

## **Tajikistan**

Human Development Report: Good Governance

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## **INTRODUCTION**

The objective of the report is to assess the current state of governance institutions and national management in Tajikistan and indicate possible strategic areas for improvement.

The purpose of the report is to take part in national discourse on governance reform and development in Tajikistan. The report advocates for public policies, which focus on human development, people centred development approach promoted by UNDP.

### Target group

The report is targeted at all decision makers of the country, including public policy, civil society organizations (CSOs), the private sector as well as the international donors.

### Few words about the authors :

The report has been written by a group of international consultants who possess limited knowledge on the country, however for the purpose of the report conducted in – depth studies. The group of consultants – development practitioners - drew from rich diversity of their development work around the world.

### Methodology

The report can be characterised by its semi -scientific approach, with strong conceptual framework focusing on human development, however relatively weak analytical part ( this would require much more time which consultants did not have ).

The report has been produced independently from the Government, however having taken into consideration all the relevant government development strategies and programmes.

Again, due to given limited period of preparation, recommendations and conclusions do not account for the UN programming in the country.

### Areas for improvement in methodology

If more time was given the following suggestions are made to improve the quality of the report:

The report should be a partnership project as a result of consensus between all of groups and individuals interested/working in the issue of good governance in Tajikistan.

To this end, Forum for Tajikistan should be called to life, under the leadership of UNDP to conduct meetings and discussions on the issues related to governance and national management. It is important to mention, that from the very beginning of the process, governmental officials should be included in the process, in order to ensure ownership of the report, as well as open channels to translate the recommendations and conclusions into concrete policies. Editor in chief of the report, and expert in development and governance, ( team of national and international experts ) would select a team of core experts ( from the participants of the Forum ) who then would be

responsible for preparing the outline and consequently, the main text and recommendations.

The Forum would meet in order to discuss the critical developments of the report : outline, the main text, followed by recommendations and therefore at least 4 meetings would take place. UNDP would convene the meetings and carefully moderate the discussion, focusing on the most important problems, however giving voice to vulnerable, marginalized and minorities. It is envisaged that the Forum would consist of active NGOs, associations (like women business association), the church, local governments representatives, international organizations ( UN CT ), and journalists etc.

On the top, UNDP would periodically consult senior governmental officials to inform them about developments of the report. Relevant ministries on the issue of good governance : Ministry of Labour and Social Policy, Ministry of Finance, Ministry of Environment, Ministry of Infrastructure.

### Dissemination

The report will be officially launched by the President of the Republic.

UNDP in partnership with the UN Country Team in Tajikistan will organize a human development week festival all over the country in order to promote HD as well as the main recommendations from the report. The spirit of the festival will rest on the maxim of 'thinking globally, acting locally' and therefore the international universal values of human development will interplay with local cultural traditions of social gatherings ( with exclusion of the religious factor ).

Dances and food feasts will be accompanied with educational activities. Special attention will be put on gender participation.

All the regional debates will be recorded by UNDP and aggregated into one strategic paper to be presented to the government. The paper will reflect preferences and aspirations of people at all levels of the society, and what important – will create 'pressure from the bottom'. Existing legislation will be reviewed in the context of the cumulative results of the regional events and discussion and will be presented to the Parliament and concrete public policy solutions will be presented.

## OVERVIEW

Tajikistan has gained its independence from the USSR in 1991. Over sixty years of communisms and dependency on Moscow politics, have created a completely private state, repressing freedom of individuals to their own private households and creating handicapped economy, with focus on heavy industries.

Fall of communism led to internal civil conflict when both: the people and the economy suffered. Peace and national accord have been achieved in 1997 and since then, the country has been slowly reconstructing, building democratic state and free market economy.

