

Classification of Central Asian Capitalist Systems According to Weber's Criteria

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Abstract:

Little attention is given to the capitalist systems of the modern Central Asian states, which are rather studied for the specificities of their authoritarian regimes in the present post-transitional reality. In the following work I aim to describe the present differences and similarities of the capitalist systems of the Central Asian states in order to propose improved classification of the Central Asian capitalisms. The analysis and findings presented in this research are important in two different aspects. Firstly, they overview existing theoretical approaches to the study of the modern capitalist systems with regard to the Central Asian republics. Secondly, analysis and findings identify the key differences and similarities, which do not only present standard measures of economic performance, but also offer alternative criteria that are essentially concretely quantified. Such methodology allows for a deeper understanding of the contemporary variations of the concept of capitalism across the Central Asian states. The implications of this research result in further improvement of the specific and more general typology of the capitalist phenomena, so that it may become applicable to the wider number of cases across other post-transition states.

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List of Abbreviations:

CME – Coordinate Market Economy

EBRD – European Bank for Reconstruction and Development

EU – European Union

GDP – Gross Domestic Product

HDI – Human Development Index

LME – Liberal Market Economy

OECD – Organization for Economic Co-operation and Development

UNDP – United Nations Development Programme

USSR – Union of Soviet Socialist Republics

WTO – World Trade Organization

Introduction

The modern use of the term “Central Asia” originated with the collapse of the Soviet Union, when the term shrank from previously large territory of what is now from China to Azerbaijan encompassing Afghanistan and Iran on the south to what is now commonly known as the territory of Central Asia (Yapp 1994, 2-5). Populated by the numerous ‘-stan’ countries such as Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, Central Asia has undergone the number of changes from the time it had gained its independence from the Soviet Union in 1991 (See Appendix-1 for Map). Early on the Central Asian republics embraced features of democracy (Luong 2002, 1). However, the adoption of the democratic principles was quite selective. As seen from the contemporary evidence reported by Amnesty International, Freedom House or Human Rights Watch, none of the Central Asian states are full democracies. On the contrary, in accordance with the abovementioned present reports and indices of democracy Central Asian regimes are autocracies with very limited presence of the democratic norms. Apart from trying out few of the democratic notions, Central Asian region expressed its interest in the introduction of the free market economy and ventured into reacting to the need to liberalize its economy and market respectively (Aslund 2012, 2). Given the history of the long-lasting Soviet centralized planning economy, attempt to let the market work itself with very little regulation was eventually turned down by all states of Central Asia (Luong 2002, 253). Instead, the Central Asian states developed their own variety of the mixed economies with their own capitalist systems that relied heavily on the exports of the natural resources such as Kazakhstan and Turkmenistan, while others, namely Uzbekistan, Kyrgyzstan and Tajikistan lived off the mutually beneficial investment from the foreign donors, traders and businessmen (Sozen et al. 2011, 4). Other than endeavors in change of regime and economy, the Central Asian states remained relatively in the same conditions bearing similar characteristics of autocratic ruling elite. In such respect, the main pool of the

studies took two shapes: one that dedicated itself to the study of the authoritarian practices and their peculiarities with respect to each other as in the works of A. Anders, M. Yapp, S. Akiner, J. P. Luong and more recent authors; and another dedicated itself to the study of the economic performance in the light of the post-transition economic policies, as in the works of Y. Atykhanov, M. Spoor, B. Rumer and others by comparing the outcomes and evidence with the Eastern European post-transition states.

While the region of Central Asia has undergone the period of post-transition, its path bears little similarity to the one of the Central and Eastern European states, which also have embraced communism ideology and centralized closed market economy (Luong 2002, 103). Although on the path to development in the spheres of political and economic governance, Central Asian states exhibited very slow progress in the implementation of the critical reforms unlike the Eastern European states and the USSR satellite states, which enjoyed better results as evident from the results of the Polity IV or Freedom House indices. However, such questions, on why such differences between two regions exist, claim answers with explanatory power over the comparative insights into history and development studies. Speculating on them or answering them is not the primary aim of this research. Instead, the focus of this work lies in the study of the contemporary reality of capitalism in each of the Central Asian states. Indeed, there is a lack of evaluation of the concept of capitalism and its properties in their entirety with regard to the transition period after which capitalism pushed new developments in the areas of market, economy and legal base. There are some studies, which have been produced to capture the typology of capitalism in the region, but to this day none of them is fully complete due to unavailability of the data, lack of the proper expertise of the local academia, and general criticism over the scholarly approaches. Thus, it is understandable that there are reasons why some studies did not follow on the developments in the region. Some researchers from outside the region claim the limited data or blame the data

for being overly exaggerated by Uzbekistan and Turkmenistan (Luong 2002, 253-257). Some of the scholars argue for the lack of transparency over the surveys and experiments, and thus, note that it is hardly possible to collect externally and internally valid and reliable results (Luong 2002, 257-259) (Atykhonov 2012, 70). The rest of the scholars cite the restricted access to the Central Asian states, more specifically Turkmenistan and Uzbekistan, the governments of which strictly control the inflow of the foreign academia (Spoor 1993, 10). The discussion of such studies and their drawbacks in presenting empirical evidence for the claims will be presented in greater detail later in the research. There not only I elaborate on why these scarce studies do not encompass or concisely reflect the contemporary reality of the Central Asian capitalist regimes, but I also aim to assess on how these studies are useful for the purposes of the present research. Such observation inspired me to pursue the study of the present-day similarities and differences of the Central Asian capitalist systems in order to produce an alternative and possibly improved typology of capitalism with respect to the Central Asian republics. Readers should not expect that I will present them with an overview of the development of these differences and similarities or an attempt at locating the explanatory variables of why and how these differences and similarities persist. Instead, my research focuses on the contemporary picture and mainly concentrates on producing a better-fitted typology that could somehow better describe the present-day capitalist systems of the Central Asian region.

This study has become possible due to an extensive post-transition period that has already passed the 20 years mark. However, for the purposes of keeping this research concise and due to limited data for the first 10 years after the transition, only the last 10 years will be used (Rumer 2000, 6). In other words, the timeframe of the research will constitute a period from 2001 to 2012. Such exact length allows gathering more numerical data to complete a puzzle of this comparative study, and thus, portray the contemporary differences and

similarities of the capitalist systems in the Central Asian states. Much of the newly released numbers by the states such as Turkmenistan and Uzbekistan have been made public due to their increased significance for the potential investors and partners alike. Clearly the importance of data gathering has been assessed by all Central Asian states, and international organizations that operate there. Therefore, the frequency of reporting the data has been significantly increased over the past years. The governments of Central Asia are able to present more data on the yearly basis than they did before 2000s, not only because they are bound by the international agreements, but also because the data availability creates a better international reputation needed for good business climate, which is vital for the agreements with the East Asian and EU partners (Aslund 2012, 13). As a result, amount of data for the findings of this research will be able to capture the differences and similarities of the capitalist systems of the Central Asian states numerically, and draw on these aspects to create a framework for improved classification.

The research will proceed with the Chapter-1 on theoretical foundations of some of the widely known capitalist models. Later in the same chapter, research continues with evaluation of the models vis-à-vis Central Asian states, so that the incompatibilities of the models are briefly outlined and discussed. By doing so, I introduce the concepts by which the literature on the capitalist models and systems has treated the region, and offer their shortcomings in the light of the existing capitalist systems located in Central Asia. The theoretical section will then conclude with the presentation of Weber's criteria on capitalism that I have selected for this research. These criteria define the grounds for theoretical foundation of my work, and enable me to proceed to the next chapter. In Chapter-2 on constructing adequate and accurate methodology I synthesize Weber's criteria into a reworked assessment mechanism, which I implement for organization of the data for empirical evidence. It is crucial for the readers to correctly identify theoretical underpinnings of my research, because much of the analysis is

built around them in Chapter-3. At last, the empirical results briefly discussed in the Chapter-4 constitute a meaningful picture for the proposal of the typology, and provide with sufficient, substantial and persuasive conclusion at the end of this research.

Chapter-1. Theoretical Framework

1.1 Revisiting the Models of Capitalism

There are many models of capitalism put forward at different periods of time because models result from the specific economic systems, and thus, are dependent on the elements that may potentially change. As such economies change, financial sectors change, and these alterations lead to the development of the new models and change of the capitalist trends. No single form of capitalism could potentially be dominant over space and time (Baumol et al. 2007, 61). Capitalism takes on different forms even though conditions might be similar. Thus, particular differences result in the emergence of Italian capitalism, French capitalism and etc., because no single theory could potentially bind states under one framework (Baumol et al. 2007, 5). Consequently, new theories emerge to explain the nature of capitalism for a particular state or a set of states under single or multiple dimensions. This creates a constant need to reflect on the existing models in order to keep up with the developments that may influence how economies evolve, financial sector develops and overall growth rate of the state alters between ups and downs. With this in mind, it is necessary to look back at some of the famous contemporary models of the capitalist systems, which were used to describe not only the Central Asian economies in particular, but the entire world.

One of the important works that has been constantly cited in references for describing the concept of capitalism is the model put together by Peter Hall and David Soskice in 2001. The model in itself is quite unique for the models before it were based on some differences whether they were economic, political or institutional, while models after it resumed distinguishing the varieties of capitalism across a wide spectrum of features (Amable 2003, 10-11). The model runs across a dichotomous distinction over the coordination on the firm level, which is either characterized by the liberal market economy (LME) or coordinated market economy (CME) (Hall and Soskice 2001, 6-7). Authors of the model, Hall and

Soskice, explain their decision to abandon the analysis of relevant institutional variables by stating that the institutions within a state only create the rules of the game, which guide the coordination formally and informally. In their view, coordination itself is tied to the corporate governance, employee relations, industrial relations and financial sector, where LME puts a firm in the hands of its shareholders who need to sustain it, invest in it, and thus, create a market for its operation, while CME puts a firm on a form of state support, which could be expressed in the form of state-initiated support, trade unions or state-sponsored regulations (Amable 2003, 13-14). The main strength of the model is that it is fundamentally an analysis over a single dimension of coordination, which gives it an ease of using the empirical data or evidence to show whether a state factually belongs to LME or CME (Hall and Soskice 2001, 71). They showcase such instance with an analysis of the OECD states, which are then placed in two separate blocks across a single dimension. Yet, the advantage of this model is its weakness as well because having a single dimension automatically closes out on other possible explanations or complementary variables. Economies must choose between the two, which leaves other potentially exploitable factors or dimensions unused or disregarded in favor of a less difficult approach (Amable 2003, 81). Furthermore, given that the choice is either LME or CME, the dichotomy leads to the static state, leaving the state without a possibility to switch onto either of them, because LME and CME do not converge and essentially are complete opposites of each other (Amable 2003, 83). Forcing a state onto any of these categories may conceal important fundamental differences that could result in creation of a third category that are neither fully LME nor fully CME, and thus, remain to be imperfect for any of the two categories i.e. in so-called “gray zone”. However, even in the instances when the assignment of the states to any of these two categories persists, one may certainly see how different countries are grouped together with the same states that share very little in common. This creates confusion and ambiguity over the usage of this model, because

it would not correctly portray the neglected differences that states may exhibit (Amable 2003, 84). One other additional element that is disadvantageous for implementation of this model elsewhere is that the model is truly applicable only for democracies (Hall and Soskice 2001, 71). There is very little hope for external and internal validity of the claims once the model is being tested on the cases of flawed democracies, hybrid regimes or autocracies. In other words, the model proves itself usable when it is applied across a dimension of coordination to the democratic regimes. In rest of the cases, Hall and Soskice's model may not correctly categorize a state as LME or CME.

Chronologically, the next important model to mention was designed by Bruno Amable in 2003. Although Amable himself revised his earlier model of 1997, he was keen on including several key distinctions to it. His earlier model centered on the study of institutions. Puzzled by the claim that “institutions matter”, Amable came up with 4 different varieties of capitalism: market-based model, mesocorporatist model representing Japan, social-democratic model for Scandinavian states, and European-integration model (Amable 2003, 14). However, acknowledging the evolution of the concept of capitalism himself by noting that capitalism takes on many forms and many involve more models that Amable initially anticipated, he worked on studying the previously proposed models. One of the older models was based around welfare systems that were famously identified by Esping-Andersen, and another was based on the labor relations with the market (Amable 2003, 85). Both models involved 4 different categories, which revolved around different characteristics. Before constructing his own model, Amable carefully reviewed the model proposed by Hall and Soskice in 2001 (Amable 2003, 32, 40, 85). Before putting together his new model of 5 categories, which now ranged from Anglo-Saxon model, Scandinavian model, Mediterranean model, and Continental model to Asian model, Amable noticed that not only institutions mattered for where the state situated itself, but also the type of economic activity, which it engaged in

(Amable 2003, 22). Moreover, Amable noticed that the macrolevel institutions partly determine the structure of the institutional forms, and thus influenced microlevel institutional setup (Amable 2003, 29). He claimed that institutions served as a function of identifying the capitalist structure that was the dominant, and further suggested to improve the typology by studying institutional change and hierarchy in the areas of labor market, financial sector, education, social protection and product-market competition (Amable 2003, 40, 69-71). All of these features that Amable had considered before proposing his model led him to believe that his concept of capitalism somewhat created a geography based division as well for all the categories in the model except the Anglo-Saxon one, which was operating on the principles of laissez-faire and strong work ethics. Nevertheless, due to the ties of institutions in defining the variety of capitalism, Amable's model suffers from two imminent claims that challenge the entire model. How to assess the state that lacks proper institutional setup or lacks the half of the institutions that are needed for the operation of the any form of capitalism? How a market would react to the development of the institutions? Would it impede or foster them given that the institutions usually put the market into regulations, while market itself reaches out for constant deregulation measures? In light of such concerns, Amable's model of 5 categories does not necessarily fail, but loses its appeal since the model does not operate outside of institutional boundaries, which Amable has concretely specified.

