The “failure” of cooperatives in Kyrgyzstan? A postcapitalist critique of a biased narrative

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After Kyrgyzstan’s independence from the Soviet Union, international development agencies promoted the establishment of service and marketing cooperatives in the agricultural sector. However, the dominant narrative claims that cooperatives of this type in Kyrgyzstan, as well as in other postsocialist countries, have failed. This apparent failure is commonly explained by the legacies of the past socialist regime. This paper questions such narrative and causality highlights their problematic consequences. I first present the narrative as it is reproduced by scholars, development actors, governmental representatives and farmers. I then turn to scholars of postdevelopment, post capitalism and postsocialism to set the theoretical basis for the deconstruction and critique of the narrative of failed cooperatives. On this basis, I argue that the narrative is part of a broader hegemonic discourse on development and on the economy. I conclude by sketching a postcapitalist approach to building alternative representations of cooperatives and cooperation in Kyrgyzstan and beyond it.

Introduction

After the end of the Soviet Union, international development agencies such as the International Monetary Fund and the World Bank supported the establishment of formal institutions for community-based cooperation in several postsocialist countries, including Kyrgyzstan. Such institutions included, for instance, water users’ associations (Sehring 2009; Soliev et al. 2017; Theesfeld 2019), pasture users’ associations (Baerlein et al. 2015; Dörre 2015) as well as agricultural service and marketing cooperatives or, in short, service cooperatives (Lerman, Sedik 2014). However, several scholars, including the ones just mentioned, state that institutions of this kind were often unsuccessful in these contexts. In particular, it seems that they rarely managed to implement effective rules for the sustainable management of natural resources or mechanisms to support farmers in accessing services and markets. Scholars often explain these difficulties by pointing to the legacies of socialist regimes, insisting on the persistent discrepancy between formal policies and informal institutional arrangements, and the continual predominance of the latter (Sehring 2009; Theesfeld 2019). Many also point to a widespread inherited distrust of formal institutions and of people more generally, resulting in a lack of social capital (Gerkey 2013; Kaminska 2010).

In the particular case of agricultural cooperatives in postsocialist countries, some scholars suggest that farmers’ experience within socialist production collectives (kolkhozes and sovkhozes) – both also called kooperativ in Russian – today represents a persistent referent for farmers’ representations of cooperatives (Gardner, Lerman 2006). This referent, they maintain, constitutes an obstacle to the understanding and acceptance by farmers of the principles of service cooperatives, a model of cooperative where, in contrast to the collective production on socialist farms, farmers produce separately but join together to market their produce and to access specific services. Gardner and Lerman, two agricultural economists known as specialists in the transformation of the agricultural sector in postsocialist countries (see Lerman et al. 2004), claim for instance, borrowing the words of a study by the Plunkett Foundation, that „the use of the word ‘cooperative’ in Central and Eastern Europe will not only create the wrong impression, it will also create barriers to progress. The old style of cooperative or collective has no relevance in the new free-market approach” (Gardner, Lerman 2006:5). The authors argue further that „among many of the rural population […] there is] a strong psychological resistance to cooperation, bred from years of abuse of the whole concept by socialist regimes” (Gardner, Lerman 2006:5).

Such ideas (and even turns of phrase) about the negative legacies of the socialist past not only appear regularly in publications on agricultural transformation after socialism (Lipton 2009; Theesfeld 2019); they also emerged in my interactions with Central and Eastern Europe that experienced a Soviet or Soviet-inspired regime before 1989/1991.

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1 The category “postsocialist” has been questioned (Müller 2019) and will be discussed later. It is still used in this paper to refer to countries of the former Soviet Union and in

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different actors in Kyrgyzstan. Similarly, the distinction between the “old style” of cooperatives (meaning the socialist farms) and the “modern” cooperatives (meaning the model of service cooperatives promoted by international agencies after the end of the socialist regimes) is recurrent in publications and in verbal interactions. The second type of cooperative is presented as the only “proper”, “true” and desirable type, while the first is dismissed and stigmatized as a “pseudo” (Theesfeld 2019) or “improper” application of the cooperative principles.

