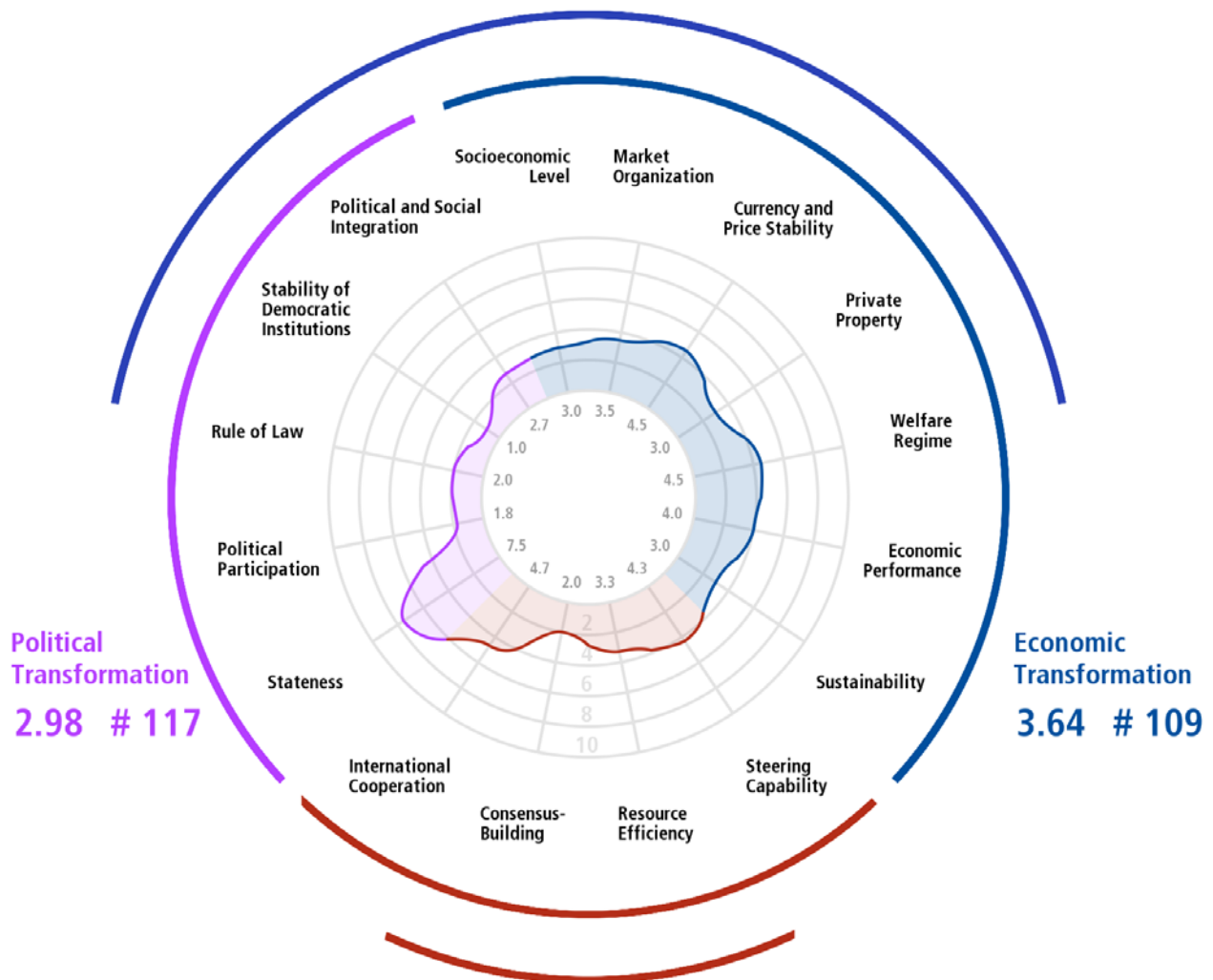


# Tajikistan

## Status Index

**3.31 # 115**

on 1-10 scale out of 129



## Governance Index

**3.31 # 111**

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2018 Country Report — Tajikistan. Gütersloh: Bertelsmann Stiftung, 2018.

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## Key Indicators

Population	M	8.7	HDI	0.627	GDP p.c., PPP \$	2980
Pop. growth <sup>1</sup>	% p.a.	2.2	HDI rank of 188	129	Gini Index	34.0
Life expectancy	years	71.0	UN Education Index	0.663	Poverty <sup>3</sup>	% 20.0
Urban population	%	26.9	Gender inequality <sup>2</sup>	0.322	Aid per capita \$	49.8

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

## Executive Summary

In the period from 2015 to 2017, Tajikistan's authoritarian retrenchment increased. In 2015, parliamentary elections resulted in the Islamic Revival Party of Tajikistan (IRPT) losing the two seats it had held since 2000. The crackdown against the IRPT intensified, its chairman went into exile, its remaining leaders were rounded up, and lawyers who acted on their behalf were also imprisoned for lengthy prison terms. In January 2017, the eldest son of President Emomali Rahmon assumed the important office of Mayor of Dushanbe, following the resignation of the long-time incumbent Mahmadsaid Ubaidulloev. As memories of Tajikistan's 1992 to 1997 civil war fade, the Rahmon family regime that took power then continues to try to convince the public that only they can keep the country stable.

Security problems in recent years have been domestic, despite the government's attempt to present them as foreign in origin. The country's security services continued to repress all dissent in the peripheral regions of the Rasht Valley and Gorno-Badakhshon. In September 2015, they fought a gun battle on the streets of the town of Vahdat and the capital against Deputy Defense Minister Abdulhalim Nazarzoda in an apparent purge which concluded in the death of the senior official and many of his men in a mountain gorge near Dushanbe. The security situation in Afghanistan and the Middle East, where an uncertain number of Tajiks have joined the Islamic State (IS) group, has had little direct impact on Tajikistan's internal stability, despite the defection of a U.S.-trained senior military officer in 2015 and government claims to have thwarted dozens of terrorist attacks originating within exile movements. The state holds together but continues to look fragile.

The composition and nature of the authoritarian, clientelistic and patriarchal regime centered on President Rahmon has changed very little in this period. The parliamentary elections of March 2015 were notable for the final removal of even the semblance of opposition. Infant opposition movements, Group 24 and New Tajikistan, had been pushed into exile in 2013 and 2014. Group 24's leader, Umarali Quvvatov, was killed on the street in Istanbul just after the parliamentary elections, while New Tajikistan's leader, Zayd Saidov, languishes in jail serving a 25-year

sentence after a trial that failed to meet the most basic standards of jurisprudence. A Tajik citizen was convicted of Quvvatov's killing in January 2016. The government insinuates that the killing may have been contracted for business reasons, while the dwindling opposition and human rights activists are convinced it was a political assassination ordered by the regime. A wider pattern of repression is objectively observable. In the Central Asian Political Exiles database at the University of Exeter, Tajikistan now ranks alongside Uzbekistan for the scale of its disappearances and 'gray' extraditions from former Soviet space and its abuse of Interpol to target political opponents in the West.

Criticism by Western states and international human rights organizations has also increased, but fallen on deaf ears. In 2016, Human Rights Watch reported that "torture remains widespread in the criminal justice system" and that the police "routinely use torture to coerce confessions and deny detainees access to counsel." International aid that aims at governance reform has declined in political significance as Chinese and Russian loans and credits have increased. All this serves to strengthen the executive's power over other institutions. The regime sets strategic goals and maintains working relations with donors and the U.N. but civil society remains weak, under state pressure and dependent on donors.

Tajikistan remains the most remittance-dependent economy in the world. The amount of money transferred from Russia to Tajikistan fell precipitously from \$3.8 billion in 2014 to \$1.28 billion in 2015, according to the Bank of Russia. Tajikistan's National Bank reported a further fall in 2016 and is reportedly in negotiations with the IMF over a bailout. The government meanwhile continued to focus its economic development strategy on large-scale infrastructure projects in hydropower, road building and gas; aluminum and cotton remained Tajikistan's primary exports. An Italian construction company began work on the final stage of construction of the Rogun Dam, which when opened will be the highest hydroelectric dam in the world. It is scheduled to begin electricity generation in 2018. The business environment continued to be dominated by state-owned utilities and enterprises owned by associates of the regime. In practice, most families outside the privileged elites struggled to subsist and relied on remittances from labor migrants for cash. The government has so far resisted Russian overtures to join its neighbor Kyrgyzstan in the Eurasian Economic Union.

## History and Characteristics of Transformation

Tajikistan was the poorest republic of the USSR and retains this status in the former Soviet Union (FSU). It has a rapidly rising population estimated at around eight million. After the collapse of the Soviet Union in 1991, independence was overshadowed by a severe political and economic crisis and Tajikistan descended into five years of civil war (1992 – 1997). The war was fought between commanders loyal to the rump government, led by Rahmon from November 1992 on, and commanders who pledged allegiance to the United Tajik Opposition (UTO), a disparate movement whose leaders were in exile in Russia, Afghanistan and the Middle East. There are no accurate casualty figures and there has been no attempt, for political reasons, to open a commission

of enquiry to establish the facts and identify abuses committed during the conflict. However, estimates range from 50,000 to over 100,000 killed, mostly among the civilian population. Over half a million were internally displaced or fled as refugees.

In 1997, after eight rounds of negotiations under U.N. auspices, the government and the UTO signed peace accords and created the National Reconciliation Commission (NRC) to supervise the development of the peace process. The commission's last meeting was held in 2000, and elections to the new bicameral parliament (the Majlisi Oli) were held in March, formally bringing the peace process to a successful end. Tajikistan is among the few post-conflict countries that have transitioned quickly from war to internal stability and formed a functioning government. Most remarkably, order has been reestablished without the liberal reform deemed essential by international actors. Nevertheless, the country has experienced several incidents of minor armed conflict since 1997 each of which has been suppressed by the government. The latest of these were in the Kamarob Gorge of the Rasht Valley in 2010 to 2011, GBAO in 2012 and the purge of Nazarzoda in 2015. The Islamic party, the IRPT, whose members were allied to the UTO, held a handful of posts in the government until the mid-2000s and two seats in parliament from 2000 to 2015. In 2015, the IRPT lost its seats, was again declared a terrorist organization, and its moderate leader Muhiddin Kabiri fled into exile.

