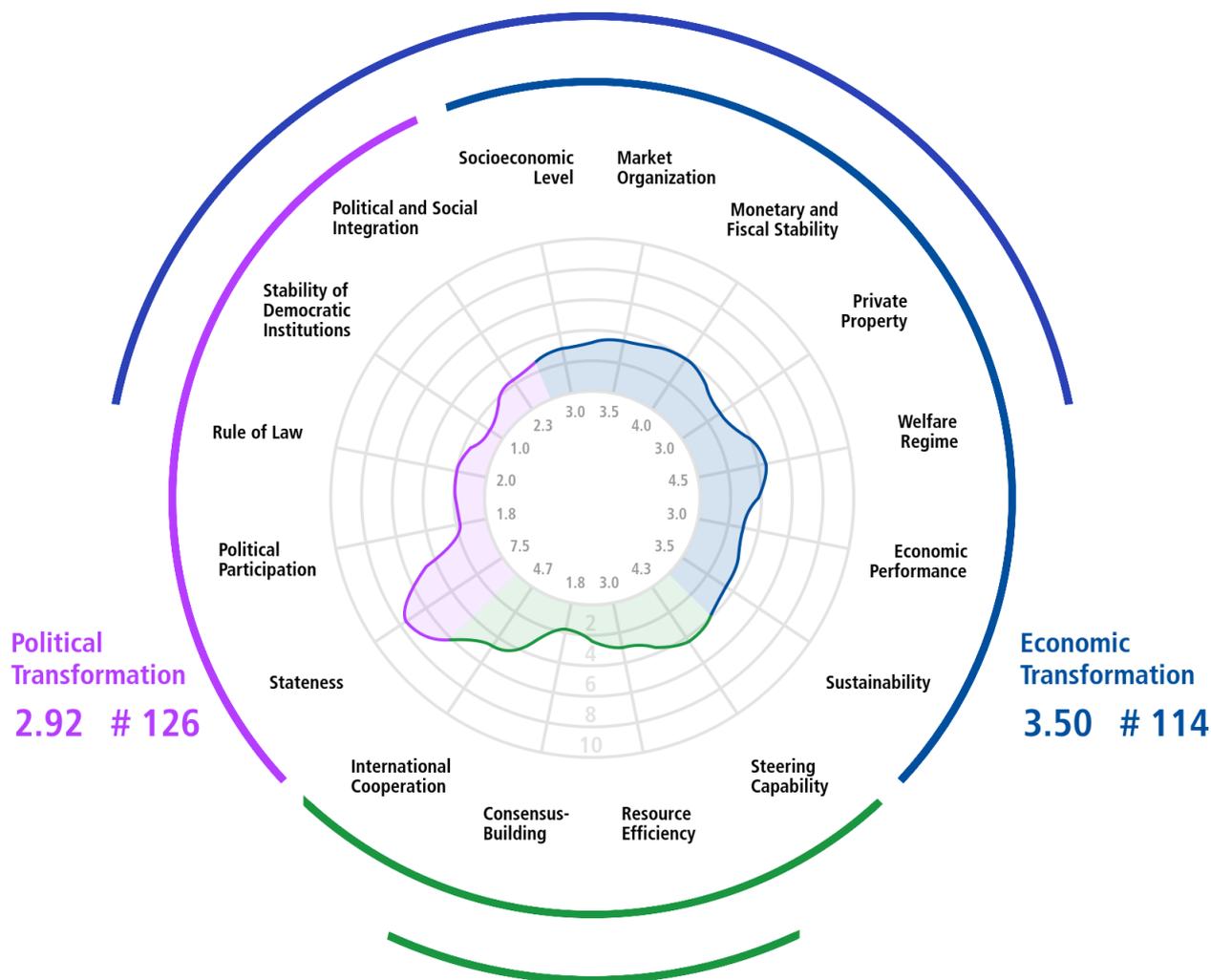


Tajikistan

Status Index

3.21 # 121

on 1-10 scale out of 137



Governance Index

3.20 # 116

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	9.5	HDI	0.668	GDP p.c., PPP \$	3858
Pop. growth ¹	% p.a.	2.3	HDI rank of 189	125	Gini Index	34.0
Life expectancy	years	71.1	UN Education Index	0.682	Poverty ³	% 17.8
Urban population	%	27.5	Gender inequality ²	0.314	Aid per capita \$	39.3

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. 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

During the period under review, Tajikistan's authoritarian entrenchment continued. In the March 2020 parliamentary elections, the ruling People's Democratic Party of Tajikistan (PDPT) secured an absolute majority in the lower chamber and local councils. In October of the same year, President Emomali Rahmon was declared the winner in the presidential elections with a staggering 93% of the votes. The president, his family and a small group of confidants have monopolized power and are in firm control of the political institutions and the major economic enterprises in the country.

The authoritarian retrenchment was overshadowed by the COVID-19 pandemic, which plunged Tajikistan's economy – after successive years of recovery – into its most serious crisis since its civil war (1992 - 1997). With remittances from labor migration in sharp decline and inflation rising, more than 40% of the population struggled to afford food and essential goods in the summer of 2020. The official response to the pandemic illustrated the blatant lack of professionalism, accountability, transparency and responsibility among the authorities and the political elite. While officials denied the existence of COVID-19 in the country until late April 2020, civil society activists and NGOs organized the first response to the pandemic, informing the public about COVID-19, registering cases, reporting on deaths and mobilizing support for the most vulnerable communities. In May 2020, the government eventually reported the first COVID-19 cases and applied for financial assistance from the IMF and Asian Development Bank (ADB) in an effort to alleviate the social and economic fallout of the pandemic. Emergency relief was directed toward the public health care system, which was not prepared for a pandemic of this scale. Simultaneously, the authorities silenced civil society and imposed strict censorship on information related to the pandemic. As of January 2021, data on COVID-19 related deaths, incidence rates, testing capacity and accuracy are considered unreliable and manipulated.

Security problems in recent years have been primarily 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 the Pamirs (i.e., the Gorno-Badakhshan Autonomous Province). The security situation in Afghanistan and the Middle East, where a sizable, yet unknown number of Tajiks have joined the Islamic State (IS) group, has had little direct impact on Tajikistan's internal stability so far. Nevertheless, the government claims to have thwarted dozens of terrorist attacks in recent years, allegedly originating within exile movements such as the banned Islamic Revival Party of Tajikistan (IRPT).

The composition and nature of the authoritarian, clientelistic and patriarchal regime centered on President Rahmon has changed very little during the review period. Although Rahmon was re-elected president until 2027, he is apparently preparing for a dynastic transition of power. He appointed his eldest son, Rustam Emomali (born 1987), as chairman of the Upper House in 2020, the second-most important political position in the country (Rustam Emomali is also mayor of the capital city, Dushanbe). Criticism by Western states has become less vocal, and interventions by international human rights organizations tend to fall on deaf ears.

In 2020, Human Rights Watch reported that "Tajikistan's human rights record continues to deteriorate amid an ongoing crackdown on freedom of expression and the political opposition, as well as the targeting of independent lawyers, journalists, and even the family members of opposition activists abroad. Torture remains a serious concern in detention." International aid targeting governance reform has declined in political significance as Chinese loans and credits increase significantly. All this serves to strengthen the power of the executive over other institutions – a tendency accelerated by the COVID-19 pandemic. The regime sets strategic goals and maintains working relations with donors and the United Nations. Tajikistan's civil society remains weak, fragmented, under state pressure and dependent on donors.

Tajikistan remains the most remittance-dependent country in the world. After a precipitous decline of remittances between 2014 and 2016, remittances have stabilized since then to represent an estimated 30% of the GDP (or \$3 billion), highlighting the volatility of labor migration and the susceptibility of the economy to external shocks. In 2020, remittances declined sharply once again, in the wake of the COVID-19 pandemic, which tested the resilience of the population.

Bilateral relations between Uzbekistan and Tajikistan continued to improve during the review period, as both countries agreed on a comprehensive border agreement in 2020, settling disputes that had their origins in Soviet times.

The government continues to focus its economic development strategy on large-scale infrastructure projects in hydropower and transportation; aluminum and cotton remain Tajikistan's primary exports. Throughout the review period, construction on the Rogun Dam continued, however, financial constraints and a lack of skilled labor due to the COVID-19 pandemic has delayed the construction. The business environment continues to be dominated by state-owned utilities and enterprises owned by associates of the regime. In practice, most families outside the privileged elites struggle to subsist and rely on the dwindling remittances from labor migrants. The government has so far resisted Russian overtures to join its neighbor Kyrgyzstan in the Eurasian Economic Union.

History and Characteristics of Transformation

Once the poorest republic in the USSR, Tajikistan is now the poorest state within the former Soviet territory. After the collapse of the Soviet Union in 1991, independence was overshadowed by a severe political and economic crisis that propelled Tajikistan into five years of civil war (1992-1997). The war was fought between commanders loyal to the government led by Emomali Rahmon and commanders who pledged allegiance to the United Tajik Opposition (UTO), a heterogeneous movement of political and regional groups. 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 regarding abuses committed during the conflict. However, anywhere from 50,000 to more than 140,000 people – mostly citizens – are estimated to have been killed. Over half a million further individuals were either internally displaced or fled the country.

