PROFESSIONAL
& BUSINESS ASSOCIATIONS
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The Civil Society Initiative (CSI) was established in 2017 to foster an enabling policy and administrative environment for civil society in Central Asia and assist the development of a broad spectrum of civil society actors. CSI promotes the building of domestic institutional and leadership capacity, under three over-arching pillars of skills, knowledge and resources.

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Introduction

This report examines the current state of business and professional association’s activity in Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan). Yet, there is a stark difference in attention given by researchers to civil society organizations on the one hand, and business and professional associations, on the other hand. There are hardly any studies on business or professional associations in CA. Business associations are usually seen as part of business enabling environment efforts, whereas professional associations are not geared to any substantive sector activity other than overall civil society development. This disparity in attention given to both types of associations translates into many other aspects, including visibility, sustainability, and impact capacity.

Having a legal status of public associations, business and professional associations mostly subscribe to challenges facing non-profit civil society actors. However, there are several domains that distinguish these two categories from other associational forms of civil society, including in terms of goals and objectives, funding sources, and public reception. Firstly, there is one goal that pools business and professional associations into a separate ‘basket’ – advancing the interests of association’s members. These two categories work as interest groups or lobbyists (Larrain and Prüfer, 2014; Lowery, 2007), whose advocacy aims at influencing decisions made by government or legislature. Business and professional associations are not driven by social services delivery unlike other non-profit civil society actors. Secondly, in funding, both categories predominantly rely on self-generated income consisting mainly of membership fees, fee-based service delivery, and members’ financial and/or in-kind contributions. External funding through donor grants is often regarded as secondary or additional to internal income generation. Thirdly, for various reasons, these associations are not framed in the official discourse as ‘agents of foreign interests’, which in turn creates value-neutral, but more often positive perception by the public. The latter releases these associations from political pressure that is felt by other civil society organizations.

The report will culminate with a brief summary of current challenges and a series of recommendations for expanding the scope, visibility, and impact of the business and professional association’s development sector, including preliminarily identified a programme of activities that a future Institute could undertake to be validated through the consultations process that are presented in Appendix A.

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1 See for instance the example of American Chamber of Commerce in Tajikistan or Association of Micro-Finance Organizations of Tajikistan.
KAZAKHSTAN

ECONOMY AND EMPLOYMENT

Kazakhstan has significant oil and natural gas reserves. The economy is mainly dominated by the energy sector (oil and gas, uranium), iron and still industry, nonferrous metallurgy, chemical industry, machine manufacturing, agriculture (wheat, corn, fruits and vegetables, cattle breeding). There are over 120 industry associations operating in Kazakhstan. They represent diverse types of industries including:

120 industry associations

- energy (oil and gas, electricity)
- construction
- education (colleges, higher institutions, educational equipment)
- medicine and pharmacy
- information technologies (Internet, robotics, telecommunication)
- security organizations
- hospitality (hotels and restaurants, tourism)
- agriculture (farming, fishing, honey farming, hunting, cotton industry, brewing, food industry, water)
- transportation (auto business, drivers, smaller aviation, shipping, logistics)
- entrepreneurship (entrepreneurs, young entrepreneurs, women entrepreneurs, employment for people with disabilities)
- finance (accounting, micro financing, insurance)
- environmental audit
- arts and crafts
- geology
- mining industry
- metallurgical industry
- consumer/light industry
- chemical industry

2 http://kisi.kz/ru/categories/experts/posts/diversifikaciya-ekonomiki-kazahstana
The following government programs support country economy’s transition:

- **The 2015 – 2019 government program for industrial and innovative development**. Main objective is creating enabling conditions for improving competitiveness of the manufacturing industry.

- **Productivity 2020**. Through the program companies could apply for grants for innovation, subsidies in rental purchasing, assistance in development or expertise of investment project documents.

- **Roadmap to business 2020**. Program aims at sustainable and balanced growth of regional entrepreneurship, as well as supporting existing and creating new places of employment for Kazakhstani citizens.

- **Roadmap to employment 2020**. The program strives to educate and employ population, open and develop new businesses, effectively distribute labor resources around the country, decreasing unemployment level. The program administrator is the Ministry of Labor and Social Protection.

