

Issues and Challenges for Promoting Productive Employment in Tajikistan

IMRAN

Research Scholar

Academy of International Studies, Jamia Millia Islamia, New Delhi (India)

ABSTRACT

After Soviet Union collapsed Tajikistan got its independence on 9th of September 1991. The main aim of this paper is to identify the major determinants of unemployment in Tajikistan and understand the effect of the Civil War which led to a lack of financial resources, a decrease in living standards and inadequate public spending. The unemployment rate was between 10-12 percent from 2000 and 2016. In 2016 the unemployment rate was 10 percent Due to of employment opportunities in Tajikistan more than one million people work abroad. According to official data of State Statistics Committee of Tajikistan the registered unemployment rate was 3.2% in 1998, 2.3% in 2000, 2.3% in 2010 and 2.30 in 2018 and lack of education, lack of skills, and low wages. The scope of the study is the population of Tajikistan and show that there is a positive and significant relationship between the lack of education and low wages with unemployment in the country.

Key Words : Unemployment, Tajikistan, Education, Poverty, Employment

INTRODUCTION

The average growth of Tajikistan 7.2 per cent from 1997 to 2017 and Tajikistan is not generation enough employment. Annually from 1991 to 2016, the working-age population increased by 3.0 per cent but employment rose by only 0.7 per cent economic growth has come largely from improved labor productivity and higher domestic consumption financed by remittances from Tajik migrant workers. Meanwhile, large-scale labor migration not only boosted household income and purchasing power but also took the spotlight off domestic employment generation. Since 2013, both labor migration and remittances have fallen significantly, despite some recovery in 2017¹, heightening pressure to create jobs for young entrants into the labor market and returning

migrant workers. Growth in jobs must supplement higher labor productivity in the years ahead.

A report last year to the Ministry of Economic Development and Trade suggested that some 900,000 productive jobs able to lift households out of poverty needed to be created in the 10 years to 2025 to reduce the 2025 poverty rate to 18% from the current 30%, based on a national poverty line set at TJS175.2 per month. More than two-thirds of these jobs, about 660,000, are needed for the large number of young people entering the labor force in the coming years². A further 233,000 jobs are needed for the working poor whose current incomes fall below the poverty line. Providing these jobs will require upgrades to current employment through productivity gains from on-the-job training and workplace reorganization, along with workers shifting to new and

1. Yormirzoev, M. (2017) "Determinants of Labor Migration Flows to Russia: Evidence from Tajikistan", Economics and Sociology, 10(3), 72-80. doi:10.14254/2071-789X.2017/10-3/5, p no 73
2. Andrew C. Kuchins and Oliver Backes (2015) "Tajikistan Evolving Economic and Security Interests" Centre for Strategic and International Studies (CSIS), London, June 2015, p 12

How to cite this Article: Imran (2020). Issues and Challenges for Promoting Productive Employment in Tajikistan. *Internat. J. Appl. Soc. Sci.*, 7 (11&12) : 585-590.

more productive jobs elsewhere in the economy³. Tajikistan's National Development Strategy to 2030 lists productive employment as a key objective, and steps have been taken to expand jobs. The Decent Work Country Program, 2015–2017 reportedly created 100,000 jobs annually, but mainly seasonal work in agriculture. Reform to the technical and vocational education and training system is currently upgrading facilities, providing new competency-based curricula and learning materials, developing an in-service teacher training plan, and strengthening sector management. To encourage self-employment, 2018 has been declared a year of tourism development and folk crafts.

