

Tajikistan

Status Index 3.2 (Democracy: 1.6 / Market economy: 1.6)		Management Index 3.3	
System of government	Autocracy	Population	6.4 mill.
Voter turnout	93.36 %	GDP p. c. (\$, PPP)	1,170
Women in Parliament	Lower Chamber: 10.5 % Upper Chamber: 14.9 %	Unemployment rate	n. a.
Population growth^a	2.2 %	HDI	0.677
Largest ethnic minority	15.3 %	UN Education Index	0.90
		Gini Index	34.7 (1998)
Data for 2001 – if not indicated otherwise. ^{a)} Annual growth between 1975 and 2001. Source: UN Human Development Report 2003.			

1. Introduction

A civil war (1992–1997) that broke out at the beginning of the transformation period has influenced the progression, content and results of political and economic transformation in Tajikistan. Not only did this war cause up to 100,000 casualties (according to unofficial estimates) and half a million refugees, it also threatened the very existence of the young state that was founded on 9 September 1991. As a result, transformation in Tajikistan has been abrupt, violent and uncontrolled. Until 1997, the process of establishing and implementing political rule was determined completely by the war-related violence.

This initial phase of the transformation process ended with the end of the civil war on 27 June 1997. The transformation process was steered onto a more-or-less peaceful course through a transition period that led to the elections for a new Parliament (June 1997–February 2000). Only since the beginning of 2000 can we speak of pacification of the transformation process.

2. History and characteristics of transformation

After the founding of the nation of Tajikistan, a sharp dispute concerning the transformation of political, economic and other social systems as well as the decision about the orientation of the political order immediately broke out among the regional elites. When faced with the traditional fragmentation of Tajik society into distinct regional groups, the old centralized structures of the Soviet state quickly collapsed after the disintegration of the USSR.

Immediately after independence, the regional elites began to imbue the state with a Tajik character. They competed over who would shape this character: those from the Leninabad region (now Sogd), Karategin, Kulyab, etc. This competition reflected the fundamental defect of the Tajik political system, which was also a remnant of Soviet rule: the incongruity between the power structure of the centralized Soviet state and the plurality of the traditional regional identities of the Tajiks themselves.

Two main groupings formed during the civil war: the Popular Front, of which the current president Rahmonov was a part, and the United Tajik Opposition (UTO). The latter was a coalition of opposition parties with the Islamic Movement of Tajikistan (IMT) as the leading force. The Islamic Revival Party forms the core of the IMT. During the civil war they motivated their mujahideen to fight to transform Tajikistan into an Islamic state. The Popular Front emerged victorious from the first part of the civil war at the end of 1992. The leaders of the Islamic Revival Party and some leaders of other opposition parties fled the country, founded the UTO in exile (1995) and continued the battle against the government from bases in Afghanistan.

After the victory by the Popular Front (the capital, Dushanbe, was seized on 10 December 1992), the clan elites from Kulyab province established themselves as the leaders of the state. The circle at the very top set out to mold Tajikistan into "their state." This took place in two stages. The first stage extended from the military victory until the first parliamentary election (25 February 1995). The salient features of this phase were the prohibition of opposition parties, the establishment of military power in connection with sweeping reprisals, a referendum on the first constitution and Rahmonov's election as president (6 November 1994).

The second stage lasted until the official end of the civil war (27 June 1997). During this period, the victorious Kulyab elite began to operate as the representatives of the Tajik state based on the foundation of constitutional and public law that they had established as well as on their international recognition. They structured their power around a presidential regime that would help them lead and form the state.

The Kulyab elite's political hegemony had an important effect on the character of the transformation and state formation processes: Instead of a representative democracy, a type of "clan oligarchy" emerged. The logic of a "zero sum game" inspired by the civil war played a great role in this regard. According to this logic, all competing political actors are enemies who must be eliminated or dominated.

The particular character of state formation provoked other regional elites. In the dispute about defining or redefining their place in the new state structure, these elites began to vigorously advance their own interests. In the wake of this, the conflict increased beyond the scope of a power conflict between two groups. In all

regions, field commanders and responsible parties at central, regional and municipal levels fought about redistribution of property and access to economic resources. This conflict about redistribution of resources was the fire that fueled the jockeying for position within and among all regional clans, in which a considerable measure of violence was employed. On the whole, because of the civil war, the disintegration of the old Soviet state power and the formation of a new state and political system were abrupt, violent and uncontrolled. The consequence was complete societal anarchy and the disintegration of the organs of power.

Through the mediation of the United Nations, Russia and Iran in intra-Tajik talks, 1994–1997, the civil war was ended on 27 June 1997 in Moscow with the signing of the General Agreement of Peace and National Reconciliation in Tajikistan. A Commission on National Reconciliation (CNR 1997–2000), composed of equal numbers of representatives from each party, was entrusted with implementing the agreement.