- **National Plan: 100 steps to implement institutional reforms**. The 100 steps are developed to support Kazakhstan’s Strategy 2050. The main purpose is for Kazakhstan to enter 30 most competitive countries in the World.

Five reforms highlighted in the document include:

1) Establishing modern state machine,
2) Ensuring rule of law,
3) Industrialization and economic growth,
4) Nation of a unified future,
5) Transparent and accountable government system.

Although Kazakhstan is moving in the direction of diversified and innovative economy, at regional/municipal level such obstacles appear, as lack of qualified specialists, lack of infrastructure, lack of information among population about national programs.

**INDUSTRY ASSOCIATIONS**

Predominantly, associations are established to lobby legislation in favor of their represented industries, to protect and represent members’ rights and interests, to provide other legal assistance and legal information, to provide access to new knowledge and skills through seminars, workshops, conferences, to engage members in networking, to provide access to international expertise. Some associations provide certification and accreditation; publish magazines, to involve its members in developing industry standards, conducting independent expert assessment. Most well-developed associations represent medicine, energy, construction and tourism.

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In September 2013 the Government of Kazakhstan and the National Economic Chamber "Union Atameken" established the National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" (NCE). "NCE is designed to enhance the negotiation power of business with the Government and public authorities. The Chamber represents the interests of small, medium and large businesses, covering all business areas, including internal and external trade."\textsuperscript{11} The NCE implements the following functions:

- representation of rights and interests of business community
- public monitoring of business environment
- participating in design and implementation of government business development programs
- training, attestation and certification of entrepreneurs
- attraction of investment and contribution to economic diversification\textsuperscript{12}

After president's order “On essential measures for improving conditions for entrepreneurship in Kazakhstan” issued on February 27, 2014, the National Chamber of Entrepreneurs “Atameken” established a Business Ombudsman institute.

The Ombudsman's functions includes:

- recommending changes in legislation in favor of entrepreneurs,
- protecting rights of entrepreneurs if they were violated by the actions or inactions of the government, providing General Prosecutor Office with procedural requests if government bodies violate rights of entrepreneurs, requesting information from government bodies related to rights and responsibilities of entrepreneurs, bringing cases to a court on behalf of the business community.

In order to have a better understanding about capacities and effectiveness of these associations, we conducted comparative analysis of information from their web sites according to 9 criteria, such as:

1. Accreditation with the relevant Ministry;
2. Number of members (exceeding 10);
3. Engagement in international cooperation and partnership;
4. Involvement in developing industry standards;
5. Involvement in lobbying of legislation;
6. Provision of education services;
7. Authority to provide certification and accreditation services for industry actors;
8. Strategic planning;
9. Funding diversification (membership fees, paid services, sponsorship).

As mentioned earlier the information had been gathered from the web-sites and might have slight discrepancies. However, in general it demonstrates a big picture about capacity of professional and business association in Kazakhstan. Overall 81 associations had been analyzed. There are 12 associations registered in 90s (earliest in 1995), 33 associations registered between 2000 and 2010, and other 36 associations – after 2011.

\textsuperscript{11} Ibid.

\textsuperscript{12} Ibid.
Performance and status of the industry associations in Kazakhstan:

Majority of associations have successes in lobbying legislation, even though only a few are accredited by their industry related ministries. Many lobbying activities happen through the “Atameken” Chamber of Entrepreneurs;

Only a few organizations have authority to provide official certification and accreditation to its members, although such services could be a substantial source of funding for associations. The government doesn’t provide needed permission;

Only a few associations utilize fundraising opportunities, many though provide commercial services to its members and to external parties;

Different ministries have less or more abilities and striving to involve professional industry associations. More effectively associations build partnership with regional governments as opposed to national;

Atameken is a strong driver for development and effective performance of associations as it involves accredited associations as experts and provides them with opportunity to earn as well as to impact legislation;

Only a few associations have described achieved impact in terms of industry development on their web-sites, most results related information is output – based.