The last Western typology of capitalism to be discussed is a fairly recent one established by the scholars William Baumol, Robert Litan and Carl Schramm in 2007. From the onset, the authors recognize the need for practice of constant refinement of the classification by stating that capitalism evolves as economies evolve (Baumol et al. 2007, 5). Therefore, they do not strictly emphasize that their model could explain most of the capitalist phenomenon around the globe. Instead, they focus on how to improve the model given that their classification involves multiple factors apart from the institutions. These are descriptive

and normative functions of the market and its actors such as state, business and labor force (Baumol et al. 2007, 60-61). The model involves 4 categories: state-guided capitalism, oligarchic capitalism, big-firm capitalism and entrepreneurial capitalism. Yet, the authors do not simply construct the model and talk about its applicability in the real life. They go on suggesting that entrepreneurial model is a superior form of capitalism to other categories in the model because it focuses on innovation, technology, capital and labor (Baumol et al. 2007, 12-14). The main criticism that may be directed at their work is the lack of empirical evidence when compared to the work by Hall and Soskice or Amable, who used the OECD data to substantiate their claims. This is, however, somewhat checked by the other model of the varieties of capitalism constructed by Luiz Carlos Bresser-Pereira in 2012. It is based on the model of Amable and Baumol et al., and includes 5 types of capitalism, which are categorized on the basis of the relationship between the institutions and the market (Bresser-Pereira 2012, 21). Though Bresser-Pereira's model was applied to the wealthy western states only, the model somewhat supports the work of Baumol et al. numerically. On the other hand, Baumol, Litan and Schramm have previously acknowledged that their model would have to be revised in the light of the constantly changing economic environment of the world with the emergence of the economic powers like China, India and Brazil (Baumol et al. 2007, 61). Consequently, additional studies would need to follow to validate the models described by Baumol et al., and later by Bresser-Pereira.

1.2 Central Asia in Capitalist Perspective

Central Asian region poses plenty of interesting questions to its political and economic development. After the collapse of the USSR, democracy in the Central Asian region was expected, but it never arrived due to the continuation of the Soviet political and economic legacy in the first 5 years past the transition (Luong 2002, 1-2). Kazakhstan was divided on how to proceed with the transformation, following a path of tryouts with starts and stops

(Luong 2002, 147). The government of Kazakhstan was unsure whether to follow the advice from the Russian Federation that inherited USSR's policies or unilaterally allow itself greater independence from the economic ties to the Russian markets and look for the market elsewhere. Unlike somewhat skeptical Kazakhstan, Kyrgyzstan was the first among the Central Asian states to take on the plan of immediate liberalization of the market by introducing its own currency, which allowed it greater flexibility in the first years after it gained its independence (Luong 2002, 114-115). The other three states: Tajikistan, Turkmenistan and Uzbekistan resisted the changes. Tajikistan was torn by the civil conflict, while Turkmenistan and Uzbekistan remained relatively authoritarian and hesitant to any political and economic changes (Spoor 1993, 10). However, after the first 5 years from the independence had passed all economic prospects were still tied to Russia, and there was little doubt that Russia would encourage the invitation of another trade partners by allowing itself to lose the comparative advantage (Akiner 1994, 188). This was also partially due to two reasons. Firstly, high transition costs were a burden on the newly formed Central Asian states due to the hyperinflation, unemployment and general shortage of the goods and services. Secondly, fresh out of communism Central Asian republics were unable to conceptualize the market economy, and therefore, were slow and careful in taking on the policies of transformation allowing themselves gradual steps rather than immediate "shock therapy" (Aslund 1992, 170-171). Common targets of such transformation policies included openness in the economy, increase in exports, accelerated development of the financial sector, and development of the market and production infrastructure (Trushin and Trushin 2000, 95). All attempts to grow out of dependency to Moscow proved to be ineffective in the first 5-7 years after the transition (Luong 2002, 257). Therefore, little changed politically or economically due to the slow process of transformation, which was further slowed down by the foreign

indebtedness and failure of domestic investments to bring in any considerable amount of revenue (Rumer 2000, 50).

In the next 10 years after the transition, the data for the study of the Central Asian region become abundant. Therefore, numerous studies of the economic transformation have emerged. One of such works is the book by Anders Aslund, who released the second edition of his “How Capitalism Was Built: the Transformation of Central and Eastern Europe, Russia, the Caucasus, and Central Asia” in 2012. One of the most up-to-date and informative sources, this book opens up the curtain over the initial transition hurdles, and portrays solutions to the economic transformation. Taking on the uncertainty of economic transition in his book, Aslund described the building of capitalism on the post-Soviet space in four easy steps: 1) deregulate the prices and trade, so a market could be formed, 2) inflation had to be brought under control, 3) large-scale privatization, and 4) a new social safety net (Aslund 2012, 2). Such requirements seemed modest as Aslund excluded from consideration most commonly inserted concepts of democracy and rule of law. He insisted that capitalism could use some of rent-seeking and nepotism to speed up the transition, although no empirical evidence of such relationship was provided (Aslund 2012, 288, 294). For democracy and rule of law, he argued that these were unnecessary because they halted the transition process, which was already characterized by the months of delays (Aslund 2012, 3). Though the author did not produce any classification of capitalism that took roots shortly after the USSR’s demise, Aslund stated that establishment of capitalism was successful (Aslund 2012, 13-22). By doing so, he agreed that capitalism and market economy were present in Central Asia to a certain degree. Furthermore, Aslund joined Sozen, Sari and Çelik at suggesting the creation of an analysis of the capitalist transformation by locating the criteria by looking at the criteria of Washington consensus and calculating its features quantitatively for the post-Soviet states (Aslund 2012, 39-40) (Sozen et al. 2011, 1-2). Such evaluation, however, has not been performed yet.

Before continuing with further analysis of theoretical framework of capitalism, Central Asian experience should be analyzed in relation to the previously discussed models of the varieties of capitalism presented by Hall and Soskice, Amable and Baumol et al. Which of the models best describes what the current state of affairs in the realm of capitalism is? Under the scope of such analysis, the readers will further understand why none of the models were found to be suitable for tracing down the empirical material and providing the world of academia with the conclusive descriptions. The model by Hall and Soskice maybe discarded right away because one of its prerequisites for applicability is that the state must be a democracy. Even if one assumes that such prerequisite is both not sufficient and necessary condition, CME and LME would not develop in Central Asia due to the lack of the proper institutional support that forms required coordination among the market and its actors. Moreover, there are no clear national preferences of the Central Asian region as presented by Hall and Soskice as in the cases of the EU member countries, where states continuously exhibit features of CME or LME on the national level (Fioretos 2001, 215). The model by Amable finds similar criticism with regard to the model by Hall and Soskice in that there are no proper institutions, which would be accountable for creating the criteria for the types of capitalism such as product-market competition, social protection, labor market, financial sector and education. While the Central Asian republics may fulfill some of these properties, there is a serious lag in the financial sector in all 5 states. The model by Baumol et al. is the closest to the Central Asian variety of capitalism at least in so far as it actually addresses the Central Asian cases by stating that these states exhibit the oligarchic form of the capitalism (Baumol et al. 2007, 65-70). However, on such account Baumol and colleagues fail to offer any conclusive evidence or analysis that would cast away the doubts of the readers. Though capitalism launched successfully in Central Asia according to Aslund, there is very little information of its typology. It might resemble the model proposed by Baumol et al.

(oligarchic capitalism), but there is no evidence or a calculation prepared by the authors. Similarly, form of capitalism may resemble the recently advanced concept of “crony capitalism”, which is defined as the ability of business to secure the favorable regulations or decisions from the political authority using connections (Holcombe 2013, 542). In the modern literature of political economy, the concept of “cronyism” is not clearly delineated from rent-seeking or corruption because its primary feature is explained by dependence of profitability of the business on its capability and capacity to influence the political decisions (Rumer 2000, 6-7). Without a clear definition and characteristics it would be hard to decide, which one of the two (oligarchic or crony capitalism) if any definitely describes the type of the capitalism that took roots in Central Asia. Finding no real answers to the challenge of classifying capitalism in Central Asian region, readers then, need to ask whether any typology of capitalism should be studied through its political, institutional or market features rather than establishing models based on a single dimension (Scott 2012, 9). To answer this question, a separate different and independent methodology is needed that will show the differences and similarities of the capitalist systems across the Central Asian republics.

1.3 Max Weber’s Criteria for Capitalism

With regard to the previous literature that has attempted to cover the capitalist systems of the Central Asian region, the theoretical foundation for this research draws on the ideas and concepts of capitalism established by Max Weber in his works “The Protestant Ethic and the Spirit of Capitalism”, “Economy and Society: an Outline of Interpretive Sociology”, and “General Economic History”. Now, the readers may face with the question whether the usage of such old concepts is still plausible for the assessment of the present-day capitalist structures of a state. Furthermore, the readers may wonder whether such analysis that was projected towards Western Europe could be reapplied in the context of Central Asia. At last, readers may feel that Weber’s features are too abstract and could not be properly labeled by the

appropriate measurements. The simple answer to such reasonable doubts is that the usage of Weber's concepts is valid for the purposes of this research in two different dimensions: similarities and differences, which need to be located, quantified and described.

Firstly, during his time Weber approached the concept of capitalism from the Western perspective because he was addressing the Western audience with the empirical evidence that he collected from the neighboring Western states. The Western methodology of Weber does not point to the notion of Western form of capitalism or capitalism in the Western Europe. Instead, Weber attempts to provide with the characteristics of capitalism as the concept of its own right, which he later employs to assess the effects of Protestant ethic on its development and further characterization (Weber 1992, 17). In this respect, the readers are faced with the dimension of similarities, which in this case serves as exploitable conceptualization of already available properties that are defined in the works of Weber. Thus, for instance, if capitalism is characterized by the laissez-faire state in Weber's conceptualization, the same feature should be tested across the cases of this research, and identified as whether it is a property of any Central Asian states. Therefore, by applying Weber's criteria, it becomes possible to understand how and in what aspects capitalist systems of Central Asia of today are similar to the capitalist systems of Western Europe 100 years ago.

Secondly, Weber's conceptualization of capitalism, and his thorough analysis gave him the grounds to locate other explanatory factors such as Protestant ethic, which allowed him to present new evidence for further study of the relationship between religious values and economic performance. The same logic applies for this research as well. In such a case, whenever the characteristics of capitalism offered by Weber fail to explain the capitalist systems of the Central Asian states, this provides with an opportunity to show the differences of the present capitalist systems. This is the dimension of differences, which may result in finding better ways of constructing the contemporary classification of capitalist systems in the

Central Asian region. Eventually, differences may direct for further improvement of Weber's characterization of capitalism with respect to the Central Asian states, and creation of a better typology due to the firm theoretical framework that goes beyond the borders of Weber's own conceptualization.

Given these dimensions, the analysis and findings of this research will ensure that all relevant elements of Weber's criteria are considered and evaluated for the possible descriptive nature of the differences and similarities of the modern capitalist systems of the Central Asian region. Before proceeding with the study of the features of capitalism that Weber had identified in his works, Weber's definition of capitalism must be presented and assessed. Weber has defined capitalism as "the pursuit of profit, and forever renewed profit by the means of continuous, rational and capitalistic enterprise" (Weber 1992, 17-21). This, however, should not mean that Weber's capitalism is the same as rational pursuit of the greatest gain. Rather, Weber's notion of capitalism implies the pursuit of continuously renewable profit in the form of material gain, so that a business enterprise is run continuously with the balance over the money gained and money spent. Therefore, Weber's narrow definition of capitalism is about economic transaction being made depending on the amount of the net profit in the long-run and not about rational maximization of the gain in the short-run. Under such conditions, the definition of capitalism shows that capitalism as phenomenon occurs everywhere for every civilization because such thinking is not a feature of a culture alone, but also is a part of the human nature. Nevertheless, for every civilization capitalism takes on different forms, one of which, Weber has identified in his "The Protestant Ethic and the Spirit of Capitalism", where he proposed that Protestant values were associated with the rise of market-driven capitalism (Weber 1992, 21-24). In proposing so, Weber had established his own typology of the capitalist systems, broadly dividing between Protestant and non-Protestant states. Therefore, by attaching additional variable to his pure conceptualization of

capitalism, Weber introduced his own classification of the capitalist systems. Thus, it is reasonable to think that Weber's broader characterization of the concept of capitalism provides a good starting point to the assessment of the existing differences and similarities for the cases of this research (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan). In such regard, I do not imply that my research aims at finding the explanatory variables that account for all differences and similarities, I simply state that explanatory variables for all differences and similarities if exist influence the features of capitalism to a bigger or a lesser degree.