The percentage of Tajikistan's population of working age is projected to continue rising to 2030. Benefiting from demographic dividend requires structural reform to boost growth and create more high-quality jobs. This includes additional measures to improve the business climate, such as further reducing and consolidating the number of official bodies with inspection powers, creating a healthier banking sector to facilitate lending, and streamlining procedures for issuing construction permits, paying taxes, and enforcing contracts. Strengthening local value chains and helping small and medium sized enterprises improve their productivity and earnings can further promote productive employment. Assessing demand for various skills and using that information to improve job training can match workforce skills to market demand. Measures to raise educational attainment, improve training, and reform regulation would boost productivity, enabling firms to pay higher wages. Additional infrastructure would also help, as would measures to improve the quality of education spending and outcomes. Clearing administrative obstacles to economic activity, such as requirements for multiple licenses and permits, would support economic expansion and job creation.

Finally, incentives are needed to promote job creation in the formal sector, perhaps by reviewing current taxes and labor regulations.

Reasons of Unemployment in Tajikistan:

Tajikistan is facing a big problem of unemployment; the Tajik people have started to migrate to neighboring countries to find work. In Tajikistan unemployment is rising day by day most of the citizens are lacking knowledge and skills. In 2011 about 98 per cent of Tajik citizens who worked in Russia were lacking skills. Besides that, there seems to be some gender gap as well. The number of unemployed male in Tajikistan has 30 per cent to 40 per cent more opportunity to find employment than female and elderly would be employed faster than young. Because of to having more experience 27 per cent male are self-employed while female only 12.6 per cent females are self-employed which show that there is gender bias in Tajikistan. Another main issue is lack of knowledge which causes unemployment. Migration of the citizens helps the economy of Tajikistan to boost to some extent. The recent research conducted by World Bank shows that the GDP of Tajikistan in 2012 was US 6.9 billion from this amount 3.3 billion came from migrants who were in Russia which shows that if there are no migrants workers Tajikistan's GDP would go down and the economy will be very weak⁴.

Tajikistan depends too much on its migrants in order to develop her economy. A brief account of different reasons behind high unemployment rate in Tajikistan is given under:

Civil War in Tajikistan:

From 1992 until 1997 there was Civil War in Tajikistan, which caused industrial enterprises to totally stop their operations or work only at 40-50 per cent of their competence (Olimova S. and Bosc I., 2003; 15). Undeveloped businesses and the arrangement of collective farming were completely destroyed, which on the whole prompted to increasing unemployment and poverty among the population⁵. According to the official statistics released by the State Statistical Committee of the Republic of Tajikistan, the magnitude of registered unemployment was 3.2 per cent in 1998. As a result of

3. Bertelsmann Stiftung, *BTI (2010) "Tajikistan Country Report"* Gütersloh: Bertelsmann Stiftung, 2009, p10

3. An ILO report to the G20 9 "Labour and Employment Ministers Meeting, Employment and social protection policies from crisis to recovery and beyond: A review of experience", Washington, DC, 20–21 April 2010, International Labour Office

4. A report of CESCR (2014) "Respect of economic and social rights of Tajik migrant workers by the Republic of Tajikistan" Public Organisation Human Right Centre in Tajikistan, 26 May 2014, p5

5. IGC Asia report (2003) "Tajikistan: A Road Map For Development" No. 51, Osh/Brussels, 24 April, p9

Civil War in Tajikistan from 1992 to 1997 most of the scientists and knowledgeable people left Tajikistan to other countries such as Russia and US (Table 1).

Year	Percentage of Total Labour Force
1990	11.0
1993	10.7
1997	11.80
2000	10.6

Source: International Labour Organization, ILOSTAT, 2017

Lack of Education:

World Bank's data shows that 40 % Tajik people do not have basic knowledge and 47 per cent of children have limited access to the schools due to poverty. The low level of education has led to high unemployment in Tajikistan⁶. The Tajik State Statistic Committee's survey has depicted that, 82.90 per cent of the parents say it is difficult for them to provide education to their children. It means the quality of education is low and causes unemployment as a result, 23 per cent parents have technical knowledge, 6.3 per cent did not complete higher education and 48% finish secondary school⁷. According to Labor Force Survey (LFS) in 2003 to 2006 shows that one of the main reasons for unemployment is lack of education. The Tajik State Statistics Committee's data collected from 14,515 households where only 1,151 found to be unemployed and 13,364 has been employed, The study shows that a Tajik person who has primary education has less opportunity to find employment which is about 2.3 per cent⁸. For people who have studied in colleges or universities have the probability to find employment as high as 20.1 per cent. Thus it can be concluded that in Tajikistan the people who have high qualification, can find employment but lack of proper education reduces the employment opportunities for

people in the country.