Although it is burdened with failing infrastructure, crumbling health and education systems, and weak institutions, Tajikistan has managed to recover economically since the war. After 2000, the economy demonstrated strong growth, averaging 10% annual growth between 2001 and 2004, which slowed to 6% in 2005. External debt was cut in half, and poverty reduced from 83% of the population in 1999 to 47% in 2009. However, while this growth is partly the result of structural reforms and recovery in capacity utilization, it was also aided by favorable world prices for aluminum and cotton as well as increasing remittances from Tajikistan labor migrants to Russia and elsewhere. Tajikistan is ranked as the most remittance-dependent state in the world, one of the most corrupt, and one of the most difficult in which to do business.

Since 2000, stability has continued to trump any meaningful move toward democratic reform. The parliamentary (2000, 2005, 2010, 2015) and presidential (1999, 2006, 2013) elections and the 2003 constitutional referendum, which approved the president's proposal to extend terms of office to seven years and allow another two terms for the incumbent, merely rubber-stamped the existing order and were met with muted complaints from the international community. In the years following the peace accords, Rahmon pursued a strategy of co-opting key opposition figures into senior appointments and opening the spoils of power to them. At the same time, opponents, potential opponents and those who fall out of favor have been suppressed – often jailed or forced to flee the country. Politics in Tajikistan are heavily dependent upon patronage networks and personal loyalties. Governance is often exercised through informal channels. NGOs are weak and scarcely exist beyond the capital city and some other major towns, such as Khujand. Local governments (jamoats) and neighborhood (mahalla) committees are of some importance in local decision-making. However, they do not have real autonomy from central government and tend to be characterized by a patriarchal mode of governance. Electoral democracy and a market economy are a façade for a consolidated autocracy and a patron-client system.

Tajikistan is considered a necessary if weak security partner by Western states, Russia and, increasingly, China. Tajikistan has not, as feared, been pitched into the throes of a “New Great Game,” but has instead been able to engage with and extract resources from all of the great powers – to the benefit of the regime. Because of its long border with Afghanistan, Tajikistan is deemed important for strategic security reasons (e.g., combat against extremism and the drug trade) yet it has been largely unaffected by the strategic balance of the conflict and the (perceived) threat to Central Asia of transnational Islamic militancy. Instability in Afghanistan and the Middle East has not spilled over into Tajikistan, despite repeated claims that this would happen since the beginning of the twenty-first century.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

In general, the state continues to enjoy full monopoly on the use of force. Tajikistan is a post-war state but incidents of terrorism remain very low by global standards. Although fully entrenched in principle, this monopoly was challenged occasionally during the period under consideration by incidents of violence associated with organized crime, particularly transborder drug-trafficking and two high-profile defections from the regime.

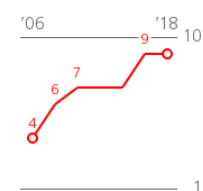
In 2015, the regime's instability was represented by the defections of Gumurod Halimov and Abdulhalim Nazarzoda. Halimov, the U.S.-trained head of Tajikistan's riot police, defected to the Islamic State (IS) group in May 2015 and announced this with a video from IS-held territory in which he berated the Tajikistan government for its aggressive policies against Islam and threatened to topple the regime. In September 2016, he appeared to have been promoted to Minister of War of IS. Nazarzoda was the Deputy Defense Minister of Tajikistan until he and his loyalists fought gun battles against other state security forces in September 2015 in the town of Vahdat and the capital city of Dushanbe. It was an outbreak of violence which was reported by the government of Tajikistan as an attempted coup orchestrated by the outlaw IRPT. The coup – if that is what it was – was suicidal and very poorly planned – and ended with deaths of Nazarzoda and some of his comrades in the Romit Gorge. Journalists and analysts noted that it appeared more like a power struggle within the regime – an effective purge of Nazarzoda by his rivals within the regime.

There are no significant and sustained insurgent or violent movements contesting the state in territorial enclaves of Tajikistan. Although the authorities frequently mention the threat of radical Islamic groups, and increasingly their fear of attack by IS, the capacity of such groups to challenge the state has not manifested and is probably grossly exaggerated.

Question  
Score

Monopoly on the  
use of force

9



All major groups accept the legitimacy of the Tajik nation-state. At the same time, the significant Uzbek minority, which constitutes slightly more than 12% of the population (2010 census), and natives of the former opposition regions (Rasht Valley and the mountainous GBAO) feel increasingly alienated due to their exclusion from access to economic resources and government positions, and the security incidents of recent years. The number of ethnic Uzbeks is commonly believed to be inaccurate due, in part, to the politicized nature of the census, which discouraged citizens from claiming an Uzbek identity and in some cases was deliberately manipulated by local authorities. The number marks a further decline on the number of ethnic Uzbeks estimated by censuses in 2000 (15.3%) and 1989 (23.5%). Most independent analysts put the number of Uzbeks in Tajikistan at about 20%.

The government's ethno-nationalist ideology combined with rising political and cultural tensions with neighboring Uzbekistan also contribute to the alienation of many members of the Uzbek community. Official nationalism generates a sense of unity for ethnic Tajiks but also serves to divide them. Politically, Tajiks hold all major posts and proficiency in the Tajik language is required for all major political officeholders. Government attempts to strengthen Tajikistani national identity vis-à-vis traditionally strong regional affiliations continue to be undermined by the prevailing pattern of distribution of government positions, which strongly favors the natives of the extended Kulyab region in southern Tajikistan.

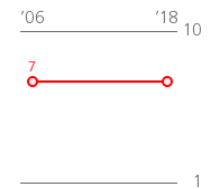
While all citizens are formally granted equal rights, widespread corruption and nepotism increasingly limit access to certain rights to those who are better-off and have good connections. Women remain largely marginalized and are frequently informally hindered from exercising their civil rights. Access to citizenship is formally granted to all groups without discrimination.

The only known groups that question Tajikistan's stateness are clandestine and banned radical Islamic groups (notably the Hizb ut-Tahrir) that aspire to create an Islamic state in Central Asia. The government has continued to brutally repress individuals suspected of supporting banned Islamic groups (notably Hizb ut-Tahrir, Jamaat-e-Tabligh, Jamaat Ansarullah and the Islamic Movement of Uzbekistan). The prevalence of these groups is unknown but they are unlikely to be widespread within the country due to effects of state surveillance and repression.

Tajikistan is a secular state. It is forbidden by law to involve religion in political matters like election campaigns or the work of state bodies. However, the state officially celebrates several Islamic holidays and the governing elite increasingly uses rhetoric employing Islamic symbols. Although religious belief is an important part of Tajik culture, religious dogmas have no influence on politics or the law and are vehemently resisted by an assertively secular, authoritarian regime. As a legacy of the post-civil war peace accord, the regime allowed the IRPT to operate legally until

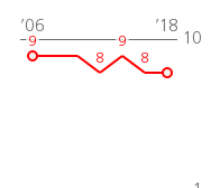
State identity

7



No interference of religious dogmas

8





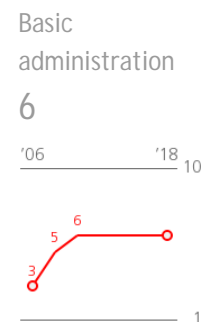
2015, but this opposition party has now been outlawed and declared a terrorist movement.

The authorities ardently defend the secular nature of the state, persecuting all religious activities beyond state-run institutions. During the period under review, the authorities have continued to marginalize independent religious leaders who were seen as restive or insufficiently loyal. Simultaneously, the government has increased the capacity of official institutions regulating religion, such as the High Council of Religious Scholars and the Department for Religious Affairs. Both institutions certify religious personnel, monitor registered mosques and religious schools and distribute mandatory topics for the important Friday sermons. Intervention by the government has influenced religious practice and the composition of religious authorities in the country. In July 2012, three new articles were added to the Code of Administrative Offenses in order to punish those violating the Religion Law's tight restrictions on religious education or holding unsanctioned ties with foreign institutions. The militant secularism of the government and its designation that only a very narrow interpretation of Hanafi Islam is genuinely Tajik is a form of dogma that has had significantly negative effects on freedom of religion in Tajikistan.

The state maintains a highly centralized though multilevel system of administration throughout the entire territory. The system includes all major civilian institutions, such as local governments functioning at the municipal, district and provincial levels; a system of courts; tax authorities; law-enforcement agencies; and local health and education departments which supervise hospitals and schools. All spheres of public service suffer from underfunding, rampant corruption and inadequate technical facilities.

During the period under consideration, the authorities continued to implement a number of major transport infrastructure projects. Still, large areas in the Rasht Valley and, at times, the entire GBAO Province remained isolated from the rest of the country during colder periods ranging from one to six months. The insufficient winter energy supply to schools and hospitals, especially in rural areas, limits access to health and education and raises the risk of outbreaks of infectious diseases.

The provision of basic services remained undermined by low public expenditures in the social sector. In 2015, only 74% of Tajikistan's population had access to an improved drinking water source, a figure that is improving, but which ranks the country alongside sub-Saharan African states, which have never had the infrastructure which Tajikistan enjoyed during the Soviet era.



## 2 | Political Participation

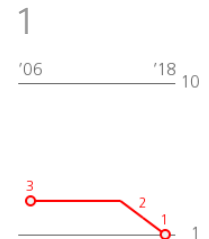
General presidential and parliamentary elections are regularly conducted in Tajikistan at national level through unhindered universal suffrage with secret ballots. However, international and local observers have characterized all past elections as fraudulent and lacking in basic political competition. There has been no change in presidential leadership since 1992, and the president-led People's Democratic Party (PDPT) has controlled the parliament since 2000 when it served as the basis for consolidating regional elites and the allies of the president under a single political party. Public trust in the election process remains very low.

