their wages in cash, allowing employers to evade paying a proportion of labour and social security taxes. In China, *hongbao* (red envelopes containing money) are often given to doctors in an attempt to secure medical attention and special treatment, while lobbyists in both Finland and Ireland hand over *brown envelopes* to secure access to politicians. Other expressions emphasize movement. In Germany, 'money that greases' ('*Schmiergeld*') is paid to officials to oil the wheels of bureaucracy, while Russians know it is sometime necessary to put something on the palm of an official's hand ('*polozhit na ladon'* or '*dat' na lapu'*') in order to move things along. Some expressions even combine metaphors of concealment and movement, such as in the well-known English phrase describing money being passed 'under the table'. This expression also exists in French ('*dessous de table*'), Farsi ('*zir-e mize*'), and Swedish ('*pengar under bordet*').

Local traditions of cuisine provide another common set of metaphors for informal economic practices, especially petty bribery and corruption. From requests for 'coffee money' in Malaysia (*kopi duit*) to 'tea and water' (*chaa-pani*) in Pakistan, requests for drinks appear to be a near-universal way for policemen and local officials to request payment for their services. Sometimes the quasi-voluntary nature of these payments is reflected in the expression itself, such as in Côte D'Ivoire where the police sometimes asks for a *pourboire*, comparing the size of the bribe to that of a small tip. Food also features in references to large-scale corruption. Take the protest slogan 'There isn't enough bread for so much chorizo' (*No hay bastante pan para tanto chorizo*) which emerged in the wake of the corruption scandal that engulfed the Spanish government in 2013. Apart from being the name of a spicy sausage, chorizo is also slang for a swindler or thief – the implication of the slogan being that politicians were enriching themselves at the expense of the public. Indeed, in Turkey it is said that the 'a fish starts to stink at the head' (*balık baştan kokar*), reminding us that petty bribes at street-level are often

matched by greater corruption at the top of organizations and institutions.

Such references to fish and sausages, or tea and coffee, communicate in an immediate way the public's perception of corruption as a problem of redistributive justice. They also indicate the degree to which these practices are connected to both a pragmatic need for survival, and/or an obligation to share or distribute a windfall with friends and relatives. Indeed, references to human relationships form another common trope of vernaculars of informality. Across much of Latin America, friends and relatives will exchange favours in the form of circumventing complicated or lengthy bureaucratic processes or giving each other preferential treatment. The desired outcome of this practice is often legal, but the means of getting there may not be. This system is called *compadrazgo* – the same word which is used for the local Catholic institution of godparenthood. Indeed, families may seek to engage those with economic resources and political capital as godparents in an effort to secure their help in the future. A similar term – *kumstvo* – is found across much of the Balkans. Deriving from the Serbo-Croat word for godparenthood (*kum* for godfather, *kuma* for godmother), it is used to talk about informal networks based on notions of fictive kinship: just like blood relatives, *kumovi* are supposed to help each other out in life, even if this means breaking rules and going against good practice.

This linguistic overlap between godparenthood as a religious institution, and as a term for patron-client relations, shows how informal practices may be (actually or metaphorically) entangled with the creation of ritual relations, kinship structures and community relations. Indeed, as in the case of the Chinese term '*guanxi*' ('connection' or 'relationship'), vernacular references often refer somewhat tautologically to social ties themselves. In Poland, personal networks are called *znajomości* (literally, 'acquaintances'), while across South-eastern Europe such relationships called 'connections': *vrski* in Macedonia, *vruzki* in Bulgaria, and *veze* or *šćela* in Bosnia and Herzegovina. As Henig (2020) shows in his recent ethnography of Muslim life in contemporary rural Bosnia, *veze* are a natural part of life in communities where every day needs and problems are solved by turning to friends, relatives and/or acquaintances for help. They are used to navigate various spheres of everyday life, such as the job market, education, and social and medical care. As relationships which blend mutuality, obligation and self-interest, however, their use often poses moral questions about how access and resources should be shared and who is entitled to help. As such, *veze* cannot be reduced to a purely instrumental logic of economic informality; they also entail responsibility and

intimacy, moral conduct and ethical subjectivity, and social protection and care (see also Brković 2017).