Lack of skills:

The professional skills are very essential for employment. The current employers in Tajikistan have a big problem is finding talented and skilled workers. The employers complain about hiring employees but do not like to take risk to employ persons having low skills. There is an increasing demand for "new economy" skills in Tajikistan. New economy skills are higher order analytical and organizational skills, including non-routine cognitive analytical and interpersonal skills⁹. Although there are competing explanations for this observed trend including technology advances and globalization it is clear that Tajikistan is in the beginning stages of modernizing its economy and is experiencing a growing demand for new economy skills.

Lack of Industrial Development and Migration Abroad:

The employment rate of the population in Tajikistan has declined radically since independence and in 2005 it was only 56 per cent and total registered unemployment in the same year was 42 per cent (Sida, 2007). During the Soviet period the Government built large industries which gave employment to numerous of people. Highly skilled labour came from central regions of the Soviet Union but the competence and labour productivity remained low¹⁰. The transition process became very painful for Tajikistan with a prominent drop in industrial production. Many of the industrial giants proved to be uncompetitive in market circumstances and had to dismiss most of their workers and average wages dropped to seven times. The industrial employment declined from 21% to 9 % and most of the highly skilled employed left the country particularly those representing the ethnic minorities. The most skilled people had already left

-
6. OECD report (2014) "Developing Skills in Central Asia through Better Vocational Education and Training Systems" Organization for Economic Co-Operation and Development and European Union, July 2014, p no 36
 7. Tojiniso Rahmonova (2009) "Literacy In Tajikistan: Challenging Unesco's High Literacy Rates for Tajikistan" The Faculty of California State University, Chico, p no 22
 8. Ibid, p23
 9. Ihsan Mohamed (2014) "The skills road: skills for employability in Tajikistan" World Bank, Washington, USA, LSE Research Online: November 2014, p no 03
 10. Saodat Olimova and Muzaffar Olimov (2007) "Labor Migration from Mountainous Areas in the Central Asian Region: Good or Evil", Mountain Research and Development, Vol. 27, No. 2 (May, 2007), pp. 104-108

Tajikistan, during war time and this obviously contributed to the so called ‘brain drain’¹¹

Table 2 : Destination for Labor Migration from Tajikistan (in %)

Country	Labour Migration (%)
Russia	83.1
Kazakhstan	12.8
Kyrgyzstan	2.4
Others	1.1

Source: Tajik State Statistics Committee (2007)

Almost one million Tajiks go abroad for work annually, mainly to Russia. The reasons for them to decide Russia are the common history from the Soviet time and that Russia is one of the fastest developing countries right now because most Tajiks don’t speak English and they can’t consider migration to others countries¹². Most of the migrants are rural dwellers and they often end up doing work that the country’s own work force dislike and that is well below the Tajiks formal educational level. A small part of the migrants are women and there are some cultural and traditional reasons for this. Women have to stay at home, look after children and wait for their men to return. The average wage obtained by a migrant Tajik worker in Russia is about US\$ 300 per month, which is roughly ten times the earnings that could be obtained from similar work in Tajikistan. The remittances in 2005 made up something between US\$ 433 million and US\$ one billion, according to different sources, which means 20 to 50 % of the country’s total budget revenues¹³. The number of Tajik migrant entrants depends on changes in the Russian government’s migration policy. Migrants’ remittances account for a significant portion of the small country’s GDP making it extremely vulnerable to changes in the Russian economy.