Broader characterization of the concept of capitalism by Weber has been approached by several authors. In the introduction to Weber's "The Protestant Ethic and the Spirit of Capitalism", A. Giddens points out that the definition of capitalism proposed by Weber is a "combination of a number of observed features", which he calls Weber's ideal type because it takes on no specific form, but rather represents pure abstraction. However, Giddens does not offer anything more concrete to solidify his line of thought. Several features have been singled out by B. N. Adams and R. A. Sydie in their survey of the contemporary sociological theory (Adams and Sydie 2002, 178). These include: 1) the development of a city with a trading structure, 2) separation of enterprise from the household, 3) legal regulation of corporate and personal property, 4) organized territory of a nation-state with bureaucracy capable of supporting the commercial activities such as trade, and 5) developed accounting practices. Indeed, these features represent a wider structure of Weber's narrow definition of the concept of capitalism. Yet, the features are not quite extensive and explanatory as they are in the work of R. Boesche, who elaborates on the criteria and comes up with 14 various characteristics of capitalism in his book "Theories of Tyranny. From Plato to Arendt" (Boesche 1996, 341-342). While Adams and Sydie elaborate on some of these features a bit more extensively than Boesche, Boesche is able to extract all of the features from the same

texts. At the same, it is important to mention that Weber himself does not elaborate a lot on these features in his “The Protestant Ethic and the Spirit of Capitalism”. Weber simply mentions that the concept of capitalist must be “put together from different parts” (Weber 1992, 47). This pushes Boesche to take on the analysis of these 14 properties from other works by Weber, where he concludes by stating that there could be more than 14 features, but these 14 represent the core of capitalism that Weber actively pursues in his texts (Boesche 1996, 342). Moreover, for the purpose of this research and for the later use of these criteria for my methodology I have intentionally picked Boesche’s formulation, because it provides with the larger number of the properties, which would later allow me to merge them into a more coherent and structured format for the quantified assessment with respective real measures. To ensure that Boesche’s analysis did not present a biased interpretation of Weber’s statements about capitalism, I ventured into reading the excerpts of Weber’s texts directly pertaining to the Boesche’s interpretation. Therefore, I have supplied each of the features with some explanation and justification for its inclusion. The list of 14 properties is as follows.

1.3.1 Functioning System of Private Property

In Weber’s own view, such system allows every private enterprise to dispose of its own private property, and thus, represents any form of land, machinery, tools and etc, which are to take part in the economic transaction (Weber 1961, 276). This would presuppose the existence of the certain market conditions and some form of the legal regulation that would define what the concept of private property is, as well as its further acquisition and disposal. For capitalism under Weber, such system is essential because it provides parties with the certain rights over their property, using which, they may pursue the profits. In a more modern view, this entire system could be equated with the form of regulation over private property, which permits the businesses to own and dispose of their property within the legal boundaries of the established provisions.

1.3.2 Developed City

Weber argues for a city or a city-like-structure (city-commune) that has developed markets for economic transactions, and operates as an independent trading marketplace for the private entities (Weber 1978, 1226). For the time of writing, Weber thought that cities were crucial in creating and protecting the marketplace, which was to be an arena for trade, because they allowed independency from the centralized state apparatus. Therefore, he insisted that presence of a developed city allowed capitalism to advance further away essentially departing from agricultural production. Moreover, capitalism was at the same time influencing the growth of the city and its development, because it attracted capital from the profits made in the transactions. With respect to this analysis, the feature of the city represents the presence of the urbanization that would effectively create a market for the supply and demand of goods and services.

1.3.3 Urban Economy

This notion is closely connected to the previous feature of the presence of a developed city. It represents a marketplace and trade that is ongoing in such city (Weber 1961, 220). However, Boesche warns that this is not what one may regard as “the national economy or household economy” (Boesche 1996, 342). Instead, the feature of the urban economy covers in-city trade activities, which may include trade fairs, transactions and markets. In capitalist states, these activities are to be considered among the main capitalist enterprises that drive the market – therefore, their emergence and presence is critical for rising urban economy, which in itself helps to shape a developed city. In the contemporary context, the concept itself is very closely related to the feature of urbanization, the only distinction being that urbanization does not represent the urban economy.

1.3.4 Mobile Labor Force

Weber states that capitalism needs a “free labor market”, because it would allow for mobility of workers, which in return would later allow for a city and an urban economy to appear (Boesche 1996, 343). In the context of his writing about peasant workers and early industrial employees, Weber necessitates the presence of mobile labor force by referring to his original narrow definition of capitalism, where mobile labor force would allow continuous pursuit of the profit for the employers and employees alike. Under present circumstances, mobile labor force represents not only the freedom of movement or choice over the employer, but at the same portrays the ability of the employees to get hired, which is somewhat reflected by the concept of unemployment, which creates the pool of the potential applicants for the positions. Overall, mobile labor force could be in other words reflected by the labor dynamics, which focuses on analyzing where labor force is getting laid off and where it is getting hired.

1.3.5 Positive Population Growth

Weber states that population growth is a feature of capitalism, because it fosters the need for the new market of the sellers and buyers (Boesche 1996, 343). Moreover, under capitalism such population growth allows for the creation of much needed labor force. In this respect, increased population growth could be regarded as the advancement of capitalism, which could have been triggered by the improved market conditions or other respective factors. Therefore, negative population growth could signal that capitalism is on decline, and conditions need improvement. In the present sense, this feature exhibits the general concept of the population growth, which will be interesting to look at for the present cases.

1.3.6 Mass Market Demand

While the concept of the mass market demand may sound as it is about the demand that is driven by everyone, it is, in fact, defined by the creation of the stable market

mechanism that would allow the supply and demand for the goods and services to appear and function (Weber 1961, 310). Adequate and proper market conditions are, however, the result of the multiple factors such rule of law, market competition, and information. In the absence of the mass market demand, markets will be flooded with goods and services that no one wants to pay for because the demand is limited or simply absent. Therefore, effective market mechanism must secure that there is always great demand that could be met by adequate supply.

1.3.7 Legal System of Economic and Trade Laws

Also called by Weber as a system of calculable law – is a system specifically pointing out to the laws that must adequately reflect the adjudication in terms of quality and quantity involved in the economic transactions. Weber states that in capitalist systems, all traders, merchants and business people depend upon some fair regulations, administration and just adjudication (Boesche 1996, 343). Such needs call for the development and sustainability of the developed legal system or a proper rule of law in the aspects of trade and economy. Not only such system is able to ensure the protection of the private property from other actors on the market, but it also would allow a degree of autonomy from the state. As such under any capitalist system, proper legal system could encourage a fair competition among the producers or sellers, where consumers and customers equally benefit, and therefore, Weber's principle of renewable profit is exercised.

1.3.8 Gradual Separation of Business from Household

Weber calls for the gradual separation of the business (enterprise) from the household (Weber 1992, 20-22). In capitalist conditions, such property is necessary because it fosters a more efficient allocation of labor force and profit making labor force more mobile and profit more accountable. Additionally, such development brings about the degree of autonomy, which helps to foster the pursuit of profit more independently.

1.3.9 Developed Accounting Practice

This feature of capitalism ties in with the previous characteristic, because gradual separation of the business from the household occurs whenever accounting practice becomes more professional and usable (Weber 1992, 21-22). As such, accounting practices become more transparent, calculable and fair. Further development of accounting calls on for the same accounting practices everywhere, and thus, unifies the concept of trade and its experience, which foster an even stronger capitalist system.

1.3.10 Private Banking / Money Transfers

In Weber's view, accounting practice allows for the further autonomy because it helps to develop the banking practices, more specifically private financing, which includes private savings and transfers. However, apart from the depository and transferring functions, financing of the market-based enterprises should also be a characteristic of capitalism, because it allows one to create a money making enterprise, and thus break away from the household for pursuit of one's own business (Boesche 1996, 343).

1.3.11 Innovative Development of Science and Technology

Capitalism was strongly influenced by the development of technical possibilities that could enhance the means of production or the mean of delivery of the goods and services. Any technological advancement represents an investment opportunity that may serve as a function for the development of production and servicing (Weber 1992, 24-26). Moreover, with the new inventions and discoveries, the business people are able to create mass market demand inviting in the customers by the marketing tools. Therefore, capitalism stresses the need to innovate not only for the sake of the people, but also for the sake of the profit.

1.3.12 Availability of Natural Resources

For Weber, availability of the natural resources is a strong feature that is a part of the success of the capitalist system, because the more resources one has, the more of initial start-up capital one possesses (Weber 1961, 304). In his “General Economic History”, Weber points out to the availability of the metal ores – this however, in a more modern sense represents a wider aspect of the natural resources, which provide with a profitable enterprise until these resources are depleted. Availability of the natural resources influences the development of the means of supply as well as the means of production because initially established enterprises pave the way for the future enterprises and create the customary business practices. Therefore, the lack of the natural resources may hurt the output capacity of a state since there are no initially built private enterprises that would operate in the field, and it would generally take some time for a state to specialize in the area of services.

1.3.13 Separate Class of Businesspeople

People who would separate the business from the household, and would possess the art of accounting become the class of businesspeople – professional managers in some respect. The emergence of the business elite brings in private interests and allocates them towards specialized areas, where the businesspeople are able to form their new enterprises (Boesche 344, 1996). The rise of the businesspeople or their presence would in return increase the number of private enterprises as culture of business and money-making will thrive. Ideally for Weber, this class would represent the people who are mainly interested in sustaining the market, making it a fair game for everyone, calling for economic independence, and even allowing taxes on themselves (Weber 1992, 23). Therefore, as a feature of capitalism, the separate class of businesspeople would become the driving force of the economic interests.

1.3.14 Adequate State Support

The last feature calls for both a laissez-faire state and a state that allows itself some regulation of the market to disallow monopoly and other unfair or unjust practices with respect to other market players. Weber argues that economic conditions of life depend on the state, as well as other conditions such as political (policy-making) and technical (governance) (Weber 1992, 58). For Weber, state must assist the enterprises in the pursuing their interests with due care. This statement would reflect Weber's later interpretation of the bureaucracy, where a state that could establish a well-functioning bureaucracy capable of monitoring the market transactions and reacting to the needed reforms becomes a "victorious enterprise" (Boesche 1996, 345).

Chapter-2. Synthesis of Weber's Criteria

The methodology will proceed in two stages. Firstly, the components of Weber's criteria will be merged or combined together with each other to form a more concrete framework of the features of capitalism. This is done to reduce the overall number of the features, and thus gain more consistency and conciseness over the features contained in Weber's original criteria. After reaching appropriate number of properties that are necessary to adequately portray Weber's 14 features, I proceed with the discussion of the possible measurements that are appropriate for each of the newly merged properties. In the end of both stages, I elaborate on the measurements that I have tied to the reduced list of the characteristics of capitalism, so that each measurement becomes more meaningful rather than just representing a number. In both of the stages, I argue how each property from Weber's list matches with the corresponding property from the list that I construct in the process of framing new criteria that is quantified using the various kinds of measures.

Before looking out for potential databases it is important to understand that some of the Weber's features of capitalism could be merged without losing its characteristic. Moreover, such merger would only benefit the entire criteria, because in the process it provides with an overview of two or three features that could be simplified and merged under a single set. Consequently, this would provide with better understanding of the feature itself, and assist in locating the corresponding variable that could be used to identify the feature for the purposes of this research. The terms "developed accounting practice" and "private banking / money transfers" could be combined into one because they symbolize the development of the banking sector as a whole. A new term for both could represent the advancements of accounting practices together with the private banking such deposit, credit and transfer operations. Therefore, I put two old terms ("developed accounting practice" and "private banking / money transfers") under a single slot, where both are kept in the original

form without the need for a new term, because reiteration of the criteria may become more confusing rather than creating an ease in understanding. The corresponding variable would need to exhibit both the banking as a service to correctly display private banking operations and banking as a sector to correctly represent the accounting.

Other two similar features that could be combined are “gradual separation of business from household” and “separate class of businesspeople”. Both terms signal at enhanced role of the business in the daily life since for business to separate from the household there would be a need for the class of businesspeople to perform the task, and vice versa, businesspeople are fostered, and appear only when they already own or operate their business. Such interconnectedness of two terms allows for them to be used interchangeably for the purposes of this research, and therefore, effectively combined. The corresponding element to this pair would need to exhibit the form of a business freedom, freedom that is equally enjoyed by the businesspeople and is exercised to lead the business. Such freedom must at the same represent openness of the business environment or broadly speaking ease to do business.

The next on the list of the terms, which have the potential for mutual coexistence under a single feature, are the terms “functioning system of private property” and “legal system of economic and trade laws”. Both features stress the ultimate need for the rule of law or at the very least respect towards it. While one (“functioning system of private property”) represents the private law with regard to entrepreneurship, the other one (“legal system of economic and trade laws”) is a more general term that describes the public law in the spheres of business and economy. Yet, both are in spirit of the law, so as to protect the property, contracts and obligations, and enforce them whenever necessary. Therefore, both could be used as a pair to describe a corresponding element of property rights in a more general sense.