In 1997, under the auspices of the United Nations, the government and the UTO signed a peace accord and created the National Reconciliation Commission to supervise the peace process. The Commission's last meeting was held in 2000. Elections to a new bicameral parliament were held in March of the same year, formally bringing the peace process to a successful end. Tajikistan is among the few post-conflict countries to have transitioned quickly from war to internal stability and to have formed a functioning government. Most remarkably, order was re-established without the liberal reforms deemed essential by international actors. Nevertheless, the country has experienced several incidents of minor armed conflict since 1997, each of which were suppressed by the government. The main opposition party, the Islamic Revival Party (IRPT), whose members were allied with 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 and was declared a terrorist organization. Its moderate leader Muhiddin Kabiri fled into exile.

Although Tajikistan is burdened with a deteriorating infrastructure, and poor public health and education systems, it has managed to recover economically since the war. After 2000, the economy demonstrated strong growth, officially averaging 7% annually. External debt was cut in half, and the poverty level reduced from 83% of the population in 1999 to 27% in 2019. However, structural reforms and a recovery in capacity utilization only partially account for these improvements. For the most part, the country's growth was aided by favorable global prices for aluminum and cotton, and, importantly, increasing remittances from Tajik labor migrants in Russia. Tajikistan is ranked as the most remittance-dependent state in the world.

Since 2000, the notion of stability has continued to trump any meaningful move toward democratic reform. The parliamentary and presidential elections held between 2000 and 2020, 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 positions and opening the spoils of power to them.

Since 2010, Tajikistan has been a consolidated autocratic state in which dissidents, potential opponents and those who fall out of favor with the government are suppressed, often jailed or forced to flee the country, some of them even killed. 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. Local governments (jamoats) and neighborhood (mahalla) committees are of some importance in local decision-making. However, they are beholden to the 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 to be 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 fears that this would take place.

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

Tajikistan is a consolidated authoritarian state which enjoys a complete monopoly on the use of force over its entire territory. Although Tajikistan is classified as a post-conflict state, incidents of terrorism remain low by global standards. Rare incidents of violence are mostly associated with organized crime, in particular transborder drug trafficking. There are sporadic incidents of violent clashes along the Tajik-Kyrgyz border, which have resulted in fatalities (e.g., in September 2019 and May 2020). However, these incidents do not represent significant and sustained insurgent or violent movements contesting the state in territorial enclaves of Tajikistan. Although the authorities frequently mention the threat of militant Islamic groups, the capacity of such groups to challenge the state has not been demonstrated and is, probably, grossly exaggerated.

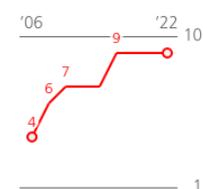
In the past few years, the tensions in Gorno-Badakhshan Autonomous Province (GBAO) and the Rasht Valley receded (see BTI 2020). However, relations with the local population remain tense due to continued repression and alienation. Sporadic violent incidents at the Tajik-Kyrgyz border have originated in local disputes over water resources, arable land and infrastructure. However, these conflicts do not challenge the state's territorial integrity.

In the review period, the regime's stability was not challenged by security incidents comparable to the defection of Gulmurod Halimov to the Islamic State (IS) or the attempted coup of Deputy Minister of Defense Abduhalim Nazarzoda in 2015 (see BTI 2020). The most serious militant attack in the review period occurred in November 2019, at a border post close to Uzbekistan. As in the case of the attack on foreign bicycle tourists in 2018 (see BTI 2020), IS claimed responsibility for this attack which left 17 people dead. Two large prison riots in 2018 and 2019, in which at least 50 inmates and guards were killed (including members of the IRPT), were also attributed to the IS. Although the Tajik authorities did not allow any independent investigation, they issued contradictory reports on the background of the attack and

Question
Score

Monopoly on the
use of force

9



riots, implicating IS, Iran or the IRPT. The limited level of organization and the low-tech character of the attack indicate that the militant groups acted in isolation and were not part of a larger, more sophisticated organization. While none of these incidents challenged the regime's stability, similar isolated terrorist attacks may occur in the future.

The overhaul of the security structures in Tajikistan continued during the review period, including substantial assistance in training and equipment provided by China, Russia and the United States. Political loyalty and the operational capacity of the country's internal security agencies further improved.

All major groups accept the legitimacy of the Tajik nation-state. At the same time, natives of the former opposition regions (Rasht Valley and GBAO) feel increasingly marginalized due to their economic, cultural, and social exclusion, as well as continuous repression by the state security apparatus. According to the last official census conducted in 2010, ethnic Uzbeks comprise 14% of the population. This statistic is commonly believed to be inaccurate, in part, due 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 in the number of ethnic Uzbeks estimated by censuses in 2000 (16.5%) and 1989 (23.5%). Most independent analysts put the number of Uzbeks in Tajikistan at approximately 20-25%.

The government's ethnic-based nationalism and exclusive identity politics contribute to the alienation of many members of ethnic and religious minority communities. Official nationalism generates a sense of unity for ethnic Tajiks, but also serves to divide them. Politically, Tajiks hold all major posts. Proficiency in the Tajik language is required for all major political officeholders. Government attempts to strengthen 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 individuals from Danghara district in southern Tajikistan, President Rahmon's native district.

While all citizens are formally granted equal rights, widespread corruption and nepotism increasingly limit certain rights to those who are wealthier and have good connections. Women, young people and minorities remain marginalized, and are frequently informally hindered from exercising their civil rights. Although access to citizenship is formally granted to all groups without discrimination, there is a strong push for nativization, demonstrated by the state-approved list of baby names and restrictive rules covering "russified" (-ev/ov(a)) surnames.

The only known groups that question Tajikistan's stateness are clandestine and banned radical Islamic groups. The government has continued to repress individuals suspected of supporting these banned groups (notably Hizb ut-Tahrir, Jamaat-e-Tabligh, Muslim Brotherhood, Jamaat Ansarullah, and the Islamic Movement of

State identity

7

'06 _____ '22 10

7 ————— 10

_____ 1

Uzbekistan). However, since also being banned in 2015, the IRPT has replaced these groups in the government's security discourse. The prevalence of the banned groups is unknown, but they are unlikely to be widespread within the country due to the impact of state surveillance and repression. The IRPT's chairman, who is in self-imposed exile in Europe, has consistently denied that his party has any involvement in terrorist attacks and has vowed to adhere to democratic principles and a peaceful political struggle.

Formally, Tajikistan is a secular state, and it is forbidden by law to involve religion in political matters such as election campaigns and the work of state bodies. However, the state officially celebrates several Islamic holidays and the governing elite increasingly use rhetoric which employs Islamic symbols. Religious belief is an important part of Tajik culture. Religious dogmas have a limited and informal influence on politics and the law, by implicitly confirming patriarchal concepts of social and political order. As a legacy of the post-civil war peace accord, the regime allowed the moderately Islamist IRPT to operate legally until 2015, but this opposition party has now been outlawed and declared a terrorist movement.

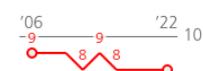
As pointed out by the UK Stabilization Unit in 2018, the Tajikistan authorities ostentatiously defend the secular nature of the state, persecuting all religious activities outside the state-run institutions and their narrow interpretation of authentic religious tradition. During the review period, authorities continued to marginalize independent religious leaders who were seen as restive or insufficiently loyal. Simultaneously, the government increased the capacity of official institutions regulating religion, such as the Islamic Center and the Committee on Religion, Regulation of Traditions, Celebration and Ceremonies. Both institutions certify religious personnel, pay salaries, monitor registered mosques and religious schools and distribute mandatory topics for the important Friday sermons. Government intervention has reduced the diversity of religious practice and has undermined the independent authority of religious figures in the country. In 2012, three new articles were added to the Code of Administrative Offenses in order to punish those violating the Law on Religion's tight restrictions on religious education and holding unsanctioned ties with foreign institutions.

In 2019 the parliament passed amendments to the Census Law, and in 2020 the national census included a question on religion for the first time. This provision violates domestic laws and international commitments which guarantee a right to privacy and freedom of thought, conscience and religion.

The formal secularism of the government and its designation that only a very narrow interpretation of Hanafi Sunni Islam is genuinely Tajik, is a form of dogma that has had significant negative effects on the freedom of religion. This contributes to the political polarization in the country, as well as to the marginalization of religious minorities (e.g., the Ismaili-Muslims).

No interference of religious dogmas

8



1

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, arbitrary intervention by superordinate authorities and inadequate technical facilities. The official response to the COVID-19 pandemic has revealed these deficits. In the summer of 2020, hospitals and health care facilities operated only on the material, food, and equipment provisions collected by self-mobilized local groups. Families of patients affected by COVID-19 faced the exorbitant costs of treatment without state support.

During the review period, the authorities continued to implement a number of major infrastructure projects in the sphere of transportation with substantial funding from China. However, large areas in the Rasht Valley and, at times, the entire GBAO Province, remain isolated from the rest of the country during colder periods ranging from one to six months. Despite investments in hydropower and the power supply system, energy supply has remained deficient, especially in winter. Sustained power outages critically impair the operation of hospitals and schools.

The provision of basic services remains undermined by low public expenditures in the social sector. In 2019, only half of Tajikistan's population had access to an improved drinking water source. While it is an improving statistic, it nevertheless places the country alongside sub-Saharan African states, which never had the infrastructure development of Tajikistan afforded by the Soviet modernization programs.