On March 1, 2015, parliamentary elections were held and returned the PDPT to power with an overwhelming majority, with a handful of remaining seats distributed among minor parties that barely register in public consciousness and are largely supportive of the president. For the first time in the post-conflict period, the oppositional IRPT is not represented in parliament, which is left without a critical voice. The OSCE election observation mission's statement of preliminary findings remarked that the elections took place in a restricted political space and failed to provide a level playing field for candidates. The campaign was set to take place in a "controlled environment," voting included "significant shortcomings" and "disregard of counting procedures meant that an honest count could not be guaranteed." The elections were "not administered in an impartial manner" and the line between the election commission and the ruling PDPT was "often blurred." The elections received little coverage in the national media with only the PDPT and IRPT using their mandated free air time. The IRPT faced barriers that prevented it from using its preferred party broadcast media. The elections results were interpreted by international experts as part of an increasing hardening of authoritarianism and the repression of the Islamic opposition.

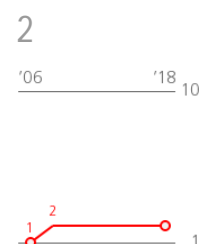
In 2016, a referendum was held to change the constitution so as to ban religious parties and remove term limits on the presidential office. The referendum was passed with 96% of the vote on a 92% turnout, according to the Central Committee for Elections and Referenda. The OSCE was denied permission to observe the polling.

The president holds an unchallenged monopoly on the governance of the country, but his election is only de jure democratic. Most important decisions are made by the president and an informal circle of his family members and close associates. There are no significant veto players, but the president has to consider regional interests and power brokers in certain issues. The parliament has limited competencies and, in practice, is a rubberstamp to the president's initiative.

Free and fair elections



Effective power to govern



The Tajikistan constitution guarantees freedom of association, but the government severely restricts this right in practice. Some loyal political parties are allowed to operate because they are not currently seen as contestants for power, but their activities are closely monitored. However, the IRPT, which was Central Asia's only legal Islamic party, was banned in August 2015. Groups and individuals critical of the government, particularly the president, are systematically harassed, isolated and persecuted. The actions of such groups are strongly restricted at district level, where local administrators unscrupulously curtail them. Citizens have the legal right to join trade unions, but the latter are largely subservient to the authorities and unable to effectively organize members.

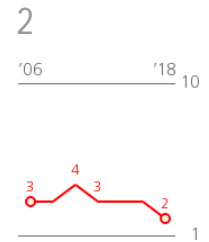
Watchdog-type organizations, which tend to be exclusively foreign-funded, are strictly monitored. There is also increasing evidence of repression of intellectuals, with anecdotal evidence suggesting that more are seeking refuge overseas. In August 2016, Tajikistan's dwindling human rights activists took the desperate step of making a public plea to international organizations that lawyers be allowed to visit political prisoners and monitor human rights violations.

The law provides for freedom of assembly, but this right is restricted and frequently denied by the government in practice. Local government approval is required to hold public demonstrations, and officials refuse to grant permission in virtually all cases, rendering gatherings illegal.

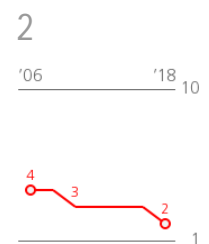
The noticeable decline in basic civil freedoms in recent years has been matched by efforts to restrict the independent Tajikistan media. Freedom of expression, speech and the press is guaranteed by the constitution. In practice, however, freedom of speech is restricted by government interference, widespread self-censorship, a lack of independent financial support and criminal libel laws. The government owns most television stations and controls broadcasting facilities, leaving little room for independent news and analysis on television (the major source of information) and on radio. Few independent newspapers are available. They experience repeated repression and are generally accessible only in urban areas.

Tajikistan ranks 150th out of 180 countries in the 2016 Worldwide Press Freedom Index of the international media watchdog Reporters Without Borders. This constitutes a drop of 36 places since the previous year, brought about by the government's harassment of the few remaining independent journalists. According to Reporters without Borders, independent journalists are regularly subjected to interrogation by intelligence officers, as well as intimidation and blackmail. "Surveillance of communications is now routine, while the blocking of the main news websites and social networks is virtually permanent." Throughout the period, several popular newspapers continued to suffer libel and insult accusations related to their coverage of politics, while a number of journalists faced intimidation, arrest and prosecution. Some chose to flee abroad. Some media outlets, including the popular Nigoh newspaper, closed down operations due to the worsening situation. A new

Association /  
assembly rights



Freedom of  
expression



media law introduced in March 2013 contained adequate measures on paper but all indications suggest that informal practices continue in a highly illiberal manner.

### 3 | Rule of Law

The executive remains in tight control over Tajikistan's legislative and judicial branches during the period under review. Despite the constitutional provision for the separation of powers and their institutional differentiation, the executive, represented by the president and his inner circle, hold both a formal and informal monopoly on power. Checks and balances are both formally limited and largely ineffective due to informal modes of governance. The bicameral parliament, dominated by president's PDPT, has limited competencies and, in practice, tends not to exercise its constitutional powers, voting as instructed by the executive. Debates in the parliament occur mostly when the executive specifically requests them. Most members of parliament are former senior executives, promoted to the parliament in a form of honorary retirement.

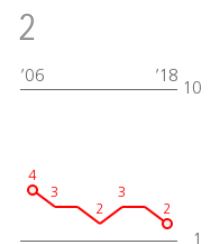
The removal of presidential term limits in 2016 has increased the office's power, while the move to ban religious parties serves as a constitutional guarantee against the return to legality of the country's only remaining opposition party.

The president appoints and dismisses senior members of the government, provincial governors and district heads, including the mayor of Dushanbe. In January 2017, he appointed his older son Rustam Emomali as mayor of the capital, replacing Mahmad Said Ubaidulloev, a long-standing city boss who was, for many years, considered the second most powerful person in the country. A 2009 change to the legal framework for local government – which was initiated and supported by representatives of the international community – has yet to have any noticeable effects on the power of local authorities with respect to the center.

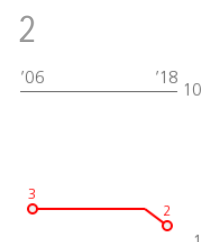
The judiciary in Tajikistan is de jure independent and institutionally differentiated but, in practice, it remains largely subordinated to the executive. The president controls the judiciary through his constitutional prerogative to nominate and dismiss judges and the prosecutor general. The courts are also swayed by the rulings delivered by the prosecutor's office, which ranks above them in terms of influence and political power. In politically sensitive cases, judges rule as instructed by powerful officials in the presidential administration and security services.

In 2016, defense lawyers Shuhrat Qudratov, Buzurgmehr Yorov, Nuriddin Mahkamov and Dilbar Dodojonov were arrested on politically motivated charges after having defended opposition politicians. In October 2016, Buzurgmehr Yorov was sentenced to 23 years in prison on charges of extremism, inciting disorder and

Separation of powers



Independent judiciary



fraud. He was arrested several days after announcing to the media that his client, a leader in the IRPT, had been tortured.

Once charged, individuals are invariably convicted in all but the most exceptional circumstances. The judiciary's operation is severely constrained by functional deficits such as rampant corruption, limited resources and poor training.

Rampant levels of corruption and abuse of power have remained part of Tajikistan's political system despite repeated presidential announcements that anti-corruption efforts were being stepped up. Public prosecutions of corruption happen almost exclusively at lower levels of state administration, particularly in health, education and agriculture. High-level figures are rarely penalized for corrupt practices. In March 2015, the president's 27-year-old son Rustam Rahmon was appointed head of the state agency on anti-corruption in a move that demonstrated the conflict of interests in a state dominated by the president's family and its loyal allies.

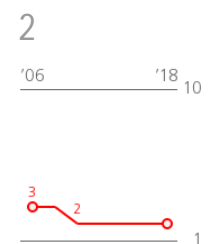
Many senior officials in the Tajikistan government have secondary roles in business and even extensive property, in the country and abroad. This is typically tolerated unless an official falls from favor for another reason. The investigation of Mahmadsaid Ubaidulloev's administration of the capital is a case in point. Conversely, the use of secretive offshore vehicles by the country's state-owned aluminum producer (Talco) was publicized by the country's own Ministry of Finance in 2016, who reported that over \$1 billion was not unaccounted for. This revelation did not lead to any subsequent legal investigations into the missing billion.

All civil rights in accordance with international human rights standards are encoded in domestic legislation. However, in practice, civil rights are frequently violated. Arbitrary arrests, lengthy pretrial detentions, torture and abuse remain systematic. Torture and death continue to occur in custody. In 2016, two political prisoners linked to the IRPT, Kurbon Mannonov and Nozimdzhon Tashripov, died in prisons in unexplained circumstances. In 2016, Human Rights Watch also reported that "torture remains widespread in the criminal justice system."

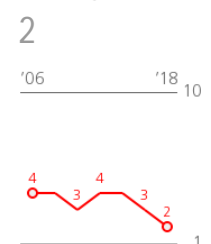
Conditions in prisons remain life threatening due to overcrowding, unsanitary conditions and high levels of tuberculosis and HIV/AIDS. Police and security forces frequently violate citizens' civil rights and are very rarely prosecuted for such offenses, resulting in a culture of impunity. Justice mechanisms are impaired by corruption, patronage and the arbitrary application of the rule of law. Domestic violence against women remains commonplace, and cultural and institutional barriers prevent women from seeking redress for violations of their rights.

Religious groups that do not adhere to the national brand of Islam favored by the government are particularly targeted. During the period under review, hundreds of nonviolent Muslims were detained and sentenced to lengthy jail terms, mostly without a fair public trial, for alleged membership in banned Islamic groups. Non-

#### Prosecution of office abuse



#### Civil rights



Muslim religious groups, including several Christian churches, remained subject to persecution through bureaucratic and administrative means.