Since then, the country has been gradually picking up, making progress on few fronts, namely consolidation of democratic mechanisms, strengthening its nationhood and governance. But many prospects are bleak. Two problems seem obdurate. The first is poverty. Currently, Tajikistan is the poorest country among the ex-USSR countries and there is evidence that poverty is increasing and inequalities widening. Poverty, which is caused by the economic collapse accompanied of gaining independence in 1991 as well as disruption of trade and civil war. And although, it has been fourth year in a row, that Tajikistan has achieved positive economic growth, the improvements have been very slow to translate into improving conditions for majority of the population. Poverty no doubt is the main cause of concern and this poses the real threat to Tajikistan's future development.

The second problem is low level of civic consciousness and civic education, an inheritance from the communist past. People lack individualistic attitudes, lack confident in individual's power and therefore freedom, rely heavily on the state welfare, which at the current economic situation, cannot deliver demanded public goods. Hence, civic society still remains in its embryonic stage.

In such context, for the prosperous future of the country and benefit of its people, setting right development priorities is critical. Many experiences can be drawn from other countries in the region, eg Ukraine, Bielarus, which have failed in delivering growth and progress for their people. Building on these examples, Tajikistan must create system of good governance, which will trigger the virtuous cycle of development.

Governance is a system of institutions, formal and informal, by which the society organizes itself. It comprises mechanisms of mediation, decision making, exercising rights and obligations. Governance includes social, political and economic dimensions and can be analysed from the perspective of group as well as individual interests, country and globe, private and public sectors, etc. The term is normative and neutral if no values are combined and in this context, not all governance can lead to human progress and development. The one that does, and the one which is critical and most important for Tajikistan is democratic governance, so that people are not only the means of development but they can also actively participate in the process, to legitimately debate which policies and practices are best for the country, for securing economic growth, and through open debates jointly shape their development priorities. Institutions of democratic governance are founded on the following principles: equity, participation, pluralism, accountability and transparency, rule of law, efficiency and responsiveness. But these principles must be also embedded in informal institutions – norms and conventions – to move society toward greater human development. Democratic governance creates an enabling environment for people to expand their choices, so that people can lead lives they want to live, by

providing freedom, peace and sustainable development – the heart of human development. This has been the case with Poland, where move towards democratisation and political opening have helped to produce this kind of virtuous cycle with free press and civil society activism giving people new ways to participate in policy decisions and debates. Looking from retrospection on the case of countries like Hungary or Poland, most social scientist agree that the winning factors have been heavy investment into development of civil society, which gave great impetus into participation, raise of accountability and development of public sphere. Great assistance came from international aid organizations, however the role of cultural factors, like social fabric, national identity that have bounded the new principles into the system, have also been equally important.

Tajikistan is a country with rich cultural heritage and large human potential and these are the entry points on which deeper process of political development to embed democratic values and culture in all parts of the society can be constructed. Building democratic institutions while achieving equitable social and economic development can pose tension. Obscured privatisation processes, unclear public procurement process deliver examples where create imbalances in resources to influence outcomes and often subvert the democratic principles. The key factor to overcome potential danger which can jeopardise development effort is to expand capabilities such as education, to enable people to play a more effective role in such politics and fostering development of civil society groups and other informal institutions to improve representation of people. It is a lengthy and expensive process ( some of the NGOs do not want to stay accountable or represent their constituencies ), however vibrant civil society is a guarantee of development success. Legal solutions could help, like formal fund for NGOs, etc. Another good policy practice is to proceed with decentralisation and create incentives for people to participate in local politics, like formulation of local budgets; builds ‘public exposure confidence’ among people as well as feeling of responsibility for one’s future. These kind of local governance initiatives proved successful in other transition countries, Hungary, the Czech Republic, Lithuania.

Situation in Tajikistan is complex it’s geographical position, the level of poverty and widening inequality and weak state institutions generate conditions under which development process bound to be difficult and lengthy. However setting the right development conditions and translating them into optimal public policies is the light in the tunnel for the country.