TRADE UNIONS

Over 800 trade unions in Kazakhstan which involve about 2.5 mln people representing 30% of working population¹³

According to the law “On trade unions”, they have rights to represent and protect the rights and interests of its members; to bring an action in court and to provide its members with other legal aid; to apply to the state authorities on change of normative legal acts that infringe the rights and interests of trade union members; to participate in pre-trial settlement of labor disputes; to carry out public control; to negotiate and conclude collective agreements; to form the monetary funds; as part of the works council for occupational safety and health, to organize joint activities with the employer directed on ensuring performance of the requirements of occupational safety, prevention of occupational injuries and diseases, as well as to conduct inspections of safety and working conditions at the workplace; to participate in the elaboration of legal acts affecting labor and social rights and interests of citizens; to organize and carry out strikes, peaceful meetings, marches, pickets and demonstrations in accordance with the legislation provisions; to engage in publishing activity, cover its work in the press and other media; to possess, use and dispose of the property belonging to the trade union; and to carry out production and business activities in the interests of its members in accordance with the statutory goals¹⁴.

Although trade unions are allowed to conduct diverse business activities in order to sustain themselves financially, 90% of them fully depend on membership fees. Moreover, employees are required to pay 1% of their salary to trade unions whether they wish or they don’t. These funds are transferred through the company’s accounts and the company director has full availability to them. In order to ensure that trade unions receive their funds from the company, they sustain good relations with administration of the company. This situation leads to strong dependence of trade unions from the company leadership, which in turn leads to conflict of interests, as trade unions are supposed to take employees’ side in negotiations of pressing issues with employers¹⁵. As mentioned by the chairman of the Kazakhstan’s Federation of trade unions, many trade unions in Kazakhstan serve first of all the employer¹⁶.

¹³ https://camonitor.kz/10801-.html
¹⁴ http://www.mondaq.com/article.asp?article_id=515268&signup=true
¹⁶ http://www.kazpravda.kz/interviews/view/modernizatsiya-professionalnih-souzov/

The document was issued in 2012 as the message from the President Nazarbayev with concrete action points for the Ministry of Labor and Social Protection, Ministry of Education and Science, the Nur Otan Party, Agency on Sports and Physical Training, Union on Youth Politics under the President, Ministry of Culture and Information, and the Parliament. The program aims at improving legislation related to labor and social relations; adapting quality social and professional standards; improving the system of relations between government, business and employees' organizations;

One of the major roles of trade unions observed by the government is strengthening social dialogue or in other words social partnership. As mentioned in the article “Trade Union Movement in Kazakhstan” on the web-site of the European Trade Union Committee for Education¹⁹: “In Kazakhstan the ‘social partnership’ is a system of relationships between employees (staff representatives/trade unions), employers (employer representatives) and governmental authorities aimed at ensuring reconciliation of their interests in the matters of regulating labor, social and economic relations. Among the main objectives of ‘social partnership’ feature for example setting up of an effective regulatory mechanism of labor, social and economic relations; promoting social stability and social consensus; guaranteeing workers’ rights and the implementation of social protection; promoting consultation and negotiation processes between social partners at national, sectoral, regional (oblast, city and district) levels and promoting the settlement of collective bargaining agreements. In order to ensure the regulation of social and labor relations trilateral commissions on social partnership at national, sectoral and regional levels are created.”²⁰

According to the new law "On trade unions" issued on June 27, 2014, the social partnerships happens at four levels:

1. **Initial level** – trade union communicates with the company, relationships are regulated through a collective agreement;

2. **Local level** – between trade union, companies and local Akimat (municipal government);

3. **Industry level** – between industry trade unions and relevant Ministries;

4. **National level** – between national administration and the Federation of trade unions.

«It should be noted that one of the important innovations of this piece of legislation that trade unions’ affiliation to trilateral social partnership commissions at relevant level has been made compulsory,» said Mrs. Abieva- Aliya Abieva, International Secretary of the Trade Union of Education and Science of the Republic of Kazakhstan.²¹

Such hierarchy was established to increase influence of trade unions on legislation and participation in development of government programs related to employment at the highest level. Trade unions at the company level are required to join territorial and industry trade union. On one side, it has certain benefits such as being heard by the government and at the same time having a stronger influence on a company in case of conflict. At the same time, information, tools and practices might be shared cross –borders among members of industry trade unions. However, on the other side, the fact that joining higher level trade unions is obligatory, and in case of refusal, trade unions might be closed, many independent trade unions might disappear. This contradicts with the Convention of the International Labor Organization #87 “On freedom of association and protection of the right to organize.” The convention was ratified by Kazakhstan 15 year ago and according to its articles, employees have a right to organize trade unions without getting preliminary permission from the government.²² Representatives of such national level employment organizations, as Independent Configuration of Trade Unions and Kazakhstani Confederation of Labor express criticism to this norm. Moreover, the new law doesn't consider the opportunity for self-employed or small businesses to establish trade unions.²³

