

INSURING THE FUTURE: INSTITUTIONALISING AGRARIAN RISK GOVERNANCE IN CENTRAL ASIA FOR SUSTAINABLE DEVELOPMENT

Csaba Bálint Illés¹, Viktor Forian-Szabo², László Pataki¹

¹John von Neumann University, Doctoral School of Management and Business Administration, Infopark sétány 1., Budapest, Hungary

²Independent Researcher, Staudgasse 72/40, Vienna, Austria

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1 INTRODUCTION

This study investigates the institutionalisation of agrarian insurance as a response to climate and market uncertainty in Central Asia. In contexts marked by post-socialist transformation, weak governance, and fragmented rural economies, insurance mechanisms are becoming vital instruments of risk governance and regional development. Drawing on historical institutionalism and comparative political economy, the paper explores the capacity of public and private actors, including international development organisations, to promote inclusive and sustainable insurance systems in Kazakhstan, Kyrgyzstan, and Uzbekistan.

2 MATERIAL AND METHODS

This paper presents a Phase 0 exploratory study that lays the groundwork for a broader, longitudinal research agenda on agrarian insurance institutionalisation in Central Asia. The study adopts a comparative qualitative methodology rooted in the traditions of historical institutionalism and the varieties of capitalism literature [1, 2]. It investigates the development of agrarian insurance systems in Kazakhstan, Kyrgyzstan, and Uzbekistan—three countries chosen for their contrasting trajectories of post-socialist reform and international engagement.

Rather than conducting fieldwork at this stage, the research relies on structured content analysis of policy reports, insurance pilot evaluations, and scholarly literature, including key sources from the World Bank [3, 4] and FAO [5, 6]. The unique methodological approach integrates policy review with institutional diagnostics to identify regulatory bottlenecks and potential avenues for inclusive governance. As a foundational phase, this study does not aim for empirical generalization but instead develops a conceptual framework and analytical scaffolding to guide future empirical data collection, expert interviews, and field validation.

3 RESULTS

The comparative analysis reveals significant institutional asymmetries across the region that influence the uptake and perceived legitimacy of agrarian insurance. In Kazakhstan, the most advanced case, insurance markets benefit from relatively strong state involvement and donor-supported digital infrastructure. Weather-index and catastrophe insurance mechanisms are operational, though they remain concentrated among commercial agricultural actors and show limited penetration in marginalized rural communities [3].

In Kyrgyzstan, pilot programs for index-based livestock and crop insurance have been introduced through partnerships with the FAO and development banks, yet their scale remains limited and uptake uneven [6]. A lack of financial literacy, the dominance of informal risk-sharing systems, and the fragmentation of agricultural governance hinder broad institutionalisation. Insurance remains donor-driven, and integration into national development policy is minimal.

Uzbekistan, while showing signs of policy innovation under its recent liberalisation agenda, continues to struggle with legacy centralisation and weak coordination between agricultural, financial, and disaster risk management authorities. Insurance products are being introduced in tandem with land and water reforms, yet institutional experimentation is cautious and restricted to urban-adjacent or commercially oriented regions.

Across all three countries, institutional path dependency and the absence of deep-rooted trust in public-private partnerships are major constraints. Despite the visible presence of international actors and some technical innovation (e.g. mobile claim processing, remote sensing), agrarian insurance is often perceived as externally imposed, rather than an embedded institutional practice. Moreover, informal mechanisms such as community solidarity and religious giving frequently act as substitutes or barriers to formal insurance adoption.

One striking finding is that the success of insurance schemes depends not only on technical soundness or subsidy levels, but on how well they are embedded within broader frameworks of social protection and local governance. Programs that complement rural development strategies, acknowledge informal economies, and foster co-ownership among local stakeholders tend to achieve better outcomes in terms of both scale and legitimacy. As such, agrarian insurance functions as a bellwether of institutional capacity, trust, and development trajectory in post-socialist rural societies.

4 CONCLUSIONS

This exploratory Phase 0 study demonstrates that agrarian insurance in Central Asia is deeply shaped by legacies of transformation, governance quality, and external influence. While technical solutions exist, their long-term success depends on localized trust-building, the creation of inclusive institutions, and the embedding of insurance within broader social protection systems. The findings highlight the necessity for further country-specific fieldwork, especially concerning the socio-cultural perceptions of risk, informal economic practices, and the potential for digital innovation.

The methodology developed in this phase offers a novel approach to institutional analysis of agrarian risk governance in transitional contexts. Future research will expand on this groundwork by incorporating stakeholder interviews, geospatial data, and policy feedback mechanisms to evaluate institutional performance and adaptive capacity in real time. As climate uncertainty and demographic change accelerate, understanding how rural societies internalize and operationalize insurance remains both an empirical and normative challenge.

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Contact information

Corresponding author's e-mail: forian.szabo.viktor@gmail.com