In this paper² I question the narrative of failed community-based cooperation in postsocialist countries for the specific case of agricultural cooperatives in Kyrgyzstan, and highlight its problematic consequences. I first describe how not only scholars but also development workers, governmental actors and farmers reproduce and internalize this narrative. I discuss how its internalization by these actors produces a sense of powerlessness and hopelessness, in addition to limiting the possibilities for supporting and expanding effective and inclusive cooperation practices. I then turn to scholars of postdevelopment, postcapitalism and postsocialism to set the theoretical basis for the deconstruction and critique of the narrative. On this basis, I will argue that the narrative of failed cooperatives is part of a broader hegemonic discourse on development and on the economy that imposes a normative teleology and marginalizes local knowledge and experience. In particular, I will show that the idea that cooperatives have failed is constructed in relation to a specific understanding of success, i.e. a limited and narrow definition of a “true” cooperative but also of “development” or “progress”. I conclude by sketching an approach to building alternative representations of cooperatives in Kyrgyzstan that would not only allow a better grasp of the complexity of local realities, but would also nurture a more hopeful perspective on postsocialist ruralities, which suffer from a double stigmatization as postsocialist and as ruralities (Kay et al. 2012).

Agricultural cooperatives in Kyrgyzstan: a narrative of failure

As a consequence of the decollectivisation process in the 1990s, the agricultural sector in several postsocialist countries is highly fragmented today (Lerman, Sedik 2014, Fig. 1). In Kyrgyzstan, most of the agricultural production originates from private smallholdings with an average plot size of 3 hectares (Lerman, Sedik 2009). Farmers face the typical challenges for smallholders, which concern access to markets for agricultural inputs, to marketing channels for agricultural outputs, to machinery, information, credit and insurance (Abele, Frohberg 2003). International analysts, in particular agricultural economists, have supported the establishment of cooperatives as a solution to the challenges produced by the decollectivisation process (Deininger 1995; Lerman 2013).

Fig. 1: Fragmented plots in the Issyk-Kul province
Source: Picture by the author.

The International Co-operative Alliance defines a cooperative as „an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise“ (ICA 2019). The model proposed by analysts for the agricultural sector in postsocialist countries is the service cooperative: individual farmers maintain their private production and cooperate with other farmers for the joint marketing of their produce, the joint purchase of agricultural inputs or for financial services. Service cooperatives are widely known in Western economies, where they emerged from the individualized workshop. I thank Matthias Schmidt, Michael Spies, Rune Steenberg and Lucie Sovová for their comments on an earlier version of the paper.

² I am grateful to Paulina Simkin and Matthias Schmidt for organising and hosting the workshop “Transformations after the transformation” in Augsburg in February 2020: this paper is a revised version of my presentation at the
marketing strategies of farmers as a way to reinforce their private farming enterprises. This model differs from the model of production cooperatives where, on the basis of a collectivist vision, the means of production are pooled or collectively owned, and farmers carry out agricultural production collectively. The most notorious example of production cooperatives are socialist agricultural collectives such as the Soviet kolkhozes and sovkhozes. However, these examples can hardly be considered cooperatives in the sense advanced by ICA, since usually membership was not free but imposed, and internal governance was controlled from the top down.

In their academic publications and policy reports on the agricultural sector after socialism (which inform policymaking by local governments) and based on often implicit assumptions about the primacy of the neoliberal capitalist economic model, analysts tend to present service cooperatives as the only desirable and viable type of cooperative (Deininger 1995; Gardner, Lerman 2006). They build a neat opposition between service cooperatives and production cooperatives. The model of production cooperatives is usually equated with socialist agricultural collectives and is therefore dismissed as an improper application of the cooperative principles that „has no relevance in the new free-market approach” (Gardner, Lerman 2006:5). Other, more democratic, examples of agricultural cooperatives (Agarwal 2010) do not appear in these considerations: this omission suggests in fact that what has no relevance in the free market is the collectivist vision that underpins the model of production cooperatives more generally.