#### 4 | Stability of Democratic Institutions

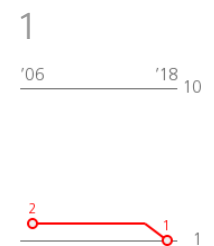
Tajikistan is an authoritarian state where “democratic” institutions are merely a façade. Governance is monopolized by the president and his inner circle. The executive, legislative and judicial powers merely respond to the decisions this circle issues. The parliament, for example, tends not to exercise its constitutional powers and the courts often rule as advised by the prosecutor or the executive. Opposition political parties and independent media groups are too weak and are tolerated only as long as they do not challenge the regime. The institutional framework for democratization exists and was strengthened during the period under review by new legislation allowing the direct election of village and town councils. Nevertheless, presidential and parliamentary elections in 2013 and 2015 respectively were highly controlled and fell far short of democratic standards. True democratic reform is highly unlikely in the near future.

Tajikistan is a democratic state according to its constitution. However, formal dedication to democracy notwithstanding, the commitment to democratic institutions is entirely superficial. These institutions are widely seen internationally as lacking legitimacy or an election-based popular mandate. The country has little democratic experience and many older citizens associate political pluralism and election campaigning with the dark days prior to the civil war. An increasing number of young people feel abandoned by the current government and are seeking alternative sources of equality and justice via religion.

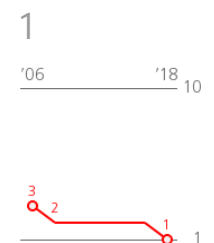
#### 5 | Political and Social Integration

Tajikistan formally has a functioning multiparty system, but political parties have shallow social roots and do not play an important role in forming political will. Five registered political parties are represented in the parliament (elected on 1 March 2015) – the Agrarian Party (APT), Communist Party (CPT), the Socialist Party (SPT), People’s Democratic Party (PDPT) and Party of Economic Reforms (PER). The Islamic Revival Party of Tajikistan (IRPT), represented in parliament since 2000 as a result of the General Peace Accord, failed to clear the 5% threshold in the 2015 elections. It was subsequently banned, accused of terrorism and now exists only in exile. The 2016 constitutional referendum codified the exclusion of ‘religious’ parties from politics. The president’s PDPT holds a near monopoly on political space in the party system. PDPT membership is mandatory for all high- and medium-level civil servants.

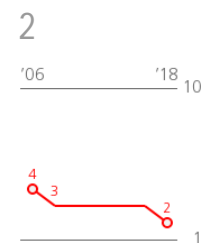
Performance of democratic institutions



Commitment to democratic institutions



Party system



The nominal oppositional parties are all weak. CPT is steadily losing its influence and appeal. APT, SPT and PER are seen as “pocket” political parties, mostly because their leaders and members were recruited mainly among civil servants under pressure from authorities. The remaining three political parties, which are not represented in the parliament, are quite weak, mostly as a result of past government harassment and intimidation. They do not have any significant social base.

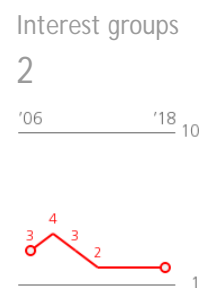
Overall, the opposition remains fragmented. Prior to 2015, secular and religious parties demonstrated an ability to form pre-election coalitions and agreements, such as their support for the unsuccessful candidacy of Oinhol Bobonazarova in the 2013 presidential elections. But with the decline of the Social Democratic Party (SDPT) and the outlawing and exiling of the IRPT these days appear to have passed. Under the consolidated authoritarian system, opposition parties are continuously monitored by the authorities and are allowed to function only as long as they do not challenge the regime.

Interest groups are present only in isolated social segments, and they do not cooperate with each other. Existing interest groups are represented by informal familial–regional or professional networks and NGOs. Much of what is called “civil society” by international organizations are NGOs engaged in a small third sector oriented toward technical assistance and service delivery. Their organization and agenda is typically responsive to donor calls for proposals and is not expressive of ongoing Tajikistani constituencies and their concerns.

The vast majority of such organizations deal with issues of culture, education and humanitarian aid, dispensing aid to the most vulnerable groups. Most NGOs are structurally dependent on foreign funding and address issues favored by sponsors. Although NGOs do provide some assistance to vulnerable groups by taking up some of the government’s responsibilities, NGO work does not mobilize civil society in an effective way because the NGOs themselves see their role as providers of services rather than mobilizers of interests, resources or actions. Both NGOs and labor migration have been influential in acquiring knowledge from outside Tajikistan on issues ranging from agriculture to state-building.

Today, after about 15 years of expansion in the number and range of NGOs, there is much anecdotal evidence of cynicism among both international donors and NGO representatives themselves about their role and effectiveness in society.

Citizens can also join trade unions, but the latter have mostly ceased to function effectively. Graduates from Western schools and universities created several youth and student clubs in Dushanbe and Khujand, but these have been largely unsustainable. Overall, the population remains passive in establishing interest groups. As a result, a large number of social interests remain unrepresented.





Tajikistan has little democratic experience and there is no reliable survey data on popular approval for democracy. Many in the country associate democracy with post-independence socioeconomic hardships and civil war. They are generally apathetic about current elections and disdainful toward political parties.

Indeed, the political culture of Tajikistan remains authoritarian and under the influence of the Soviet Union's legacy. Political discourse is underdeveloped. Parties have no real ideological basis or desire to compete for power. Authority and stability are the watchwords of the regime. The political elites have a patriarchal view of politics that attempts to justify the nepotism and clientelism that are widespread in practice. Cynicism and disenchantment with the system appear to be growing.

There is a fairly low level of trust among the population, particularly between groups from different regions and ethnic backgrounds. What trust exists is extremely localized or familial as is increasingly evident in marriage, migration and employment patterns. For example, seasonal migrants to Russia will typically join residents of the same village or extended families, following them to the same suburb or provincial city.

The capacity to self-organize is distributed unevenly in the society. Self-organization within neighborhoods (mahalla) and in shared labor (hashar) is highly developed in rural areas where traditionally strong bonds of solidarity within villages and the extended family help individuals cope with routine problems and emergencies. Such village-based mobilization has been widely supported by international development agencies as a means for economic and social progress. However, rather than being the ideal grass-roots organizations of donor's dreams, mahalla groups should also be recognized as patriarchal institutions of order. When individuals move to the cities, most continue to support and rely on their extended families and former residents of their home region. These family- and village-based self-organized groups and associations are unevenly distributed and often resentful of each other.

Approval of democracy

n/a

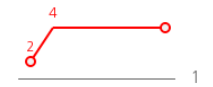
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Social capital

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## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Tajikistan is a low-income, landlocked country in Central Asia. It is rich in hydropower potential and some natural resources, such as gold, silver, high-quality coal and precious stones. Unlike some of its neighbors, Tajikistan does not possess large proven oil or natural gas reserves.

Tajikistan was the poorest and most underdeveloped part of the Soviet Union until its collapse in 1991. Following a severe post-independence drop in most socioeconomic

Question

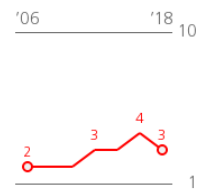
Score

Socioeconomic barriers

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indicators and the 1992 to 1997 civil war, Tajikistan has experienced a steady recovery. The country's economy grew by 8.6% on average between 2000 and 2008. Following a drop to 3.7% in 2009, Tajikistan's economy continued to grow by 7.2% on average between 2010 and 2013. Real GDP growth was about 6% per annum in 2015 and 2016 but the dollar value of the economy declined in 2016/17 as the Tajikistan somoni depreciated against the U.S. dollar. Although poverty rates continued to fall from 34.3% in 2013 to 31.3% in 2015 (using the World Bank's poverty data), Tajikistan remains the poorest of all post-Soviet states. In 2014, it ranked 129th out of 188 countries surveyed by the UNDP HDI, faring worse than all other former Soviet states and scoring slightly below its 1990 HDI value.



Remittances from labor migrants have been the key factor behind Tajikistan's economic growth and poverty alleviation progress during the last decade. The money sent home by between 1 million and 1.5 million Tajikistan migrant workers, mostly from Russia, has in recent years provided for the most basic needs of more than half of the population. In 2011, remittance inflow to Tajikistan amounted to \$2.3 billion. Remittances rose to an estimated \$3.8 billion in 2014 but dropped by almost 70% a year later, due to the dramatic decline in Russia's economic health. According to the World Bank, Tajikistan remains by far the most remittance-dependent country in the world.

Poverty and social exclusion is quantitatively and qualitatively extensive as well as socially ingrained. Poverty is highest in rural areas, where about two-thirds of the population are poor and subsistence economies prevail, as well as among female-headed households and households with children. Geographically, areas with the highest incidence of poverty include GBAO, Rasht Valley and some isolated and non-cotton growing districts in Sughd in Khatlon. The World Food Program estimates that roughly one-fourth of Tajikistan's population is at risk of food insecurity, particularly during the winter period. The Gini (0.357 in 2014) and gender (30.8 in 2014) indices show fluctuation in recent years. Due to unreliable national statistics it is hard to analyze the level of inequality based on religion and ethnicity.

Education has also been an increasingly salient marker of inequality in the country. The country has an impressive formal adult literacy rate of over 99%, but this figure is almost certainly an exaggeration and masks serious discrepancies in education quality and access. According to UNICEF, more than nine out of ten children start school unprepared and their learning achievements are further affected by low professionalism and low motivation among poorly paid teachers. Pervasive corruption limits access to better schools and all institutions of higher education to those who can afford to pay disproportionately high bribes.