The president of Russia’s Labor Confederation Boris Kravchenko agrees that “Kazakhstani legislation changes towards criminalization of labor relations in part of freedom of activities of trade unions and opportunities of collective protection of rights by employees. The situation creates conditions for developing any labor conflicts according to Zhanaozen scenario (see Note). The law establishes a monopoly in trade union movement and limits opportunities of independent trade unions. Besides, it limits rights of trade unions to place demands, organize strikes. The document also describes structure and vertical subordination of trade unions at all levels.”²⁴

**NOTE: In December 2011, an oil workers’ strike in the city of Zhanaozen in South-West Kazakhstan dissolved into a riot. Security forces opened fire on protesters. According to unofficial statistics, up to 64 people were killed and 400 wounded.**³⁰

The law provided sufficient authority to the Kazakhstan Federation of Trade Unions. The Federation was established in 1990. Its mission is to coordinate and consolidate activities of membership organizations which represent interests, socio-economic and labor rights of members of trade unions, contributing to fulfillment of legal guarantees of trade unions. According to the description on the web-page of the Federation, its major functions include: participating in social partnership, working in the Republican three-party committee on social partnership and regulating socio-economic and labor relations. Another important function of the Federation and its membership organizations is to ensure labor safety. Trade unions continue to further develop and strengthen national policies in the area of labor safety, as well as strengthening authority of inspectors on labor safety. Federation of Trade Unions supports International Labor Organization though organizing activities on International Day of Social Justice, World Labor Day.

In conclusion, it is important to highlight that trade union movement in Kazakhstan has strong expectations from the government, and the government strives to achieve the expected results though interference and centralization of the movement. At the same time, strong players in the employee protection movement envision the government approach as threat to their independence. In any case, for trade unions to become a real employee protection power even inside one company, it is important that trade unions prioritize employees over employers, and for employees to have enough knowledge about the role of trade unions.

**There are some other pitfalls related to effectiveness of trade unions in Kazakhstan:**

- Majority of trade unions lack legal skills and ability to fully protect rights of employers, including development of effective collective agreements, etc.³¹
- Trade unions are responsible to resolve labor conflicts in the effective manner. Therefore, they have to acquire skills in pre-trial instruments, such as mediation³².
- Employees at most have skills to do their job, but lack knowledge related to labor legislation. Therefore, most of them have unclear understanding about their rights and about obligations of trade unions³³.

²⁹ https://camonitor.kz/10801-.html
³⁰ https://www.opendemocracy.net/od-russia/elena-kostyuchenko/what-i-didnt-write-about-zhanaozen
³² http://www.kazpravda.kz/interviews/view/modernizatsiya-professionalnih-souzov/
Social Dialogue

Important for the success of social dialogue, but difficult to identify, to measure or to quantify, are the ‘soft’ preconditions like the mentality of the people, the education and vocational training of the workforce, poverty and wages, the enforcement of laws and regulation, the autonomy of the judiciary, the liability of the government and civil servants and corruption.

According to the 2005 Business Environment and Enterprise Performance Survey (BEEPS), 59 percent of businesses cited corruption as a significant obstacle to doing business in the Kyrgyz Republic. Other studies confirm this information. Corruption seems to be a problem in all sectors of society and affects the participants in the social dialogue and the social dialogue itself.

According to the World Bank⁴, after revolutions in 2005 and 2010, civil society has consistently called on the authorities to fulfil their commitments to fight corruption and organized crime, and the authorities have in turn engaged in active dialogue with civil society. The Bank states ‘The mass media is freer now, and an environment of active political debate prevails’ and ‘The existence of a vibrant civil society, which is the most robust in the Central Asian region, will assist the process of consolidation of the state. Members of some informal meetings this view is not shared, rather the contrary: some interlocutors noted the increased pressure on free press and conducting debates on political issues.⁵ Also denied the fact of an active social dialogue.