The topic of agricultural cooperatives gained visibility in Kyrgyzstan in the 2000s, when international donors integrated the promotion of service cooperatives into their rural development programs (Beishenaly, Namazova 2012). These activities included the establishment of special credit funds for cooperatives, information campaigns about the structure and functioning of cooperatives, and support provided to the government in the revision of the legislation on cooperatives. Although the number of registered cooperatives boomed in those years, today many scholars and development actors claim that cooperatives did not succeed in the country (Lerman, Sedik 2013; Rijsort, Berg 2012). These accounts suggest that in many cases farmers registered a cooperative only as a way to access the special credit schemes and without reconfiguring their agricultural practices according to the cooperative principles (Beishenaly, Namazova 2012).

The explanation of the assumed failure of cooperatives in Kyrgyzstan put forward by scholars reproduces the recurrent argument that some kind of legacy from the socialist past is the cause of the difficulties in implementing community-based cooperation in postsocialist countries. The explanation provided by foreign and local development workers, governmental representatives, local authorities as well as farmers and villagers I met while conducting fieldwork3 in Kyrgyzstan reproduces the same argument. Most of my interlocutors stated that the attempts to establish agricultural cooperatives in the country have been unsuccessful, that most of the registered cooperatives today exist only “on paper” and that the Soviet past is somehow responsible for this failure.

Development workers insisted on the distinction between the two models of cooperatives. In their narratives, service cooperatives are the “modern” cooperatives, the only “true” ones and the only ones worthy of support. Production cooperatives, on the other hand, represent the past and the “Soviet style”: they should therefore be avoided at any cost and forgotten as quickly as possible. According to this category of actors, the failure of cooperatives in Kyrgyzstan derives from a misunderstanding of and a lack of knowledge about the concept of cooperative amongst the local population. They maintain that this, in turn, is a problem originating in the Soviet past: because farmers (and governmental actors the like) refer to the Soviet model of agricultural collectives, they are unable to understand the “true” model of cooperative and therefore cannot recognize its advantages. Moreover, the argumentation continues, because farmers remember the negative experiences with Soviet kolkhozes and sovkhozes, they are mistrustful of any form of cooperative and are not ready to engage with other models of cooperative that would facilitate their work and increase their revenues.

If one discusses cooperatives with governmental actors or farmers in Kyrgyzstan, one will quickly confirm that both indeed lack knowledge about the

3 Fieldwork took place between 2013 and 2017; expenses were covered by the Fonds de recherche du Centenaire of the University of Fribourg, Switzerland, and by the research budget of the Geography Unit of the same university. My acknowledgments go to both.
definition and classification of cooperatives. On several occasions, I asked civil servants what type of cooperative governmental programs wish to promote. My questions usually resulted in awkward moments of misunderstanding: my interlocutors did not understand my questions and offered what seemed to me random answers. Similarly, when asked about local cooperatives, villagers provided confusing answers: they mentioned some development projects, some small enterprises that individual villagers established recently, or the private activities of the chairpersons of a registered cooperative.

Despite this confusion about definitions, governmental actors and villagers too reproduce the idea that cooperatives have failed in the country. The former lament the lack of available resources to realize the governmental programs for the promotion of cooperatives. They point simultaneously to the lack of understanding about cooperatives among farmers as well as to their passivity and laziness; they see this attitude as part of a generalized “Kyrgyz mentality” that was exacerbated by their Soviet experience. According to my interlocutors, this inherited attitude makes people individualistic and reluctant to cooperate with others.

These insights reveal that the narrative of failed cooperatives in Kyrgyzstan not only produces unquestioned absolute dichotomies between service cooperatives and production cooperatives, as well as between the (Soviet) past and the (modern/Western) future; it also stigmatizes the local population as backward, as trapped in a “mental- ity” that makes them passive and lazy, and that results in the series of “lacks” (of knowledge, understanding, engagement) that are assumed to be the cause of the failure of cooperatives. This narrative generates a sense of hopelessness and powerlessness among villagers, who internalize the idea that they are inadequate for “modernity” and therefore incapable of achieving the status of being “developed”. In the next section I turn to three items of scholarship that have revealed how similar narratives produce similar mechanisms in contexts as diverse as the deindustrializing Global North, development programs in the Global South, and reform programs in postsocialist countries (that some have called the Global East, Müller 2020). The reflections on these academic endeavors will allow us to understand where this narrative originates, as well as to start drawing up alternative representations.