Studying the survival and adaptation of historical modes of livelihood in a village in the Polish Carpathians, Makovicky (2018) also highlights the ubiquity of economic informality in village life. Informality, she notes, is a common subject of conversation and villagers speak quite openly about their engagement in material and economic practices that abuse or circumvent official avenues to income, employment and welfare. They identify everything from the construction of homemade tractors to new business projects which relied on the creative interpretation of laws and regulations, as *kombinowanie* ('to combine') – a common Polish expression for informal practices that bend the rules in order to access resources, money or opportunities. Such 'informality talk' serves to highlight the fact that such practices evade or resist the control and surveillance of state institutions, generally perceived as a distant and oppressive (but ineffective) source of power. As such, it connects informal economic practices with local notions of identity and subjectivity which celebrate the cultural and economic independence of Highland (Górale) villagers (ibid.). Indeed, references to *kombinowanie* appear to be particularly associated with the performance of local notions of masculine agency, men linking their informal activities to the lifeways of a cast of semi-mythological Highland ancestors (the outlaw, the migrating shepherd, and the outsider peasant).

Beyond referring to informal economic practices, then, *kombinowanie* acts as a trope for local ideas of agency and identity. 'Informality talk' is also a crucial part of making a livelihood for many villagers. This is particularly true for artisans and traders working in the local cottage industry making 'folksy' crochet lace (Makovicky 2017). The industry operates beyond the spaces and rules of the regulated market: in order to earn their share of the small profit margins, artisans and traders often misrepresent their earnings, income and labour to the fiscal authorities. Such informalization makes small-time enterprise viable by extending market practice into community and kin relations. However, it also leaves relations between artisans and traders open-ended: they are enforced neither by contracts of employment nor by the traditional parameters of mutual help. Artisans and traders deal with this ambiguity by using familiar idioms for economic and social action – such as *pobaba* (traditional labour exchange), *znajomości* ('connections'), or *greczność* (a favour) – when brokering offers of work or negotiating

rates of commission. Mobilizing these terms in conversation allows them to work out the meaning and value of their labour. Rather than simply reflecting existing (or ideal) relations between members of the craft community, vernaculars of informality thus play an active role in their constitution and (re)negotiation in everyday life (ibid.: 222–3).

Conclusions

In this article, we have suggested that if we take vernacular vocabularies seriously, it can open up novel theoretical and methodological avenues for studying informal economic practices and informality more widely. Anthropologists have long treated language as efficacious, arguing that language and the material world are co-constitutive of each other (see Keane 1998; Malinowski 1935; Tambiah 1968; Weiner 1983). More recently, scholars studying the formal aspects of the economy – such as financial markets, fiscal policy and the financialization of everyday life – have shown that they operate through and are shaped by persuasive language (Appadurai 2015; Holmes 2013). We have suggested that taking the same approach to vernaculars of informality opens up new avenues for the study of informal economic practices. We suggest that much meaning is lost in the current gap between the interest-based language of academic enquiry and policymaking, and the everyday language of affect through which practices are actually communicated. Viewing this language as performative – that is, as a constitutive part of informal economic practices – we challenge the notion that vernaculars of informality are merely euphemisms that facilitate the 'misrecognition' of informal relations and transactions as affective relations in everyday life. Rather than seeing language as simply descriptive of economic informality (as an a priori category), or as concealing it through the introduction of ambiguity into speech and action, we suggest that informality is performatively produced through the words, actions and gestures of those involved. As such, studying vernaculars of informality (and 'informality talk' in general) should give us a new understanding of how informal economic concepts and practices shape models of subjectivity and agency, as well as how they are embedded in multiple dimensions of everyday life: from market transactions to religious and spiritual life, creative and imaginative practices, and local moral economies.

Endnotes

- 1 *Verlan* is a type of French slang featuring inversion of syllables in a word. *Padonki*, *Padonkaffsky jargon* or *Olbanian* is cryptic slang originally developed by the Russian online community in the late 1990s.
- 2 <http://www.rees.ox.ac.uk/languages-informality>
- 3 <http://in-formality.com/>

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Book reviews

Fabien Éloire and
Jean Finez · 2021

Sociology des Prix.

Paris: La Découverte

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Sociologie des prix – a sociology of prices – is a short handbook by Fabien Éloire and Jean Finez aimed at a student and researcher audience.

Although prices figured prominently as a research object in the early Durkheimian school of economic sociology, they were thereafter abandoned and left for economists to study. It is not until the 1980s that prices were rediscovered by the new economic sociology. Sociologists have since contributed to debates on prices in two different ways. According to the authors, first, they have shed light on the variety of price determination mechanisms, whilst alternative approaches in economics only consider prices as the result of an

adjustment mechanism between supply and demand. Second, the sociology of prices has gone back to its roots and theorized prices as *social facts* – that is, as the result of social practices with not only an economic but also a cultural and symbolic dimension.