This report’s objective is to raise public awareness and trigger action on critical human development concerns for Tajikistan. By putting forward concrete public policies advise, the report brings the philosophy of human development alive, and reflects country’s people priorities/preference and aspirations.

The issue of good governance is at the fore front of the national agenda – an emerging national challenge. The report outlines a vision, of what and how good governance institutions could work for benefit of people in Tajikistan as well as trigger cycle of virtuous development.

## CHAPTER 1

### Promoting Good Governance for Human Development

#### I Poor governance means less human development

- ❖ UNDP defines governance as the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector.
- ❖ Poor governance: weak state, rampant corruption, low efficiency of institutions
- ❖ Poor governance leads to lasting poverty and lagging development, which means less human development.

#### II Why advancing human development requires good governance?

- ❖ Human development is a process of enlarging people's choices by expanding their capabilities. Political freedom and participation are fundamental components of human development.
- ❖ From the perspective of human development, good governance is democratic governance that combines the principles and processes of democracy with the institutions and processes of governance in a normative manner.
  - First, democratic governance enhances political freedom and participation, which are fundamental capabilities for human development.
  - Second, democratic governance has instrumental values in contributing to stability and equitable economic and social development.
  - Third, democratic governance can trigger a virtuous cycle of development, as political freedom and participation empower people to press for policies that expand social and economic opportunities, and as open debates help communities shape their priorities.

#### III Advancing good governance for human development – conceptual framework

- ❖ **Good governance is built on the following institutions:**
  - A system of representation, with well-functioning political parties and interest associations.
  - An electoral system that guarantees free and fair elections as well as universal suffrage.
  - A system of checks and balances based on the separation of powers, with independent judicial and legislative branches.
  - A vibrant civil society, able to monitor government and private business-and provide alternative forms of political participation.
  - A free, independent media.
  - Effective civilian control over the military and other security forces.
  
- ❖ Critical for efficient functioning of the outlined institutions is **process of capacity building** in order to embed the values and norms of good governance: *Equity; Participation; Pluralism; Partnership; Subsidiarity; Transparency;*

*Accountability; Rule of law; Effectiveness; Efficiency; Responsiveness; Sustainability.*

❖ **...And challenge to translate into concrete public policies:**

- Enhancing the role of free market;
- Fostering development of civil society organizations;
- Promoting equitable economic and social development;
- Increasing public expenditures on human development;
- Expanding people's participation into development and decision-making process.
- Creating an enabling environment for people to embark on their private initiatives
- Developing global and regional links and networks for sharing experience and information on the above aspects.

## **CHAPTER 2**

### **Assessing the state of good governance in Tajikistan**

#### **I. Post – war reconstruction period.**

High human cost of economic transition from communist system to a market based system exacerbated by civil conflict and war resulted in weakening of governance and human deprivation, and damage of vital infrastructure. Due to civil war, over a million people displaced, 250,000 fled from the country, and about 60,000 died. War caused severe loss of entitlements, which consequently worsened poverty, increased inequalities and availability of basic services to a larger portion of the population. In 1997, 'General Agreement on the Establishment of Peace and National Accord', paved way for national consolidation.

The agenda for transformation was to create a modern democratic state with efficient and equitable free market mechanisms through:

- ❖ Improving and simplifying national management system
- ❖ Increasing transparency and accountability
- ❖ Decentralizing management of economic entities
- ❖ Developing and empowering the private sector.