**Subjects of postdevelopment, postcapitalism and postsocialism**

The production of polarized binaries is a typical process of the developmentalist discourse denounced by postdevelopment scholars as far back as the 1990s (Escobar 1995; Ferguson 1990; Pigg 1992). The developmentalist discourse presents development as a linear, predefined path towards a specific type of modernity – a modernity that corresponds to the ideal of Western market economies and liberal democracies – while dismissing local practices in the Global South as backward. Rooted in this teleology, development programs often reproduce the very categories of developed and undeveloped – and of the First World versus the Third World (Cima 2015). Development cannot exist without its Other; subjects in the Global South are thus discursively trapped in a negative position, defined by their lack of development.

Katherine Gibson and Julie Graham, writing under the joint pen name of Gibson-Graham, have built on the reflections of postdevelopment scholars and noted that the economic sphere is seen as the key for “development” in other spheres, for instance in the social or the political sphere (Gibson et al. 2010; Gibson-Graham 2005). Furthermore, the focus of development programs on the economic sphere usually concerns specific kinds of activities, namely formalized, productive and entrepreneurial activities (see Kim et al. 2018 for the case of Kyrgyzstan). More generally, Gibson-Graham (2006b:6) have argued that dominant representations of the economy are „capitalocentric“: they are biased because „other forms of economy are […] understood primarily with reference to capitalism“. Not only is the economic sphere usually valued more than other spheres, but also only specific kinds of economic activity are usually considered to be legitimate parts of the economy: formalized, monetized and mainly capitalist activities including wage labor, commodity transactions on markets and private enterprises. The countless other practices that people carry out in the pursuit of their livelihoods are too often defined in relation to capitalism, as capitalism’s Other. One example is care work in the household, which is mostly unpaid and informal, and is commonly understood as pertaining to a “reproduction sphere” that is defined in opposition to a “production sphere”.

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Gibson-Graham (2006a) have further argued that these biased representations of the economy are problematic not only because they overlook entire dimensions of social life but also because they produce feelings of lack and inadequacy. Their observations emerged in the 1990s in the Global North, where entire towns, regions or countries and their populations were suffering the material and emotional consequences of deindustrialization: unemployment, insecure livelihoods, lack of prospects for the future. Because of the dominant capitalist-centric representations, losing one’s job meant not only facing the material difficulties linked to losing a source of revenue; it also meant losing the main signifier of one’s identity, the main element through which one’s identity is defined (Gibson-Graham 2006b). These mechanisms are characteristic of late capitalism to this day (see also Fisher 2009). As a way to counter them, and to nurture more positive representations, Gibson-Graham (2006a) suggest a postcapitalist perspective that strips capitalism of its privilege as the default model, and instead recognizes the plurality of the economic practices that make up an economic system and that can define multiple, sometimes more positive, identities.

I suggest that the processes described by postdevelopment and postcapitalist scholars are particularly relevant in postsocialist contexts. As recently observed by Müller (2019), even the adjective that is commonly used to refer to these contexts – “postsocialist” – reveals a fixation with the past, a backward-looking stance that buttresses a continued exoticisation of the East as Other and backward, “defining the present in terms of its past” (Müller 2019:539, quoting Sakwa 1999:3). Indeed, the temporal prefix in the term “postsocialism” traps entire societies in the determinations of one specific past experience – an experience that has negative connotations in the dominant representation. These determinations produce specific subject positions (of individuals but also of entire groups and territories) that are defined in the negative, as lacking something, as no longer being socialist and not yet being modern/capitalist.

Like the subjects of development, defined by their lack of modernity, and the unemployed ex-workers in deindustrializing contexts, defined by their lack of wage labor, “postsocialist” subjects are defined in the negative by their lack of both socialism and capitalism/modernity. They are trapped until further notice in an interstitial space, in-between, unable to move and look forward (Müller 2020). Like the subjects of development and late capitalism, “postsocialist” subjects are filled with feelings of abandonment, frustration and failure. Moreover, their local experience, knowledge and epistemologies are devalued and neglected and, therefore, rarely inform the policies and programs that are designed to support the “development” of postsocialist regions (Müller 2021).