A compromise on the division of power formed the political core of the agreement. The compromise was based on an understanding that, for a transitional period until the new parliamentary elections, the President, Emomali Sharipovich Rahmonov, and the CNR under the direction of the leader of the UTO, Said Abdullo Nuri, would make consensus decisions on the key political questions of consolidating the peace and national reconciliation. It was also agreed that UTO representatives could occupy 30 % of the leadership positions at all administrative levels. Central questions of political transformation were also addressed. For the transition period, the chairman of the CNR and the president of the republic were granted the right to:

- develop proposals for a referendum concerning constitutional amendments and a new law on parliamentary and municipal elections;
- form a central election commission to prepare and supervise parliamentary elections and a referendum on the amendments to the constitution;
- reform judicial bodies and institutions for public prosecution;
- monitor the exchange of prisoners of war, other prisoners and hostages;
- pass a law concerning pardons for all sides and propose an amnesty law;
- develop a mechanism to reshape military organizations into political parties;
- propose a date to Parliament for conducting parliamentary elections under UN and OSCE supervision with the involvement of the observer states of the intra-Tajik talks.

This arrangement represented *de facto* dual hegemony for a certain time. The monopoly of power was now apportioned between two regional elites, but it was preserved. Decisions of considerable political and constitutional significance were handled by these two elites “behind closed doors” according to the old practice, which resulted in the resistance of other parties that insisted on their democratic right to have a say in decision-making processes during the transition period.

Overall, 28 articles of the constitution were amended in the negotiations during the transition period. These concerned freedom of association, the structure and authority of the Parliament, status and authority of the president of the republic, authority of the constitutional court, appointment of judges and the procedure for amending the constitution and holding referendums.

The UTO acted as a counterforce, breaking up the monopoly that only one regional group had on making political decisions about fundamental questions of Tajikistan's state identity. Nevertheless, this compromise structure instituted to end the civil war proved to be too weak to balance the deficit that international mediators ignored: They failed to establish a constitutionally anchored mechanism for reconciling interests between the different ethno-regional factions. What is more, they yielded to the resistance of the two main armed groups that were consistently opposed to incorporating other regional and political groups into the intra-Tajik negotiation process.

As a consequence, all "third party" groups were excluded from decisions relevant to transformation during the transition period. Ignoring this deficit can only be viewed as a serious error, because it supported the straitjacket of a centralized government and obstructed the democratization process. The third party groups thus united to form a "New Opposition" to advance their right to participate in the decisions during the transition period. Six parties and associations joined in, among them the Communist Party of Tajikistan (CPT).

As a whole, the two and a half years of the transition period were characterized by great activity by all political forces in Tajik society. The OSCE remarked that the "political landscape of Tajikistan" before the elections (27 February 2000) "remains highly pluralistic and competitive." The 17 parties that participated in the election campaign and the regional groups that backed them faced one another as real competitors. The plurality of political participation was not the only new element. The fact that the competition of the different social segments was peaceful for the first time since the founding of the state was also unprecedented. The fundamental significance of this change is not diminished by the fact that the rulers used semi-democratic and undemocratic means to defend themselves against adversaries.

However, Rahmonov's great prestige as a conveyor of peace proved to be a decisive factor in the victory of his party (Peoples Democratic Party, PDP) in the parliamentary elections. In this context, it must be noted that overcoming the conditions of societal anarchy and governmental chaos, as they were produced by the conflict-laden transformation, pushed a single elementary task to the foreground: restoring order to the state and society. Since a strong state is necessary to restore order, this took priority. In this way, the strong state with a strong leader able to ensure internal stability forms a framework that allows for limited democracy or a democracy guided "from above." Surveys in Tajikistan

show that this path to internal peace will be tolerated by a majority of the population.

With this background, three main references form the basis for analyzing and evaluating the transformation processes in Tajikistan: the unfavorable starting conditions, the unique requirements for shaping a workable democracy in this situation, and the social conditions under which these requirements can be fulfilled.

Regarding the requirements, the structural causes of the intra-Tajik conflict must be resolved in order to achieve internal coherence among the different segments of society in the state-forming process. Among the causes of structural conflict are a gap between the centralized state structure and the plurality of ethno-regional identities and a lack of consensus among the regional elites on the basic questions of forming a state, political order and transformation. In concrete terms, this means that the state must conceptually bundle and organizationally combine the goals and interests of sub-national systems (regional populations, regional elites, clans, extended families). This means:

- *Politically*: On the one hand, equal, constitutionally-guaranteed codetermination in the establishment of state identity and system of government, which, on the other hand, requires limiting the ability of a single regional elite to monopolize power.
- *Economically*: Equal access to resources and codetermination in shaping a social market economy.
- *Ideologically*: A collective understanding about the young state's "national identity," its constitutional anchoring and legitimacy. In this case, special importance is placed on determining the role of Islam as the majority religion.