The exodus of mainly highly skilled and highly educated workers to neighboring countries is a loss for society but also for the public services in the Kyrgyz Republic, where the lack of e.g. good medical help is apparent. Since independence, Kyrgyzstan has already irrevocably lost thousands of qualified staff. It is even more disappointing that the urge for emigration is still strong among most educated youth, including those who have earned degrees from advanced universities abroad. Opportunities for self-actualization are quite limited for them in the country. The irrational policy on human resources, market deficiencies, and a high level of corruption in society all serve to limit the opportunities for educated and talented youth. The majority works in a specific labor market, mainly in international organizations or local NGOs, funded by international donors. This labor market is very narrow (limited), extremely unstable, and is not always flexible or free from corruption. This image reflects a situation in which the highly qualified part of the youth is not in demand in its own country or works in non-productive areas.

Brain drain is also a loss for the representation of the workforce, because the workers have disappeared who would be capable of organizing representing institutions and capable of participating in those institutions and by doing so could have contributed to a better social dialogue. Tentative research in other countries showed that this ‘brain drain’ affects the more critical and entrepreneurial workers and therefore has a negative effect on civil society in general and the industrial relations specifically. There is no indication that the influence on the social dialogue of the Kyrgyz Republic differs from these findings, although it is hard to show a direct relation between a hampering social dialogue and the rate of well-educated workers.

Labor market

The economically active population

2.504 mln people

The total number of unemployed

201.5 thousand people

Of them

103.1 thousand people

of the total number of unemployed

98.4 thousand people

The overall unemployment rate in Kyrgyzstan is 8%
A recent change in the law on Assistance to the Employment of Population has led to an increase in the number of registered unemployed, putting a further strain on the already fragile financial status of the Ministry of Labor and Social Development. Still, the pension and unemployment benefits are considered too low.

Informal employment in the Kyrgyz Republic is widespread. The informal sector refers to the share of the economy that fully or partially escapes the formal legal environment, taxation, and most often is not affected by labour laws, and other enterprise regulations. Informal sector jobs are typically small-scale operations, family and household jobs. The World Bank calculates the informal employment rate at 48% of the labour force. There are no reliable figures available on the self-employed workers. It is likely that a majority of the informal employed workers is self-employed. The position of the formally self-employed is not clear. Some organizations, like the Dordoi trade union, organize groups within these self-employed workers and represent their interests.

Youth Employment

Another noticeable figure is that of the young workers on the Kyrgyz labor market. Since gaining independence in 1991, Kyrgyzstan has continued to face high levels of unemployment and inhibited development of a fully-operational labor market. In these circumstances, youth is experiencing additional barriers on the job market. These include low levels of competitiveness, especially among the first entrants into the job market, poor opportunities for self-employment or opening-up own businesses due to insufficient skills and the absence of initial capital and other resources. The importance of good technical skills and training is as one of the most important factors for a youngster to obtain a job.

³⁶ https://ru.sputnik.kg/Kyrgyzstan/20160122/1021785710.html
³⁸ Информация о деятельности Комитета по молодежной, гендерной политике, физической культуре и спорту Жогорку Кенеша КР содержится на сайте http://www.kenesh.kg
³⁹ http://www.iaw.uni-bremen.de/downloads/AlmatyPaper2.pdf
The issue of youth employment is important because youth makes up a large segment of the job market structure, which currently entails a tendency towards growth of the labor supply. About 100,000 young people enter the labor market annually, but job creation is lagging. This trend is likely to continue at least in the coming five years due to demographic features of Kyrgyz society. Figures on youth employment vary.

The problematic entry of youth into the job market advances poverty among this group, forces youth to switch to the informal sector, notorious for its bad working conditions, health risks, and absence of social protection. This switch also increases the chances of youth engaging in various antisocial activities. Among the positive effects of youth employment are the emergence of young businessmen, bankers, and managers in the private and non-commercial sector. Young people are becoming increasingly involved in areas of new economic development – trade, communications, and the service sector. Unfortunately, the percentage of youth employed in the public service (civil servants) is insignificant.