Migrant remittance inflows to Tajikistan experienced a steady increase from 2002 to 2008, almost doubling each year until 2009 and in 2009, remittance inflows fell to 1.748 billion from 2.544 billion in 2008 reflecting the impacts of the Global Financial Crisis experienced in Russia. By 2010, remittance inflows to the country recovered and increased again accounting for 31 per cent of the country’s GDP at about 2.254 billion US Dollars¹⁴.

This reflects the more liberal migratory policies implemented by Russia years before 2011. Migrant remittances inflows amounted to 2.682 billion US Dollars (41.7 % of GDP) and steadily increased until it reached its peak in 2013 at 4.219 billion US Dollars (43.5 % of GDP). In 2018 the share of remittance to the country’s GDP dropped to 29.02 per cent¹⁵. This is also backed by where the number of Tajik workers in Russia declined in the same year. The decline in remittances has been consistent since after 2013 with a relative increase in 2016, though the share of remittances to GDP has continued to drop to 26.9 per cent in that year.

By 2017 migrant remittance inflows were reduced by more than half at 2.031 billion US Dollars¹⁶.

Region wise Unemployment and access to Work in Tajikistan:

Unemployment was a serious issue of Tajikistan even during the Soviet period. The situation has recently experienced some improvements. However, the total number of unemployed and the country’s unemployment rate have grown-up over the last decade. According to 2011 official statistics, there were only 219,152 registered unemployed people in Tajikistan.

A cursory look at the Table 2 reveals that the number of unemployment persons ranged from 68747 in Khatlon to 18,823 persons in Badakhshan. The official

11. Saodat Olimova (2010) “*The Impact of Labour Migration on Human Capital: the Case of Tajikistan*” *Revue européenne des migrations Internationales*, vol. 26 - n°3 | 2010, p no 197
12. Frederik Coene and Urban Lindgren (2007) “The Development of Tajikistan’s Trade and Industry” Department of Social and Economic Geography Human Geography D Spring 2007, p47
13. Gianni Betti & Lars Lundgren (2010) “*The impact of remittances and equivalence scales on poverty in Tajikistan*”, Central Asian Survey, ISSN: 0263-4937 (Print) 1465-3354, p no 398
14. Enerelt Murakami (2017) “*The impact of migration and remittances on labor supply in Tajikistan*”, JICA Research Institute, Asian Development Bank Institute, Annual report 2017, p no 6
15. https://www.theglobaleconomy.com/Tajikistan/remittances_percent_GDP/
16. Sobir Aminov (2016) “*Tajikistan and decent work*” International Labor Organization, Ministry of Labour, Migration and Employment of Population of the Republic of Tajikistan, March 2016, p no 04

registered unemployment rate of the country in 2011 was only 2.5 per cent.

Table 3 : Region Wise Unemployed in Tajikistan in the year of 2011

Region	Number of Registered Unemployed
Dushanbe	51876
Sugdh	41271
Khatlon	68747
RRS	38435
GBAO	18823

Source: Republic of Tajikistan's Statistical Agency 2011

These low rates are partly explained by the fact that the unemployed persons very infrequently visit employment bureaus as their services are not very functional. Mainly jobs offered by employment bureaus are poorly paid and unappealing and such services are provided in rural areas only to a small extent. In addition a lot of unemployed do not fulfill the criteria entitling them to employment reimbursement, which is a different reason for the non-registration with employment bureaus. In 2012 there were tremendously few recipients of unemployment benefits. Merely 6,300 people acknowledged unemployment benefits, which amounts to only 11.7 % of the officially registered unemployed¹⁷. But, it has a substantially increased in assessment to 2011, when 3,500 people or 7.3 per cent of the formally registered unemployed were unconstrained to unemployment benefits¹⁸.