Regarding social conditions: In Tajikistan, transformation must be shaped with and for a society that remains rooted in patriarchal social structures with specific leadership mechanisms—the social "pyramid" with a strong leader at the top, who holds the system together via a hierarchical web of traditional loyalties and economic bonds. Political rule is based on these networks and legitimated by them. The dominant form of this structure-bound society as well as its political culture is traditionally paternalistic and, to some extent, even pre-national. The reference point for the collective consciousness of the rural population is not so much the *citoyen* (or citizen), the owner of civil rights, who is already active in urban population centers, but the *avlod* (or generation), the group, extended family and region.

The foundations of transformation in Tajikistan cannot be described completely without referring to a driving force that is highly significant because it is socially productive, and which was evident during the conflict-laden recent past: the principle of peace. As the most basic human right, it embodies the dominant goal

of the majority of the population, after survival and security have been guaranteed.

Because the population has measured all political actors since the end of the civil war in terms of their contribution to maintaining internal stability, this principle is a source of checks and balances, even for authoritarian power. The population would no longer tolerate a dictator who would overstep the bounds and endanger the unstable internal peace by provoking another flare-up of the civil war. As a result, the principle of peace carries with it the power to constitute democracy, because social peace is the basic requirement for stable progression, state formation and transformation; social peace will not succeed unless a mechanism for reconciling societal interests is in place.

3. Examination of criteria for democracy and a market economy

3.1 Democracy

3.1.1 Political organization

(1) *Stateness*: The citizens' recognition of the state and their own citizenship is well established. Tajik state identity is based on the constitution of 1994, which for the first time recognizes the sovereignty of the state in its entirety. It declares the people of Tajikistan as the "upholders of this sovereignty and the only source of state power." It defines the Republic of Tajikistan as "sovereign, democratic, constitutional, secular and unitary." It substantiates Tajik citizenship and ensures that all citizens have the same civic rights.

The state monopoly on the use of force is not completely guaranteed due to the civil war. It was not possible to confiscate all the weapons that were disseminated during the war. Homogenous armed forces and a national officer corps are still in the process of formation. Some regional clan structures, former field commanders and mafia-like groups have their own stores of weapons and private troops. The armed forces of the UTO were integrated into the national army.

The state is widely secularized as a heritage of Soviet rule. The Islamic opposition called the state's secular character into question, but it was recognized as a part of the peace agreement "in exchange" for the legalization of religious parties. The relationship between mosque and state as well as the clarification of Islam's role in the formation of state identity remain points of controversy, however. Within the context of a return to traditions, re-islamification is on the rise. In 1997, 97 % of the population professed the Islamic faith. The administrative system is frequently subject to restructuring and is only conditionally effective. Though public security and order have been improving since the end of the civil war, they continue to be hampered by local armed conflict and murder.

(2) *Political participation*: General elections are held, but they do not always determine who rules the country. Those in power are only prepared to share their power if they feel they have to or can afford to do so from a position of strength. President Rahmonov possesses great authority due to his personal contribution to ending the civil war. In principle, the government has the power to govern, but in some regions its wherewithal to do so depends on the tolerance of the local leaders.

The Law on Political Parties, which was amended during the transition period and formally postulates the freedom of association, regulates the registration and activities of parties and movements. Restrictions that were not covered by democratic principles were retained (such as the arbitrary interpretation of the Law on Political Parties). There are trade unions as well as approximately 150 non-governmental organizations that are involved in almost all areas of social and economic life.

The public has basic access to information and can form independent opinions. This manifests itself in the following ways. There is competition related to politics, ideology and public order between different forces and parties, which can be classified roughly as the ruling class, Islamists and democrats. There is a certain degree of public debate, whereby the media is subject to restriction by the ruling class. It is generally recognized that the problems of regional fragmentation, rivalry and ambitions of hegemony require regulation. Democratic deficits are discussed and criticized by the public.

(3) *Rule of law*: The balance of powers is anchored in the constitution. According to the constitution, the Parliament (*Majlis Oli*) possesses legislative power, the government is led by a president possessing executive power, and a constitutional court and a Supreme Economic Court have judicial power. Despite the fact that the OSCE rated the constitution of Tajikistan (adopted in 1994) as one of the best among post-Soviet transformation states, the OSCE experts noted serious defects. Essentially, they criticized restrictions on the balance of powers. Most serious are the president's excessive authority (practically unlimited presidential power), the Parliament's power to interpret the constitution and laws resulting in a reduction of the constitutional court's authority, and inadequacies with respect to the independence and powers of the courts.

The need to establish personal and functional independence of judges was also noted. Further, it was noted that the independence of the courts is curtailed by the prosecutor general's extensive powers. Under these circumstances, the mutual checks and balances were included in the constitution only to the extent that the authors felt it beneficial to draw conclusions from negative experiences with Soviet constitutional practice and to win international recognition.

