

## **Supplementing the State: Street Level Bureaucrats and Informal Practices**

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Informal practices are commonly depicted as a suboptimal substitute for inefficient institutions. In a context where the formal institutions are weak, informal practices and institutions shape the expectations of the actors, hence enable economic exchange (De Soto 1989; De Soto 2000; North 1990). In contrast, the recent research on informality in Post-Socialist countries illustrates that informal practices cannot be reduced to their instrumental function of facilitating economic exchange. Instead, they are socially and culturally embedded phenomena, (Morris and Polese 2014a; Smith and Stenning 2006; Stenning et al. 2010), shaped by context sensitive moral considerations of the actors, and often serve for 'structuring welfare from below' (Polese et al. 2014; Morris and Polese 2014b). As Morris and Polese (2014b) illustrate, the informal exchanges between street-level officials and citizens tend to be shaped by culturally specific moral considerations. Basing on the extensive ethnographic evidence from Russia and Ukraine, the authors observe that the doctors and teachers tend to consider needs and means of the customers while accepting bribes, creating a redistributive pattern where the needy and vulnerable receive services at a lower price.

Relying on these theoretical insights, in this article I argue that the street level officials take into consideration personal moral judgments concerning the needs of the citizens even in the context where the small scale bribery is absent. I rely on the ethnographic material gathered in Tbilisi throughout 2012-2014, totalling eight months of fieldwork to discuss the relationships between illegal street vendors and the state agents that are assigned to penalize illegal vending. I find that the state agents – Tbilisi City Hall supervisors and the policemen – do not accept bribes or other types of favours from the illegal vendors. Even if the state agents do not seek for personal monetary gain, they still develop informal practices to support informal vendor's adaptation to deepening marketization and restriction of the access to public spaces for vending. In the context where the state/formal

institutions fail to differentiate between different categories of vendors, the street level agents start differentiating the vendors based on their own moral judgments, favouring the vendors that are perceived as more vulnerable over the ones that are perceived as relatively well-off small entrepreneurs. These moral judgements are shaped throughout the overtime intimate interactions between the vendors and the state agents, in which the vendors evoke socially respected norms like the respect for elderly and respect for women, and convince the state enforcement agents to ease or abandon the penalties. On the one hand, the supervisors and policemen avoid penalizing the most vulnerable illegal vendors, on the other hand, they informally negotiate with the owners of the private market places on behalf of the vendors, to help the vendors legalize the trade.

The article has important implications for the research on informal practices. It adds to the existing literature arguing that informal exchanges are not solely driven by rent-seeking motivations. Favorable treatment of some citizen's over others and failure to retain impartiality, are predominantly associated with corruption, clientelism and rent-seeking behavior of street level bureaucrats. In contrast to this widely held assumption, I illustrate that partial and favorable treatment of citizens might occur even in the context where the bureaucrats do not expect clear personal (monetary or non-monetary) benefits. However, the findings also confirm the long-standing proposition that informal practices offer suboptimal solutions to diversity of social-political challenges. Instead of leaving the job of easing citizen's adaptation to new regulations up to private initiatives of street-level agents, the article calls for increased formal/state intervention to facilitate adjustment of vulnerable groups and actors.