The last pair to be combined under a single feature is “urban economy” and “developed city”. Both are linked by the logic that urban population needs a developed city, which then brings urban economy, and at the same time urban economy fosters further development of the city. Such economic tie of these two terms allows for a greater flexibility here because of the shared nature of their concepts – a city. As a result, corresponding element will need to describe both the growth of the urban economy and the growth of a developed city, so that both of the elements from Weber’s original criteria have equal weight in their slot in the newly formed criteria of 10 features:

Table 1. New Criteria for Weber's Capitalism

	Weber’s Original Criteria	New Criteria
1.	Functioning System of Private Property	Functioning System of Private Property + Legal System of Economic and Trade Laws
2.	Developed City	Developed City + Urban Economy
3.	Urban Economy	
4.	Mobile Labor Force	Mobile Labor Force
5.	Positive Population Growth	Positive Population Growth
6.	Mass Market Demand	Mass Market Demand
7.	Legal System of Economic and Trade Laws	
8.	Gradual Separation of Business from Household	Gradual Separation of Business from Household + Separate Class of Businesspeople
9.	Developed Accounting Practice	Developed Accounting Practice + Private Banking / Money Transfers
10.	Private Banking / Money Transfers	
11.	Innovative Development of Science and Technology	Innovative Development of Science and Technology
12.	Availability of Natural Resources	Availability of Natural Resources
13.	Separate Class of Businesspeople	
14.	Adequate State Support	Adequate State Support

In the survey of the databases, it is important to keep in mind that the data would need to be as complete as possible, as meaningful as possible and as relevant to the subject as possible. Under such circumstances the results of Business Environment and Enterprise Performance Surveys could be easily discarded because these are not allowed in Uzbekistan

and Turkmenistan, leaving the two states without any data respectively (Aslund 2012, 93-95). Unfortunately, UNDP's data on HDI (Human Development Index) does not fit the criteria for multiple reasons. Firstly, there is a lack of the data for the years before 2005 for Turkmenistan, Tajikistan and Uzbekistan. Secondly, the indicators of HDI do not fully correspond to the constructed criteria for the assessment of the differences and similarities. Finally, the methodology of measuring HDI has been significantly changed over the past 10 years (Klugman et al. 2011). This could create confusion over the methodology and the results, if HDI were to be employed for this research. Given these three strong reasons, HDI measurements will not be consulted for this research. There are only a handful of the options left. These are the vast data amount from the World Bank, the annual transition reports from the European Bank for Reconstruction and Development (EBRD) and the annual Index of Economic Freedom from the Heritage Foundation in partnership with Wall Street Journal.

Now, the research will proceed with an overview of the data entries, which were found in order to satisfy the features from the new list briefly describing each of them and meaning of their measurements for sake of avoiding any confusion during the analysis stage. The term "adequate state support" from Weber's list was exchanged for the term from the transition report from the EBRD "governance and enterprise restructuring", which is considered to be the estimate of the state support for the corporate governance including regulations, discounts, and transaction procedures. Thus, for this research "adequate state support" of Weber, which stands for state regulation and adequate bureaucratic mechanism for sound functioning of the business enterprises, is replaced with "governance and enterprise restructuring" from the EBRD because: 1) such measure provides with the numerical data for the period required by the format of the methodology, and 2) such measure enhances the understanding of the progress made in transition by the Central Asian republics. With analogous reasoning, the two combined features for banking sector corresponded to the "trade and forex system", which is

essentially trade and foreign exchange system combined to estimate the openness of the trade, accessibility to the foreign exchange, and banking procedures. For the scores from the EBRD on governance and enterprise restructuring the scores are in the range from 1 to 4+, where the maximum 4 or higher indicates market driven economy, and minimum 1 indicates very few or absence of reforms to promote corporate governance (“Transition Indicators Methodology” 2013). For the scores from the EBRD on trade and foreign exchange system the scores are also in the range from 1 to 4+, whereas the maximum 4 or higher stands for no barriers to trade, access to the foreign exchange and membership in WTO, and minimum 1 describes limited or no access to the foreign exchange with strict control over trade (“Transition Indicators Methodology” 2013).

The combined terms for business were directly associated with the term of “business freedom” from the Index of Economic Freedom. On the index itself, “business freedom” stands for estimating the openness of the business environment in a state, so that the both businesspeople and separation of the business get accounted for, and therefore, fairly represented with respect to the original Weber’s list. The term “mobile labor force” was easily matched with the term “labor freedom” – also an indicator of the Index of Economic Freedom. Such direct correlation of the meaning and relevancy ruled out the possibility to include a similar estimate from the World Bank data, which included the measure of labor dynamics. The combined term for property rights was replaced by the similar measure, namely “property rights” from the Index of Economic Freedom, which gives out the score on property protection, property rights themselves and court justice. For the feature of innovative development, government spending variable from the Index of Economic Freedom was put in place because it rightly characterizes the amount of the money spent from the government budget on public goods, which sometimes could be innovative. By the same token government spending may represent the amount of money potentially available to the state for

the investments into advancements in the spheres of technology or science as is on the list of Weber's features. The Index of Economic Freedom by the Heritage Foundation in partnership with Wall Street Journal for each of its indicators has the score that ranges from 0 to 100, thus for property rights the score of "0" would mean that private property is not protected, and belongs to the state, while the score of "100" would mean that private property is completely protected, there is no corruption, and the court system functions efficiently. Similar scale and logic applies to the indicators of business freedom, labor freedom and government spending (The Heritage Foundation in partnership with Wall Street Journal, 2013).

For variables that could be expressed in terms of annual growth, identical World Bank data indicators were used such as annual population growth, annual urban population growth, annual GDP per capita growth and total natural resources rents. They represent percentages of growth for the respective variables that correspond to the features explained by Weber. It is important to note that percentages do not constitute the real numbers, but are rather close estimates that are based on the data mining, research and previously available data that is supplied on behalf of the state representatives and researchers to the World Bank ("World Development Indicators" 2013).

After going through several indicators from each of the abovementioned sources, I was able to come up with the following table that is representative in source material and scoring scheme, and at the same time consists of the material that is relevant for each category (For the complete overview of the data for each of the Central Asian states please look at the Appendix at the back of this work for the respective country):

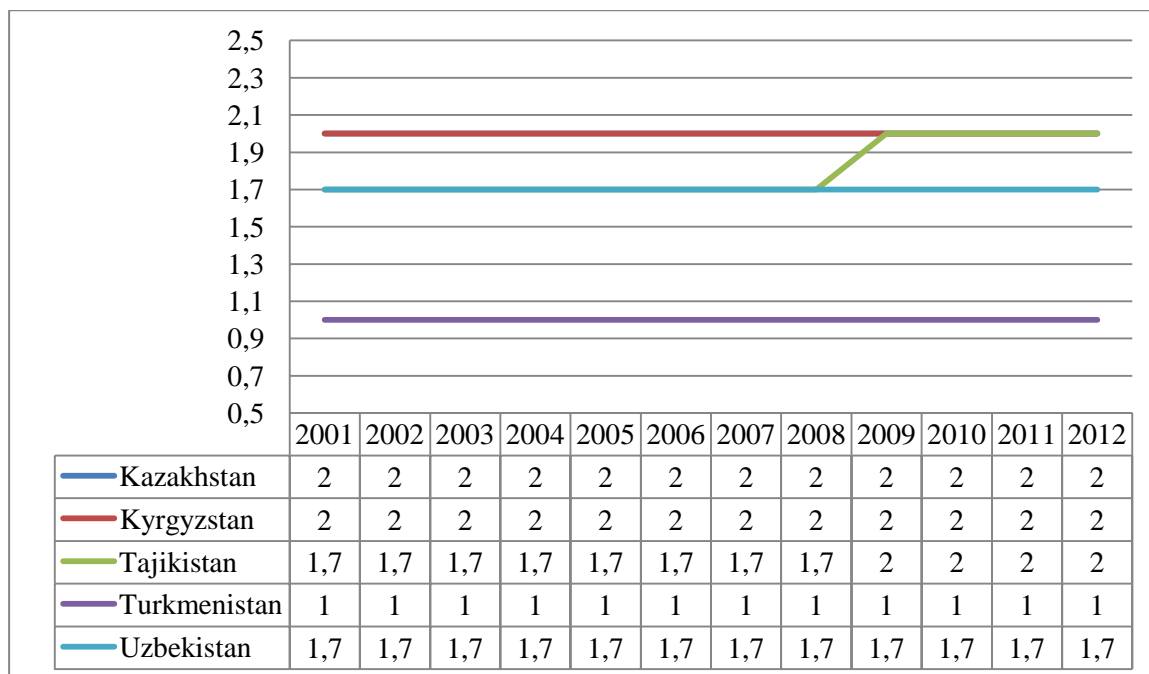
Table 2. Synthesis of New Criteria

No:	New Criteria for Weber's Capitalism	Synthesis of New Criteria
1.	Adequate State Support	Governance and Enterprise Restructuring (The EBRD)
2.	Developed Accounting Practice, Private Banking / Money Transfers	Trade & Forex System (The EBRD)
3.	Gradual Separation of Business from Household, Separate Class of Business People	Business Freedom (The Heritage Foundation in Partnership with Wall Street Journal)
4.	Mobile Labor Force	Labor Freedom (The Heritage Foundation in Partnership with Wall Street Journal)
5.	Functioning System of Private Property, Legal System of Economic and Trade Laws	Property Rights (The Heritage Foundation in Partnership with Wall Street Journal)
6.	Positive Population Growth	Population Growth (Annual %) (The World Bank)
7.	Innovative Development of Science and Technology	Government Spending (The Heritage Foundation in Partnership with Wall Street Journal)
8.	Developed City, Urban Economy	Urban Population Growth (Annual %) (The World Bank)
9.	Mass Market Demand	GDP per capita Growth (Annual %) (The World Bank)
10.	Availability of Natural Resources	Total Natural Resources Rents (% of GDP) (The World Bank)

Chapter-3. Analysis of the Similarities, Differences and Patterns

3.1 Governance and Enterprise Restructuring

Table 3. Governance and Enterprise Restructuring



Most of the states with the exception of Turkmenistan fare well on this indicator.

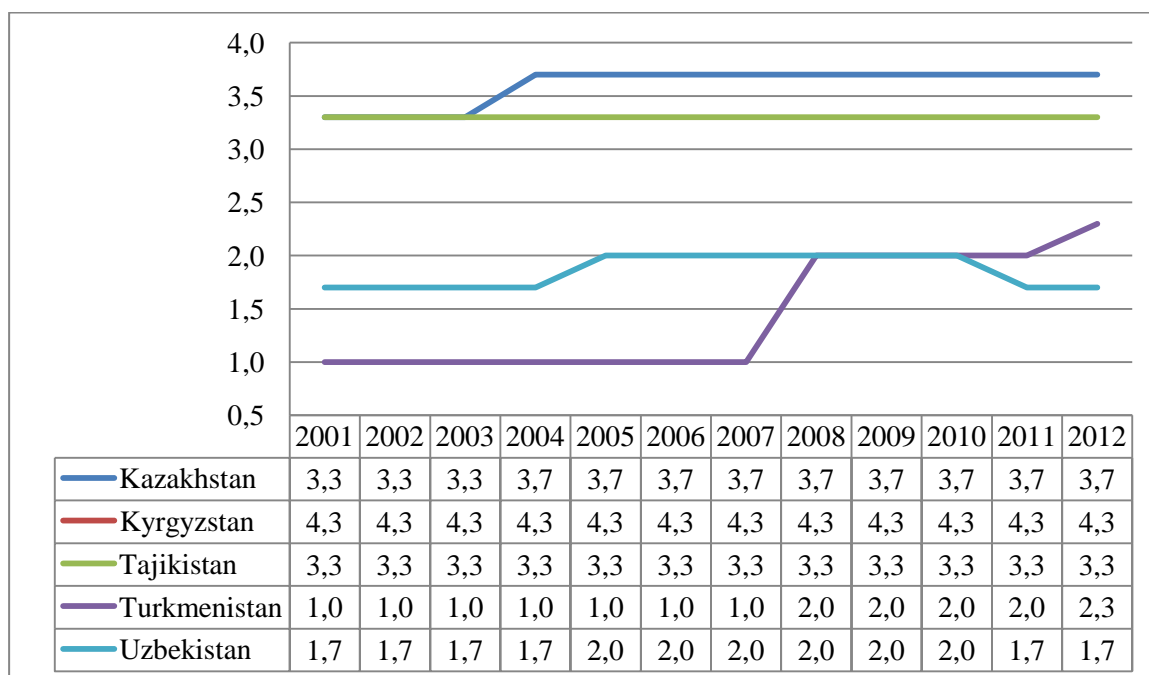
Kazakhstan, Kyrgyzstan, Tajikistan improved over the course of the years, while

Turkmenistan and Uzbekistan remained within the same range. Although the scores are within a point from each other, the scores 2 and 1 represent two different outcomes.

Kazakhstan, Kyrgyzstan and Tajikistan are considered to be states with tight credit and subsidy policies, but with weak competition and no sign of efforts to improve the corporate governance. Turkmenistan, which received the score of 1, produced no reforms since 2001 until now for its enterprises giving away to lax policies and weakening its own financial sector. In Weber's terms, Turkmenistan exhibits no adequate state support for its enterprises, while Kyrgyzstan, Tajikistan, Kazakhstan and Uzbekistan perform slightly better. Such difference in the scores already gives a hint that it is probable for the Central Asian states to differ in the variety of Weber's features of capitalism, and thus, to have entirely different capitalist systems.