In the course of amending the constitution during the transition period, the presidential regime was strengthened by a structural change in the Parliament,

again to the detriment of the balance of powers. The Parliament was converted into a bicameral Parliament consisting of the *Majlisi Milli* (National Assembly, or upper chamber) and the *Majlisi Namoyandagon* (Assembly of Representatives, or lower chamber). Indirect elections were stipulated for the upper chamber. Consequently, 25 % of its members are appointed directly by the president and 75 % are elected indirectly by the local assemblies (districts, provinces, cities). Since the president also appoints the presiding chairman, this procedure provides an indirect presidential majority in Parliament.

Also to the detriment of the balance of powers is the upper chamber's authority to appoint and remove important officeholders (judges on the constitutional court, Supreme Court judges and judges on the Supreme Economic Court, prosecutor general). The right to nominate these officeholders lies in turn with the president. In addition, the president can appoint a "legal council" which has a say in appointing and dismissing judges. The president's term of office was increased from five to seven years. In June 2003, the terms of office were extended to two periods of seven years by another constitutional amendment - in order to prolongue Rahmonov's staying in power.

The president is the *de facto* head of the government. Government officials are recruited largely from the elites in Kulyab province and the government's powerful core (ministers of the interior, security, defense, finance) often hails exclusively from the president's place of origin. The Kulyab elite fills almost every position in the upper levels of the military and security forces, the majority of the ministers, and directors of state institutions and important companies. In 1997, eight ministers hailed from the administrative district of Chovaling in Kulyab province. The people in power are split among competing sub-regional fractions. Rivalries conceal the latent danger of a destabilization of the regime and undermine its claims to overall national legitimacy.

Citizens' civil liberties are constitutionally anchored, but they are violated to some extent. Religious freedom should be mentioned here as an example. On the one hand, religious freedom is generally safeguarded, but the state meddles in the internal affairs of religious groups, particularly Islamic ones, and controls how religion is practiced and organized. The public criticizes and denounces corruption and corrupt officeholders, but criminal prosecution of corruption is inadequate. Judges are not free from political pressure or occasional paramilitary pressure. Overall, there is a relatively wide discrepancy between the law as prescribed and as practiced.

3.1.2 Patterns of political behavior and attitudes

(1) *Institutional stability*: The *de facto* dual leadership of President Rakhmonov and the VTO in the Commission on National Reconciliation (1997-2000) managed to pave the way out of an anarchic society and state agony. Now, the

fundamental challenge lies in restructuring the state and the extremely heterogeneous society, in fostering an inner stability, that allows a limited democracy directed “from above”. Democratic institutions are not established. For this reason their performance and acceptance can not be assessed.

(2) *Political and social integration:* The predominant model of representation in Tajikistan to mediate between the state and society is structure-bound and fragmented. Its sub-national (ethno-regional, local, clan and family) structures are the society, which is why the model of representation does not have a national basis, but still only a partial, sub-national one.

Under these conditions, the ideal state would represent the sum of these sub-national structures. But this is still not the case, because it represents only one of these sub-regional structures. The difference between the present state and the ideal one is based primarily on political power. The present model prevailed in a civil war and battles with the other structures for legitimacy. In places where it is denied legitimacy, it enforces it. This model of representation mediates between sub-national structures instead of between the state and society. For this reason, parties are also generally rooted only in societal fragments, the majority of which are regional, local, family-based or personality-based. Parties are networks of sectionalist patronage.

Parties and movements that are supported by resources that transcend the barriers of region and mobilize wider strata of the population have prospects for wider national acceptance; they may also encompass forms of consciousness (religion, ethnicity) or social dissatisfaction. In this sense, Islam and social grievances like poverty are the principal resources. These convert religious, moderate (IRP), radical (Hizb-ut-Tahrir) and social revolutionary parties into potentially more influential parties than regionally-anchored parties like the president’s Peoples Democratic Party (PDP). Even in the former, the regional, local, family-based or personality-based reference remains the dominant pattern of recruitment and mediation.

After the experience of the civil war, there is strong societal sentiment that favors internal peace and national reconciliation, but there is also skepticism about an “uncommitted” democracy. Surveys conducted in the capital of Dushanbe in 1999 and 2000 bear witness to this. According to the surveys, 58 % of the population linked their expectations for an improvement in general conditions to strengthening state control, 42.8 % to “restoring order in the country, if necessary with restrictions on human rights” and only 18.8 % to a “comprehensive development of democracy.” The questionnaires showed that 42.8 % of the residents of Dushanbe wanted to live in a democratic society, 35.6 % in a communist one, 5.1 % in an Islamic one and only 2.1 % in a capitalist one. This frame of mind supports the concept of a “strong state” and, in a certain sense, is even prepared to tolerate its authoritarian abuses.

3.2 Market economy

The World Bank rates Tajikistan as a “late bloomer” among transformation countries. Structural reform programs were not started seriously until 1998. After an initial reform phase, a structural reform program, initiated by the World Bank and developed jointly with the government, is in the implementation process. It includes stabilizing free-market institutions and instruments (promoting private economic trade and the financial, banking and agricultural sectors), furthering privatization, streamlining the administration of the public sector, deregulating the trade regime, supporting the education and health care systems as well as instituting a comprehensive plan to battle poverty. Implementation of the program has been discontinuous. Besides the delay related to civil war, the main causes for this are the continued existence of institutional weaknesses, a lack of free-market experience, internal instability and, recently, external security risks (Afghanistan).