The main contribution of the book lies in the typology of price determination mechanisms provided by the authors. With this typology, Éloire and Finez aim at offering a synthesis of a vibrant research field that has not yet developed into a consistent and cumulative research program. Price determination mechanisms are classified according to two different dimensions. First, prices may emerge while the transaction is being conducted or be set before the transaction even happens. Hence, temporality matters, as it reflects different modes of market organization and thereby of price determination. Second, prices are the result of a more or less competitive process among market actors, both on the supply and demand sides. Crossing those two dimensions, the authors obtain four distinctive price determination mechanisms: *autoregulated prices*, *administered prices*, *composed prices*, and *negotiated prices*.

The claim of novelty accompanying the typology of price determination mechanisms may nonetheless not sound very convincing to economists and economic sociologists. Economists do take into consideration temporality and the degree of competition in their price theories, and sociologists rather emphasize other social, political, and cultural factors affecting price determination. It might thereby have been worth addressing this issue by providing a typology based on the specific contribution of sociology to the understanding of prices, rather than borrowing concepts from economics to do so.

After a short introduction and a theoretical section in the second chapter of the book, each remaining section presents and illustrates one of the abovementioned mechanisms. Autoregulated prices result from the confrontation between internally competitive supply and demand during an auction-like process. This mechanism is well-known by economists, who see it as the soundest path to achieve market equilibrium and optimize the well-being of transaction participants. The focus of sociological approaches lies nonetheless not only on the equilibristic and optimizing features of the process but also on the conditions of its possibility. Drawing on a plurality of empirical studies, the authors show that autoregulated prices are produced by complex organizations relying on technologies and various market intermediaries. In other words, institutional work guarantees the emergence of autoregulated prices.

Unlike autoregulated prices, administered prices are determined prior to the transaction and are the outcome of political, moral, or legal decisions. Competition among buyers and sellers is of little relevance, and in some cases markets with administered prices are even natural and state-controlled monopolies. Administered prices may also be used as incentives – that is, as ways to control individual and organizational behaviors. This is the case in the contemporary French pharmaceutical industry, for instance, where clients are guided towards drugs with high therapeutic potential by lower administered prices.

Composed prices are also established prior to the transaction, but unlike for administered prices, competition plays a key role in the process. Producers strive either to determine the right pricing strategy through careful monitoring of their competitors or to

merely outcompete them with the lowest possible price. The state still decides upon the rules of the game and how competition should manifest itself in the mechanism of price determination. The last section of the chapter interestingly sheds light on technologies enabling tight monitoring of the market and thereby immediate adjustment of pricing to the state of competition. This is the case in passenger transport industries, for instance, where *yield management* has been used to offer prices that reflect the availability of seats on a real-time basis. It is also noteworthy that customers are in most cases price-takers when prices are administered or composed.

The fourth category is that of negotiated prices. Negotiated prices are determined during the transaction through a bargaining process between a seller and a buyer that are not embedded in a competitive market structure. Negotiated prices are the result of a one-on-one setting in which actors follow cultural scripts on how to behave. In addition, Éloire and Finez argue that negotiated prices reflect relations of domination and are thereby only negotiated to a certain extent. For example, the room for maneuver of a bank facing the potential departure of a trader who possesses valuable information on the market is rather low, which often leads to the offer of high wages.

At the end of this journey through sociological approaches to prices, one is nonetheless left wondering whether the notion of mechanism is the right theoretical tool to rely upon. The focus of the book is rather on the embeddedness of price determination mechanisms than on the mechanisms themselves. Chapter 1, for instance, discusses the conditions of possibility for the mechanisms to operate, but it remains fairly silent on their cogs and wheels. From

a more epistemological standpoint, one may also contest the usage of a mechanistic lexicon that leaves very little room for analysis of actors' reflexivity in pricing practices.

Besides the few abovementioned critiques, the book is a valuable tool for economic sociology teachers and a stimulating introduction to the field of sociology of prices. The variety of case studies on which the book draws gives it a great dynamic and arouses curiosity throughout the text. Finally, the book fulfills its main aim rather effectively. Although one may argue for or against the suggested typology, it constitutes a useful conceptual tool to bring a bit of order to a sometimes overly chaotic research field.

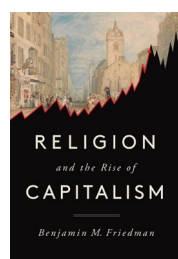
Benjamin M.
Friedman · 2021

Religion and the Rise of Capitalism.