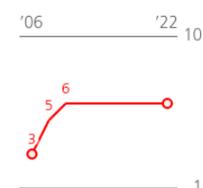
2 | Political Participation

General presidential and parliamentary elections are regularly conducted in Tajikistan at national level through unhindered, universal suffrage with secret ballots. However, elections and a multiparty system are mostly a facade of democratic processes and institutions for an international audience. Local and international observers have characterized all past elections as fraudulent and lacking in even basic political competition. There has been no change in presidential leadership since 1994, and the president-led People's Democratic Party of Tajikistan (PDPT) has controlled the parliament since 2000, when it served as the vehicle for consolidating regional elites and the allies of the president under a single political party. Public trust in the election process is low.

Parliamentary and local elections were held in March 2020, and despite the COVID-19 pandemic, presidential elections followed in October 2020. Without significant campaigning, the parliamentary elections returned the PDPT to power with an overwhelming majority. A handful of remaining seats were distributed among five

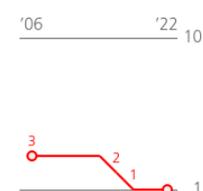
Basic
administration

6



Free and fair
elections

1



minor parties that barely register in the public consciousness and are explicitly loyal to the president. The only remaining legal oppositional party, the Social Democratic Party of Tajikistan (SDPT), did not clear the 5% threshold of votes and therefore is not represented in parliament. The Islamic Revival Party of Tajikistan (IRPT), a party to the peace agreement signed in 1997, and until 2015 the most important opposition party, is banned, and its leading members are in exile or imprisoned.

The OSCE election observation mission's final report on the parliamentary elections remarked that the elections took place in a "restricted political space and failed to provide a level playing field for candidates." The elections were not "administered in an impartial manner" and voting included "significant shortcomings" and "disregard of counting procedures meant that an honest count could not be guaranteed."

In the local elections, which were not monitored by international observers, the PDPT won an absolute majority in all district and city councils. In October 2020, Rahmon was re-elected president for the fifth consecutive term (to serve until 2027) with 93% of the votes. The four other presidential contenders were largely unknown to the public and, without any campaigning, received between 1.5% and 3% of the votes. This indicated election engineering on a substantial scale since each contender needed the signatures of at least five percent of registered voters in order to formally register as a presidential candidate.

The president holds an unchallenged monopoly over the governance of the country, but his election is only de jure democratic. Most important decisions are taken by the president and an informal circle of his family members and close associates. There are no significant veto players, but the president must consider regional interests and a few power brokers in certain issues. The parliament has limited competencies and, in practice, acts as a rubber stamp for the president's initiatives. In 2016, the president's oldest son, Rustam Emomali, was appointed to the position of mayor of Dushanbe and, in 2020, to chair of the parliament (the second-most important position in the country). Rahmon and his family appear to be planning a dynastic transfer of power.

The 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 considered as contestants for power but help the regime to sustain a democratic facade. Groups and individuals critical of the government - particularly the president - are systematically harassed, imprisoned 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. Since 2015, NGOs have had to register all foreign-funded activities with state authorities and in 2019 the Law on Public Organizations further

Effective power to govern



Association / assembly rights



tightened the legal regulations for NGOs. For instance, there is now a requirement to have a website providing full legal and financial information about their activities. There is also increasing evidence of repression of intellectuals, with anecdotal evidence suggesting that rising numbers are seeking refuge overseas.

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.

Considering the limited societal space for public exchange, the government did not need to impose too many additional restrictions when it finally acknowledged the existence of COVID-19 in the country. As additional preventative measures, visits to prisons (by relatives of the inmates) were banned, all mosques were closed, and public prayers were suspended. Some of these restrictions were lifted in February 2021 when public prayers were allowed to resume under appropriate social distancing measures. In April 2020, land borders, airports, markets (except for food markets), schools and universities were closed, but reopened in mid-June 2020.

While the government was in denial about COVID-19, local civil society activists and NGOs organized the country's initial response to the unfolding crisis by informing the public about the pandemic and monitoring the rising death toll on social media. Exceptionally, public pressure by civil society led to the dismissal of the health minister and the WHO representative, who had both denied the existence of COVID-19 in the country until late April 2020. Eventually, the government re-established its information monopoly and suspended civil society's online activities relating to the pandemic. Activists were intimidated and silenced.

Freedom of expression, speech and the press are guaranteed by the constitution of Tajikistan. In practice, however, freedom of speech is restricted by government interference, widespread self-censorship, lack of independent financial support and severe criminal libel laws. The government owns all television stations and controls broadcasting facilities, leaving little room for independent news and analysis on television and radio. The popular Russian satellite TV offers no reasonable alternative. Most of the few independent newspapers have closed down due to political pressure, harsh libel laws and financial constraints. The state has increased its capacities to censor and restrict access to the internet. In 2020, the parliament passed a law which allows authorities to block websites or social networks without a prior court order. Furthermore, the parliament passed laws penalizing the spread of "misinformation" on the COVID-19 pandemic.

Websites of independent news agencies based outside of Tajikistan are frequently blocked and local websites are shut down by the monopolist internet provider due to "maintenance" reasons. Internet penetration in the country is estimated at 26% (2020), with significant differences between urban and rural areas. Tajikistan ranks

Freedom of
expression

2

'06 '22 10



161 out of 180 countries in the 2020 Worldwide Press Freedom Index by Reporters Without Borders. This constitutes a drop of 45 places since 2015. According to Reporters Without Borders, independent journalists are regularly subjected to interrogation by intelligence officers, intimidation and blackmail: “The authorities continue to step up their control of communications using new technology and have created “troll factories” to discredit critics. The blocking of the main news websites and social media is now virtually permanent.”

Throughout the review period, the few remaining independent news agencies continued to be the subject of libel and insult accusations related to their coverage of politics. The media organization Asia Plus was evicted from its newly renovated premises, which were given to the government’s information agency, Khovar. A number of journalists faced intimidation, violent assaults, arrest and prosecution. Even family members of journalists were harassed and threatened. Increasingly, citizens are targeted for social media and blog posts.

3 | Rule of Law

The executive has a tight control over Tajikistan’s legislative and judicial branches. Despite the constitutional provision for the separation of powers and their institutional differentiation, the executive, represented by the president and his inner circle, holds 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 the 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 primarily when the executive specifically requests them. Most members of parliament are former senior executives, promoted to the parliament as 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 IRPT. The president appoints and dismisses senior members of the government, provincial governors and district heads, including the mayor of Dushanbe. Similarly, the president appoints judges and high court justices.

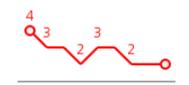
A 2009 change to the legal framework for local government – which was initiated and supported by representatives of the international community – has yet to have any noticeable effect on the power of local authorities with respect to the central powers. As the PDPT now controls all city and district councils, since the local elections in 2020, the prospects of rebalancing these power structures are dim.

In response to the COVID-19 pandemic, the government did not declare a state of emergency, but the parliament passed laws which penalized the spread of “misinformation” on the pandemic and enabled the criminal prosecution of those who transmit COVID-19.

Separation of powers

2

'06 '22 10



The judiciary in Tajikistan is de jure independent and institutionally differentiated but, in practice, remains tightly subordinated to the executive. The separation of powers is suspended. The president controls the judiciary through his constitutional prerogative to nominate and dismiss judges at all levels, as well as the prosecutor general. Appointments are not based on merit. The courts are swayed by rulings delivered by the prosecutor's office, which ranks above them in terms of influence and political power.

In politically sensitive cases, the legal proceedings are held in camera and judges rule as instructed by powerful officials in the presidential administration. Defendants in political cases have no access to legal assistance. Independent defense lawyers have been arrested on politically motivated charges after having defended opposition politicians or dissident intellectuals, as in the case of Buzurgmehr Yorov (see BTI 2018).

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. In 2020, new legislation on extremism came into force with a vague definition of extremism that allowed the authorities to suspend online communication and freeze bank accounts without prior court hearings.

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 occur almost exclusively at lower levels of state administration, particularly in health, education and agriculture. In the period under review, there have been a few corruption and bribery cases involving mid-level law enforcement officials and judges. Another notable corruption case involved the mayor of the country's fourth biggest city of Kulob in the summer of 2020, who is believed to have been targeted by president Rahmon's family members. Otherwise, high-level figures are rarely penalized for corrupt practices. 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 out of favor for a separate reason.

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 are systematic. Torture and death continue to occur in custody. Conditions in prisons remain life threatening due to overcrowding, unsanitary conditions and high levels of tuberculosis and HIV/AIDS. In 2018 and 2019, security forces quelled two riots in penal camps, reportedly killing more than 80 inmates, including former members of the IRPT.

Independent judiciary

2

'06 _____ '22 10



Prosecution of office abuse

2

'06 _____ '22 10



Civil rights

2

'06 _____ '22 10



The government did not declare a state of emergency in response to the COVID-19 pandemic. However, it did impose discriminatory measures that are, as of January 2021, still in effect, namely the complete ban on prison visits, which suspended the delivery of food, medication and other indispensable supplies brought by relatives on which many inmates survive.

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.

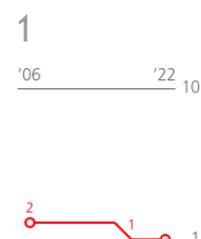
Religious groups that do not adhere to the national brand of Islam defined by the government's religious administration are targeted. The police have frequently cracked down on public observance of religious practice or alleged "alien" Muslim attire (such as the hijab or a "Muslim" beard). During the period under review, dozens of nonviolent Muslims were detained and sentenced to lengthy jail terms, mostly without a fair public trial, for alleged membership of banned Islamic groups. Non-Muslim religious groups, including several Christian churches, remained subject to persecution through bureaucratic and administrative means.