Table: Development of socioeconomic indicators of modernization

	HDI	GDI	GDP (\$ billions)	GDP (per capita) ²	GDP annual growth rate in %	Gini Index	UN Education Index for women
1991	0.528 ¹	n. a.	1,20	1,050.00	-7.2 ³	n. a.	n. a.
2000	0.667	0.664	0,99	150.00	8.3	34.7 (1998)	98.8% (adult) ⁴

¹⁾ 1997; ²⁾ \$, PPP; ³⁾ 1991-01; Source: World Bank, Report No.25329 dated Feb. 3, 2003; ⁴⁾ UNDP Development Indicators 2002.

3.2.1 Level of socioeconomic development

The level of socioeconomic development experienced a dramatic drop; as a result, Tajikistan fell to 112th place in the HDI ranking. With a steep decline in annual per capita income from \$1,050 (1990) to \$150 (2001), Tajikistan is now among the poorest countries in the world. Within only ten years, 80 % of the population has fallen below the poverty line. At the beginning of 2003 the World Bank cited a high poverty rate, inadequate social welfare systems, deteriorating healthcare and educational systems, low quality and availability of drinking water as well as increasing gender disparities as characteristic features of the current level of socioeconomic development. The upshot: “Tajikistan is in danger of losing its most important asset for the future: its human capital.”

3.2.2 Market structures and competition

Free-market competition is beginning to develop, particularly in economic sectors in which privatization is already advanced (retail trade, small businesses, agriculture). Bazaar capitalism is still widespread in the retail trade. Excessive licensing and arbitrary inspections by government bodies hamper free trade and promote corruption. Market-economy reform and modernization of the financial and banking sector are sluggish. The national currency, the *somoni* can be exchanged into Western currencies on a deregulated domestic money market.

With the Anti-Monopoly and Entrepreneurship Support Agency legislation adopted in 2001, the government took the first steps towards supporting free competition. There is inadequate transparency of the net earnings and profits of large companies that are still government run. The Tajik trade regime is considered the most liberal in the CIS Customs Union.

3.2.3 Stability of currency and prices

Institutional and political precautionary measures are in place for inflation control and budgetary discipline. In 2000 the somoni replaced the Tajik ruble as the new national currency. Since then, the government has tightened its monetary policy. As a result of this, it was possible to reduce inflation from more than 60 % in 2000 to 12.5 % in 2001–2002. Discipline in government spending has improved. The state was almost able to balance its budget deficit of 3.8 % (1998) by 2001. The external debt of \$1.034 billion remains the main problem. According to information from the World Bank, debt service will absorb more than 40 % of government revenue in 2003–2005.

3.2.4 Private property

The framework for creating and expanding a private sector exists. Property rights and the regulation of the acquisition of property are defined in principle, but there are problems with implementation based on the rule of law. At the end of 2000, the extent of the privatization of medium-sized and large enterprises was, at 40 % (500 privatized enterprises), still clearly lower than for small and agricultural enterprises.

Agriculture defines the structure of the economy as a whole because it employs 40 % of the work force. The reforms in this sector are of varying quality. They include the more or less fictitious renaming of collective farms and state-owned farms (*sovkhos*) to agrarian associations, the leasing of state land, the distributing of land in inheritable long-term leases, and the seizure of land. In a privatization program imposed by the World Bank in 2002, approximately 300 state and collective agricultural operations were sold to 14,000 private or family owners, so

that 30 % of agricultural acreage is in private use. With the privatization of all cotton gins and small processing enterprises, agriculture was the first major industry to be privatized. Small private enterprises now form the core of light industry.

3.2.5 Welfare regime

The question about negative socioeconomic effects cannot (in Tajikistan's case) be reduced to the effects of the capitalist economic system and counterbalancing arrangements that are suitable for it. On the contrary, the question must be expanded to include the negative effects that transformation as such produces under the conditions when a capitalist economic system is established, even though the nation has no capital of its own. In Tajikistan's case, since a workable capitalist economic system was not developing or was only developing gradually in a long historical process, and transformation was precipitated under immense political and economic pressure by the West.

As a result, transformation per se led to a debilitation of all social systems on which equality of opportunity was based. The welfare regime that existed under the USSR was completely dismantled, but Tajik society was too weak to put something new in its place. A very complex situation of poverty arose as a result. The World Bank described it with the following characteristics: a low level of income and consumption, limited access to acquiring income and basic public services (education, healthcare, water and heat), increasing gender disparity as well as mother and child mortality, the threat of a loss of full literacy, and a reduction in life expectancy. After ten years of transformation, Tajikistan has not been able to advance to a point where it can attain the millennium development goals set by the World Bank.