Economic indicators		2013	2014	2015	2016
GDP	\$ M	8506.7	9236.3	7853.5	<b>6951.7</b>
GDP growth	%	7.4	6.7	6.0	<b>6.9</b>
Inflation (CPI)	%	5.0	6.1	5.7	<b>6.0</b>
Unemployment	%	10.9	10.7	10.8	<b>10.8</b>
Foreign direct investment	% of GDP	1.5	3.3	5.4	<b>5.0</b>
Export growth	%	5.5	-	-	-
Import growth	%	5.9	-	-	-
Current account balance	\$ M	-659.2	-261.2	-471.8	<b>-264.7</b>
Public debt	% of GDP	29.1	27.5	34.3	<b>41.8</b>
External debt	\$ M	4868.4	5177.9	5001.7	<b>4876.7</b>
Total debt service	\$ M	438.9	436.5	341.5	<b>639.2</b>
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	11.7	13.9	14.8	-
Public education spending	% of GDP	-	-	5.2	-
Public health spending	% of GDP	2.1	2.0	-	-
R&D expenditure	% of GDP	0.1	0.1	0.1	-
Military expenditure	% of GDP	-	1.1	1.2	-

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

## 7 | Organization of the Market and Competition

Although Tajikistan has the legal and institutional framework necessary for a functioning market economy, real market competition is present only in some segments of the economy. Legislative and procedural rules regulating market competitiveness are unreliable and often ignored. Price setting, state subsidies and corruption continue to shape the domestic economy. There is considerable state intervention in the agricultural sector which employs about half of the labor force and generates approximately 20% of GDP annually. The intervention is particularly pronounced in the cotton sector which accounts for about 60% of agricultural production and over 16% of exports (as of 2013). This intervention appears to be

Market-based competition

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particularly targeted at protecting the business of key businessmen linked to the regime. Cotton-producing areas face mandatory targets in cotton cultivation and harvesting, and cotton is bought at prices fixed by the government. The regime is reluctant to abandon control of key resources, thus undermining competition. Local governments throughout the country still routinely attempt to administer retail prices for basic foodstuffs, particularly around major holidays.

There are no significant formal entry and exit barriers in product and factor markets. However, the informal barriers are considerable. Widespread corruption and patronage networks effectively restrict most foreign trade in certain products to members of the presidential family and senior government officials. Although there are legal guarantees for the freedom to launch and withdraw investments, rampant corruption and extortion by tax and regulation agencies make private investment very scarce. With support from international financial institutions, Tajikistan has been reforming its economy to enhance business activity and increase the SME sector. These reforms have landed Tajikistan among the top reforming countries in the World Bank Doing Business report since 2010. Yet, although Tajikistan was identified as a country that made the greatest strides in implementing business friendly reforms in 2016, it ranked 128th out of 190 countries surveyed in the report.

The informal sector of economy remains large, constituting about a third of GDP and providing employment to more than 40% of the working population. Tajikistan's currency, the somoni (TJS), is fully convertible.

Most basic regulations to prevent monopolistic structures and conduct are in place. An anti-monopoly agency also exists, but it has generally been a marginalized body with little effective power. The agency's interventions are largely limited to preventing unwarranted increases in food prices prior to major holidays. The state itself is still the main monopolist, controlling key sectors of the economy through the so-called "natural" monopolies. These monopolies shield from competitive pressure broad sectors of the economy that are defined as significant to national security.

Most of these monopolies, particularly in energy and transport, are undergoing gradual restructuring and privatization, with little transparency and competition, by members of the president's family or his close associates. For example, the Tajikistan Aluminum Company (Talco) is fully state-owned, lacks meaningful corporate governance and has a managing director who reports directly to the president. It constitutes around 60% of Tajikistan's exports and 40% of its electricity usage. In 2016, the Ministry of Finance reported that over a billion dollars of the company's profits, held in a covert offshore company, was unaccounted for and called on more transparency from the company.

Anti-monopoly  
policy

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Foreign trade is liberalized in principle, but significant exceptions remain, including differentiated tariffs and special rules for state-controlled export commodities, notably aluminum and cotton. One latent indication of liberal trade policy is the country's negative current account and trade balances in recent years. In 2015 and 2016, the current account was most often in deficit but recorded a surplus of \$152.5 million in September 2016. Tajikistan's trade deficit fluctuates between one-third and half of GDP.

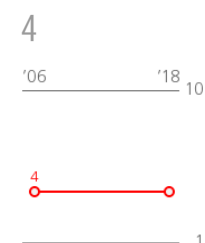
The country's economy is dependent on the export of aluminum and cotton. Formal tariff barriers and quantitative restrictions remain quite low, but there are significant informal barriers, particularly in customs corruption. Foreign trade has also significantly impaired by politically motivated trade and transit barriers erected by Uzbekistan. However, the death of Uzbekistan's President Karimov in September 2016, and his replacement by Shavkat Mirziyoyev, has led to the opening of some areas of trade, the relaxing of border controls and the recommencement of airline flights between the two countries.

Apart from aluminum and cotton, which accounted for about 80% of Tajikistan's export earnings in 2014, the economy remains largely dissociated from the world market. Tajikistan is a WTO member since 2013. The country's president also claimed in 2014 that Tajikistan was considering joining Russia-led Eurasian Economic Union (EEU), a move that could potentially increase trade with other member states. However, significant progress in this direction did not occur in 2015 and 2016 as the impact of Western sanctions on Russia made the EEU a less attractive option.

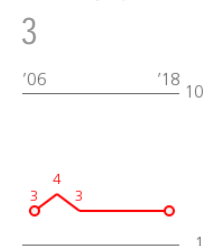
Tajikistan's banking sector remains underdeveloped and faces something of a crisis. The central bank's performance is restricted by low capitalization and weak institutional capacity. The country has virtually no capital market. But the capital to assets ratio has declined significantly in recent years, while the number of non-performing loans increased dramatically. The consumer economy remains largely cash based.

Overall, profitability remains low throughout Tajikistan's banking sector. World Bank figures for non-performing loans (19.1%) and bank capital to assets ratio (12.9%) are official statistics from 2015 and now out of date. Banks face worsening liquidity problems and depend on the National Bank of Tajikistan for loans to meet their funding needs. In February 2016, Agroinvestbank was reported by the IMF to be on the brink of insolvency; soon after it became public that Tajikistan was discussing a bailout with the IMF for its struggling banks. In September 2016, the share of bad loans in the country's banks was reported at around 58%, up from 38% the year before. In December 2016, a \$490 million bailout was announced via the country's national bank of several banks, including Agroinvestbank and Tojikisodirobank, the country's two biggest lenders. The banking sector also remains constrained by a low level of integration into global financial markets, limited credit

#### Liberalization of foreign trade



#### Banking system



lines, a shallow capital market, a cash-based economy, low confidence in the banking sector, weak loan repayment culture, the decline in the national currency and poor corporate governance and accountability.

## 8 | Currency and Price Stability

The control of inflation and establishment of an appropriate foreign exchange policy are significant goals in the country's economic policy. Tajikistan ranks among countries with high inflation volatility. Average consumer price inflation was 5-6% over the period in question. It is expected to grow further in 2017 due to the depreciation of the Tajikistan somoni.

Inflation in the country is strongly influenced by trends in global food and energy prices, as Tajikistan imports much of its fuel and food needs. Global prices on raw materials also influence inflation because massive and politically important infrastructure projects in the country require the import of capital goods.

The domestic currency is not pegged to a foreign currency but, rather, is subject to a flexible exchange rate. The domestic currency lost around 40% of its value against the U.S. dollar over the period from January 2015 to January 2017. This entailed a precipitous drop throughout 2015, followed by a period of stability. In early 2017, the somoni dropped once more indicating the ongoing volatility of the national currency. Yet the National Bank of Tajikistan has little control over foreign currency interest rates. The bank is fully subordinated to the government, and its currency policy is dictated by stability objectives on a macro level, as advised by IFIs. Inflation and foreign exchange remain largely outside of the government's control yet influenced by wider political and geopolitical factors.

The maintenance of macroeconomic stability has been a declared goal of the government, but the stability policy has not always been consistent and effective. Tajikistan has maintained a tight fiscal policy in order to contain external debt. Tajikistan's public and publicly guaranteed debt has been increasing in absolute numbers over the last decade, standing at \$2.3 billion in November 2016. The ratio of the country's debt to GDP also increased to a reported 35.6%.

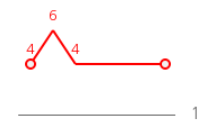
The public debt is expected to continue rising in absolute terms, as the country intends to continue external borrowing to invest in infrastructure and energy projects. In 2016, it committed to the final \$3.9 billion phase of the Rogun hydroelectric dam project. It is unclear how the government plans to repay the rising debt. The government set an external debt ceiling of 40% of GDP. In 2015, this stood at 34.1%.

The state budget recorded a surplus of 0.3% of GDP in 2013, following many years of deficits (excluding the mostly foreign-financed public investment program). In 2015, the budget had a surplus of 0.8% of GDP before returning to a deficit in 2016

Anti-inflation /  
forex policy

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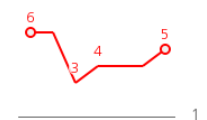
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Macrostability

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(with the state estimated to be in excess of 2% in the red). The government's tax base remains very narrow, with a significant share of revenue still linked to the performance of cotton and aluminum sectors. The government continues to rely on international aid in meeting some of its spending requirements, particularly in the social sector. It projected a 0.5% budget deficit in 2017.

## 9 | Private Property

Property rights are defined formally in law and there are legislative and procedural norms regulating acquisition, benefits, use and sale of property. However, the implementation and enforcement of these rules is undermined by a weak private-property protection system, judicial corruption and state intervention. During the period under review, municipal authorities continued to acquire large parcels of land in major urban centers, particularly the country's capital, for development at the expense of long-term residents. Although the practices related to compensations for evictions improved in comparison with the late 2000s, they still remain inadequate. In June 2014, Human Rights Watch published a report suggesting that the resettlement of roughly 42,000 people from the flood zone of the Rogun Dam was leaving most of the displaced families worse off than they had been before resettlement. In many cases, residents did not get adequate compensation for the property they had to give up.

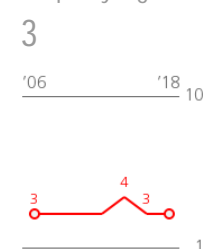
The period under review also saw the country's authorities confiscating property belonging to major opposition leaders, particularly those of the Islamic Revival Party of Tajikistan. Several members of Chairman Kabiri's family have also found themselves engaged in numerous lawsuits involving attempts to retain their property.

There is no private ownership of agricultural land, although farmers can lease land parcels for life with a right to transfer them to their descendants. However, government can take away the land if it is not cultivated.