4 | Stability of Democratic Institutions

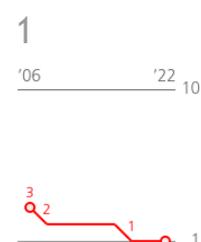
Tajikistan is an authoritarian state where democratic institutions and processes are merely a facade. Governance is monopolized by the president and his inner circle. The executive, legislative and judicial powers merely respond to decisions taken by this circle. The parliament tends not to exercise its constitutional powers and the courts often rule according to direction from 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 formally exists but is not implemented. Presidential, parliamentary and local elections in 2020 were tightly controlled and fell far short of any democratic standards. Meaningful democratic reform is highly unlikely in the near future.

Tajikistan is a democratic state according to its constitution. However, commitment to democratic institutions is entirely superficial. These institutions are widely seen as lacking legitimacy and an election-based popular mandate. The country has little democratic experience and many older citizens associate political pluralism, freedom of the media and election campaigning with the political confrontation, chaos and violence that marked the eve of the civil war. An increasing number of young people feel abandoned and marginalized by the current government and are seeking alternative sources of equality and justice such as religion. The official handling of the COVID-19 pandemic has deepened this perception. Migration remains an important exit option for the better-qualified.

Performance of democratic institutions



Commitment to democratic institutions



5 | Political and Social Integration

Formally, Tajikistan has a functioning multiparty system, but political parties have shallow social roots and do not play an important role in shaping political will. After the 2020 elections there are six political parties represented in the lower chamber of the parliament (Majlisi Namoyandagon): The Agrarian Party (APT), Communist Party (CPT), Democratic Party, Socialist Party (SPT), People’s Democratic Party (PDPT) and Party of Economic Reforms (PER). These parties affirm their loyalty to the president. 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.

The only remaining registered opposition party, the SDPT, has been marginalized and repressed by the authorities and therefore failed to attain the 5% threshold in the election necessary to be awarded a seat in the parliament. The Islamic Revival Party of Tajikistan (IRPT), represented in parliament from 2000, was banned in 2015 on charges of terrorism and now exists only in exile. The 2016 constitutional referendum codified the exclusion of “religious” parties from politics.

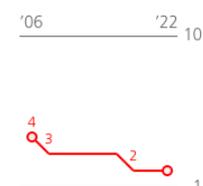
The opposition in the country and in exile remains fragmented. Under the consolidated authoritarian system, opposition parties are monitored by the authorities and are allowed to function so long as they do not challenge the regime. In October 2018, the IRPT’s Chairman Kabiri established the National Alliance of Tajikistan as an association of the exiled opposition. However, due to conflicting political views and personal distrust between members, the impact of this alliance on Tajikistan’s politics will be limited. Nonetheless, the authorities labeled the National Alliance a terrorist organization in 2019.

Interest groups are present only in isolated social segments, and rarely 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 relatively narrow field oriented toward technical assistance and service delivery. Many NGOs are more likely to resemble a consultancy than an advocacy group. Their organization and agenda are typically responsive to donor calls for proposals and do not address Tajikistani constituencies and their concerns. The vast majority of such organizations deal with issues of culture, education, gender and domestic violence, as well as the distribution of humanitarian aid to target populations.

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. To some extent, the NGO sector has turned into a lucrative market which supports the entrenchment of the elite.

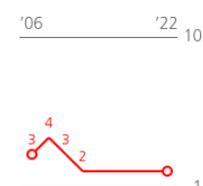
Party system

2



Interest groups

2



Today, after about 25 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. Overall, the population remains passive toward 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 and democratic institutions. The majority of the older population in the country associate democracy with post-independence socioeconomic hardships and civil war. They are generally apathetic about elections and disdainful toward political parties. The political culture of Tajikistan remains authoritarian and is still influenced by the legacy of the Soviet Union and contemporary Russian media narratives which associate democracy with chaos, violence and instability. In general, the 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 which attempts to justify the widespread nepotism and clientelism.

There is a fairly low level of trust among the population, particularly between groups from different regions and ethnic and religious backgrounds. There is a deep divide between the urban and rural population. Hence trust is extremely localized or familial, as is increasingly evident in marriage, migration and employment patterns.

The capacity to self-organize is distributed unevenly in Tajik 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 as the COVID-19 pandemic. Such village-based mobilization has been widely supported by international development agencies as a means toward economic and social progress. However, rather than being the ideal grassroots organizations, mahallas should also be recognized as patriarchal institutions of order that are co-opted by local state authorities. When individuals migrate 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. The patterns of social mobilization and activism during the COVID-19 pandemic exposes the social fractures in society since there is limited readiness for solidarity beyond immediate local communities.

Approval of
democracy

n/a

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n/a 1

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, antimony, 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 when it collapsed in 1991. Following a catastrophic post-independence drop in most socioeconomic indicators and the 1992 to 1997 civil war, Tajikistan experienced a steady recovery by an officially recorded 7% per annum on average. The COVID-19 pandemic has slowed economic growth due to significantly reduced remittances, and a decline in domestic consumption and the tourism and hospitality sector. The recovery in 2021 depends on the availability of a COVID-19 vaccine, Russia's opening of borders for migrants from Tajikistan and, relatedly, the restoration of remittances. Furthermore, the dollar value of the economy has declined continuously since 2016 as the Tajikistan somoni depreciated against the dollar. In 2020, due to currency depreciation and a decline in trans-border goods exchange, the prices of basic food staples increased by approximately 30%.

Since 2003, Tajikistan has made continuous progress in poverty alleviation. The poverty rate fell from 67% in 2003 to 27% in 2018. However, poverty reduction has developed unevenly to the disadvantage of rural communities in the periphery of the country and has slowed since 2015. The economic slowdown and severe disruption of remittances during the COVID-19 pandemic has further increased disparities and undermined poverty reduction prospects. The Gini (44 in 2018) and GII (0.374 in 2018) indices suggest that inequalities in Tajik society have increased over the past few years. However, due to unreliable national statistics, it is hard to analyze the level of inequality based on religion and ethnicity. It is predicted that the pandemic will aggravate the economic disparities between those who have and those who do not.

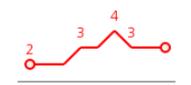
Tajikistan remains the poorest of all post-Soviet states. In 2019, Tajikistan ranked 125 out of 189 countries surveyed by the UNDP HDI, faring worse than all other former Soviet states and scoring slightly above its 1990 HDI value (2019: 0.668, 1990: 0.623). Tajikistan remains one of the most remittance-dependent countries in the world. Remittances from labor migrants have been the key factor behind Tajikistan's economic growth and its limited poverty alleviation progress. The money sent home by usually more than one million Tajikistan migrant workers, mostly located in Russia, has in recent years provided for the most basic needs of more than half the population. In 2011, remittance inflow to Tajikistan amounted to \$2.3 billion.

Question
Score

Socioeconomic
barriers

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Remittances rose to an estimated \$3.7 billion (or 42% of GDP) in 2014 and then fell by almost 40% in 2015 and by a further 20% in 2016, due to Russia's economic crisis following international sanctions. Since then, remittances increased to an estimated 28% of the GDP. However, due to the pandemic and closure of international borders, the flow of remittances sharply declined in 2020. The IMF reported for September 2020, that Tajikistan's GDP per capita has declined to \$833, below its 2011 level.

The official response to the pandemic was uneven, but eventually the government appealed for international aid, which was subsequently granted. Since July 2020, the authorities have rolled out a limited social assistance program supporting vulnerable groups with a one-time COVID-19 assistance payment of \$45. In order to counter the impact of inflation and the depreciation of the somoni, public sector wages and pensions were increased by 10-15% in September 2020.

Poverty and social exclusion are quantitatively and qualitatively extensive, as well as socially ingrained. Poverty is highest in rural areas, where approximately two-thirds of the population are poor and subsistence economies prevail, in particular 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 and Khatlon. The World Food Program estimates that approximately one third of Tajikistan's population is undernourished and there is a severe risk of food insecurity due to the impact of the COVID-19 pandemic.

Economic indicators		2017	2018	2019	2020
GDP	\$ M	7536.4	7765.0	8300.8	8194.2
GDP growth	%	7.1	7.6	7.4	4.5
Inflation (CPI)	%	-	-	-	-
Unemployment	%	6.8	6.7	6.7	7.5
Foreign direct investment	% of GDP	2.5	2.8	2.6	-
Export growth	%	-	-	-	-
Import growth	%	-	-	-	-
Current account balance	\$ M	159.0	-379.7	-185.3	335.9

Economic indicators		2017	2018	2019	2020
Public debt	% of GDP	50.3	47.8	44.1	51.3
External debt	\$ M	5621.8	6088.8	6642.2	6797.8
Total debt service	\$ M	700.9	586.6	556.7	913.3
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	11.4	11.2	11.2	11.3
Public education spending	% of GDP	5.8	5.6	5.7	-
Public health spending	% of GDP	2.1	2.0	-	-
R&D expenditure	% of GDP	0.1	0.1	-	-
Military expenditure	% of GDP	1.1	1.1	1.0	1.0

Sources (as of December 2021): 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, the number of segments of the economy which have real market competition are limited. Legislative and procedural rules regulating market competitiveness are unreliable and often ignored. Price fixing, state subsidies and endemic corruption continue to shape the domestic economy. There is considerable state intervention in the agricultural sector which employs approximately half of the labor force and generated approximately 22% of the GDP in 2018. The intervention is particularly pronounced in the cotton sector which accounts for approximately 60% of agricultural production and approximately 10% of exports (as of 2018). This intervention appears aimed at protecting the businesses of key figures linked to the ruling elite. Since 2014, however, agricultural reforms have introduced changes to the cotton sector indicating a stronger commercialization of agriculture in Tajikistan. Although the ruling elite is reluctant to abandon its control of key resources, cotton farmers can now choose their purchaser and negotiate the sales price independently or decide to abandon cotton cultivation altogether. Local governments throughout the country still routinely attempt to administer retail prices for basic foodstuffs, particularly around major holidays. Tajikistan imports approximately 75% of its food supply.