3.2 Trade & Forex System

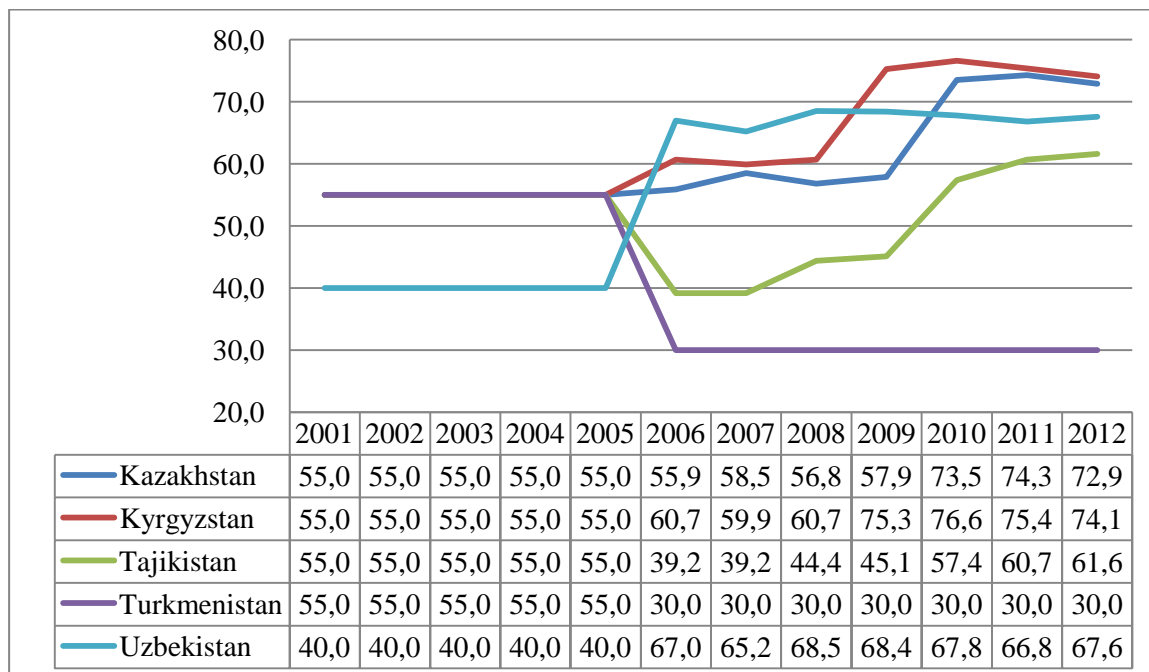
Table 4. Trade & Forex System



Although with little change over the years, Uzbekistan has received the lowest score in 2012, which accounts for very limited legitimate access to the foreign exchange and strict control over the trade, imports and exports. Other states performed better, and thus it could be said that they overall performed better in the banking sector with respect to Weber's criteria. At the same time, the scores of Kyrgyzstan are the highest since 2001 and have not altered up or down. Speaking of the previous indicator of adequate state support, one may observe the trend of strict government control in cases of Turkmenistan and Uzbekistan. The reluctance or inability of these states to provide adequate support for the corporate governance, directly relates to their incapability of addressing the issue of accessibility to the foreign exchange system. If such trend follows up with other indicators and such low results, it is quite possible that Turkmenistan and Uzbekistan are the cases with very weak capitalist features that might remain underdeveloped unless reforms are taken.

3.3 Business Freedom

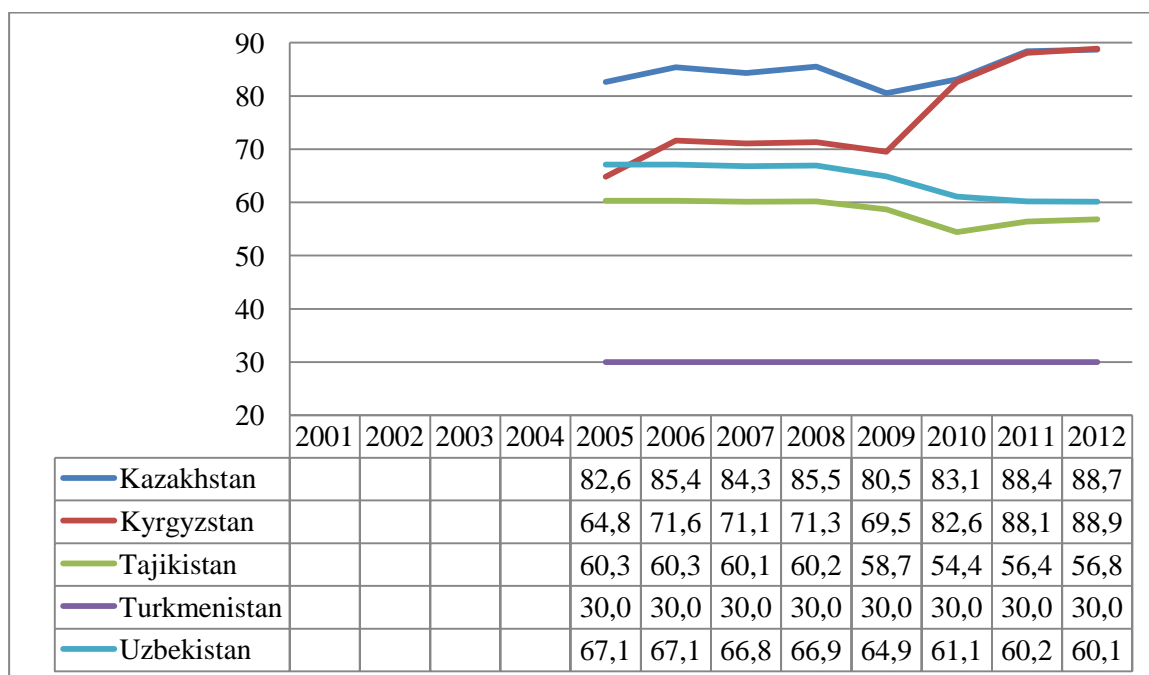
Table 5. Business Freedom



Again, it is no surprise that Turkmenistan's scores deviate across the last five years from the scores of its neighbors. While the rest 4 states have been actively engaging in attempts to open up the business environment, Turkmenistan passively continued to suppress the development of the business and its practices on its territory. Lacking proper business autonomy results in the less developed class of the businesspeople and less operations of the businesses leading to the stagnant market dominated by the state-led enterprises. In such conditions, Turkmenistan has already lost its appeal for the investment, while Kazakhstan and Kyrgyzstan continue to improve their business climate to attract additional foreign direct investment funds from the outside sources.

3.4 Labor Freedom

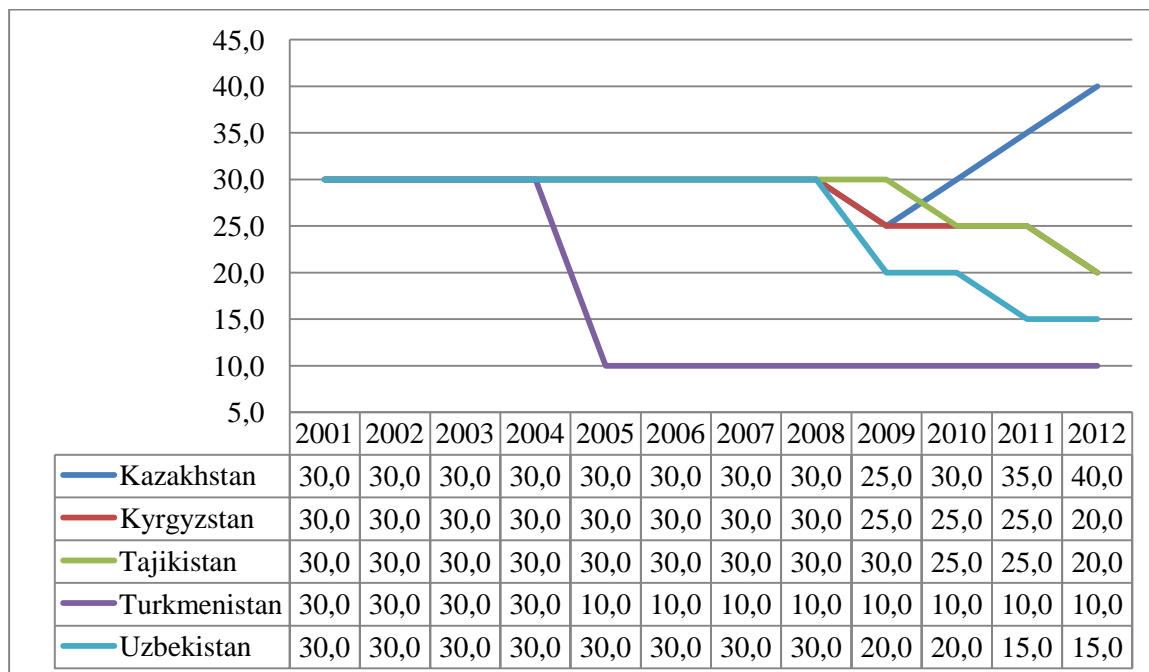
Table 6. Labor Freedom



Turkmenistan has so far shown consistency in scoring low on the previous indicators. If the trend continues further, the typology for the similarities and differences would be constructed between Turkmenistan and the other 4 Central Asian states since no other state have such low scores on the economic freedoms, which are quite essential in the business activities according to Weber, and other contemporary scholars such as Hall and Soskice, Amable and Aslund. In the present case, receiving the low score on labor freedom means that the mobile labor force is no longer as mobile as in the terms described by Max Weber. This would suggest that Turkmenistan restricts the freedom of movement, where labor is somehow tied to the residence. There is, however, one more distinction. Kazakhstan and Kyrgyzstan scored relatively the same or at least within few decimals of each others, while Uzbekistan and Tajikistan have scored less than their initial starting point. This could suggest that overtime developments in Uzbekistan and Tajikistan may lead to the deterioration of the labor freedom, much like in the neighboring Turkmenistan.

3.5 Property Rights

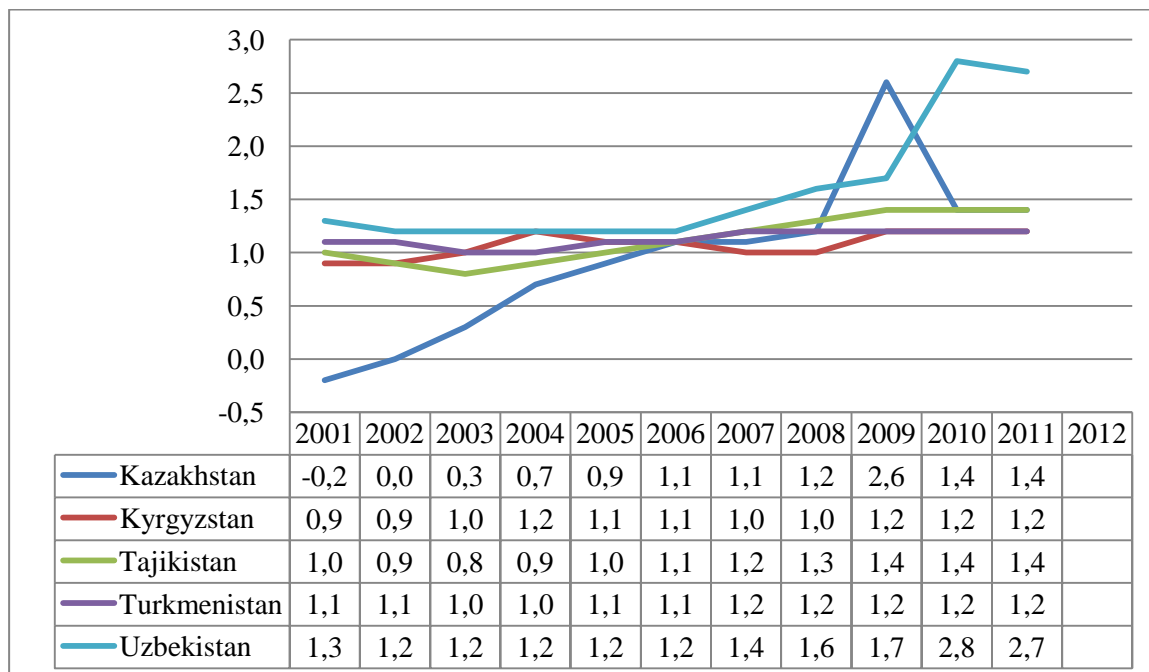
Table 7. Property Rights



The failure to properly facilitate the property rights is a common feature of all Central Asian republics regardless of the small positive development that Kazakhstan has so far secured. Similarly to the previous 5 indicators, which have already been addressed, Turkmenistan is seen to be deviating from the mainstream politics by allowing itself to distance its political decisions from the rest. In such circumstances, it is recommended to question Turkmenistan's capitalist system due to its inability to operate successfully and adequately with relation to the ascribed capitalist terms of Weber. Given the claim by Aslund that capitalism has been successfully implemented in the Central Asian region, the success of such capitalism becomes somewhat questionable (Aslund 2012, 12).