Regional Unemployment and Living Standard Analysis:

Tajikistan from end of the period of political instability is on its way to develop market relations. Economic management is acquiring new quality. At the same time there is a backlog of outstanding problems but unemployment and poverty is the key problem of Tajikistan and both on the national and regional level. One of these is the state of children and young people

amid the nation's poverty reduction efforts. Unemployment also aggravates the poverty problem and employment issues in Tajikistan as a "labour-abundant" area are a centerpiece in the Poverty Reduction Strategy Paper. Market relations led to structural transformations in the economy and lay-offs in all economic sectors. The specifics of the transitional period in the Republic of Tajikistan aggravated the unemployment problem even further in all regions. The employed lost employments and general unemployment grew at a fast rate, the process affecting all regions of the country and all walks of life.

In the last two decades Tajikistan's traditionally poor groups old-age pensioners, families with many children, one-parent split families – were joined by the "working" poor. Cotton-growers and their families and landless families in mountainous areas are also in the vulnerable category. The registered unemployment level in Tajikistan is not high, standing at 2.7-2.2% of the economically active population. But the general unemployment level exceeds by far the registered unemployed figure and varies considerably from region to region. The 2000 population census puts the general unemployment level at 9.4% of the economically active population and the World Bank's 2003 living standards survey at 4.3%¹⁹. In 2015 the highest general unemployment level was recorded in the city of Dushanbe: 11.2% (31.3% in 2000) and in 2015 general unemployment rate was 5.6% (6.3% in 2000) in Sogdiana Region; 2.1% (4.9%) in Hatlon Region; 1.5% (2.1%) in CAD; 1.7% (27.0%) in GBAA²⁰.

Youth unemployment is a key problem of Tajikistan and in recent years general and registered unemployment has been comparatively high among young group aged 15-29 years standing at more than 65 per cent the rate of unemployment between economically active young group aged 15-29 years is 28 per cent, 20-24 years 18.2 per cent and 25-19 years 12.6 per cent.

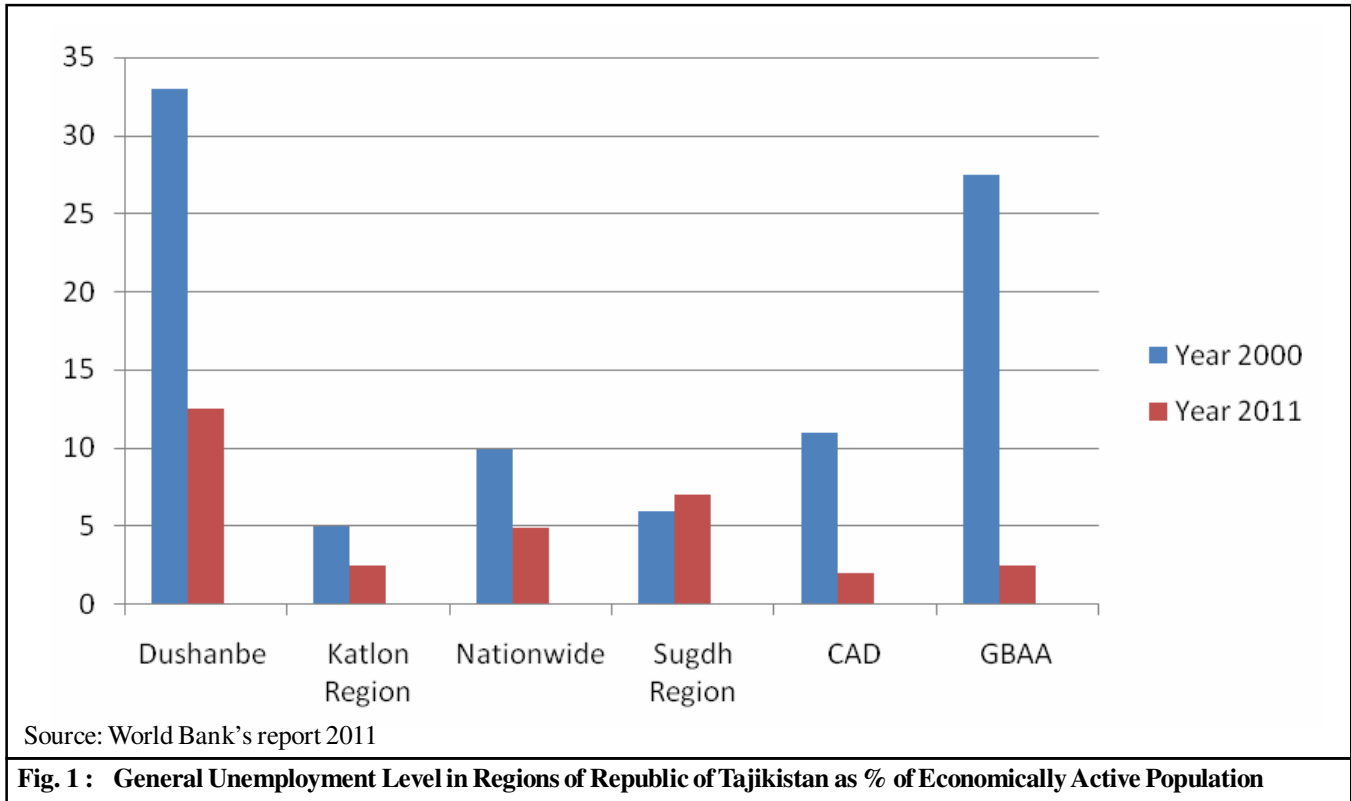
Household incomes are associated to employment and according to the 2003 living standards survey per