Market organization

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There are no significant formal entry and exit barriers in the product and factor markets. Formally, the starting a business in Tajikistan indicator estimates that it takes approximately seven days and three procedures to register a company, while the process costs approximately \$165. However, 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 supporting the freedom to launch businesses or withdraw investments, rampant corruption and extortion by tax and regulation agencies make private investment very scarce.

The informal sector of the economy is large, constituting about one third of GDP and providing employment to more than 40% of the working population. The national currency, the somoni, is fully convertible.

With support from international financial institutions, Tajikistan has reformed its economy to enhance business activity and grow the SME sector. These reforms have propelled Tajikistan into the top reforming countries in the World Bank Doing Business report since 2010. At present, the country ranks 106 out of 190 countries surveyed in the 2020 report, an improvement of 46 places since 2010. External experts and observers took note of this substantial improvement with some skepticism, acknowledging positive amendments in the SME sector on paper, but pointing to numerous informal restrictions.

Most basic regulations to prevent monopolistic structures and conduct are in place. An anti-monopoly agency exists, but it has generally been a marginalized body with little effective power. The agency's interventions are primarily 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 so-called "natural" monopolies. These monopolies shield broad sectors of the economy that are defined as significant to national security from competitive pressure.

The majority of these monopolies, particularly in energy and transport, are undergoing gradual restructuring and privatization, with little transparency and competition, led 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 is led by a managing director who reports directly to the president. It constitutes around 17% of Tajikistan's exports (2018) and accounts for 50% of the country's electricity usage.

Competition 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. Since 2014, the current account was - except for 2017 - in deficit between \$261 million (2014) and \$407 million (expected for 2020). Tajikistan's trade deficit fluctuates between 25% and 50% of GDP (2017: 25%).

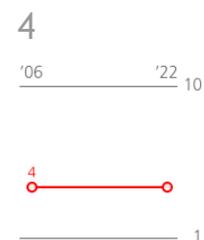
The country's economy is dependent on the export of aluminum and cotton. Formal tariff barriers and quantitative restrictions remain relatively low, but there are significant informal barriers, in particular the endemic corruption in the Customs Service. Foreign trade is also significantly impaired by politically motivated trade and transit barriers erected by Uzbekistan. However, the improvement of relations with Uzbekistan since 2016 has led to the opening of some areas of trade, the relaxation of border controls and the recommencement of airline flights, albeit irregular, between the two countries.

Apart from aluminum and cotton, which accounted for about 25% of Tajikistan's export earnings in 2018, the economy remains largely dissociated from the world market. Tajikistan has been a member of the WTO since 2013. The country's president also claimed in 2014 that Tajikistan was considering joining the Russia-led Eurasian Economic Union (EEU), a move that could potentially increase trade with other member states and provide better conditions for labor migrants. However, significant progress in this direction has not occurred since then, as the impact of Western sanctions on Russia, and the uneven economic development in neighboring Kyrgyzstan after joining the EEU, made accession to the union a less attractive option. Furthermore, the ruling elite is not willing to relinquish its lucrative control over customs and tariffs regulation.

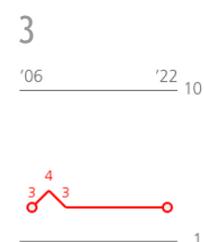
Tajikistan's banking sector is dysfunctional and in crisis. The central bank's performance is restricted by low capitalization and weak institutional capacity. The country has virtually no capital market. The capital to assets ratio has declined significantly in recent years, while the number of non-performing loans has increased dramatically. The consumer economy remains predominantly cash-based and public trust in the banking sector has collapsed (See BTI 2020). Although the figures of non-performing loans improved from 58% in 2016 to 20% in 2019, Tajikistan's dysfunctional banking sector will tie up additional financial resources in the future. The COVID-19 pandemic may well reverse the gradual consolidation of the banking sector seen over recent years.

In general, the banking sector remains constrained by a low level of integration into global financial markets, limited credit lines, a shallow capital market, a cash-based economy, a severe lack of confidence in the sector, weak loan repayment culture, the decline in the national currency and poor corporate governance and accountability.

Liberalization of foreign trade



Banking system



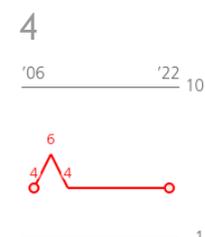
8 | Monetary and fiscal stability

The control of inflation and establishment of an appropriate foreign exchange policy are significant goals of the country's economic policy. Tajikistan is ranked among the group of countries with high inflation volatility. Average consumer price inflation was 8-11% during the review period, due to the depreciation of the Tajikistan somoni. The domestic currency is not pegged to a foreign currency but is subject to a flexible exchange rate. The National Bank of Tajikistan has no control over foreign currency interest rates. The central bank is fully subordinated to the government, and its currency policy is dictated by the objective of maintaining stability at a macro level, as advised by international finance institutions. Inflation and foreign exchange remain largely outside of the government's control yet influenced by wider political and geopolitical factors, in particular by trends in global food and energy prices, as Tajikistan imports much of its fuel and almost 75% of its food needs. Global prices of raw materials also influence inflation because large-scale and politically important infrastructure projects in the country require the import of capital goods. The COVID-19 pandemic, and the decline of remittances in particular triggered a sharp rise in commodity prices and a devaluation of the somoni against the dollar in summer 2020. In November, the National Bank of Tajikistan let the somoni depreciate by 10%, to align the official exchange rate with the black-market one.

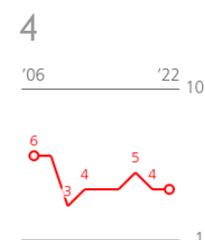
The maintenance of macroeconomic stability has been a declared goal of the government, but its policies have not always been consistent and effective. Tajikistan has maintained a tight fiscal policy in order to contain external debt. Due to the COVID-19 pandemic, Tajikistan's external public and publicly guaranteed debt has sharply increased from 45% of GDP in 2019 to 53% in 2020 (estimation by the IMF). Therefore, Tajikistan has a high risk of debt distress. The government has committed to budget consolidation and to update its Debt Management Strategy for 2021 - 2023. In late 2020, the country applied for the G20 Debt Service Initiative (DSSI), which had already suspended debt repayments to China. Holding some 70% of the external debt, China is Tajikistan's most important lender. China has acquired several mining concessions (gold, antimony and silver), and it is believed that these assets serve as potential collateral for debt owed.

The public debt is expected to continue to rise in absolute terms, as the country intends to continue external borrowing to invest in infrastructure and energy projects. In 2017, the government successfully issued a 10-year \$500 million bond at a yield of 7.125% on the international government security market. The bond was significantly oversubscribed and may indicate that the government will resort to additional bond sales in the future. In early 2021, the government announced it would solicit \$562 million of foreign credit in order to continue the construction of the Rogun hydroelectric power plant. It is unclear how the government plans to repay its rising debt. The current account deficit narrowed to 2.3% of GDP in 2019. The IMF estimates the country's total reserves at \$1.4 billion.

Monetary stability



Fiscal stability



The government's tax base remains very narrow, with a significant share of revenue still linked to the performance of the cotton and aluminum sectors. The government continues to rely on international aid in meeting some of its spending requirements, particularly in the social sector.

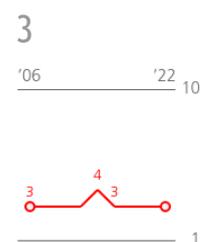
9 | Private Property

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 compensations for evictions improved in comparison with the late 2000s, they remain inadequate. This is particularly valid for the resettlement and compensation of residents in the flood zone of the Rogun Dam. In the period under review, the authorities continued to confiscate property belonging to opposition politicians and dissidents. 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, the government has the power to confiscate the land if it is not cultivated.

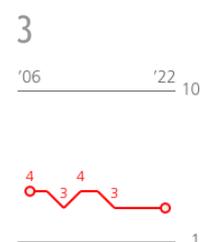
The government of Tajikistan claims to regard private companies as important agents of economic production. All small and most medium-sized enterprises have been privatized, and the privatization of many large state-owned enterprises is ongoing. Despite this, the government intends to retain ownership of the country's aluminum company, Talco, the fertilizer company, TajikAzot, and major hydroelectric power stations. Privatization of state companies has not been uniform, and has often been affected by corruption and insider deals. Tajikistan significantly improved its ranking in the World Bank's Doing Business Report in recent years. However, this generally refers to SMEs, primarily in retail and services. Forming a larger company requires political connection and patronage. The private sector accounts for just 13% of formal employment and 15% of investment.