3.6 Population Growth (Annual %)

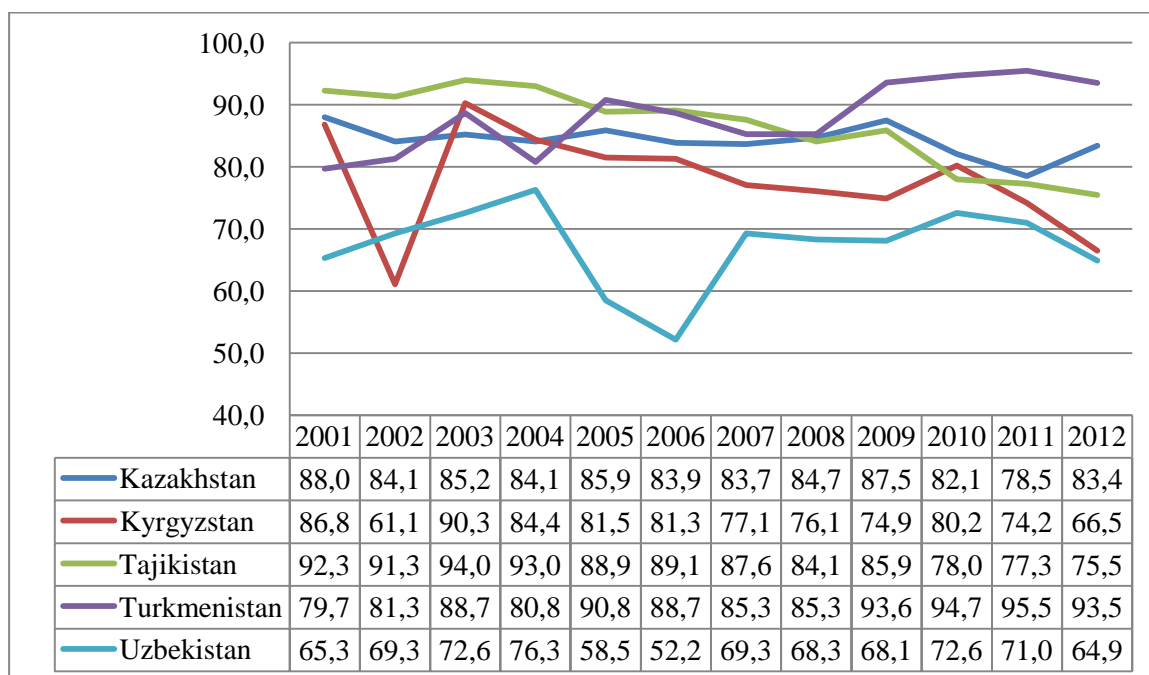
Table 8. Population Growth (Annual %)



Throughout the timeframe for the analysis of this indicator none of the states have experienced constant negative growth. It could be possible that such outcome is not tied to the well-functioning of the capitalist features, of which Weber spoke about. Therefore, based on the positive tone that is implied through the values of growth, one should not jump into the conclusion about the overall performance due to the lagging of Turkmenistan across all previous indicators. Similar results are observed here, though positive, they leave Turkmenistan among the states with the lowest score, while at its rate Kyrgyzstan is about to surpass that score.

3.7 Government Spending

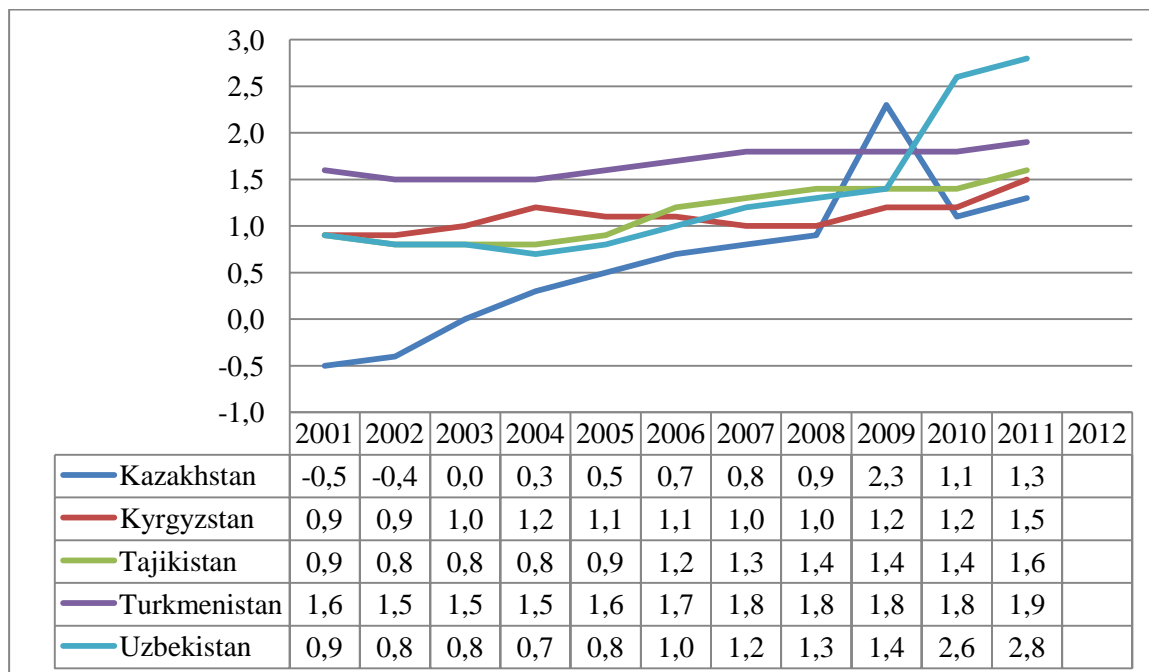
Table 9. Government Spending



Here, Turkmenistan may surprise the readers with the values of the indicators. It arrives at the first place due to the large government expenditures. However, intuitively one should consider the following: if the government support for the corporate world is inadequate and labor and business freedoms are compromised, there would be a tendency to please the regular people with huge sums of spending. In such case, Turkmenistan does not really engage in pro-capitalist innovative development, but instead uses the funds to buy the support of the public for the drawbacks in its closed politics. The rest of the Central Asian republics enjoy moderate spending leaving Kyrgyzstan and Uzbekistan with the lowest scores respectively.

3.8 Urban Population Growth (Annual %)

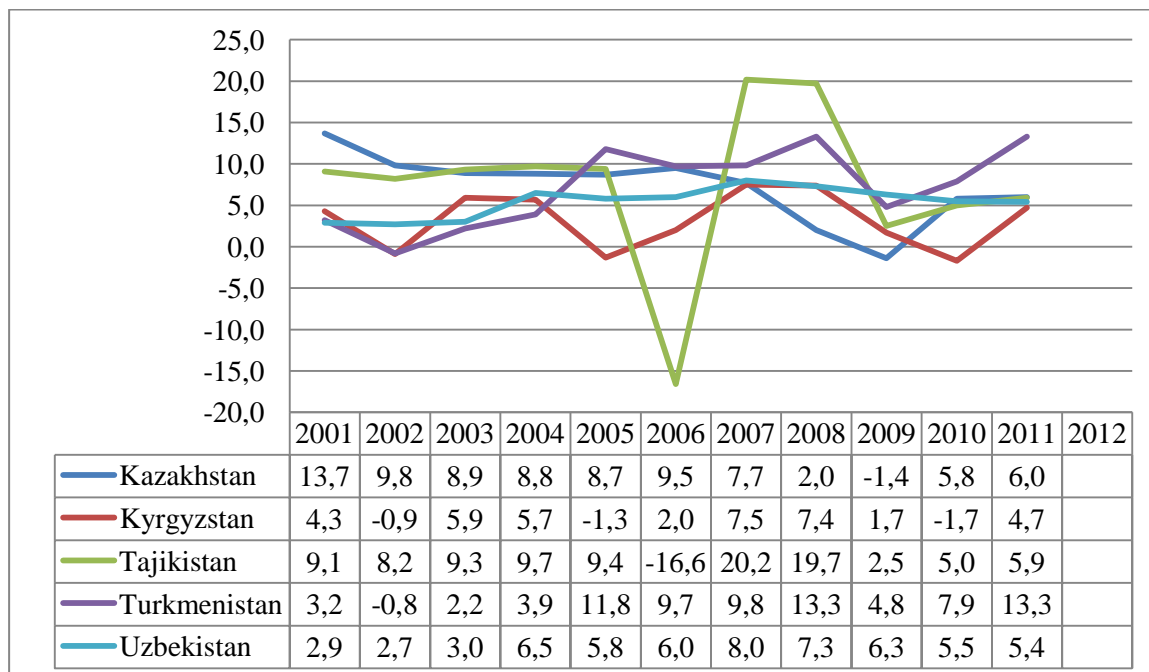
Table 10. Urban Population Growth (Annual %)



All Central Asian clearly exhibit a positive trend of the growing urban population, which moves into the developed cities and starts up own businesses or joins the local workforce. This is a strong sign of the capitalist employment, which was described by Weber, where people move from agricultural production and agriculture to the urbanized cities with heavy industrial production and manufacturing. All 5 states have showed consistent trend of increasing migration to the cities, suggesting that this indicator should be a crucial point of analysis or a critical juncture if there is a consistency across the cases or if all of the cases scored fairly close to each other.

3.9 GDP per capita Growth (Annual %)

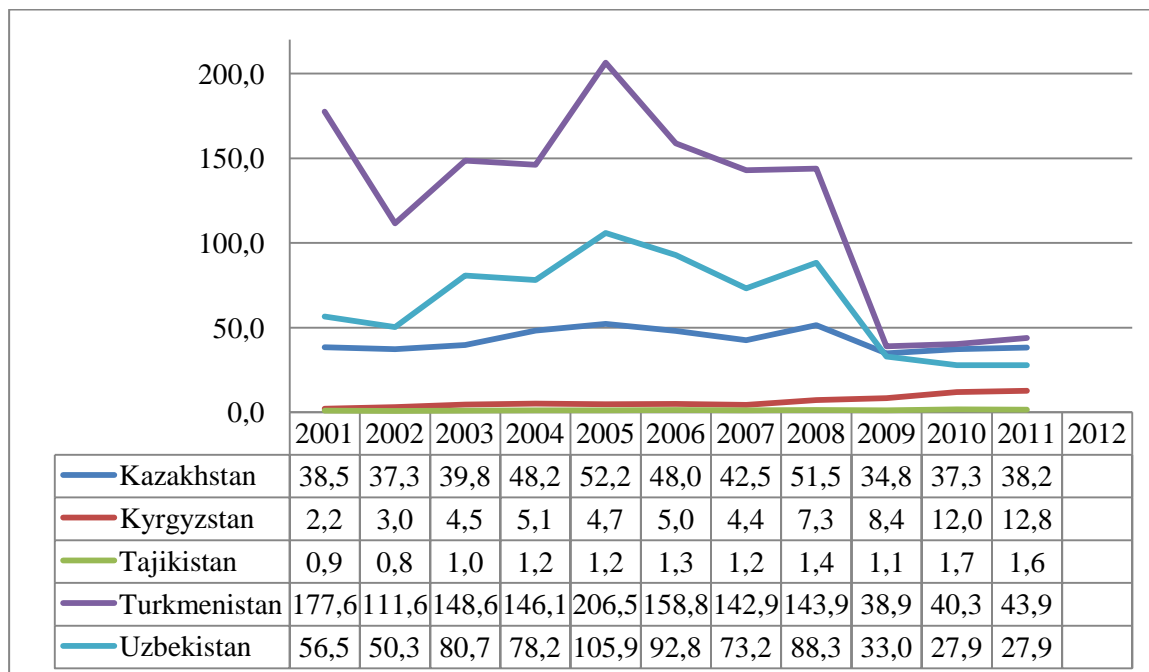
Table 11. GDP per capita Growth (Annual %)



Although not the perfect measure for the mass market demand, the growth in GDP per capita symbolizes the increase in the purchasing power of the people of a selected Central Asian state. While there are no clear numbers, by which we could compare the real GDP per capita across the Central Asian states, it clear that all of the states follow roughly the same growth rate with the exception of Turkmenistan, rate of which is directly affected by its government spending (highest of all 5). In a general picture, from the early 2000s the increases follow across all the states, and in the mid-2000 the fast growth is slowed down, and is replaced with paced annual positive growth.

3.10 Total Natural Resources Rents (% of GDP)

Table 12. Total Natural Resources Rents (% of GDP)



Two states that have clearly none or almost no exports of the natural resources are Kyrgyzstan and Tajikistan, while other states have scored significantly better. However, given the economic crisis of 2008, all of the Central Asian states seem to follow the same route of small adjustments to the world economy and slower growth as in everywhere else worldwide. From a different angle, the low scores on this table mean that the state does not possess large amounts of the natural resources that are necessary for export. If so, how successful is the state with regard to its capitalism system given that it may or may not be impacted by so-called “resource curse”? Are these Central Asian states affected by the availability of the natural resources or there is absolutely no need for them, and the growth is achieved through other means!? Both questions are equally important and need to be answered in the future research.