New York: Alfred A. Knopf

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In *Religion and the Rise of Capitalism*, political economist Benjamin M. Friedman examines the religious roots of contemporary economics and economic policy in the United States. In parallel to Max Weber's fa-

mous thesis that the "spirit" of capitalism has its roots in Protestant, particularly Calvinist, ethics but became unmoored from them over time, Friedman argues that while many Americans do not personally adhere to the religious convictions that form the basis of contemporary economic policy ideas and economics as a discipline, both were fundamentally shaped by religious convictions prevalent in England and Scotland in the eighteenth and nineteenth centuries and in the United States in the nineteenth and twentieth centuries. Thoroughly researched and filled with historical detail, the book can roughly be divided into two parts: the first third with its focus on economic thought as it emerged in the "Old World," and the latter two-thirds with their focus on how it subsequently developed in the "New World."

To develop his argument, in the first third of the book (Chapters 2 to 6) Friedman begins by tracing the trajectory of the economic thinking of David Hume, Adam Smith, and their contemporaries in the eighteenth century and interprets it in light of the dominating religious worldview and discourse of the time. This religious setting was shaped, on the one hand, by remnants of orthodox Calvinism, a counterreformation of sorts to the "original" Protestant Reformation inspired by Martin Luther in the sixteenth century, and, on the other, by increasing Arminian countercurrents that criticized the Calvinist doctrine of predestination and the supposed futility of human action, instead emphasizing individual agency in shaping one's own destiny. Carefully reconstructing emerging economic theories (at the time called moral philosophy and later political economy) in England and in continental Europe, on the one hand, and Calvinist and Arminian thinking, on the other, Friedman develops the argument that the in-

tense religious debates on human depravity vs. innate goodness, on predestination vs. human agency, and on the glorification of God vs. human happiness as divine intent inherently shaped Hume's and particularly Adam Smith's foundational insight that economic progress furthers societal progress and, if applied correctly, can function to increase an entire society's standard of living.

In the latter two-thirds of the book, the author shifts the focus to the New World, arguing that religious and economic values were (and continue to be) deeply interwoven across the Atlantic as well. The mainly postmillennial worldview that characterized the majority of religious denominations in the late eighteenth and in the nineteenth century – that Christians are called to prepare for Jesus's Second Coming, as foretold in the Bible, by creating as perfect a society as possible, a "heaven on earth" – resonated well, Friedman argues, with the conviction that economic progress would benefit society as a whole. The American Revolution, the creation of Jacksonian democracy, and ensuing westward expansion, fueled by economic activity such as building canals and railroads and fostering commerce, created a growing sense of importance regarding the role of individual agency for political and economic development and mirrored the turn away from orthodox Calvinism's predestination ideas a century earlier. In the course of the nineteenth century and particularly after the Civil War, Friedman continues, the growing economy, particularly ever larger firms that consolidated labor and capital, and subsequent large-scale urban poverty rampant not only in the United States raised questions regarding economic policy in democratic societies that Smith, two centuries earlier, had not been able to foresee. Around this time,

as part of the larger professionalization of academia, economics as we understand it today began to emerge as a discipline distinct from political economy, incorporating mathematical models and thus increasing its analytical capacity.

At this point, Friedman differentiates between economics as a discipline and ideas on economic policy as held by broader society, maintaining the argument that the latter are rooted in a religious worldview that is no longer immediately apparent today. Whereas in the late nineteenth century this worldview was still strongly postmillennialist, beginning in the early twentieth century premillennialist understandings began emerging that would have a profound impact on economics. While postmillennialism focuses on improving or "perfecting" society in preparation for Jesus's Second Coming, premillennialism assumes that this attempt is futile because divine grace is bestowed only on the "saved" and only in heaven. Premillennialism thus has a stronger individualistic strain, focusing more on personal conversion and the beyond than on broad-scale societal commitment in the here and now. Correspondingly, Friedman continues, two vastly different religious visions for the nation's economic ethos and development emerged around the turn to the twentieth century: the Social Gospel, propagating government intervention in the market and a collective responsibility for the nation's downtrodden; and what Friedman calls the "Gospel of Wealth," advocating small government, unrestricted markets, and individual responsibility for economic prosperity. The latter, premillennialist position, he argues, profoundly shaped the development of American economic policy in the course of the twentieth century. Emphasis on individual economic agency – and understandings of liberty as the individual's freedom

to engage in economic activity – were further solidified during the Cold War and the American opposition to communism.