To mitigate the economic impact of the pandemic, the government launched a tax holiday from April 1, 2020, to September 1, 2020, and exempted some companies from paying state property rents.

Property rights



Private enterprise



10 | Welfare Regime

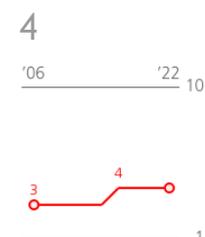
The integrated Soviet social welfare system has been steadily eroded since Tajik independence. Cash and subsidy provisions for pensions, illness, unemployment, disability and maternity exist in national legislation and the right to them are generally respected. However, the compensation in most instances remains so low that many vulnerable groups such as senior or disabled citizens would not survive without additional, non-state support. In July 2020, the government raised pensions and public sector wages, but minimum retirement pension rates and wages are considered precarious. An insignificant number of unemployed citizens receive unemployment benefits. Officially, the unemployment rate stood at 11% in 2020; however, observers estimate genuine unemployment to be between 40-50%. The labor market witnessed a sharp decline in April and May 2020 due to the COVID-19 pandemic but recovered by the summer in the absence of lockdown measures in the economic sector. Considering the inflexible labor market and the ongoing health crisis, the country will face difficulties to integrate labor migrants returning to the country.

Apart from poverty eradication, the welfare system has not been among top government priorities. Health care spending increased marginally to 7.2% of GDP by 2018, with more than half of the money allocated to salaries and maintenance. During the pandemic, the government successfully pleaded for financial assistance. The emergency relief focused on measures to alleviate the immediate shortfalls in the public health system (e.g., protective gear, testing capacity, and ventilators) and not its structural deficits. According to World Bank data, 20% of households who sought medical help during the pandemic, could not obtain any. The government's welfare function has been limited to occasional, miniscule increases in compensation rates for social risks, and the repair works to clinics and orphanages. For instance, in July 2020 the government made a one-time COVID-19 payment of \$45 to vulnerable groups in the population. According to the World Bank, 5% of households have reported receiving official financial or in-kind support from the government since the outbreak of the pandemic.

Labor migrants' remittances provide an important alternative social safety net for approximately 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.

The government is committed to poverty alleviation. Since 2012, the poverty rate has declined from 37% to 27% of the population (2018). However, the progress in poverty alleviation remains susceptible to external shocks, such as the recession in the Russian economy, and the COVID-19 pandemic. The pandemic triggered a sharp decline in remittances and in the summer of 2020, 41% of households reported that they could not afford food and essential goods (up from 21% in 2019).

Social safety nets



Equal access to education, public office and employment for all citizens is guaranteed by the constitution. In practice, however, equality of opportunity has not been achieved. Individuals from the Rasht and Vakhsh valleys, GBAO and the Uzbek minority continue to face 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 government jobs on the basis of inadequate knowledge of the Tajik language. Educational 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, secondary and tertiary level, but there are serious gender disparities in higher education attainment. The 2020 Global Gender Gap Report (GGGR) ranks Tajikistan 137 out of 153 countries, a drop of 14 places since 2018. The female-to-male ratio among individuals enrolled in higher education in 2018 was 0.75, compared to a ratio of 0.9 in secondary education and 1.00 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 has had a limited effect. Female participation in the labor force has increased in recent years, with women constituting around 37% of those working outside the home – but this fails to account for the disproportionate number of Tajikistan male labor migrants who have left the domestic labor market. Women are considerably underrepresented in public offices and business. In the 2020 parliament, women held only 19% (down from 23%) of seats and 6% of ministerial positions at deputy level (down from 13%). 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 may impede these measures.

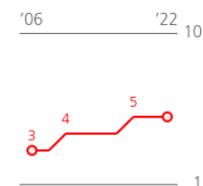
The COVID-19 pandemic has had an adverse effect on the situation of the most vulnerable population, especially women as well as ethnic and religious minorities.

11 | Economic Performance

The value of Tajikistan’s somoni (TJS) continued to fall during the review period due to its depreciation against the dollar. After an economic contraction in 2016, Tajikistan’s GDP reportedly grew 7% annually up to 2020. Independent experts, however, consider the official data to be unreliable. The pandemic has plunged the country into a serious socioeconomic crisis, reducing GDP growth to 2% (the Economist Intelligence Unit predicts negative growth of 2.5% for 2020) and accelerating inflation.

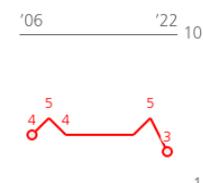
Equal opportunity

5



Output strength

3



Tajikistan runs a large trade deficit because it needs 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 33% and 50% of GDP. The unemployment rate stood officially at 11% in 2020, however observers estimate genuine unemployment to be between 40% and 50%. The public debt is expected to stagnate at 53% of GDP. The IMF expects a negative fiscal balance of 3.1% in 2020.

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, nontransparent practices, problems with power supply, poor infrastructure and a burdensome regulatory process continue to deter private investment in the country, and as a result it is very low. FDI inflows to Tajikistan stood at 2.6% of GDP in 2019, according to the World Bank.

In October 2016, Tajikistan began the \$3.9 billion construction of the Rogun Dam, led by the Italian engineering company, Salini Impreglio. The first unit of the plant was commissioned in November 2018. In the review period construction was delayed due to technical and financial constraints. Reportedly, a rockslide impeded construction in early 2021. A World Bank assessment in 2014 supported the government's claim that building Rogun is the cheapest way to end Tajikistan's energy shortages. However, 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 and years-overdue debt. It is not clear at the moment whether the government will be able or willing to implement these reforms in full.

12 | Sustainability

Environmental concerns in Tajikistan receive only occasional consideration and are largely subordinated to economic growth. In the 2020 Environmental Performance Index (EPI), the country ranked 114 out of 180 nations surveyed, faring below the average for Eastern Europe and Central Asia.

Approximately 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. Cotton cultivation still uses high inputs of chemical fertilizers and pesticides with severe consequences for public health and water quality. The aluminum smelter in Tursunzade, a cement factory and heating facility in Dushanbe, contribute to local air pollution. Radioactive waste from the Soviet-era enrichment plant in northern Chkalovsk is stored in some 30 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 have repeatedly contaminated water resources. Environmental regulation is in place, but rarely enforced, particularly in cotton cultivation, gold mining and

Environmental
policy

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'06 '22 10



aluminum production. Measures to protect the environment are largely absent in tax policies. Legal and institutional frameworks for sustainable energy use remain rudimentary. Public awareness of environmental concerns is limited.

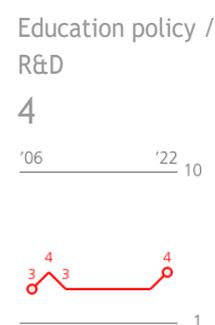
Climate change has increased the incidence of floods and extreme weather conditions, and accelerated the melting of glaciers in Tajikistan, eroding the resilience of poor communities. Environmental degradation and climate change have also increased the incidence of natural disasters in the country. According to national authorities, on average about 150 small and medium-scale disasters occur in the country annually. However, when residents raise concerns over environmental safety their pleas are often met with an inadequate response.

Tajikistan's education and training system remains substandard. The country's public expenditure on education rose to 5.2% of GDP in 2015 (the latest available figures), from 4% in 2012. However, enrollment and completion rates in primary and secondary education are the lowest in Central Asia. The gross enrollment rate is 99% in primary education (2018), 82% in secondary education (2018), and 29% in tertiary education (2018). However, the enrollment of females in secondary and tertiary education is significantly lower than male enrollment. The quality of schooling, particularly at the secondary level, is impaired significantly by a shortage of qualified teachers, low motivation, outdated textbooks and underdeveloped school infrastructure. The majority of public school buildings require major repairs.

Facing population growth (2.32% in 2020) and the disintegration of the Soviet educational infrastructure, the government has implemented various reforms in the education sector including a move from 10-year to 12-year education. However, there are conflicting reports about the implementation of the reform, and it is not clear how the authorities will deal with the shortage of school places and teachers. Tajikistan's position in the UN Education Index improved marginally to 0.682 (2019).

Despite these shortcomings, formally Tajikistan retains a high literacy rate of over 99%. This rate may well conceal very weak literacy or functional illiteracy among an increasing number of young people, particularly women. The majority 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 subsidized placements (quotas) at foreign educational establishments, particularly in Russia, Kazakhstan and China. These quotas are then effectively exchanged for bribes.

Moreover, in most, if not all of the country's higher education institutions, plagiarism by both students (copying from textbooks or others' research) and staff (in reading from textbooks in lieu of writing their own lectures) is widespread and condoned. The government has created further hurdles for students seeking education abroad by introducing special permits to study or conduct research abroad.



R&D remains deficient. Public expenditure on R&D was below 0.1% of GDP in 2019. 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. The emigration of talented scientists and researchers continues.

Governance

I. Level of Difficulty

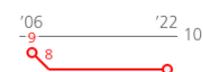
The structural constraints on governance are high. Major structural problems include a rugged terrain, disadvantageous geographical location, and an underdeveloped transport infrastructure. Mountains cover about 93% of Tajikistan's territory, making large parts of the country all but inaccessible in 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 the infrastructure within and to the country. Major roads connecting the north and south of the country have recently been refurbished. In general, however, the country's road and rail networks remain underdeveloped.