3.2.6 Strength of the economy

A realistic assessment of the performance of the Tajik economy is not possible now. Even the GDP and its plunge from \$4.5 billion in 1991 to \$1.1 billion in 2001 do not communicate a realistic picture, because until 1991 100 % of Tajikistan's national revenues came from the USSR budget, only roughly reflecting Tajikistan's economic performance. It will be possible to clearly see the potential performance of Tajikistan's economy once the considerable natural and human resources as well as the entrepreneurial potential are brought together in an integrated economic system.

The political and macroeconomic framework to begin this integration process has been in existence since about 2000. The World Bank evaluates the growth rates achieved since 2000 as "good" and assumes in its estimate that macroeconomic stability will be achieved by 2005. Even in the phase of economic stabilization

and formation of a national economic system that began in 2000, the negative effects of the civil war are painfully evident. Among these are the almost complete exodus of qualified, particularly Russian, technical and management personnel, widespread destruction of the infrastructure (damage estimated at \$7 billion) and industry, the low internal investment rate (almost the entire investment budget originates from donors), and high external debt.

3.2.7 Sustainability

Environmental concerns are considered, but not sufficiently. The educational system and the institutions for vocational training and further education live off the relatively high level during the Soviet Union. Meanwhile their quality has suffered a lot from brain-drain and a material basis in decay.

4. Trend

(1) *Political regime*: State identity was strengthened with the end of the civil war and the reduction of external threats to security (Afghanistan). The parliamentary regime has stabilized. For the first time since its independence, Tajikistan has a relatively stable government and a functional Parliament with an opposition. However, risks to internal security remain in the form of rivalry among those in power, the continued exclusion of some regional elites from political participation, increasing poverty and the development of radical Islamic groups.

Political participation stabilized at a certain level with the multiparty Parliament, but it remains low when viewed nationally. The stabilization is based on the high degree of social acceptance for opposition parties going back to the period of perestroika, the institution of “opposition” *per se* and an institutionally anchored multiparty system. In this sense the parties even have relative autonomy. On the other hand, the trend towards restriction has increased again among those in power as compared to the pronounced political pluralism of the transition period. Fundamental rights and human rights remain impaired. The balance of power was weakened in favor of strengthening the presidential regime. A constitutionally anchored democratic mechanism for reconciling interests between the state and regions which would be necessary to overcome the structural causes of the intra-Tajik conflict was not created.

(2) *Level of socioeconomic development and social exclusion*: The GDP has been increasing again in the last five years, but the level of socioeconomic development remains unchanged at a level far below what it was before transformation began. The welfare regime has almost completely collapsed. Social exclusion is on the rise. The negative effects of the capitalist economic system are not being offset, and equality of opportunity is not being created. A threatening, out-of-kilter social

situation has arisen, which, in the perception of the majority of the population, discredits the transformation and the people behind it.

(3) *Market economy and economic performance*: The conditions for free-market trade have improved. In terms of privatization, there have been considerable advances as well as some difficult hurdles. Positive economic development has been measured by the growth rate of GDP.

5. Transformation management

5.1 Level of difficulty

The level of difficulty, upon which the requirements for evaluating the transformation process in Tajikistan are based, is extraordinarily high. This does not just apply to relatively unfavorable economic starting conditions (previously the poorest Soviet republic, collapse of the division of labor that developed under the USSR, etc.). The high level of difficulty is due to a very complex constellation of sociopolitical tasks and the fact that state formation, national consolidation and system transformation coincide and are causally linked with one another. The formation of national identity alone is difficult to manage. It was out of control in Tajikistan because of the civil war.

Because of the war, transformation was also uncontrolled; violence became the dominant method for redistributing political and economic power. From the very beginning, transformation took place without democracy. This approach brought about the disintegration of state identity at the government level. On the level of an "Eastern" society, it forced large strata of the population back into their traditional local social structures where, in view of the devastation of the civil war, they still found or believed they would find relative material security, dignity and identity. The revitalization of traditional social structures, still patrimonial to some extent, took place precisely at the moment when people were called on to support political transformation.

This situation diminishes the social basis of the forces guiding transformation, keeps societal support low for transformation to a Western-style, market-based democracy and increases the power of forces that propagate competing models such as an Islamic one.

5.2 Reliable pursuit of goals; governance capability

The governance capability of those in power is increasing, but for objective and subjective reasons, it still has barriers to overcome. Among the objective reasons is the fact that, until 1997, the ongoing civil war stood in the way of goal-oriented reform policies. The transition to more-or-less regulated reforms first took place

in the economic sphere. Here, the World Bank Group exerted considerable influence, which those in power accepted in the interest of economic survival. In subjective terms, those in power lack experience in designing and guiding strategic processes, which has had a negative effect. The ability to manage strategic areas has improved after a long learning process in carrying overall national responsibility. The nation's leaders have improved their skills over the past few years through this learning process.