A short book review cannot do justice to the detailed research on the religious roots of contemporary American ideas on economic policy presented in Friedman's 500 pages of text (plus endnotes). Friedman's simultaneous broad thematic scope and close attention to historical detail vividly illustrate the interrelated development of religious and economic thinking on the European and North American continents. A slightly more succinct line of argumentation might have expanded the analytical scope of the argument, allowing the author to recap, in the metaphorical nutshell, how precisely he perceives religious and economic thought to be intertwined. A clearer distinction between economic policy ideas and economics as a discipline, concepts that he frequently differentiates but sometimes uses interchangeably, would have further served to specify the argument. Reference to related ideas and debates in economic sociology and American Studies – such as the social embeddedness of economics, which is a central part of his argument but not articulated as such, or the discourse on American exceptionalism, which is mentioned only in passing – would have added to the book's already impressive scope. That said, the main arguments – that anti-Calvinist, Arminian religious convictions as well as a decisive premillennial religious worldview have profoundly shaped ideas on economic policy – are as insightful as is the fundamental observation that although the field of economics is a product of the Enlightenment, it has nevertheless been profoundly shaped by religious thinking (an observation, incidentally, that also holds true for most other societal fields emerging at the time).

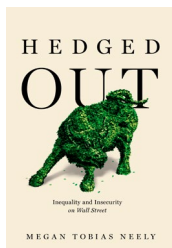
Megan Tobias
Neely · 2022

Hedged Out: Inequality and Insecurity on Wall Street.

Oakland: University of California Press

Reviewer **Andrea Lagna**

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Megan Tobias Neely's book *Hedged Out: Inequality and Insecurity on Wall Street* (2022) was brought to my attention while I was researching

Melvin Capital, a New York-based hedge fund managed by Gabriel "Gabe" Plotkin. Melvin Capital made the headlines in January 2021 when it incurred substantial losses during the GameStop short squeeze (Aliaj, Mackenzie, and Fletcher 2021). At that point, Citadel's Ken Griffin and Point72's Steve Cohen invested US\$2.75 billion in Melvin Capital to help Plotkin deal with his fund's losses (Aliaj 2021).

Why did Griffin and Cohen inject emergency cash into Melvin Capital? The answer is simple: before launching Melvin, Plotkin worked at Citadel and then at SAC Capital Advisors, which is Cohen's old hedge fund (Kolhatkar 2017). As the GameStop events unfolded, readers of the *Financial Times* were unsparing in their criticism of Plotkin, Cohen, and Griffin. According to a reader, "all these ***** should be closed down IMO. They are only here because of friends in the city and cheap fi-

nance – nothing clever about that" (Aliaj 2021).

Hedged Out is a remarkable sociological study of the hedge fund sector in the United States. Neely offers useful analytical tools to capture how the Plotkin-Cohen-Griffin saga is emblematic of a larger problem: the US hedge fund industry is a hotbed of class, race, and gender inequality. It generates extreme wealth and privilege for a 'power elite' (Mills, 1956) of mostly white men. This highly unequal and non-meritocratic system supported Gabe Plotkin as a member of the hedge fund power elite, making sure that Melvin Capital was kept in business for more than a year. Melvin Capital eventually shut down in May 2022 (Aliaj and Fontanella-Khan 2022).

Drawing on extensive field research and her own experience working in the hedge fund industry, Neely explores how hedge fund insiders "hedge out" outsiders based on class, race, and gender. In so doing, they create an elite group of mainly white men who are in a dominant position in terms of authority, status, and wealth.

A hedge fund is an investment management organization that pools money from rich investors. It has a wider investment latitude compared to other institutional investors like mutual funds and pension funds. In other words, hedge funds can speculate more on financial markets and can borrow a lot of money to engage in such speculative activities. Recent annual data (Prejin 2022) show that there are about 12,000 hedge funds in the world, managing over US\$4 trillion in assets. The US is the leading country in terms of assets managed by hedge funds.

Since Alfred Winslow Jones launched the first hedge fund (then called "hedged fund") in 1949, US hedge fund managers such as Michael Steinhardt, George Soros, Julian Robertson, Paul Tudor Jones,

Jim Simons, and a few others have become famous for being nonconformist individuals and for having personalities too big to fit into bureaucratic organizations like investment banks. These hedge fund tycoons captured people's admiration and resentment. They are seen as independent thinkers pushing the frontiers of financial innovation and making capital markets more efficient, while profiting enormously in the process. At the same time, critics have shown how hedge funds make financial markets more volatile, precipitate currency crises, negatively influence democratic politics, make too much money, and avoid taxes (Mallaby 2010; Fichtner 2016; Zuckerman 2019).

In *Hedged Out*, Neely offers an original perspective on hedge funds that enriches existing critical accounts. Building on Raewyn Connell's (1987) work in gender studies, Neely advances "hegemonic masculinity" as a construct describing the dominant ideology in the US hedge fund industry. Hegemonic masculinity legitimizes the power of elite white men in the hedge fund sector. Everyone else must conform with the rules and practices justifying the interests of elite white men as power holders and big earners.

Neely shows that a person who wants to work in the hedge fund industry needs to be a "good fit," which means conforming with the ideology of hegemonic masculinity. Within this ideological system, class, gender, and race intersect and influence people's positions and careers.