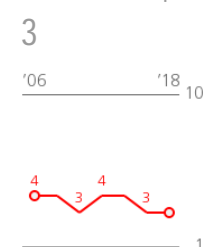
The government of Tajikistan claims to regard private companies as important agents of economic production. All small and most medium-sized enterprises have been privatized and the privatization of many large state-owned enterprises is ongoing. Despite this, the government intends to retain ownership of the country's aluminum company, Talco, and major hydroelectric power stations. Privatization of state companies has not been uniform, and has often been affected by corruption and insider deals.

Tajikistan continues to rank low on most of the World Bank's Doing Business indicators despite recent improvements. According to the 2017 survey, it takes on average 22 days and five different procedures to start a business in Tajikistan.

Property rights



Private enterprise



However, this generally refers to SMEs, primarily in retail and services. Starting a larger company requires political connection and patronage.

## 10 | Welfare Regime

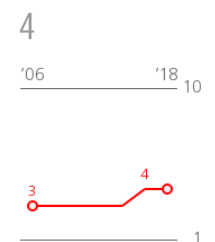
The public welfare system has steadily eroded since independence. Cash and subsidy provisions for pensions, illness compensation, unemployment, disability and maternity exist in the national legislation and the right to them are generally respected. However, the compensation in most instances remains so low that many vulnerable groups such as senior or disabled citizens would not survive without additional, non-state support. In 2013, the minimum monthly retirement pension rate was about \$21, while the maximum monthly rate was \$107. Since then, pension values have been increased in the state budget. An insignificant number of unemployed citizens receive unemployment benefits, although the World Bank estimates unemployment to hover at 40-50%.

Apart from poverty eradication, the welfare system has not been among top government priorities. Only about 2% of GDP is spent on health, with more than half of the money allocated for salaries and maintenance. The government's welfare function has largely been limited to occasional tiny increases in compensation rates for social risks, and the repair of clinics and orphanages. Labor migrants' remittances provide an alternative social safety net for about two-thirds of the population. Informal self-help networks based on extended families and villages also serve as important social safety nets, particularly in rural areas. Slightly more than 30% of the population was estimated to live below the poverty line in 2016. The government is committed to poverty alleviation. However, the progress in poverty alleviation remains vulnerable to external shocks, such as the recession in the Russian economy.

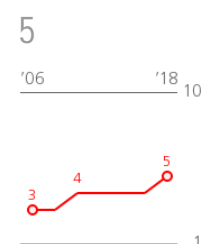
Equal access to education, public office and employment for all citizens is guaranteed by the constitution. Tajikistan has a reasonable gross enrollment rate in primary education (98.2%) and very high formal literacy rate (99.8%) due to the Soviet legacy. In practice, however, equality of opportunity has not been achieved. Individuals of Gharimi origin from the Rasht and Vakhsh valleys, Pamiris from GBAO and the Uzbek minority continue to face some discrimination in government appointments and business opportunities. These opportunities are also all but denied to members of the opposition. There are no official or legal obstacles for employment, but representatives of ethnic minorities are often declined jobs on the basis of inadequate knowledge of the Tajik language. Education opportunities are equally open to all citizens, but corrupt admission practices limit access to higher education to those able to pay high bribes. There are legal provisions against discrimination, but they are not consistently enforced.

Education opportunities are equally open to boys and girls at primary and secondary level, but there are serious gender disparities in higher education attainment.

### Social safety nets



### Equal opportunity





According to the Global Gender Gap Report (GGGR) published by the World Economic Forum, the female-to-male ratio among individuals enrolled in higher education in 2015 was 0.61, compared to a ratio of 0.9 in secondary education and 0.99 in primary education. The gap between women and men in higher education attainment is particularly pronounced in rural areas. A “presidential quota” mechanism enabling girls from remote regions to attain higher education had a limited effect. Female participation in the labor force has remained reasonably stable in recent years -with women constituting around 43% of those working outside the home – but this fails to account for the disproportionate number of Tajikistan male labor migrants who have left the country’s labor market. Women are considerably underrepresented in public offices and business. Women held only 24% of seats in the parliament and 13% of ministerial positions (at deputy level only) following the 2015 elections. Although there are strong components in the country’s economic reform and poverty reduction strategies that seek to correct these inequalities a number of institutional, social and cultural factors impede these measures.

## 11 | Economic Performance

The value of Tajikistan’s somoni fell from 2014 to 2015 due to depreciation of the national currency against the U.S. dollar. GDP growth also slowed in 2015 to 4.2% – the lowest rate for six years.

Tajikistan runs a large trade deficit because it has to import all of its petroleum and most of its food needs and capital goods. The IMF estimates that the country’s trade deficit fluctuates between one-third and half of GDP.

The government continues to rely primarily on foreign, state-led loans and investment from China and Russia, rather than creating conditions favorable for private investors. Rampant corruption, non-transparent practices, problems with the power supply, poor infrastructure and a burdensome regulatory process continue to keep private investment levels in the country very low. FDI inflows to Tajikistan stood at 4.9% of GDP in 2015, according to the World Bank. The government estimated annual FDI inflows at around \$400 million between 2014 and 2016.

In October 2016, Tajikistan began the \$3.9 billion construction of the Rogun Dam led by the Italian engineering company Salini Impreglio. It is hoped that the dam will begin operation in late 2018. A World Bank assessment in 2014 supported the government’s claim that building Rogun, the world’s tallest dam, is the cheapest way to end Tajikistan’s energy shortages. However, the studies also suggest that in order for the Rogun project to be economically viable, the government needs to reform its energy sector, raise electricity tariffs, and make the state-run Talco aluminum smelter pay its energy bills. It is not clear at the moment whether the government will be able or willing to implement these reforms in full. The passing of Uzbekistan’s President Karimov appears to have shifted the geopolitical environment in Tajikistan’s favor.

Output strength

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Karimov had been vehemently opposed to Rogun and had threatened military action. The regime of President Mirziyoyev has, thus far, taken a conciliatory line.

## 12 | Sustainability

Environmental concerns in Tajikistan receive only occasional consideration and are largely subordinated to economic growth efforts. In the 2016 Environmental Performance Index (EPI), the country ranked 72nd out of 180 nations surveyed, faring below the average for Eastern Europe and Central Asia.

About 98% of Tajikistan's energy is generated by hydropower. Environmental degradation as a result of soil erosion, water pollution and deforestation increasingly constrains economic growth. The country's largest air polluter, the aluminum smelter in Tursunzade, causes adverse public health effects in nearby communities, particularly in neighboring Uzbekistan. Radioactive waste from the enrichment plant in northern Chkalovsk is stored in tailing dumps close to residential areas without appropriate safety regulations, seriously affecting public health. The remains of uranium, lead and mercury mining in central Tajikistan has repeatedly contaminated water resources. Environmental regulation is in place, but scarcely enforced, particularly in cotton cultivation, gold mining and aluminum production. Measures to protect the environment are largely absent in tax policies. Legal and institutional frameworks for sustainable energy use remains rudimentary.

Climate change has apparently increased the incidence of floods and extreme weather conditions, and accelerated the melting of glaciers in Tajikistan, eroding the resilience of poor communities. Environmental degradation and climate change have also increased the incidence of natural disasters in the country. According to the national authorities, on average about 150 small and medium-scale disasters occur in the country annually.

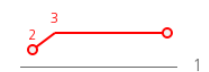
Tajikistan's education and training system remains largely substandard. The country's public expenditure on education rose to 4% of GDP in 2013, from 3.5% in 2008. The government has claimed it intended to introduce further increases in education spending and included 3.1 billion somoni (around 4.5% of GDP) for the education sector in its 2017 state budget. However, enrollment and completion rates in primary and secondary education are the lowest in Central Asia. The gross enrollment rate is 98.2 in primary education, 87.9 in secondary education and 26.4 in tertiary education.

The quality of schooling, particularly at the secondary level, is significantly impaired by a shortage of teachers, teachers with poor skills and low motivation, outdated textbooks and underdeveloped school infrastructure. Most of the approximately 3,900 public school buildings require major repairs.

Environmental  
policy

3

'06 \_\_\_\_\_ '18 10



Education policy /  
R&D

3

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The current number of students (over 2 million in 2013) was expected to increase by at least 20% by 2016, when the country is planning to move from 10-year to 12-year education. It is not clear at the moment how the national education authorities will deal with the shortage of school places and teachers, which will be exacerbated by lengthening of the duration of basic and secondary education. Despite these shortcomings, Tajikistan retains a formally high literacy rate of over 99%. This rate may conceal very weak literacy or functional illiteracy among an increasing number of young people, particularly women.

Most of institutions of higher education are state-owned, but the government has consistently attempted to convince foreign universities to open branches in Tajikistan. In addition, the country benefits from offers of free places at foreign educational establishments, particularly in Russia, Kazakhstan and China. However, in most, if not all, these institutions plagiarism by both students (in copying from textbooks) and staff (in reading from textbooks in lieu of writing their own lectures) is widespread and condoned.

R&D remains deficient. Public expenditure on R&D was about 0.1% of GDP in 2012, the latest year for which data is available. More than half of the country's researchers are employed in 13 institutions in the higher education sector, followed by the Academy of Sciences and over 50 research institutes and design bureaus. The R&D sector suffers from severe underfunding, obsolete equipment and aging personnel. Most serious researchers leave the country.

## Governance

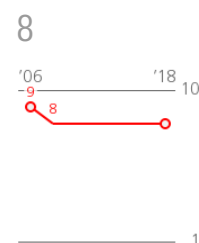
### I. Level of Difficulty

The structural constraints on governance are high. Major structural problems include a rugged terrain, disadvantageous geographical location, strained relations with Uzbekistan and an underdeveloped transport infrastructure. Mountains cover about 93% of Tajikistan's territory, making large parts of the country all but inaccessible in winter periods and unsuitable for agriculture. With its fast-growing population and soil degradation, the country has increasingly low per capita farmland. Landlocked by Afghanistan, China, Kyrgyzstan and Uzbekistan, and 3,000 kilometers from the nearest deep-sea port, Tajikistan is probably the most isolated country in the region, with the highest transport and logistics costs. Chinese companies have invested in roads, improving access on the eastern side. However, this road links Tajikistan with China's separatist-riddled Xinjiang region, presently the most underdeveloped part of the country. Major roads connecting the north and south of the country have recently been refurbished. In general, however, the country's road network remains underdeveloped.