Some of those in power and in the government apparatus are increasingly guided by a sense of responsibility for and orientation to the interests of the Tajik state. The latter also applies to the opposition, including former radical Islamists, some of whom have assumed government jobs. Ever since those in power maintained their positions after presidential and parliamentary elections, their attention to state responsibilities has increased. As a result, it has been possible during the last five years to cross the threshold to an overall national "planning capability" and to establish basic plans for reform with international support. In the foreground is a reform program providing for the development of Tajikistan into a functioning market economy in three stages (1996–2000).

5.3 Effective use of resources

The government carries out reforms, but they are realized only partly or in differing quality. There are distinct deficits concerning political reforms and the improvement of the separation of power. Public services fall short of the needs. Corruption is tackled verbally and with single measures. But it still remains one of the essential sources for income and reaches to ruling circles of the elite.

5.5 Consensus-building

Combining peace, internal stability and the social reconciliation of interests makes consensus-building among the different regional elites in Tajikistan as well as between these elites and the ruling fraction a central requirement to control state formation and transformation. If, in Tajikistan's special social framework, the ideal state represents the sum of sub-national structures, then the continued lack of a mechanism for reconciling interests between the ethno-regional factions, whose functionality and implementability is constitutionally anchored and guaranteed independent of who holds political power, remains the weakest link in democratization as well as in the sustainability of the current peace structure.

Some of those in power are aware of this deficit. They understand that solving this problem would expand national acceptance of their position at the top. This is the origin of efforts to integrate representatives of other regions, even of the opposition, into the government machinery and thus to neutralize them in a certain sense. Although such a course of action should not be evaluated *a priori* as

negative, it will not solve the fundamental problem. As long as this remains unresolved, a great number of social interests will remain unrepresented. It is particularly disadvantageous that the population of the most economically developed northern region of Sogd believes, despite the fact that the prime minister is one of their own, that the current government interferes in their decision-making.

The “division of power for a certain time,” agreed on in the Moscow agreements, ended after the parliamentary elections in 2000. This division of power was not understood by those in power and not used as an opportunity to move toward an institutionalized framework for a broader reconciliation of competing interests. On the contrary, they ousted many former adherents of the UTO from the positions they had been granted. IRP leader Nuri, who was just as instrumental in ending the civil war as the president, is considered to have been politically and officially marginalized. The number of registered political parties has been reduced to five since the parliamentary election, partially due to prohibitions and partially due to their own weaknesses. However, the party spectrum represented in Parliament remains pluralistic, with a “party in power” (PDP), one Islamic party and one communist party.

The main obstacle to cutting the Gordian knot in the consensus question is an understanding of power, which itself is constricted by an “Eastern hierarchical pyramid.” The pyramid could be modernized relatively swiftly by democratization without questioning it as a fundamental social structure. The fact that the platforms of Tajikistan’s parties are so similar provides a positive basis for accelerating the necessary consensus-building. A comparison of their platforms shows that, aside from economic questions, the consolidation of Tajikistan’s state identity, national reconciliation, market economy, democracy and pluralism have been declared priorities.

Even the opposition has grounded itself in the constitution. It must be emphasized in particular that the Islamic IRP has recognized the secular character of the state. With this similarity of content, an important point for shaping the political system has been reached for the first time in the history of Tajik sovereignty: necessary elements are present which, if used by the state leadership in a politically shrewd manner, are suitable for a consensus on the future development of the Tajik state.

5.6 International cooperation

Tajikistan is a predictable and cooperative actor in its international behavior. Although those in power react sensitively to external offers of sociopolitical “models” as “meddling in internal affairs,” they also purposefully utilize international assistance that furthers their transformation. This is not just because international donor assistance is indispensable to Tajikistan. The World Bank Group, with all their critical observations, recently (February 2003) reached an

overall positive assessment of the Tajik government's willingness to cooperate as well as the results. This assessment may have contributed to an international donor conference that made \$430 million available in May 2001 to combat poverty and promote stabilization. This represents an increase of 54 % compared to the results of the 1998 donor conference.

Over the past five years, Tajikistan has experienced a positive international reevaluation. The United States and France expanded their military cooperation once Tajikistan joined the anti-terror coalition. After Germany became the first EU state to establish an embassy in Dushanbe immediately after Tajikistan's independence, other EU states followed. Germany resumed its work with Tajikistan on developmental policies. The West retracted its relatively indiscriminate criticism of Tajikistan and of other central Asian countries regarding democratic and human rights problems.

Tajikistan also intensified relations with its southern and eastern neighbors (China, Pakistan, India, Iran). On the other hand, relations with its main partners, Russia and the neighboring central Asian states, have been problematic. Russia failed to increase its economic involvement in Tajikistan, and Uzbekistan and Kazakhstan blocked transit traffic to and from Tajikistan, citing national security reasons. A generally tense atmosphere in regional relations is delaying the settlement of important questions such as energy supplies, the effective use of water resources, economic cooperation and the normalization of the borders.