Chapter-4. Proposed Typology

In light of the questions raised by the discussion of the common similarities and not so common differences for the Central Asian states with respect to the Weber's criteria of capitalism, there are several arguments that one could make before proceeding onto proposing a typology or a classification of what capitalism variety these states can be. Firstly, how realistic is the designed Weber's criteria for the use of finding a better classification to the existing typology? Weber's criteria that is constructed here is a tool to locate the differences and similarities that may be found using quantitative data assigned to them. Given that the corresponding variables are assigned to Weber's features on the reasonable basis, there is a better chance that they may serve the purpose of this research. If nothing is found, and there is nothing suggesting of the other fundamental differences that Weber's criteria fails to capture, then Weber's criteria has been proved ineffective in identifying key similarities and differences of the Central Asian states that make up their capitalist system. However, in this case, Weber's criteria proved to be quite useful. There are several instances when Turkmenistan diverges from the other 4 Central Asian republics diverge. Moreover, we were able to locate the similar paths of development for some of the features even though the region is not tied by the union or common trade practices. In attempting to develop further, the states follow similar paths of development through different means, but reach the same outcomes, which have been verified by the quantified variables of annual urban population growth, government spending and annual population growth.

Now after having an insight into the similarities and differences produced by the Weber's criteria during the analysis of Central Asian region, the task of finding a proper typology that would at least describe the state or states somehow remains unsolved. Getting back to the discussion on whether the Central Asian states are crony capitalists or oligarchic capitalists, there is still no definitive answer because Weber's criteria produced mixed results.

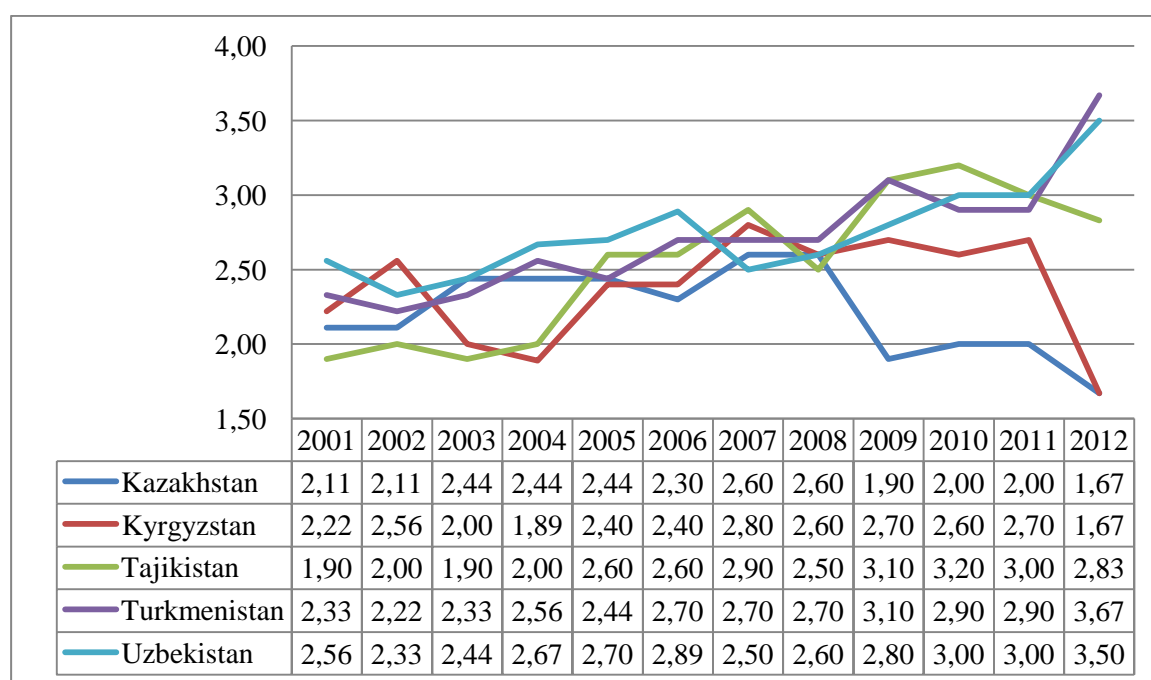
On one hand, there are clear distinctions between Turkmenistan and the rest of the Central Asian states. On the other hand, such evidence is inconsistent throughout all 10 variables. Therefore, to separate Turkmenistan from the rest would be a grave mistake. Looking at pairing of the states with each other to have a more profound outcome, and a solution as such is quite problematic too. After going through the tables, Kazakhstan and Kyrgyzstan seem to pair up on the multiple occasions exhibiting similar results as in governance, business freedom and labor freedom. Another group of the states that have potentially close results are Tajikistan and Uzbekistan, which exhibit somewhat close results in about the same areas as the previous two states. Turkmenistan, thus, becomes an outlier to some of the measurements scoring either too low or too high, and therefore, should be considered as a separate case on its own. This, however, does not lead the readers anywhere, because no coherent single framework could be constructed in order to compare two pairs (Kazakhstan + Kyrgyzstan and Tajikistan + Uzbekistan) and a separate case of Turkmenistan. Although one could argue that the issues of relationship and proximity are not addressed when talking about close links between Kyrgyzstan and Kazakhstan, on the contrary, if such relationship mattered, there would have been similar case with the Turkmenistan and Uzbekistan since two states share an extensive territorial border. Therefore, it is certain that some relationship between neighboring states may exist and may pose as a variable for explaining statistical variation. In this case, there is no evidence that such relationship could explain why two states that share a border would share the same scores across a number of different measurements.

Abandoning the idea of comparing two pairs and a single case of Turkmenistan together, there is an important option left: creating a hierarchical order of capitalism typology for these 5 cases across multiple dimensions. In my analysis of applicability of Weber's criteria, I started out with 14 features, which then were transformed into 10 and then were quantified into numerical data that I now have at hand. Therefore, the first option is to form a

hierarchical order among the Central Asian states on the basis of their numerical data with regard to the place in the hierarchy. In other words, capitalism needs to take on hierarchy that would reflect the best and the worst of capitalism for each of the years. At the same time, it will be practical to do so in order to compare different developments in the capitalist systems of the Central Asian region. Therefore, proposed typology will be constructed as follows: 1) Assigning the criteria for measuring the performance on the capitalist scale, 2) Identifying the placements of the each states for each of the features for the given year in the period from 2001 to 2012, 3) Adding the values of these placements for the given year across all features, and 4) Taking the mean after the process of addition by the formula (Sum/Number of Features). The criteria for assessing hierarchy on the scale of capitalism will follow this structure throughout the features. There are only 5 states in this research, which leaves the option of having 5 different entries for assessing capitalism. A state that have earned first place (the best score) on a feature from the list of the new criteria by its score will receive the score of 1, while the next will receive the score of 2... and the last (with the worst score) will receive the score of 5. On such scale “1” would represent the strongest capitalist state, “2” would represent a strong capitalist state, “3” would represent a medium quality capitalist state, “4” would represent a less capitalist state, and “5” would represent the least capitalist state. Such quantitative technique should provide with an overview of the developments of capitalism and describe the modern capitalism of Central Asia. For the cases, abbreviation of KZ for Kazakhstan, KG for Kyrgyzstan, TJ for Tajikistan, TM for Turkmenistan and UZ for Uzbekistan will be used (please refer to Appendix 7-8). As seen from the Table 13, the developments in capitalism across the Central Asian region are quite widespread and unequal. Clearly two of the less capitalist cases stand out: Uzbekistan and Turkmenistan, which have exhibited scores close to 3 and beyond consistently in the past 5 years. Even if one takes out the scores for the year 2012, for which the data is not yet quite as abundant, as one would

wish it to be, there is a strong sense that the environment for capitalism is deteriorating. On the other hand, the rest of the states, namely Kazakhstan, Kyrgyzstan, and Tajikistan have put themselves into interesting positions by allowing themselves inconsistent high scores, and consistent low scores. Most notably, Kazakhstan was able to secure strong capitalist environment throughout the past 5 years, while Kyrgyzstan and Tajikistan have struggled. Therefore, the entire hierarchy for the present-day capitalist systems of Central Asia is as follows: 1) Kazakhstan – strong capitalist system, 2) Kyrgyzstan – strong capitalist system, 3) Tajikistan – medium quality capitalist system, 4) Uzbekistan – less capitalist system and 5) Turkmenistan – the least capitalist system. In such sense, the main characteristics that played a bigger role in shaping the scores and the hierarchy were the scores that states have received on the freedoms, which characterized Kyrgyzstan and Kazakhstan as the best two states out of these 5 where labor and business freedoms, and property rights are well protected. Other factors played incident roles and were mostly insignificant due to continuous best scores in those abovementioned areas.

Table 13. Composite Average Score Criteria on Capitalism (2001-2012)



Conclusion

The region of Central Asia is indeed a unique place. Expected to take on the democratic principles right after the Soviet collapse, the region decided to play its own game by taking only what was felt necessary from the democracy and capitalism leaving leftovers aside for some other future. While appropriate attention has been supplied to study its democratic face, Central Asia was left alone with no interest into how capitalism played a role in its development. As important as democracy itself, capitalism of the Central Asian region needs to be studied and identified as well not only for its tentative peculiarities, but also because the concept itself serves as the modern form of the market economy, and thus, needs to be developed and improved if necessary.

Dissecting the capitalism from within its own principles and its origins in the texts of Max Weber provided with a good basis of looking at the capitalism in Central Asia from a very fresh perspective. Not only Weber's criteria put together was solid enough in describing the existing differences, similarities and patterns among 5 states of the region, it also produced a sound typology that has a reasonable explanation to its structure and logic. Though, if not applied to any of the outside post-Soviet states, the typology itself could still be very usable in studying the differences of the approaches to the concept of capitalism not from the angle of institutions or dimensions of coordination, but rather from the pure features that make up the definition of capitalism itself.

The next stage after such research would be to locate the explanatory variables behind each of the factors that have developed over time in each of the Central Asian states, and to use the relationships between the explanatory variables for further advancement of the studies involving capitalism varieties.

Appendix

Appendix-1 / Map of Central Asia

Provided by the UN (“Central Asia - Map No: 3763 Rev. 7” 2011)



Map No. 3763 Rev. 7 UNITED NATIONS
December 2011

Department of Field Support
Cartographic Section

Appendix-2 / Kazakhstan Data

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governance and Enterprise Restructuring*	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Trade & Forex System*	3.3	3.3	3.3	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Business Freedom**	55.0	55.0	55.0	55.0	55.0	55.9	58.5	56.8	57.9	73.5	74.3	72.9
Labor Freedom**	N/A	N/A	N/A	N/A	82.6	85.4	84.3	85.5	80.5	83.1	88.4	88.7
Property Rights**	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	25.0	30.0	35.0	40.0
Population Growth (Annual %)**	-0.2	0.0	0.3	0.7	0.9	1.1	1.1	1.2	2.6	1.4	1.4	N/A
Government Spending**	88.0	84.1	85.2	84.1	85.9	83.9	83.7	84.7	87.5	82.1	78.5	83.4
Urban Population Growth (Annual %)**	-0.5	-0.4	0.0	0.3	0.5	0.7	0.8	0.9	2.3	1.1	1.3	N/A
GDP per capita Growth (Annual %)**	13.7	9.8	8.9	8.8	8.7	9.5	7.7	2.0	-1.4	5.8	6.0	N/A
Total Natural Resources Rents (% of GDP)**	38.5	37.3	39.8	48.2	52.2	48.0	42.5	51.5	34.8	37.3	38.2	N/A

* - Based on the data provided in the transition reports over the period of 2001-2012 by the European Bank for Reconstruction and Development (EBRD)

** - Based on the data gathered from the Index of Economic Freedom over the period of 2001-2012 provided by the Heritage Foundation in partnership with Wall Street Journal

*** - Based on the data estimated and collected by the World Bank over the period of 2001-2012

Appendix-3 / Kyrgyzstan Data

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governance and Enterprise Restructuring*	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Trade & Forex System*	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Business Freedom**	55.0	55.0	55.0	55.0	55.0	60.7	59.9	60.7	75.3	76.6	75.4	74.1
Labor Freedom**	N/A	N/A	N/A	N/A	64.8	71.6	71.1	71.3	69.5	82.6	88.1	88.9
Property Rights**	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	25.0	25.0	25.0	20.0
Population Growth (Annual %)**	0.9	0.9	1.0	1.2	1.1	1.1	1.0	1.0	1.2	1.2	1.2	N/A
Government Spending**	86.8	61.1	90.3	84.4	81.5	81.3	77.1	76.1	74.9	80.2	74.2	66.5
Urban Population Growth (Annual %)**	0.9	0.9	1.0	1.2	1.1	1.1	1.0	1.0	1.2	1.2	1.5	N/A
GDP per capita Growth (Annual %)**	4.3	-0.9	5.9	5.7	-1.3	2.0	7.5	7.4	1.7	-1.7	4.7	N/A
Total Natural Resources Rents (% of GDP)**	2.2	3.0	4.5	5.1	4.7	5.0	4.4	7.3	8.4	12.0	12.8	N/A

* - Based on the data provided in the transition reports over the period of 2001-2012 by the European Bank for Reconstruction and Development (EBRD)

** - Based on the data gathered from the Index of Economic Freedom over the period of 2001-2012 provided by the Heritage Foundation in partnership with Wall Street Journal