An elite white man is likely to join the front office of a hedge fund. This is where investment research and trading are done – this is also where people earn "big bucks." An elite white woman is likely to work in client services. This is a front-office area, but less prestigious than research and trading. A client-service role is known as the "mommy

track” – that is, a family-friendly job suitable for mothers. In 2013, hedge fund titan Paul Tudor Jones famously stated that women are not good traders because they are focused on “the most beautiful experience [...] a mode of connection between that mother and that baby” (Johnson 2013).

A first-generation immigrant black woman with an MBA from a state school is likely to work in the back office, which includes supporting administrative and legal tasks. Back-office positions are more diverse in terms of gender, race, and class, but are paid less and have fewer promotion opportunities.

In other words, upper-class, usually white, men enjoy a fast track to top positions. Others must proceed through a more crowded and less prestigious track. Although some make it to the top coming out of the second track, generally the hedge fund industry favors elite white men.

The most interesting part of *Hedged Out* is the analysis of aspiring hedge fund managers and their paths to entrepreneurship (see chapter 6). To launch a new firm, would-be hedge fund founders must embody hedgemonic masculinity, have personal connections to wealthy investors, and be able to access a patronage system where established hedge fund managers provide training, seed funding, and mentorship. Tiger Management’s Julian Robertson is the most notable example of such patronage system. Robertson “seeded” over a hundred affiliated firms, which are managed by protégés colloquially known as the “Tiger Cubs” (Mallaby 2010).

Gabe Plotkin benefited from being in Cohen’s and Griffin’s good graces. His hedge fund Melvin Capital was bailed out during the 2021 GameStop short squeeze, but that was not enough to weather a market downturn a year later. In May 2022, Plotkin announced the

liquidation of Melvin Capital’s assets and acknowledged his need to “step away from managing external capital” (Aliaj and Fontanella-Khan 2022).

We will have to wait and see what Plotkin’s next move will be in an industry built on hedgemonic masculinity. Has Plotkin been hedged out of investment management and his patronage system for good? How will he cope with professional failure? *Hedged Out*’s concluding chapter about fragile masculinity in the hedge fund sector is particularly relevant in this regard. As Neely (2022: 233) puts it, “[w]hen a hedge fund manager fails, it seems like a failure of their very identity.”

I highly recommend *Hedged Out*. It is an insightful book about the US hedge fund industry as a microcosm of financialized America (Lin & Neely 2020).

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Timothy J. Sinclair · 2021

To the Brink of Destruction.

Ithaca: Cornell University Press

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When the global financial crisis began in 2007, there was no better place to look for expertise on credit rating agencies (CRAs) than in

Timothy Sinclair's writings – especially if you were looking for a critical perspective that went beyond legal issues or an economics point of view. The scarce literature in economics mainly criticized specific ratings or invented some very sophisticated “reverse engineering” methods in order to find out what variables CRAs were using. His 2005 book *The New Masters of Capital: American Bond Rating Agencies and the Politics of Creditworthiness* instead gave a historical overview that contextualized the rise of CRAs and provided us with an insightful and differentiated political economy of their power. This new book reflects his extensive expertise of studying CRAs for decades. However, a lot has happened since his 2005 book on the issue. Since the financial crisis of 2007, scholars have jumped on the topic of CRAs and provided us with a variety of explanations of their role in the crisis and more broadly in the financial system. What new insights does his new book provide, and is his perspective still useful for understanding post-crisis CRAs?

The introduction gets straight to the point with regard to the aims of the book. Sinclair's starting point is to challenge the conventional explanations of the 2007 financial crisis that were based on blaming individual actors and institutions like CRAs for greed or incompetence and on the notion of exogenous shocks that impacted an otherwise allegedly working financial system. These accounts, he claims, can neither explain why CRAs put their reputation at risk by changing their role from distant observers to active advisors in the construction of structured finance products, nor why they survived the crisis despite the scrutiny they faced in its first years. His answer to the first question is that leading up to the financial crisis, CRAs were con-

fronted with increasingly harsh criticism that threatened their traditional status in the financial markets, to which they responded with a business and cultural shift. After the crisis, a lack of alternatives and the use of CRAs in regulations were crucial for them to survive. The third and most interesting point he makes refers to the exogenous approach: he claims that defining CRAs not as part of finance but as outside professional service providers helped to sustain the exogenous approach and prevented a more fundamental critique of the financial system as such. Sinclair instead proposes that a systemic and endogenous account which emphasizes structural issues within the financial system is better suited to explain the financial crisis and the role of CRAs.