The objective of the transformation was to create a social system characterised by:

- ❖ Liberty from discrimination
- ❖ Freedom from fear
- ❖ Well being individuals, utilising their capabilities
- ❖ Justice
- ❖ Broad participation of population on the issues related to management and future strategic decisions of the country

#### **II. Consolidating democracy in Tajikistan**

- ❖ Presidential and parliamentary elections, which were leap way forward in consolidating democracy and introducing the notion of the modern state needs, will need time to change the existing legislation.
- ❖ The process of changing legislation should be participatory; most crucial and controversial laws should be debated on the public fora and therefore support from the NGOs is crucial to disseminate news and foster discussion.
- ❖ However, civil society is still in its embryonic state. Low democratic culture prevents development of NGO market and creates situation where institutionalisation becomes top-down process with the state being the sole actor and assuming monopoly in determining people's future.
- ❖ 90% of the population is Muslim, their influence ( also religious ) shape the political situation, sectoral development, human development outcomes and legislative reforms.
- ❖ To make the legislation more democratic and accountable to the international human rights standards, Tajikistan has ratified all six major international human rights treaties

### **III. Governance and Human Development Situation**

- ❖ Rapidly rising poverty and widening inequalities, inflation, unemployment and low economic growth are the major problems. 80% of the population is poor and 20% is very poor.
- ❖ Tajikistan ranked 115 in 1997 and improved to 110 in 2000, nevertheless the human development indicators though improving are still weak.
- ❖ All over Tajikistan, hospitals and schools function at only a fraction of their-pre-war capacity. Medicines are either not available or too expensive.
- ❖ Health care, water supply, and sanitation services need immediate improvement.
- ❖ The health care is mainly curative with a definite lack of primary health care and a preventive approach.
- ❖ A very high proportion of Tajik infants suffer from diarrhoea.
- ❖ Women participation rate in the socio-economic activities is very low (3%).
- ❖ Media are controlled by the state

## **CHAPTER 3**

### **Strategic Vision : Policy Recommendations**

#### **I. Public Sector Reform**

- ❖ As this reform is of particular relevance to economic market development, and therefore feasibility studies need to be conducted in each sector to identify functions to be eliminated either immediately or in a longer run. As a starting point the Government should carry out functional review first for 2 or 3 pilot ministries focusing on activities (health and education?) that are particularly pertinent to the poor.
- ❖ The Government is to ensure that the public sector is able to retain and recruit essential managerial and technical skills introducing at the same time a revised grading structure. This should be reflected as a strategic target in the 2003 budget.

- ❖ Establishing professional civil service, accompanied by the pay and incentives reforms to substantially increase the management capacity and efficiency of the state sector.
- ❖ Budget management systems to be improved through medium term budget framework focusing on the management of public expenditures and strengthening the inter-Governmental financial system. This is conducive to better macroeconomic performance and would thus contribute to the poverty reduction.
- ❖ In order to improve efficiency of the public sector, careful review and study should be conducted on introducing e – solutions, which will enhance transparency and accountability ( passing law on digital signature ).
- ❖ Decentralisation process must be accompanied by fiscal reform – diversion of revenue from national to local level in order to ensure efficient and smooth transfer of responsibilities from national to local level.

## **II. Legal System Reform**

- ❖ The capacity of judiciary needs improvement in order to increase the checks and balances and strengthen the rule of law. Target judges first providing them with appropriate technical skills as well as code of ethics. Once empowered, they would be able to supervise the adjudication process, in turn empowering defence attorneys vis-à-vis prosecutors. Training of judges can be done through seminars and technical assistance relating to international law, trial/appeal techniques, drafting of legal decisions, human rights and the financing of legal system.
- ❖ As rendering of law more transparent is essential, a comprehensive review of laws could reduce the number of opportunities for discretionary decision-making that encourage illegal practices.
- ❖ Nation wide campaign for civil education to empower citizens in ‘rights and obligations’ in order to strengthen democracy and increase participation. Important to use simple language, based on examples.
- ❖ Providing technical assistance to law enforcement agencies i.e. police could further strengthening the rule of law. The Directorate for Combating Corruption and Organized Crime needs to be further supported with adequate equipment besides training. One important direction to move immediately is joining the Interpol. The cost for this is \$100,000 initially with annual dues of \$40,000 thereafter. This should be reflected in the 2003 budget.