*** - Based on the data estimated and collected by the World Bank over the period of 2001-2012

Appendix-4 / Tajikistan Data

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governance and Enterprise Restructuring*	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	2.0	2.0	2.0	2.0
Trade & Forex System*	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Business Freedom**	55.0	55.0	55.0	55.0	55.0	39.2	39.2	44.4	45.1	57.4	60.7	61.6
Labor Freedom**	N/A	N/A	N/A	N/A	60.3	60.3	60.1	60.2	58.7	54.4	56.4	56.8
Property Rights**	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	25.0	25.0	20.0
Population Growth (Annual %)**	1.0	0.9	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.4	1.4	N/A
Government Spending**	92.3	91.3	94.0	93.0	88.9	89.1	87.6	84.1	85.9	78.0	77.3	75.5
Urban Population Growth (Annual %)**	0.9	0.8	0.8	0.8	0.9	1.2	1.3	1.4	1.4	1.4	1.6	N/A
GDP per capita Growth (Annual %)**	9.1	8.2	9.3	9.7	9.4	-16.6	20.2	19.7	2.5	5.0	5.9	N/A
Total Natural Resources Rents (% of GDP)**	0.9	0.8	1.0	1.2	1.2	1.3	1.2	1.4	1.1	1.7	1.6	N/A

* - Based on the data provided in the transition reports over the period of 2001-2012 by the European Bank for Reconstruction and Development (EBRD)

** - Based on the data gathered from the Index of Economic Freedom over the period of 2001-2012 provided by the Heritage Foundation in partnership with Wall Street Journal

*** - Based on the data estimated and collected by the World Bank over the period of 2001-2012

Appendix-5 / Turkmenistan Data

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governance and Enterprise Restructuring*	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Trade & Forex System*	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.3
Business Freedom**	55.0	55.0	55.0	55.0	55.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Labor Freedom**	N/A	N/A	N/A	N/A	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Property Rights**	30.0	30.0	30.0	30.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Population Growth (Annual %)**	1.1	1.1	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2	1.2	N/A
Government Spending**	79.7	81.3	88.7	80.8	90.8	88.7	85.3	85.3	93.6	94.7	95.5	93.5
Urban Population Growth (Annual %)**	1.6	1.5	1.5	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.9	N/A
GDP per capita Growth (Annual %)**	3.2	-0.8	2.2	3.9	11.8	9.7	9.8	13.3	4.8	7.9	13.3	N/A
Total Natural Resources Rents (% of GDP)**	177.6	111.6	148.6	146.1	206.5	158.8	142.9	143.9	38.9	40.3	43.9	N/A

* - Based on the data provided in the transition reports over the period of 2001-2012 by the European Bank for Reconstruction and Development (EBRD)

** - Based on the data gathered from the Index of Economic Freedom over the period of 2001-2012 provided by the Heritage Foundation in partnership with Wall Street Journal

*** - Based on the data estimated and collected by the World Bank over the period of 2001-2012

Appendix-6 / Uzbekistan Data

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governance and Enterprise Restructuring*	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Trade & Forex System*	1.7	1.7	1.7	1.7	2.0	2.0	2.0	2.0	2.0	2.0	1.7	1.7
Business Freedom**	40.0	40.0	40.0	40.0	40.0	67.0	65.2	68.5	68.4	67.8	66.8	67.6
Labor Freedom**	N/A	N/A	N/A	N/A	67.1	67.1	66.8	66.9	64.9	61.1	60.2	60.1
Property Rights**	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	20.0	20.0	15.0	15.0
Population Growth (Annual %)**	1.3	1.2	1.2	1.2	1.2	1.2	1.4	1.6	1.7	2.8	2.7	N/A
Government Spending**	65.3	69.3	72.6	76.3	58.5	52.2	69.3	68.3	68.1	72.6	71.0	64.9
Urban Population Growth (Annual %)**	0.9	0.8	0.8	0.7	0.8	1.0	1.2	1.3	1.4	2.6	2.8	N/A
GDP per capita Growth (Annual %)**	2.9	2.7	3.0	6.5	5.8	6.0	8.0	7.3	6.3	5.5	5.4	N/A
Total Natural Resources Rents (% of GDP)**	56.5	50.3	80.7	78.2	105.9	92.8	73.2	88.3	33.0	27.9	27.9	N/A

* - Based on the data provided in the transition reports over the period of 2001-2012 by the European Bank for Reconstruction and Development (EBRD)

** - Based on the data gathered from the Index of Economic Freedom over the period of 2001-2012 provided by the Heritage Foundation in partnership with Wall Street Journal

*** - Based on the data estimated and collected by the World Bank over the period of 2001-2012

Appendix-7 / Country Scores for Each Feature (2001-2006)

	2001	2002	2003	2004	2005	2006
Governance and Enterprise Restructuring*	KZ=1 KG=1 TJ=2 TM=3 UZ=2	KZ=1 KG=1 TJ=2 TM=3 UZ=2	KZ=1 KG=1 TJ=2 TM=3 UZ=2	KZ=1 KG=1 TJ=2 TM=3 UZ=2	KZ=1 KG=1 TJ=2 TM=3 UZ=2	KZ=1 KG=1 TJ=2 TM=3 UZ=2
Trade & Forex System*	KZ=2 KG=1 TJ=2 TM=4 UZ=3	KZ=2 KG=1 TJ=2 TM=4 UZ=3	KZ=2 KG=1 TJ=2 TM=4 UZ=3	KZ=2 KG=1 TJ=3 TM=5 UZ=4	KZ=2 KG=1 TJ=3 TM=5 UZ=4	KZ=2 KG=1 TJ=3 TM=5 UZ=4
Business Freedom**	KZ=1 KG=1 TJ=1 TM=1 UZ=2	KZ=1 KG=1 TJ=1 TM=1 UZ=2	KZ=1 KG=1 TJ=1 TM=1 UZ=2	KZ=1 KG=1 TJ=1 TM=1 UZ=2	KZ=1 KG=1 TJ=1 TM=1 UZ=2	KZ=3 KG=2 TJ=4 TM=5 UZ=1
Labor Freedom**	KZ=N/A KG=N/A TJ= N/A TM=N/A UZ=N/A	KZ= N/A KG= N/A TJ= N/A TM= N/A UZ= N/A	KZ= N/A KG= N/A TJ= N/A TM= N/A UZ= N/A	KZ= N/A KG= N/A TJ= N/A TM= N/A UZ= N/A	KZ=1 KG=3 TJ=4 TM=5 UZ=2	KZ=1 KG=2 TJ=4 TM=5 UZ=3
Property Rights**	KZ=1 KG=1 TJ=1 TM=1 UZ=1	KZ=1 KG=1 TJ=1 TM=1 UZ=1	KZ=1 KG=1 TJ=1 TM=1 UZ=1	KZ=1 KG=1 TJ=1 TM=1 UZ=1	KZ=1 KG=1 TJ=1 TM=2 UZ=1	KZ=1 KG=1 TJ=1 TM=2 UZ=1
Population Growth (Annual %)**	KZ=5 KG=4 TJ=3 TM=2 UZ=1	KZ=4 KG=3 TJ=3 TM=2 UZ=1	KZ=4 KG=2 TJ=3 TM=2 UZ=1	KZ=4 KG=1 TJ=3 TM=2 UZ=1	KZ=4 KG=2 TJ=3 TM=2 UZ=1	KZ=2 KG=2 TJ=2 TM=2 UZ=1
Government Spending**	KZ=2 KG=3 TJ=1 TM=4 UZ=5	KZ=2 KG=5 TJ=1 TM=3 UZ=4	KZ=4 KG=2 TJ=1 TM=3 UZ=5	KZ=3 KG=2 TJ=1 TM=4 UZ=5	KZ=3 KG=4 TJ=2 TM=1 UZ=5	KZ=3 KG=4 TJ=1 TM=2 UZ=5
Urban Population Growth (Annual %)**	KZ=3 KG=2 TJ=2 TM=1 UZ=2	KZ=4 KG=2 TJ=3 TM=1 UZ=3	KZ=4 KG=2 TJ=3 TM=1 UZ=3	KZ=5 KG=2 TJ=3 TM=1 UZ=4	KZ=5 KG=2 TJ=3 TM=1 UZ=4	KZ=5 KG=3 TJ=2 TM=1 UZ=4
GDP per capita Growth (Annual %)**	KZ=1 KG=3 TJ=2 TM=4 UZ=5	KZ=1 KG=5 TJ=2 TM=4 UZ=3	KZ=2 KG=4 TJ=1 TM=5 UZ=3	KZ=2 KG=4 TJ=1 TM=5 UZ=3	KZ=3 KG=5 TJ=2 TM=1 UZ=4	KZ=2 KG=4 TJ=5 TM=1 UZ=3
Total Natural Resources Rents (% of GDP)**	KZ=3 KG=4 TJ=5 TM=1 UZ=2	KZ=3 KG=4 TJ=5 TM=1 UZ=2	KZ=3 KG=4 TJ=5 TM=1 UZ=2	KZ=3 KG=4 TJ=5 TM=1 UZ=2	KZ=3 KG=4 TJ=5 TM=1 UZ=2	KZ=3 KG=4 TJ=5 TM=1 UZ=2

Appendix-8 / Country Scores for Each Feature (2007-2012)

	2007	2008	2009	2010	2011	2012
Governance and Enterprise Restructuring*	KZ=1 KG=1 TJ=2 TM=3 UZ=2	KZ=1 KG=1 TJ=2 TM=3 UZ=2	KZ=1 KG=1 TJ=1 TM=3 UZ=2	KZ=1 KG=1 TJ=1 TM=3 UZ=2	KZ=1 KG=1 TJ=1 TM=3 UZ=2	KZ=1 KG=1 TJ=1 TM=3 UZ=2
Trade & Forex System*	KZ=2 KG=1 TJ=3 TM=5 UZ=4	KZ=2 KG=1 TJ=3 TM=4 UZ=4	KZ=2 KG=1 TJ=3 TM=4 UZ=4	KZ=2 KG=1 TJ=3 TM=4 UZ=4	KZ=2 KG=1 TJ=3 TM=4 UZ=5	KZ=2 KG=1 TJ=3 TM=4 UZ=5
Business Freedom**	KZ=3 KG=2 TJ=4 TM=5 UZ=1	KZ=3 KG=2 TJ=4 TM=5 UZ=1	KZ=3 KG=1 TJ=4 TM=5 UZ=2	KZ=2 KG=1 TJ=4 TM=5 UZ=3	KZ=2 KG=1 TJ=4 TM=5 UZ=3	KZ=2 KG=1 TJ=4 TM=5 UZ=3
Labor Freedom**	KZ=1 KG=2 TJ=4 TM=5 UZ=3	KZ=1 KG=2 TJ=4 TM=5 UZ=3	KZ=1 KG=2 TJ=4 TM=5 UZ=3	KZ=1 KG=2 TJ=4 TM=5 UZ=3	KZ=1 KG=2 TJ=4 TM=5 UZ=3	KZ=2 KG=1 TJ=4 TM=5 UZ=3
Property Rights**	KZ=1 KG=1 TJ=1 TM=2 UZ=1	KZ=1 KG=1 TJ=1 TM=2 UZ=1	KZ=1 KG=2 TJ=2 TM=4 UZ=3	KZ=1 KG=2 TJ=2 TM=4 UZ=3	KZ=1 KG=2 TJ=2 TM=4 UZ=3	KZ=1 KG=2 TJ=2 TM=4 UZ=3
Population Growth (Annual %)**	KZ=3 KG=4 TJ=2 TM=2 UZ=1	KZ=3 KG=4 TJ=2 TM=3 UZ=1	KZ=1 KG=4 TJ=3 TM=4 UZ=2	KZ=2 KG=3 TJ=2 TM=3 UZ=1	KZ=2 KG=3 TJ=2 TM=3 UZ=1	KZ=N/A KG=N/A TJ=N/A TM=N/A UZ=N/A
Government Spending**	KZ=3 KG=4 TJ=1 TM=2 UZ=5	KZ=2 KG=4 TJ=3 TM=1 UZ=5	KZ=2 KG=4 TJ=3 TM=1 UZ=5	KZ=2 KG=3 TJ=4 TM=1 UZ=5	KZ=2 KG=4 TJ=3 TM=1 UZ=5	KZ=2 KG=4 TJ=3 TM=1 UZ=5
Urban Population Growth (Annual %)**	KZ=5 KG=4 TJ=2 TM=1 UZ=3	KZ=5 KG=4 TJ=2 TM=1 UZ=3	KZ=1 KG=4 TJ=3 TM=2 UZ=3	KZ=5 KG=4 TJ=3 TM=2 UZ=1	KZ=5 KG=4 TJ=3 TM=2 UZ=1	KZ= N/A KG= N/A TJ= N/A TM=N/A UZ= N/A
GDP per capita Growth (Annual %)**	KZ=4 KG=5 TJ=1 TM=2 UZ=3	KZ=5 KG=3 TJ=1 TM=2 UZ=4	KZ=5 KG=4 TJ=3 TM=2 UZ=1	KZ=2 KG=5 TJ=4 TM=1 UZ=3	KZ=2 KG=5 TJ=3 TM=1 UZ=4	KZ=N/A KG=N/A TJ=N/A TM=N/A UZ=N/A
Total Natural Resources Rents (% of GDP)**	KZ=3 KG=4 TJ=5 TM=1 UZ=2	KZ=3 KG=4 TJ=5 TM=1 UZ=2	KZ=2 KG=4 TJ=5 TM=1 UZ=3	KZ=2 KG=4 TJ=5 TM=1 UZ=3	KZ=2 KG=4 TJ=5 TM=1 UZ=3	KZ=N/A KG= N/A TJ= N/A TM=N/A UZ= N/A

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