Tajikistan's isolation and infrastructural deficiencies have been further aggravated by a difficult relationship with neighboring Uzbekistan. The latter has fiercely opposed Tajikistan's efforts to build large dams on transboundary rivers, particularly the giant Rogun Dam, arguing that such projects will cause environmental and economic disruption in downstream Uzbek communities. Since 2010, Uzbekistan has effectively stopped the transit of all railway cargo into Tajikistan. Uzbekistan has also frequently halted the deliveries of natural gas to Tajikistan, with significant economic losses for the country's aluminum company, Talco, and major cement plant in Dushanbe, which depend fully on Uzbek gas. However, by early 2017, an improved relationship and better coordination with Uzbekistan seemed to be in the cards.

Tajikistan has weak traditions of civil society. NGOs are largely unsustainable without foreign grants, have been distrusted by the government and have increasingly been losing public trust. There were more than 2,000 NGOs in early 2014, but most of them existed on paper only. Some major NGOs have become corrupt as a result of a lack of effective monitoring by international donors. A number of human rights

Structural  
constraints



Civil society  
traditions

9

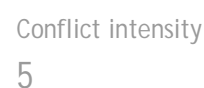
NGOs receiving foreign funding faced increasing pressure from the government during the period under review, with many being forced to close.



The country has a tradition of voluntary activities conducted by neighborhood groups (mahallas) and extended families (avlods). These, however, have not become the basis for civil society development, but rather nurture communalization. The intelligentsia, which actively participated in public life during the Soviet period, has mostly left the country or has been forced into conformism with the regime.



The government appears to have now established firm control over the Rasht Valley and GBAO where serious outbreaks of violence occurred in 2010 and 2012 respectively. The country’s political space remains dominated by the regime and is kept free from apparent confrontation. There was only one significant exception to this, involving the rebellion or purge of the deputy defense minister in September 2015, which led to two street battles before the deputy minister’s demise.



The government’s continuous repression of activists from the banned Islamic groups results in deep grievances and may lead to their involvement in anti-state activities. In 2014, the government estimated that between 200 and 300 Tajikistan nationals were fighting in Syria and Iraq; the outflow of such fighters appeared to decrease after 2016 and the number of returnees was unknown.

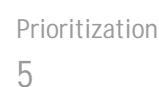


## II. Governance Performance

### 14 | Steering Capability

The government sets broad long-term aims and priorities and, in most cases, pursues them without interruption or political debate. During the period under review, the political leadership continued to maintain three strategic priorities, as emphasized in the president’s annual addresses to the parliament and a number of other speeches. These priorities were the achievement of energy independence, freeing the country from communications isolation, and containing the purported rise of radical Islam. Energy independence remains the principal objective of the regime. The government secured a contract with Salini to build in the Rogun despite remaining engineering, environmental and financing questions. The president and senior officials continuously emphasize the construction of new hydropower plants and the refurbishment of existing plants as a way of turning Tajikistan into a major regional energy producer and exporter. The regime also continues to stress the importance of breaking the country’s geographic isolation by constructing roads and railway lines that would connect the country with major regional economic hubs, bypassing

Question  
Score



Uzbekistan. Although the government has attracted Chinese investment to major road projects, key regional railway projects have so far bypassed Tajikistan.

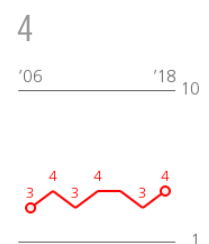
The political leadership has also been able to maintain its long-term priorities despite pressure from foreign donors and IFIs to invest more resources in social protection, education and health. However, the government's strategic capacity to organize policy measures that support long-term aims remains impaired by low professionalism, a lack of homegrown expertise and the failure to embrace evidence-based policy-making. There are effectively no independent think tanks or academic institutions that can critically assess government policies or the current situation in the country, its governance and most pressing issues, so as to offer strategic vision and solutions.

The regime continues to claim that the development of democratic norms and institutions remains its priority. However, these claims remain little other than empty rhetoric, mainly for the consumption of foreign donors, media and IFIs.

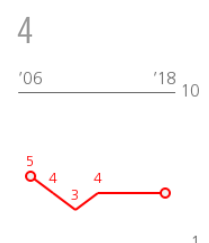
The government has the capacity to concentrate administrative, human and financial resources for pursuing strategic priorities. The government has had significant success in meeting its unstated objective of consolidating authoritarian rule and its stated objective of building the country's hydropower and export capacity. The Rogun Dam began full construction in 2016. However, members of the government are frequently afraid of taking the initiative in implementing strategic policies or are insufficiently qualified to do so. The president frequently reshuffles the government, moving officials from one post to another, often without consideration of their expertise and skills. As a result, many officials have no institutional memory or qualifications to effectively do their jobs. In addition, many members of the government are more preoccupied with personal enrichment than with the situation in their country or continuity in government policy.

During the period under review, the government has demonstrated little willingness or ability in policy learning. There are few institutionalized mechanisms that facilitate innovation in policy-making. Any learning from past experience is significantly impaired by the practice of government reshuffling and weak monitoring and evaluation practices. Frequent workshops and study tours organized by donors and IFIs have little effect because the government sends the chosen few. The government relies extensively on foreign consultants in devising policy measures, particularly in reform efforts driven by donors and IFIs. The high degree of centralization and rigid structure of authority also impede policy innovation by disallowing initiative from the lower ranks and from outside the governing circle.

#### Implementation



#### Policy learning



## 15 | Resource Efficiency

The government does not always use its available human, financial and organizational resources efficiently. During the period under review, the president's extended family and regional clan remained in control of all high- to medium-level appointments. The president personally controls all senior-level appointments to security and law-enforcement agencies as well as the army. Such appointments are mostly based on personal loyalty rather than professional aptitude. His eldest son was appointed mayor of Dushanbe in January 2017.

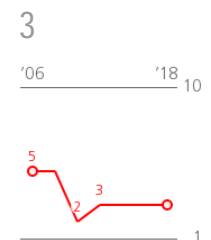
Although senior government officials continuously emphasize the importance of recruiting skilled individuals for government positions, informal mechanisms and patron-client networks continue to regulate the distribution of most lucrative positions in government institutions. A number of public offices – particularly the President's Office, the office of the Dushanbe mayor, and the Ministry of Foreign Affairs - have made attempts to recruit skilled professionals through relatively transparent and competitive procedures for lower-rank positions. The government remains suspicious of hundreds of individuals who receive education in Western countries and is reluctant to hire them.

Local district (nohiya) and province (viloyat) level governments have a degree of financial autonomy from the central government. However, this autonomy does not go beyond decisions about allocating budget resources for health, education and social protection.

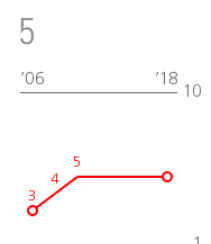
The government tries to coordinate conflicting objectives. The highly centralized decision-making structure enables the top-down coordination of key policies between different ministries and agencies. The duplication of responsibilities by different offices has largely been eliminated in critical sectors, but is still widespread across the government. A relatively strict hierarchy of policy priorities makes choices fairly straightforward. All policy goals are subordinated to internal security and regime survival. Decision-making on major security and foreign policy issues is monopolized by the president. The president also ascribes responsibilities for major policy areas. At the same time, the coherence of government policy is affected by weak communication across and within agencies, inefficiency of government bureaucracy and corruption.

During the period under review, rampant levels of corruption and abuse of power have remained part of Tajikistan's political system. The government largely fails to contain corruption. Although several agencies are charged with combating corruption (Ministry of Internal Affairs, Anti-Corruption Agency, Prosecutor's Office, and State Committee of National Security), Tajikistan does not seem to have a coherent anti-corruption strategy. From March 2015 to January 2017 the president's eldest son served as head of the state Anti-Corruption Agency. Conflict-of-interest rules or

Efficient use of assets



Policy coordination



Anti-corruption policy



codes of conduct do not exist. State spending is not subject to independent auditing. A transparent public procurement system has also not been established yet, despite pressure from donors and IFIs. Journalists reporting on corruption among public officials often face libel and defamation charges. Public prosecution of corruption happens almost exclusively out of political considerations or at lower levels of state administration, particularly in health, education and agricultural sectors.

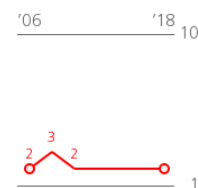
### 16 | Consensus-Building

All the major political actors close to the president continue to claim that mature democracy is a long-term priority. In practice, however, their commitment to free democratic institutions is largely superficial and the “Western” model explicitly rejected. The political elites are widely seen as lacking legitimacy and an election-based popular mandate.

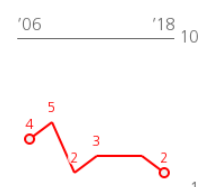
With the exception of the increasingly less relevant CPT, all opposition political parties also emphasize their dedication to democracy and the free market. Some members of the ruling elite present themselves to the international community as reform-minded people. However, it is not possible to assess to what extent these individuals would remain committed to reform if they attained full power. The important fact is that Tajikistan’s political and economic system is patron-based and therefore institutionally opposed to democratic or market reform.

The only veto players who are overtly opposed to democracy in practice are the members of the ruling regime who have banned or excluded all significant political opposition in the country. There are few if any relevant political actors genuinely committed to advancing democratic reforms, and those people, if they exist, sit outside the center of power. The political culture remains closed and anti-pluralist.