The existing eight youth labor exchanges in big cities, namely in Bishkek, Osh, Karakol, Tokmak, Jalal-Abad, Batken, Talas and Kara-Balta contributes to a certain extent to easing the situation with youth unemployment. They provide consultations, direct links with the employers, training and retraining, job fairs, etcetera. But there is also a growing understanding that without a special state programme and state approach the efforts of youth labor exchanges alone will not seriously change the situation and will remain just a ‘drop in the ocean’. The National Employment Programme does not frequently mention youth, although youth employment was set as a priority issue. The experts believe to solve youth employment issues more serious attempts should be taken. Serious consideration should be given to strategies which would entice Kyrgyzstani nationals to come home by providing chances to develop their own businesses, establishing tax privileges, providing access to loans, etcetera. The youth employment policy should be matched to the strategy of youth development and target programmes, and should also be coordinated by government policies on finances, credits and investments, and by sector-specific policies (agriculture, education, industry, and others). It is necessary to put efforts in coordinating tax policy and establishing favorable conditions for investors and employers to create new work places.

The development and improvement of services of intermediary organizations on the labor market such as youth registry offices should be combined with economic and other preventive actions in terms of improving the quality of professional education and strengthening its ties with the market, improving headhunting services between potential employers and employees via information and consulting services, career guidance, and trainings. Youth employment policy must be differentiated and targeted towards certain segments of the youth. Special attention should be given to the youth who are newly entering the labor market.

Additionally, the situation in the labor market requires serious research and must be monitored. It is necessary to inform the public of general practical steps directed towards the solution of problems in the youth labor market and the contribution to interrelations between the state and other social partners. It is important that the youth also takes a more pro-active approach by better participation in policy development relevant to them. The strengthening of representing organizations is almost self-evident. Currently the young employees do not seem to be represented by the traditional organizations.

About 30 youth organizations exist in the country and at some level cooperate with the State Agency on Sports, Youth and Protection of Children under the government of the Kyrgyz Republic; most of them deal with various issues, but youth and labor relations are not given any attention at all.

**Representation of Workers**

The representation of the groups on the labor market (the unemployed, the workers in the informal sector, the expat workers, the youth and a majority of the self-employed) in the Kyrgyz Republic is problematic. These groups are not represented by the trade unions, because these groups are mostly non-affiliated. There are no other NGOs to represent their interests, especially concerning social economic policy. This is a significant problem due to the vast number of people belonging to one of these groups, which is estimated at 1.2 million workers (excluding the younger workers).

The government recognizes this lack of voice of large and important groups of 'stakeholders' on the socio-economic field. The government chooses to remain passive in this field. This attitude is based on the view that it is not the government’s task to interfere – let alone encourage – the representation of workers; the government bases this view on the (right of) independence of the trade unions and employer organizations.

http://stat.kg/ru/statistics/zanyatost/
Due to the high number of self-employed workers the position of trade unions who organize this group of workers is -to say the least – ambiguous. The self-employed are not employees so they are not subordinated to an employer, and their interests do not necessarily coincide with those of the employees. The main representative of these self-employed workers in the small retail sector is the Dordoi trade union. This trade union is not a trade union in the classical sense, because it organizes people that are mainly self-employed retail workers, and sell their goods at the Dordoi and other markets. Although many retailers at Dordoi are self-employed and mainly involve family members, there is a certain stratum of entrepreneurs who have several or numerous retail shops/outlets and they employ other people as salespersons (most of these employment relations are informal and it is highly unlikely that these ‘employees’ have any sort of protection). The Dordoi trade union defined its mission as the protection of interests of entrepreneurs towards the government and the dealing with internal market conflicts. Most of the small retailers rent places from the owners of the markets and in some sense, Dordoi trade union consider the administration of markets as their countervailing party, the same applies to state policemen who in fact harass small retailers with various demands (mainly bribes), provide ‘protection’ against thieves, etcetera. Therefore, the Dordoi trade union has established its own security force and even employs detectives who identify thieves in bazaars.

This trade union positions itself as protector of the rights of small entrepreneurs; currently they are discussing the possibility of drafting and signing a collective agreement with the Dordoi market administration. The Dordoi trade union also targets the government and tries to improve the position of small retailers by discussing unfavorable taxes and proceedings. The Dordoi trade union is in fact an association of small businessmen, this form of trade unions is becoming quite widespread in the former Soviet Union countries where small retail businesses comprise a big share of the economy.