After more than two decades of mutual obstruction and embargos, bilateral relations between Tajikistan and Uzbekistan have significantly improved. In 2018, both countries signed a number of agreements lifting trade and transport barriers which had impeded regional economic integration. In 2020, Tashkent and Dushanbe settled the remaining border disputes. Nonetheless, the regional trade turnover remains low and during the pandemic regional borders were closed. Improved regional integration and continuous Chinese investment will reduce the country's isolation and its structural constraints.

The Tajik government's inept response to the pandemic had severe social effects. Although the government has acknowledged only 90 COVID-19 related deaths, official data for excess mortality indicate a 26% increase – a very high rate for a country with a robust inverted demographic pyramid. Combined with the expected economic downturn, the long-term structural effects of the pandemic will hinder political and economic transformation.

Structural
constraints

8



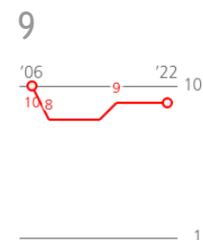
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Tajikistan has weak traditions of civil society. NGOs are largely unsustainable without foreign grants and the government has further restricted their room to maneuver. Public trust in NGOs is low, and many NGOs resemble development consultancy companies and not advocacy groups. A number of human rights NGOs receiving foreign funding faced increasing pressure from the government during the period under review, with many being forced to close. In December 2018, the Tajik parliament amended the Law on Public Associations, further exacerbating the operation of NGOs in the country, including the imposition of stiff requirements on financial reporting, which few NGOs are able to meet.

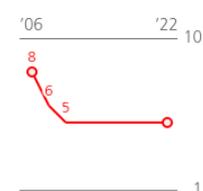
The country has a tradition of voluntary activities conducted by neighborhood groups and extended families. These, however, have not become the basis for civil society development, but rather nurture communalization. The intelligentsia, which actively participated in public life during the Soviet period, has overwhelmingly left the country or has been forced into conformism with the regime. During the COVID-19 pandemic, grassroots initiatives have initially played an important role in informing the public about the disease but have been silenced by the authorities since then.

The government has established firm control over the Rasht Valley and GBAO, where serious outbreaks of violence occurred in the 2010s. The country's political space remains dominated by the regime and is kept free from apparent confrontation. 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. A substantial number of Tajikistan nationals were fighting in Syria and Iraq between 2014 and 2018; the outflow of such fighters has significantly decreased since 2016 and the number of returnees is unknown. The authorities attributed the deadly attack on foreign tourists in 2018 to IS, as well as a violent incident close to the Uzbek border in 2019, and the prison riots in 2018/19, without however documenting the investigations transparently or allowing public court proceedings. According to authorities, the isolated and rather low-tech militant attacks were of local origin and did not depend on a more elaborated network. The government continues to use terrorism as a label for any form of social and political opposition, as well as a pretext for accessing international security assistance.

Civil society traditions



Conflict intensity



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. The official response to the pandemic is to some extent symptomatic of the general steering capability. After a prolonged denial of COVID-19 cases in the country, the authorities eventually focused on short-term emergency relief and silencing critique. There was apparently little intersectoral coordination between government agencies and health sector institutions. As in previous crisis situations, the responsible minister was dismissed, without scrutinizing and addressing the root causes of the failure to respond to the pandemic more efficiently. Arguably, considering the authoritarian nature of the political system, a transparent and candid analysis of these root causes would reveal that the very foundations of the political system – namely the lack of accountability, transparency, cooperation, social inclusion and trust – impeded a coherent response to the unfolding pandemic. The deep distrust of any civil society involvement has unambiguously spelled out the ulterior priority of the government, which is regime security at all costs.

The government has not developed a long-term COVID-19 mitigation strategy. As of March 2021, there are no meaningful efforts to procure and administer vaccines, except for the promise of vaccine allocation managed by WHO's COVAX program, which would only cover a fraction of the adult population in Tajikistan.

Despite the pandemic, the political leadership continues to maintain five strategic priorities, as emphasized in the National Development Strategy 2030 and the president's annual addresses to the parliament. These priorities are the achievement of energy independence, freeing the country from communications isolation, ensuring food security and access to good quality nutrition, expanding employment, and containing the purported rise of radical Islam. Energy independence remains the principal objective of the regime. Construction of the Rogun dam continued during the review period, despite unanswered questions over engineering, environmental and, above all, financial issues. The president and senior officials continuously emphasize that the construction of new hydropower plants and the refurbishment of existing plants is a way of transforming Tajikistan into a major regional energy producer and exporter. The regime continues to stress the importance of breaking the country's geographic isolation, by constructing roads and railway lines that will connect the country with major regional economic hubs. Although the government has attracted Chinese investment to major road projects, key regional railway projects

Question
Score

Prioritization

5

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have so far bypassed Tajikistan. The improved relations with Uzbekistan, and the integration of the country into the Chinese “One Belt, one Road” initiative, might change this.

The political leadership has 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 a low level of professionalism, a lack of expertise and the failure to embrace evidence-based policymaking. There are effectively no independent think tanks or academic institutions that can critically assess government policies, the current situation in the country, its governance or its most pressing issues, so as to offer strategic vision and solutions.

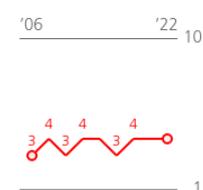
The regime continues to claim that the development of democratic norms and institutions remains its priority. However, these claims remain little other than empty rhetoric, primarily for the consumption of foreign donors, media and IFIs.

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 developing the country’s hydropower and export capacity. The Rogun Dam began full construction in 2016 and the plant’s first unit was commissioned in November 2018. 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.

The government response to the COVID-19 pandemic has underlined the many deficits in implementation capacity. Due to the initial negligence and denial, the country suffered significant excess death. Infection and mortality rates among doctors and health care professionals was staggeringly high because of the lack of personal protective equipment. While neighboring countries began implementing lockdowns and response mechanisms in March 2020, the Tajik government organized mass, multi-day, theatrical celebrations of Navruz (national holiday) across the country.

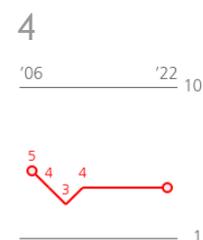
Implementation

4



During the period under review, the government has demonstrated limited willingness or ability in policy learning. There are few institutionalized mechanisms that facilitate innovation in policymaking. 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 impedes policy innovation by discouraging initiative from the lower ranks and from outside the governing circle. The only exception is the expanding security sector. The state has invested significant resources in fostering allegiance to the regime and improving operational readiness.

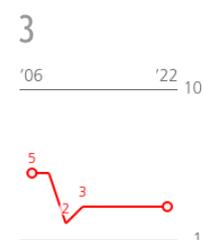
Policy learning



15 | Resource Efficiency

The government rarely uses its available human, financial and organizational resources efficiently. During the period under review, the president's extended family remained in control of all high- to medium-level appointments. The 68-year-old president personally controls all senior-level appointments to security and law-enforcement agencies as well as to the army. Such appointments are generally based on personal loyalty rather than professional aptitude. His eldest son, Rustam Emomali, was appointed chairman of the Upper House in 2020, in an apparent move to prepare for a dynastic transition of power.

Efficient use of assets



After realizing the magnitude of the COVID-19 pandemic, the government pleaded for assistance from international financial institutions (World Bank and ADB) and Western donor countries. It was granted \$400 million emergency relief for alleviating the social crisis and repairing the public health care system, without however, any provisions for accountability. Moreover, although various donor organizations donated approximately \$44 million in food, medical and PPE supplies, rarely did the aid reach the intended recipients. For example, health care workers reported having to pay for the materials and PPE that arrived as humanitarian aid. As of January 2021, the government still does not report transparently about the pandemic aid and there are substantial doubts over the data on infections and COVID-19 related deaths due to unreliable and limited testing capacities: up to January 2021, Tajikistan had reported fewer than 13,500 infections and 90 deaths since the outbreak of the pandemic.

Although senior government officials continuously emphasize the importance of recruiting skilled individuals to 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 for lower-rank positions through relatively transparent and competitive procedures. The government remains suspicious of the hundreds of individuals who receive an education in Western countries and is reluctant to hire them.

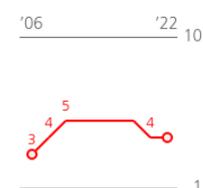
In 2020, the government announced a local development action plan with the intention to delegate authority to local district (nohiya) and province (viloyat) level governments. However, this autonomy is limited to social affairs and the mechanisms of delegation are often disregarded if deemed necessary by the central government.

Tajikistan’s highly centralized decision-making structure enables the top-down coordination of key policies between different ministries and agencies in case of conflicting interests. The duplication of responsibilities by different offices has largely been eliminated in critical sectors (importantly among the security structures) 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 and his close confidants. The president also assumes 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, personal distrust and corruption.

During the period under review, rampant levels of corruption and abuse of power have remained an integral part of Tajikistan’s political system and among the security force a culture of impunity is common. The government largely fails to contain corruption. Although several agencies are charged with combating corruption (e.g., 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. Conflict-of-interest rules and codes of conduct do not exist. State spending is not subject to independent auditing. The budget is not discussed in parliament. A transparent public procurement system has not yet been established, 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 the lower levels of state administration, particularly in health, education, infrastructure and agricultural sectors. Since all major government posts are distributed among the president’s close circle of family and friends, any corruption investigation signals changes in the pecking order rather than a change in political direction.