## **III. Civil Society Empowerment**

- ❖ Supporting development of NGOs in rural areas could help to organise the population to fight corruption and to provide them with legal aid. Nowadays a great majority of NGOs operate in Dushanbe and Khojand, while rural areas where the majority of the poor reside have received less, if any at all, attention.
- ❖ Building capacity schemes for NGOs to make them more aware of new laws/opportunities passed in the country as well as international law. Supporting mechanisms for NGOs could come from public budget expenditure ( people devote some small % of personal income to a selected NGO).
- ❖ People should be encouraged to participate in formulation of local budgets in their respective local governments; this will create foundations for civic/social dialogue and hence create public sphere. Of particular importance here is the

implementation of Agenda 21 guidelines, which introduced democratic mechanisms in deciding on the local expenditure.

- ❖ Pass law on freedom of information in order to enhance development of free and independent media.

#### **IV. Agriculture**

- ❖ Reform of governance in agriculture is necessary as this is the source of livelihood for most of Tajikistan's poor. The further liberalization of agricultural markets and elimination of implicit and explicit state orders would reduce the opportunities for local officials to abuse their powers in determining the terms of contracts.
- ❖ Land reform can help reduce abuse of power and poverty by making sure that the rules of land allocation are transparent.
- ❖ New models of farmer organisation should be pursued based on the pilot in Leninsky District that was supported by CARE. This association supplies inputs to farmers on credit and train them to run their own affairs.
- ❖ Educational and training schemes should be offered to young farmers in order to encourage them to search for some alternative sources of employment.

#### **V. Economic Reforms**

- ❖ As the Financial System is undeveloped, Assurance Companies need to be created as well as Investment and Development Banks alongside private Pension Funds,
- ❖ As result of the poor banking system the capital market is not in function. The capital markets should be put in place, with special emphasis on strong banking sector reform will enable competitiveness and strengthening of the banking supervision, (in particularly to provide micro-credits or credit guarantees for small entrepreneurs, this could be done with assistance of international finance institutions )
- ❖ The active state policy in the domain of markets should entail employment assistance, training and restructuring of the existing human resources.
- ❖ The Pension system reform should be made possible through creating of private pension funds. This will enable diversification of the pension system risks and reduction of the budget expenditures accrued for pension fund deficits.
- ❖ Privatisation process must be finished ASAP. Privatisation process should proceed efficiently; should be made transparent and understood by population in large, and in this context educational pamphlets should be distributed.

#### **VI. Public Security**

- ❖ Demilitarisation is important element in poverty reduction programme as it aims at reducing the lawlessness. The Government to consider demilitarisation process though a weapons buy-back programme. This requires particular caution as it may backfire boosting the black market. (if the price offered by weapon collection canter were to be too high, the black-marketers could profit from selling weapons repeatedly after obtaining more). The process of reintegration of ex-combatants must continue by new skills training/education.

#### **STATISTICAL ANNEX**

**Independence September 1991**

Total Population (Jan, 2000)	6.1 million	
	Female	49.7%
	Male	50.3%
	Rural	73.5%
	Urban	26.5%
GDP GROWTH (%)	3.7%	
Consumer Price Index (%)	30%	
Unemployment Rate (%)	30%	
CPR	30%	
TFR	3.7%	
Population Growth Rate	1.6%	
MMR (per 100,000 live birth)	87.8%	
IMR (per 1,000 live birth)	23.4%	
Average Household Size	7.1	
	Urban	5.7
	Rural	7.6
GDP per capita (PPP)	US \$ 330	
Adult Literacy Rate (15+)	97.7%	
Education Enrolment (all levels)	68.8%	
Social Sector Budget	24.0% (of total budget)	
	Health	6.0%
	Education	11.8%
Life Expectancy (years)	68.4	
	Female	71.3
	Male	65.6
HDI Ranking	110 of 174 countries	
Human Development Index	0.601	
Gender Development Index	0.599	
Gender Empowerment Index	0.388	
Human Poverty Index	29.3	