Also, a very interesting detail is that by the end of 2007 the Dordoi trade union merged with other business associations into the National Alliance of Business Associations (NABA) with altogether 21-member associations providing 270,000 job places in total. At this point, this alliance is still informal, but they plan to register as a juridical person because they would like to be involved in the social dialogue. These organizations are not likely to represent the majority of the self-employed.

The trade union in the agricultural sector organizes a lot of self-employed workers as well. The union does not know the affiliation rate of self-employed. The chairman is proud of the efforts of his trade union in the WIND programmed (Work Improvement in Neighborhood Development). The trade union in the agricultural sector has strong ties with informally employed farmers, which was necessary to reach participants for this programme. The WIND programme initiated the creation of an agricultural employers’ organization at a national level42.

### The National Legal Framework

The existing players in the field of social dialogue are the trade unions, the organizations of employers, and the government. There are three laws:

- the Law on Trade Unions of 5 October 1998
- the Law on Employers’ Associations of 13 April 2004,
- the Law on Social Partnership in the domain of labour relations in the Kyrgyz Republic of 5 June 2003.

In general, these laws meet international requirements. The general agreement is by law the basic document for social dialogue. According to the existing regulation on the tripartite commission adopted in 1999 and revised in 2001 and 2008, three parties to the social dialogue form the National Tripartite Commission based on the principles of parity and equality. Article 8 of this regulation says that representatives of trade unions and employers should identify their representatives and their rotation independently. Considering that currently there is no consensus on who can represent employers’ organizations and the factual non-existence of independent trade unions besides the members of the Federation of trade unions of the Kyrgyz Republic, it is obvious that the process of nominating members of the tripartite commission is in fact a difficult issue. To some extent it provides a comfortable excuse to the government to neglect its own responsibilities in the process of negotiating the general agreement, as well as its necessary efforts to foster social dialogue in the country in general, because there is lack of coordination and unity among the two other parties.

Adopted in May 2008, the amendments to this regulation identify the government’s representatives in precise detail. The tripartite Commission must include the following representatives of the government: the Minister of Health, the Minister of Transport and Communications, the Minister of Agriculture and Processing Industry, the Chairman of the State Committee on State Property Management, the Chairman of the State Committee on Migration and Employment, the Chairman of the Social Fund, the State Secretary of the Ministry of Finance, the State Secretary of the Ministry of Education and Science, the State Secretary of the Ministry of Economic Development and Trade, and the Deputy Minister of the Ministry of Justice.

An interesting (and controversial) clause is that according to the regulation on the tripartite commission, the government appoints a coordinator of the commission with the consent of the two other parties. This coordinator carries out administrative and coordination functions assumingly without interfering in affairs of social partners: he chairs the meetings of the commission, signs documents, and informs the President and the government about activities of TNK. In addition, each party appoints its own coordinator, including the government. Nothing is said in this regulation about a secretariat of the commission. The organization of the secretariat seems to be a real problem. The secretariat is rotating between the social partners.

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42 Программа Wind, с. 13 (также ссылка 23)
According to article 18 of the Law on Social Dialogue the government registers the general, industrial, and territorial agreements. The last year none of the mentioned agreements was registered. According to the government representatives, this means that none of these agreements were concluded, although the registration is formally not a condition for the enforcement or applicability of an agreement. The government representatives do not register other agreements than those mentioned in article 18, and do not have information on the number of other agreements concluded, of which registration is not obligatory. No specific information is available on industrial actions.

Trade Unions

22 trade unions are member of the Federation of Trade Unions. The Federation of Trade Unions claims to organize about 40% of the workforce of 900,000 workers.

Some of the affiliated trade unions organize employees only, like the railway trade union and the mining trade union. The mining trade union has 19,600 members and holds an antagonist position towards the employers in the sector. This trade union organized three strikes in the last years, which gives this union a considerable position in the Federation. These strikes were -from the trade union's viewpoint - successful. The latest one forced the country's largest employer in this sector, the transnational Kumtor Gold Company, to accept the terms of the collective labour agreement as proposed by the trade union. This collective labour agreement is effective from 1 July 2008 to present.

The strong individual position of trade unions is rather rare. The trade union of railway workers and transport construction workers, with about 5,000 members, seems to take a less strong position in the collective bargaining. The conclusion of the latest collective labour agreement went without much - or noticeable - debate, because the trade union shared the view of the railway company management that in times of financial crisis wage increases are not justifiable. It should be noted that railways in Kyrgyzstan are state-owned and in this sense, railway employees belong to a state sector.