The second chapter is a descriptive account of the role of CRAs, the rating process, and their role in finance, focusing on the “Big Three,” Moody's, S&P, and Fitch. Sinclair starts by delineating the official definition and scope of ratings given by the major CRAs, namely that they are opinions and should not be read as recommendations or investment advice. However, due to their wide use in finance, these opinions have what Sinclair calls a “disciplinary force” on the rated issuers (e.g., changing strategies in anticipation of a downgrade), showing that ratings are not just one opinion among others but have far-reaching consequences. He also emphasizes that the rating process is not only a technical but also a highly social procedure.

The CRAs' role and position in the financial system fundamentally changed after the 1990s, mainly due to disintermediation, which shifted credit relations from banks to markets, rendering information on creditworthiness more important. The rise of Fitch as a third competitor to Moody's and S&P

and several financial scandals like the Enron case threatened the integrity of the CRAs' traditional roles as well as their increased involvement in the newly invented structured products such as residential mortgage-backed securities. Within this scenario, Sinclair argues that CRAs have undergone two shifts. One has occurred in their alliance or loyalty, which was traditionally towards investors and is now shifting towards issuers. The second shift is more tangible: they went from rating a product presented to them just before market release (for instance a corporate bond) to being active participants in engineering structured securities.

His theoretical approach, which he delineates in the third chapter, is based on a critique of standard theoretical perspectives for understanding the role of CRAs and ratings in the financial system. For instance, he criticizes the functionalist explanation of what he calls the market-centered approaches. These neoclassical economics perspectives applied to credit ratings argue that ratings serve the function of providing information for buyers and sellers in capital markets. The discussion within this literature mainly revolves around how well the CRAs fulfill this function, but the framework does not allow for any questioning of the function as such and cannot take into account the complexity of the CRAs' position and role in the financial system. He calls his alternative perspective to understanding these issues the “social foundations approach”: CRAs have to be considered important in finance because they are important for the relevant financial actors. There is what he calls a “collective belief” about ratings and the need for them, irrespective of the CRAs' ability to assess “true” creditworthiness. (While Sinclair uses Keynes's famous beauty contest as an analogy, it is also reminiscent

of Luhmann's concept of "expectations of expectations.") In consequence, "the source of their power is not just their immediate coercive effect on the cost of borrowing, but their broader impact on ideas and on confidence in markets, institutions, and governments" (p. 75). CRAs are therefore not outside the financial system, but relevant actors that shape it.

Chapters four, five, and six are the empirical backbone of the book. Sinclair first discusses the CRAs' role in structured finance that prompted the shift from outside observers to active engineers of financial innovations and their increasing importance in the fastest-growing financial market segments. He highlights that these structured finance products became a huge problem once they were used as collateral in repo markets, which, when doubts emerged about their quality, ultimately caused the Lehman Brothers bankruptcy in 2008. Chapter 5 describes the (surprisingly brief) period of time thereafter, when CRAs came under scrutiny. Using mainly US congressional hearings on CRA, he delineates the critiques by US Members of Congress and some former employees and the defenses presented by CRAs. The third and most interesting of the empirical chapters, called "Aftermath," tries to understand why CRAs recovered much better from the crisis than many other financial institutions and kept their central role in financial markets despite having been singled out as some of the main culprits of the crisis. His argument here is threefold: First, the US Government's efforts to liberalize the market and break the oligopoly of the Big Three has not been successful, mainly because of their reputational advantage over any start-ups and the investors' preference for large and established CRAs. Second, most regulations with regard to transparency only

tackled the conflict of interests of individual rating analysts, failing to address more systemic issues of the practice of structured finance rating as such. Third, efforts to reduce the use of ratings to regulate other financial actors failed due to a lack of alternatives.

Sinclair uses these developments to highlight some fundamental problems of the market-centered approach. First, he questions the flawed premise of the regulatory efforts to break up the oligopoly, namely that weak competition was the reason for poor rating performance. More competition might not be effective in improving the rating quality, he argues, because "reputation is inherently exclusive and not necessarily meritocratic and sensitive to performance" (p. 153). Second, he criticizes the assumption that a rating can be a neutral and objective measure of "true" creditworthiness and that ratings are wrong because of wrong models, which can be fixed with more transparency and competition. Third, Sinclair claims that even if the dependence of regulations on ratings were reduced, this might not reduce their de facto epistemic authority.