6. Overall evaluation

The information described above concerning starting conditions, status and evolution as well as management permits the following overall assessment:

(1) Starting conditions: The starting conditions for transformation were extremely adverse and will remain so for the foreseeable future. The economy did not develop on its own. Government revenues were based completely on external support, which disappeared abruptly with the disintegration of the USSR. It was necessary to switch to a capitalist economic system without a national capital base; a national entrepreneurial class sprang from intense battles over property redistribution or parasitic sources (corruption, drug trade). Marginally productive resources and the infrastructure were affected substantially by a civil war.

In the political realm, complex, hard-to-manage organizational challenges coincided with state formation, national consolidation and transformation of the political system. The civil war caused anarchy in the state and society along with the establishment of a "clan oligarchy" which initially blocked representative democracy. A pluralistic political landscape exists, but it is hindered in its evolution to a civic resource by the zero sum logic of the civil war and the clan oligarchy that is only fading slowly. A patriarchal, structure-bound and

fragmented society is predominant in the social arena, from which the “citizen” is only just now emerging. Political consciousness is largely pre-national.

(2) *Evolution*: The evolution of democratic transformation has had a very short time. Despite this, it has brought forth a series of positive results, which are significant given the original conditions. Among these are the end of the civil war and the consolidation of the state, which included gradual reclaiming of the monopoly of force, general acceptance of the constitutional basis, societal recognition of the head of state, an operating government and functioning Parliament with an opposition. Other results include the maintenance of political and ideological pluralism as well as a multiparty system; anchoring the institution of “opposition” in the social consciousness; and the similar opinions of elite decision-making groups regarding basic questions of state development.

As a whole, the ruling system remains centralized and oligarchic, but not totalitarian. Remaining consolidation deficiencies may be destabilizing in the long-term when compared with the positive results. Deficiencies lie in the areas of inadequately developed rule of law, political presentation and integration, guaranteeing fundamental and human rights as well as the lack of resolution of questions of state development. The lack of a constitutionally anchored mechanism for reconciling interests between the ethno-regional fractions and the failure to decide on the future political order are especially significant here.

These, together with problems in the evolution of market-economy transformation, may increase in severity to the point where they cause destabilization. Though it has been possible to begin to stabilize macroeconomic development and to improve the market-based framework, an efficient social market economy is a long way off. Particularly alarming is the sharp social polarization, which has already produced massive impoverishment and a tight but extremely aggressive entrepreneurial class, cementing the economic basis of the patriarchal clan system. Both preclude the development of the fundamentals for a social market economy and democracy in coming generations.

(3) *Management*: The actors’ management has improved, gradually reducing the problems of state leadership. These derive from the fact that transformation was not tackled as a conscious change in the sociopolitical system based on a coherent reform policy, but rather started as a fierce battle of opposing forces. Synergies can be derived from connecting post-conflict rehabilitation with transformation, which will expand the international donors’ latitude for stimulating reform policies. This outside support will continue to be indispensable. Within the context of the results described above and the challenges that are still at hand, achievements and efficiency of the actors (including international donors) will be influenced largely by their willingness and ability to adapt to the specific conditions for transformation in Tajikistan.

7. Outlook

The assessment of the criteria for this report leads to the following outlook: There is a serious discrepancy between the goal of a Western-style, market-based democracy and the internal structural requirements that exist in Tajikistan. This discrepancy is particularly great in terms of sociopolitical requirements. It can be bridged by economic policy (institutionalization of private property and production); progress appears to be possible in market-economy reform. This optimistic outlook is only valid in a limited way in the sociopolitical realm; there is effectively no cause for optimism regarding compensation for the welfare regime that has disappeared. The limited internal economic precludes the development of the socioeconomic fundamentals for a social market economy and democracy, based on the model of society that has been used as a standard here, in the next few generations. Doing away with these discrepancies from the outside is asking too much of industrialized partner countries.

Three development scenarios follow from this situation: First, social unrest arises, which in the extreme case ends the transformation in the direction of a market-based democracy. Second, a simultaneous transformation of the social systems does not occur, but there is a discontinuous rate of economic and political transformation. Third, a so-called “third path” develops, which is economically oriented to a capitalist system, but differs socio-politically from the Western democratic model.

In all three scenarios, a long-term, conflict-prone transformation should be expected, one which will escape sustained exogenous influence. Greater latitude for compromise for industrialized nations lies within the scope of imposing political conditions for promoting transformation. This means, economic development should not be stringently coupled with political achievements that are oriented to European or American democratic models.

In view of the discrepancies described above, which cannot be mastered by external partners, they must concentrate their efforts on preserving the functionality of the affected society. To do this, the progression of transformation must be guided through evolutionary and peaceful paths. In order to maintain this functionality, most serious political challenge facing external partners is to hold back and tolerate the democratic mechanisms that Tajik society produces in accordance with its own political logic.