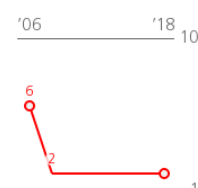
As the dialog initiatives of the post-conflict period drift into distant memory, the political leadership has neither reduced existing divisions nor prevented cleavage-based conflicts from escalating. The most potent, broad-based cleavages follow regional and ethnic lines. Most of the high- to medium-level positions in the government and most of the lucrative economic resources are monopolized by the president’s extended family and his close associates. Citizens of Gharmi origin from the Rasht and Vakhsh valleys, natives of Sughd and GBAO Provinces, and ethnic Tajiks born in Uzbekistan remain largely excluded from access to political and economic resources. The significant Uzbek minority, constituting up to 20% of the population, also remains marginalized, particularly amid the rising political tensions between Tajikistan and Uzbekistan. The political leadership has consistently sought



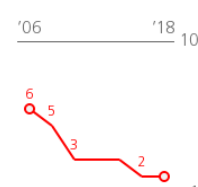
Consensus on goals  
2



Anti-democratic actors  
2



Cleavage / conflict management  
2



to suppress cleavage-based conflicts rather than to moderate them. The establishment of a consensus is not on the government agenda.

The period under review saw the political leadership continue to resort to openly prohibitive means to manage the cleavages along religious lines, potentially exacerbating them. The state detained and sentenced to lengthy jail terms hundreds of nonviolent Muslims for alleged membership in banned Islamic groups, particularly Hizb ut-Tahrir, Salafiyya and Jamaat Ansarullah. In addition, the harassment of members of the IRPT and an information smear campaign directed against the party notably increased prior to the 2015 parliamentary elections. The effective sidelining of the party through what international observers considered fraudulent elections and the government's increasing mobilization of state-appointed religious authorities to denounce the IRPT exacerbated the cleavage between the state and the potent political group. Besides, the government's attempt to marginalize the party may push an increasingly alienated and conservative part of its membership to denounce institutionalized politics in favor of more contentious engagement with the government.

Although the political leadership has granted civil society actors the opportunity to nominally participate in deliberation of social policies on some occasions, civil society participation on economic, political and security issues is neglected. Civic actors are also excluded from policy implementation and performance monitoring. They are seen as service providers who must stay out of contentious issues. Many were forced to close or placed under close monitoring in the period under review.

The political leadership has chosen to avoid addressing past injustices and continues formally to practice a “forgive-and-forget” policy in connection with offenses that occurred during the 1992 to 1997 civil war. Most crimes committed during the civil war period are covered by a general amnesty. In the period under review, there were no significant prosecutions for non-amnestied crimes. Yet, the government has largely abandoned the policy of formal and informal restrictions on discussing the civil war. Government officials, state-owned media, school textbooks and academics and intellectuals co-opted by the state increasingly blame the political violence of the 1990s on the opposition, particularly the IRPT. Therefore, broad-based reconciliation does not appear possible now. The ongoing political and economic marginalization of citizens of Gharmi origin from the Rasht and Vakhsh valleys, and the isolation of Pamiris, increasingly leads them to feel like the “losers” of the war. Distrust among the previously warring regional groups persists. The political exclusion of the IRPT reflects the manipulation of the past for political purposes. It has, however, provoked surprisingly little backlash.

Civil society participation

2

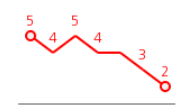
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Reconciliation

2

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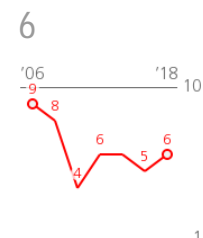
## 17 | International Cooperation

The political leadership of Tajikistan tries to use international assistance for its own long-term development agenda, which was marked out in the National Development Strategy 2006–2015 and in poverty reduction strategies. In December 2016, the Tajikistan parliament approved a national development strategy for the period of time between then and 2030. The strategy is overwhelmingly focused on major industries and technical sectors. Chinese investments and credits pay an increasingly important part in the Tajikistan economy, a dramatic shift from the time when the previous national development strategy was adopted. China's One Belt One Road Initiative offers opportunities for infrastructure investment that is not conditional on economic reform, but may come with political and economic strings attached with regard to privileging Chinese businesses and excluding their rivals.

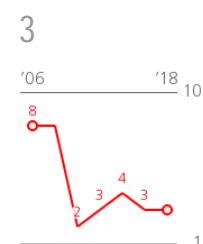
During the period under review, the government has achieved modest levels of foreign investment in large-scale transport and energy infrastructure projects. The ADB, EC, IMF and World Bank continued providing direct budget support, despite pervasive corruption. The government has often used international support to address short-term needs, particularly in tackling infrastructure maintenance and in responding to natural disasters. The government's Western partners and donor agencies often emphasize the importance of political reform during meetings with senior government officials. However, the ability of these actors to push for genuine reform remains limited. Besides, the regime is aware of and willing to make use of the major contradictions between the key Western powers' democratization and political reforms agendas and their foreign policy and security interests. The government's capacity to channel available international support into long-term beneficial projects is limited.

Tajikistan's credibility as an economic and political partner suffers from the effects of corruption. The legacy of the 2008 scandal involving the embezzlement and misreporting by the National Bank of Tajikistan (see BTI 2012) fosters a continued and accurate perception that corruption is widespread in Tajikistan. The government has sought to improve its reputation and develop one for increased technical competency by promoting younger, Western-educated officials such as its European Bank of Reconstruction and Development (EBRD) Director Jamoliddin Nuraliev, the son-in-law of the president. However, Nuraliev has been implicated in allegations of corruption in connection with offshore companies used to shelter profits from road charging and aluminum production. Rampant corruption is among the major reasons for the low level of foreign investment in the country's economy. Many government agencies and entire ministries have been blacklisted by international organizations and NGOs for misuse of donor funds. Cooperation with state agencies entails major risks. Tajikistan is also increasingly seen as a human rights pariah due to its brutal treatment of the political opposition in recent years, including credible allegations of

Effective use of support



Credibility

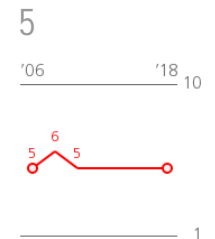


torture. Human Rights Watch launched a campaign on the worsening situation in Tajikistan in 2016.

The political leadership is open to cooperation with neighboring states and has notionally supported regional integration initiatives. The period under review has seen the beginnings of improvement in the country's relationship with Uzbekistan. The latter had long opposed Tajikistan's hydropower development projects, particularly the Rogun Dam, fearing the consequences for agriculture in downstream Uzbekistan regions. But Uzbekistan has not taken punitive measures against Tajikistan for beginning of construction of the dam. The border between the two countries remains mined, but flight connections between the states have been reinstated. Barriers to trade within the region remain significant.

Tajikistan has continued to actively participate in regional organizations, such as the Shanghai Cooperation Organization (SCO) and Collective Security Treaty Organization (CSTO). Tajikistan generally complies with the rules set by regional and international organizations. During the period under review, China remained Tajikistan's biggest lender and a major trade partner. China's economic role in the country is expected to grow even further. Russia has effectively lost its status as Tajikistan's principal economic partner. However, Dushanbe's relations with the West and its security policies are still to some extent dictated by relations with Moscow.

Regional  
cooperation



## Strategic Outlook

Tajikistan is likely to remain an authoritarian state with an economy and society that have become transnational after 20 years of some of the highest levels of labor migration in the world. Despite occasional small-scale outbreaks of political violence and continuing tension in the Pamirs, the country's authoritarian regime remains stable. It possesses only weak public service institutions and a divided economy of haves and have-nots. While it selectively follows the economic and financial policy recommendations favored by IFIs this has not led to broad-based economic growth but rather the concentration of wealth in the hands of those with political connections. Equally, the presence of formally democratic institutions has not produced political competition and debate. After around 15 years of authoritarian consolidation all this is readily apparent. This suggests that not only is Tajikistan not making "progress" but also that the international organizations committed to bringing it about are themselves complicit in the status quo.

A different approach to Tajikistan is required, recognizing the state's dependency on remittances and foreign finances and the fact that international actors, far from being agents of change, serve as de facto apologists for the regime if they fail to speak out against its abuses of power. Given the extent of poverty in the country, the international community should maintain pressure on the regime to provide adequate support to the failing social sector, which has been at the periphery of the government's priorities.

However, Western states, international organizations and NGOs have limited leverage over a government that is neither committed to reform nor considers itself dependent on the donor community. FDI from these states will remain limited due to the political risks in Tajikistan and the anti-corruption laws that companies must negotiate. Russia and China remain far more important as diplomatic actors and international investors than any other foreign players. Tajikistan's future may be bound to the economic policies and international relations of these two states, given the country's increasingly reliance on financing from and trade with China and the prominent role still played by Russia, diplomatically, militarily and as the host country for most of the country's labor migrants. The question for Tajikistan, and Central Asia as a whole, is whether China's infrastructure investments in the aim of extracting commodities for developing its Western regions will lead to Beijing playing a greater role in regional politics and any future crises. Within Central Asia, the apparent thawing of Tajikistan-Uzbekistan relations in the last quarter of 2016, following the death of President Karimov, offers opportunities for the economic integration of Central Asia, which can only benefit Tajikistan.

Alongside economic stability and growth, internal security challenges remain a concern. These challenges pertain to struggles within the state, among elites, rather than an internal terrorist or a foreign threat. Security assistance to such a regime effectively aids and abets misdiagnosis and mismanagement of the problem. In light of this, the international community should not provide

further technical assistance to the government's security forces until it shows signs of implementing reforms that would lead to accountability by security services and the rule of law.

Despite the very uninspiring state of "transformation" in Tajikistan it should be recognized that its situation is not as desperate as might be expected given the lack of political liberalization, structural weaknesses and economic mismanagement. While the regime is not at all committed to political and economic reform, it is attentive enough to maintain a certain amount of support from a significant portion of the population and to facilitate the marginalized to leave the country via seasonal labor migration for better prospects overseas. Its long-term development of hydropower and commodities industries may eventually provide a trickle-down effect to cushion poverty. In the immediate future, the government must effectively address the banking crisis, halt the decline in value of the national currency and find the funding to complete the Rogun Dam. However, the greatest factors affecting Tajikistan's future transformation are also the most difficult to be certain of – family politics, the health of the president and expectations regarding succession.