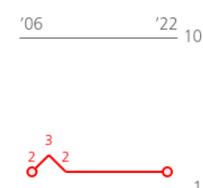
Policy coordination

4



Anti-corruption policy

2



16 | Consensus-Building

All major political actors close to the president continue to claim that mature democracy is a long-term priority and, in fact, has been partly achieved in recent years. In practice, however, their commitment to democratic institutions is totally superficial and an allegedly “Western” model of political transformation is explicitly rejected. The dominant political elites are widely seen as lacking legitimacy and an election-based popular mandate.

With the exception of the increasingly irrelevant Communist Party (CPT), all registered political parties 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 the extent to which these individuals would remain committed to reform if they attained full power. The important fact is that Tajikistan’s political and economic system is based on patronage and therefore institutionally opposed to democratic or market reform.

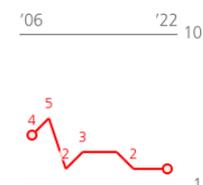
The only veto players who are overtly opposed to democracy in practice are the members of the ruling regime who have banned or excluded all significant political opposition in the country. There are few, if any, relevant political actors genuinely committed to advancing democratic reforms, and those people, if they do exist, sit outside the center of power. The political culture remains closed and anti-pluralist. Over recent years, domestic and international discourse on security and religious extremism has only contributed to the entrenchment of the anti-democratic power players. The pandemic contributed to this negative dynamic of entrenching centralization and legitimizing the anti-democratic regime by necessitating international financial support.

As the dialogue initiatives of the post-civil war period fade 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. The majority of the high- to medium-level positions in the government and the majority of the country’s lucrative economic resources are monopolized by the president’s extended family and his close associates from the Danghara/Kulob region. Citizens of Gharmi origin from the Rasht and Vakhsh valleys, natives of Sughd and GBAO Provinces, and ethnic Tajiks born in Uzbekistan, all remain excluded from access to political and economic resources. The significant Uzbek minority, constituting up to 20% of the population, as well as the smaller Kyrgyz and Slav (Russian) minorities also remain marginalized. The political leadership has consistently sought to suppress cleavage-based conflicts rather than to moderate them. The establishment of a consensus is not on the government’s agenda.

In the period under review, the political leadership continued to propagate exclusive identity politics coalescing around an ethnic-based nationalism with a narrow idea of a particular Tajik Islam. These identity politics have exacerbated cleavages along ethnic and religious lines. In particular, Ismaili Muslims and adherents to other interpretations of the Islamic tradition, mostly nonviolent Muslims, are targeted by repressive official policies.

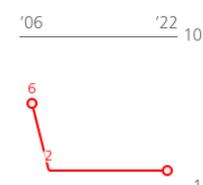
Consensus on goals

2



Anti-democratic actors

2



Cleavage / conflict management

2



Although the political leadership has occasionally granted civil society actors the opportunity to nominally participate in the deliberation of social policies, civil society participation in economic, political and security issues is neglected. Civic actors are also excluded from policy implementation and performance monitoring. They are seen as complementary service providers who must stay out of contentious issues. Civil activism is typically spontaneous, ad hoc and issue-specific, fizzling out just as quickly as it arises.

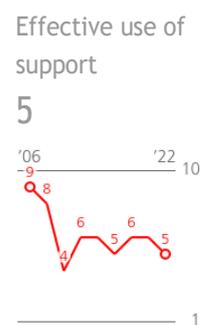
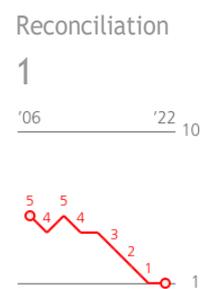
In the review period, civil society actors and a disparate grassroots movement successfully organized public resistance against a government decision to raise internet tariffs by 125% in 2019. Similarly, the initial response to the pandemic in Tajikistan was led by civil society activists who used online platforms to inform the public about COVID-19. Eventually, the government repressed these initiatives and increased its censorship of the internet. The marginalization and repression of civil society continues.

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 civil war between 1992 and 1997. Most crimes committed during this period are covered by a general amnesty. In the period under review, there were no significant prosecutions for non-amnestied crimes. However, 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 all blame the political violence of the 1990s on the opposition, particularly the IRPT. Therefore, broad-based reconciliation is now not possible. 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 civil 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.

17 | International Cooperation

The political leadership of Tajikistan tries to use international assistance for its own long-term development agenda, which was set out in the National Development Strategy 2030 and in poverty reduction strategies. Due to substantial Chinese investment and significant improvements in relations with Uzbekistan, Tajikistan may be in a position to implement core elements of the National Development Strategy 2030, such as improving infrastructure and overcoming the geographic isolation of the country.

Confronted by the COVID-19 pandemic, authorities pleaded for financial assistance to alleviate the social impact of the crisis. International IFIs and Western countries

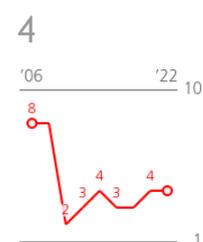


provided some \$400 million in emergency relief. In January 2021, the government applied to the G20 Debt Service Suspension Initiative. Chinese investments and credits play an increasingly important role in the Tajikistan economy, marking a dramatic shift from the time when the previous national development strategy was adopted. China's One Belt One Road Initiative offers opportunities for infrastructure investment that are 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 achieved modest levels of foreign investment of \$346 million in 2019, with the Chinese investment accounting for 76% of the FDI. The Asian Development Bank, European Commission, IMF and World Bank continued to provide direct budget support, despite pervasive corruption. The government has frequently drawn on international support to address short-term needs, particularly infrastructure maintenance and its responses to natural disasters, including most recently, the COVID-19 pandemic. The government's Western partners and donor agencies often emphasize the importance of political reform during meetings with senior Tajik 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 of the key Western powers' democratization and political reform 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 and reports about offshore companies used to shelter profits from road tolls and aluminum production foster 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, with limited impact however due to their often-presumptuous behavior. 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 torture. Furthermore, the government has misused the Interpol Red Notice system in order to harass political dissidents abroad.

Credibility



The political leadership is open to cooperation with neighboring states and has supported regional integration initiatives. The period under review saw a continuous improvement in the country's relationship with Uzbekistan. In early 2020, Tajikistan and Uzbekistan signed a comprehensive border agreement, settling long-term disputes dating back to Soviet times. The détente between the two neighbors lifted Tajikistan's transport isolation and may result in stronger regional integration and increased volume in trade. The strained relations with Iran were improved slightly at the diplomatic level after tensions over a corruption scandal (see BTI 2020).

While Tajikistan has continued to actively participate in regional organizations such as the Shanghai Cooperation Organization (SCO) and Collective Security Treaty Organization (CSTO), the country's policy toward organizations considered "Western" has deteriorated. In 2020, Tajikistan blocked - together with Turkey and Azerbaijan - the extension of the mandate of the OSCE's representative on the freedom of media and the chairman of the OSCE's Office for Democratic Institutions and Human Rights (ODIHR), resulting in a severe crisis and resignation of the organization's leadership. Tajikistan's confrontational policy stems from an increasingly hostile attitude to allegedly "Western" concepts of development cooperation and political transformation.

China remains Tajikistan's biggest lender, holding an estimated 70% of Tajikistan's foreign debt (\$2.1 billion). In 2020, China opened a military base in Tajikistan's autonomous GBAO region, dramatically transforming the regional and domestic security architecture of the country, which had previously relied exclusively on Russia's security assistance and military deployment in southern Tajikistan. China's economic and political role in the country is expected to expand further. Russia has effectively lost its status as Tajikistan's principal economic partner, although the large-scale dependence on remittances from labor migrants in Russia proves Moscow with important leverage over the Tajik government. As a result, Dushanbe's relations with the West and its security policies are still to some extent dictated by relations with Moscow.

Regional cooperation

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Strategic Outlook

Tajikistan remains an authoritarian state with a consolidated elite around the incumbent President Rahmon and his family. The COVID-19 pandemic has dramatically exposed the country's weak public health system and its dysfunctional and deficient public administration. While the pandemic tests the resilience of large segments of the population and continues to have an adverse effect on poverty alleviation, it will not undermine the stability of the current political regime.

Tajikistan's post-pandemic recovery will depend on the rebound of Russia's economy and the resumption of labor migration. The Tajik government selectively follows the economic and financial policy recommendations favored by IFIs, but this has led not 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 resulted in political competition and debate. After 25 years of authoritarian consolidation, all of this is readily apparent. This suggests that international organizations committed to political transformation in Tajikistan are to some extent 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 always been at the periphery of the government's priorities.

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 due to the increasing role of China. FDI from Western 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, providers of military assistance 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 increasing 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 the Central Asia region as a whole, is whether China's infrastructure investments will lead to Beijing playing a greater role in regional politics and any future crises.

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. Localized, small-scale outbreaks of political violence will continue, but due to their isolated and low-tech character, they will not challenge the regime's stability. A spillover of violence from Afghanistan is unlikely, since dominant elites on both sides of the border benefit from the current informal arrangements allowing undisturbed drug traffic via the Northern Route. 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 increase the accountability of security services and impose the rule of law.

Despite the extremely 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 economic and social disruptions of the COVID-19 pandemic, in particular the failing public health sector, the depreciation of the national currency, and finally, the financing required to complete the Rogun Dam. However, the greatest factors affecting Tajikistan's future transformation are the most difficult to be certain of – the personalistic politics and dynamics within the presidential family regarding the transition of power.