17. Nasridini Asliddin and Behrooz Gharleghi (2015) "Factors Influencing High Unemployment in Tajikistan". International Journal of Social Science Studies Vol. 3, No. 6; November 2015, ISSN 2324-8033 E-ISSN 2324-8041, p51

18. Baskakova M.(2013), calculations based on Research of Labour Force, 2009

19. MONEE Country Analytical Report November 2004 on "The Situation of Children and Young People at the Regional Level in Tajikistan" Prepared by Tajikistan Country Statistical Team Co-ordinator: Bakhtiya Mukhammadieva State Committee for Statistics, Dushanbe, p no 19

20. A report of World Bank on "Materials of Living Standards Surveys" (World Bank, 1999 and 2003), p no 41



capita income was 25.89 Somoni and spending 60.92 somoni and in the regions the lowest average per capita income and spending, 23.28 and 45.73 somoni, respectively were in Khatlon Region and the highest 31.31 and 80.73 Somoni, respectively in the city of Dushanbe²¹. The figures for GBAA are 29.64 and 62.61 somoni, CAD 25.74 and 71.92 somoni, and Sugdh Region 23.89 and 56.55 somoni and wages constitute 45.4% in the aggregate per capita income structure. In 2003, average monthly wages were 44.61 somoni or US\$14.57²².

Conclusion:

In examining that incidence of unemployment in Tajikistan during the post-Soviet era, features can be found that are characteristic of all post-Soviet countries: the decline in employment opportunities during the first decade after the collapse of the USSR stemming from

armed conflict, the exasperation of massive social, economic difficulties, lack of education, lack of skills, lack of industrial development and high migration, the fall in economic activity, the dismantling of the state, the degeneration of the structural transformation of the economy, which led to a change in the employment structure, and the waning of demand on the labour market. Tajikistan continues to see high economic growth rates that started at the beginning of the 21st century, which as a result has led to growth in the accumulation of employment generation, although the trend of its decline in terms of professional skills is continuing. Despite the specific quantitative increase in employment over the past years, Tajikistan has still not reached its level from back in 1991. When comparing the generation of employment in Tajikistan with other countries.

21. A report of ADB on "Materials of Poverty Reduction Monitoring Survey" (Asian Development Bank, 2002), p no, 23

22. A report on "Tajikistan Reinvigorating Growth in the Khatlon Oblast" Poverty Reduction and Economic Management Unit Europe and Central Asia, Report No. 80022-TJ, p no 27