A hegemonic discourse on cooperatives, development and the economy

Several scholars, especially among anthropologists, have emphasized the importance of informal economic practices in postsocialist contexts (Ledeneva 1998; Morris, Polese 2013). Sabates-Wheeler (2004) has highlighted the fact that informal cooperation, for instance in the form of spontaneous groupings of farmers, is very widespread in rural Kyrgyzstan and that it is crucial for the agricultural sector (this is confirmed by Lerman 2013). Botoeva (2015) has meticulously described how Kyrgyzstani villagers base their livelihoods on systems of cooperation and exchange that are often informal, sometimes monetized and sometimes not. These observations suggest that the statements about a lack of cooperation in the country are at least partial and counter the argument, mentioned above, that social capital is generally absent in postsocialist contexts.

During my stays in rural Kyrgyzstan, I observed that villagers conduct several agricultural activities collectively, though not mainly in the framework of a formalized cooperative (see Cima 2020). For instance, some villagers cultivate the land of their relatives who have moved to the capital city, who in exchange receive fresh products from the village. Some help their relatives and friends for the most labor-intensive tasks and are then helped in turn with similar tasks (Fig. 2). Some join their plots for one agricultural season, sharing the field tasks. Some join others to buy agricultural inputs or to contact a merchant who will buy their produce. Some, sometimes, mobilize the framework of a formal cooperative to gain quick access to specific resources, such as loans or agricultural inputs. These activities are flexible and adaptive. Although they are mostly not formalized, they are regulated through well-established reciprocal expectations and obligations. Through these forms of cooperation, villagers are able to adapt their agricultural production through flexible asset pooling and, sometimes, to take advantage of economies of scale.
in production, and of increased bargaining power on agricultural markets.

The idea that cooperatives have failed is constructed in relation to a limited definition of success, which in turn is defined in relation to a limited definition of development and of what actually constitutes the economy. First, the model of service cooperatives promoted by analysts and development agencies implicitly considers only a specific kind of economic activity as relevant: namely the production of cash crops for marketing. Service cooperatives are in fact supposed to support farmer-entrepreneurs to expand their private production and improve its marketing. This vision fails to take into account that an important part of agricultural production in Kyrgyzstani villages is used for private consumption within households or as exchange goods within relations of reciprocity (Light 2015).

Secondly, the reactions of disorientation by villagers and governmental actors to my questions reported above suggest that many of them really lack knowledge about the different cooperative models as defined by scholars. However, this represents only one specific type of knowledge among many others. Our misunderstanding suggests that the distinction between different types of formal cooperatives is a distinction that does not make much sense for local actors, in a context where the majority of agricultural activities – and of collective practices – are not formalized. Who and what activities are formally part of a cooperative seems less relevant for farmers than knowing who is involved in a specific activity and who is part of his/her personal networks. The dominant narrative in fact privileges a specific form of knowledge, while devaluing other local forms.

Finally, the model of the cooperative promoted by international agencies in Kyrgyzstan postulates a specific teleology that assumes a specific kind of modernity as the goal of “development” or “progress”. As noted above for the developmentalist discourse, this modernity corresponds to the ideal of Western market economies and liberal democracies. Service cooperatives here represent a tool to support the establishment of private, market-oriented cash cropping, to foster the emergence of a new class of farmer-entrepreneurs within a liberalized market economy (for a similar argument on civil society promotion in Central Asia, see Babajanian et al. 2005). If the goal is this – and not

4 It is important to note that the fact that farmers downplay the importance of informal cooperation in their interactions with the researcher does not necessarily imply that they do not value these practices. It does suggest, however, that farmers do not actively value them when confronted with a particular kind of interlocutor – in this case a European researcher who can be easily confused with a typical Western development worker (see discussion in Cima 2020:215–233).
broader notions of food security and livelihoods – then only service cooperatives are viable tools, but not other forms of cooperatives or cooperation.