In Chapter 7 he comes back to the broader aim he set up for the book: criticizing the mainstream explanation of the financial crisis based on the assumption of an exogenous shock on an otherwise well-functioning financial system. His thesis is that rating agencies were blamed because they could be regarded as institutions operating outside finance and their criticism would therefore not extend to the broader financial system. "A narrative of assuagement that focuses on institutions held to be outside finance has the advantage of being concrete and specific, and focused on the failure of things other than the financial markets themselves. This external or exogenous view of the causes of crisis reinforces

the idea that finance itself is not the problem, only the human institutions that interact with finance, such as government or the agencies" (p. 166). Blaming individual actors such as CRAs shifts the focus away from more fundamental problems in finance. For instance, claiming that structured finance ratings are flawed deflects from questioning structured finance products.

Considering the strong arguments throughout the book, Sinclair concludes with some relatively tame remarks on what we should expect from rating agencies. His argument is that the expectations on CRAs are generally too high. Due to the inherent uncertainty of the future, he states, predicting it is too much to ask, even for organizations such as CRAs. Financial actors and regulators that use ratings to inform their decisions should take these limitations seriously. For the CRAs themselves, he suggests that they might stop trying or pretending to be predictive and instead might want to go back to their traditional role and produce what he calls "historical ratings," based on historical default data.

This book gives an excellent account of the developments before, during, and after the financial crisis, looked at from the angle of CRAs. Sinclair departs from the usual individualist explanations blaming specific actors for being greedy or incompetent and the notion that financial crises are exceptions to otherwise functioning financial markets. His "social foundations approach" and the multitude of examples that underline it help to uncover the implicit normativity of market-centered approaches and present a much more fruitful perspective to grasp the complexities and contradictions of financial markets.

For some economic sociologists, the theoretical argument

might not be that radical or innovative, and some wording might even irritate, such as the sociologically anachronistic “social fact,” the quite crude dichotomy between structure and agency, or the distinction between “brute” (sometimes meaning the material world, sometimes meaning ratings derived from quantitative methods) and “social fact.” There is also no systematic engagement with the influential literature on financialization (cf. Besedovsky 2018a). Having quite a few compatible arguments, connecting the two perspectives would certainly be mutually beneficial.

Perhaps more surprisingly, while Sinclair states that CRAs have an influence on ideas in finance, he does not address the concept over which CRAs have the most defining power: risk (for an attempt to do this, cf. Besedovsky 2018b). This is due to his focus on the systems or organizational level, while not engaging with the specific rating practices and the ideas and assumptions behind them. In some instances, this leads him to reproduce some of the misconceptions he tries to criticize. For example, when he emphasizes that the rating process involves not only statistical models but also voting in a committee, he reinforces the perceived dichotomy that quantitative analysis is a “purely technical” endeavor that can be “tainted” by “social facts” (which implies that decreasing the “qualitative” elements of a rating is the solution). This neglects the basic premise of STS and social studies of finance that quantitative practices are deeply “social” (i.e., socio-technical), and therefore any normative critique of qualitative judgments lacking neutrality needs to be extended to quantitative rating methods as well.

Despite his perspective giving us the tools to overcome exogenous explanations of crises and instead focus on the problems and contradictions within finance, Sinclair himself stays relatively vague in terms of pointing out what these are. The only issue he addresses explicitly are structured finance products and their use in repo markets, but it would be very interesting to know more about his thoughts on other issues.

Finally, while the two arguments concerning CRAs make sense individually, there is an inconsistency between them. On the one hand, Sinclair argues that the reason for their failure was that they became involved with the process of constructing structured finance products: “Not sticking closely to their core role proved to be a catastrophic mistake by the agencies” (p. 191). On the other, as Sinclair describes throughout the book, the CRAs survived the crisis and recovered astonishingly quickly to become striving companies once again. In hindsight, therefore, shifting their business model might not have harmed them in the long run, but actually increased how much other financial actors depend on them and ultimately secured their authority and position in the financial system.

Like Sinclair’s 2005 book, *To the Brink of Destruction* will surely become fundamental reading for anyone interested in rating agencies, matched perhaps only by Giulia Mennillo’s (2022) monograph that expands the scope to studying CRAs’ societal impact and credit rating in China. The extent of Sinclair’s empirical material, the scope of the book, and the capacity to grasp the role of CRAs in the context of the financial system will again serve as an unmissable re-

source for scholars studying CRAs. But even if CRAs are not their main interest in the world of finance, Sinclair’s book is worth a read. He not only explains the importance of CRAs but also uses them as a focal point to follow around in order to narrate the story leading up to the crisis, its chaotic developments during the first years, and what happened in the aftermath. The story of the financial crisis might have been told many times by now, and quite a few aspects of Sinclair’s story might seem familiar, but his effortless yet never simplistic writing strikes the balance between detail and generalization that is needed to understand both CRAs and the big picture.

Note

This review was commissioned and written before we all heard of the passing of the book’s author: in memoriam Timothy J. Sinclair.

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