The consequence of all these biases is not only that if measured against such a narrow definition of success, the assessment of failure of local cooperatives is almost inevitable; the narrative of failed cooperatives also has broader symbolic, affective and material consequences. It upholds a hierarchy of knowledge and experience: it values only one specific type of them while dismissing others as irrelevant, or even stigmatizes them as the source of psychological attitudes that are considered the cause of failure (Gardner, Lerman 2006). It therefore reinforces the binaries of the developmentalist discourse, defining “who knows” and “who doesn’t”, who is “developed” and who is “undeveloped”.

These binaries are part of a process of othering that attributes to subjects either a positive fullness or a negative lack (Gibson-Graham 2003). Kyrgyzstani villagers cannot but identify with the negative element of these binaries, with the related sense of inadequacy and hopelessness. The idea of a “Soviet legacy” even reinforces this negative position: since a universal and generalized legacy is considered to be the cause of people’s attitudes, these attitudes appear structural and almost impossible to change. Even villagers themselves blame their Soviet experience for their own laziness and passivity: in this way, agency is completely removed from local subjects, who cannot but feel powerless.5

Because the dominant narrative is blind in these regards, it fails to identify existing practices of cooperation and relations of reciprocity that already contribute to villagers’ livelihoods and that could represent a potential starting point for expanding effective collective activities, regardless of whether these are formalized or not. At the same time, since such practices are rendered invisible, the power relations and the inequalities they constitute (such as the burden of reciprocity practices on women and their exclusion from decision-making within households) are difficult to identify and tackle. In the end, because of the widespread idea that cooperative initiatives are deemed to be failing in Kyrgyzstan, several donors have already withdrawn support from cooperatives in the country, leaving behind them a fragmented legislative landscape (Beishenaly, Namazova 2012) and vague governmental policies that can constitute an obstacle for the current activities of formalized cooperatives, and that fail to support existing collective activities that are essential to farmers’ livelihoods and food security.

Conclusion: towards alternative representations of cooperatives and cooperation

In this paper, I deconstructed the narrative of failed cooperatives in Kyrgyzstan. My analysis revealed that this narrative is based on the assumption that only formal service cooperatives are “true” cooperatives and that only the knowledge and experience linked to the establishment of service cooperatives in Western market economies are relevant. All the rest is dismissed as “improper”, as unwanted remnants from the past that hampers the unwinding of a future that is normatively directed towards Western capitalist modernity as an ideal goal. The narrow and limited definition of success that is available within this discourse makes a judgement of failure almost inevitable.

Building on the reflections of postdevelopment and postcapitalist scholars, I showed that this narrative is inscribed in a broader hegemonic discourse on development and the economy that reproduces a polarization between developed and undeveloped, reinforcing negative feelings of failure and inadequacy and devaluing alternative local experience and knowledge. These mechanisms are even stronger in postsocialist countries, where the legacies of the socialist past are considered to be immutable structural elements that trap entire populations in powerlessness and hopelessness.

It is important to underline that my aim here is not to reject the model of service cooperatives in favor of the model of production cooperatives or other forms of cooperation. I rather want to emphasize the consequences of embracing one model exclusively while stigmatizing and dismissing other existing or possible models and practices. In order to avoid the negative effects of biased narratives, I suggest embracing a postcapitalist approach as proposed by Gibson-Graham (2006a). This would allow scholars to open our attention to the plurality of local practices, knowledge and experience, while radically refusing the generalizations and essentializations linked to the identification of fixed structural legacies and determined path-dependencies. I have briefly hinted in this paper at some of contestation and resistance, even if not always intentional and explicit (see Cima 2020).

5 It is important to note that this does not mean that they are powerless. I observed several forms of creative
the practices and relations that are rendered invisible by the dominant narrative: these are in particular informal practices of cooperation among farmers, including relationships of reciprocity within networks of relatives and friends. Identifying and making visible such practices and relations is a first step towards more positive representations that can nurture hope and possibility, and inform policy measures that are more sensitive to and more supportive of local forms of cooperation.

References
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