Collective agreements played a role in the wage increase of railway workers so far. Railway employees receive salaries that on average are twice the average salaries in other state-owned sectors. Currently the Kyrgyz government is seriously considering railway privatization and it remains to be seen what impact this will have on the positions of workers.

The trade union of health workers takes a position like that of the railway workers' trade union. In this sector, the (increase of) wages is dictated by ministerial decree. The trade union participates in a bilateral dialogue. Subjects to be discussed are various working conditions and labor protection, but not wages. Since most workers in this sector are civil servants, the applicability of some ILO conventions is debatable. Most interesting is that following the Soviet tradition administration (employers) in many public sectors are members of the same trade union as employees. This relates largely to the health, education and science sectors, and some other sectors, including some industries.

Most of those leaders were really inspired by the ideal of helping their members and society in general. Still, the trade unions are not really and fully representing employees' interests and are not taking a fully independent position in the bargaining process. Only when there is no direct or indirect state interest involved, and a commercial, privately owned company is acting as partner on the employers' side, does the negotiating trade union seem to take a strong and independent position. To verify this for the different trade unions and to gain insight into the different positions of the trade unions towards their negotiating partners the UCA/CSI would have to do much more research. In general – but with exceptions - their conclusion is that the trade unions are not sufficiently independent of the employers and therefore unable to enter fair and real negotiations with employers.

The factors influence the behavior of trade unions:

- First, the tradition of trade unions in the Kyrgyz Republic is not favorable to a really independent position. Some trade unions were still acting as a state organization and seemingly acted only in the general (state) interest, as they did in Soviet times.
- Second: Some of the trade unions do not have a sophisticated internal democratic system. The participation rate in trade union activities seems rather low; the members are not or sporadically consulted on general items of social economic importance.
- This is probably caused primarily by a severe lack of basic administrative information, this is a third factor to explain the position of the trade unions. Some trade unions are not able to deliver basic administrative information about their members, like the number of affiliates and their employment or profession. It is claimed that membership of a
trade union is not always voluntary. Some of the informants claim that employees are still required or pressured into becoming a member. The absence of a sound internal democratic system and the lack of administrative information do not strengthen the position of the trade unions and make it more difficult to take an independent position.

- This could also explain the almost total absence of industrial action (demonstrations of workers, strikes etc.) in the Kyrgyz Republic. The trade unions have ample experience in organizing these kinds of actions. This lack seems to be a major threat to the independency of trade unions and their strength in negotiations.

- Finally, trade unions do not necessarily represent employees but also represent self-employed workers and even small entrepreneurs. The previous subsection already showed that it is sometimes impossible to make a clear distinction between workers, employees and employers, especially in the informal labor market. Some trade unions try to combine the representation of interests of self-employed workers or small employers with those of employees. Such combination is bound to be problematic in the usual circumstances.

In the Kyrgyz Republic, so far, this conflict of interests has not become problematic for the traditional trade unions. Most of the trade union activities presented by the trade unions of the Federation of trade unions dealt with the position of the self-employed. According to those representatives the trade unions have not been able to organize themselves properly after 1993. They are like a “state in a state”, and not willing or able to adjust labor relations to the changes that occurred after 1993. Their main interest is still to operate the holiday camps and houses they own because of their position under the former organization of the state. The trade unions are not really interested in being a partner in the social dialogue, negotiations on labor issues and collective bargaining.

The lack of a distinction between the groups represented by the trade unions makes it hard to identify the players in the social dialogue field. Some organizations call themselves trade unions, but are in fact employers’ organizations, like the Dordoi trade union, and some of them have a hybrid position, like the agricultural workers’ union.

**The Employers’ Organizations**

It is a cooperation of three employers’ organizations, of which the Federation of Employers of Industries - Guild of Directors is the legal entity that formally represents the Alliance.

![Diagram of Alliance of Entrepreneurs](image)

The experts could not identify the employers represented by the Alliance and their founders, although the Alliance claimed that it unites about one-third of the Kyrgyzstan business community, involving major industrial enterprises in the country including the biggest gold mining company Kumtor. Perhaps this latter fact explains why other organizations of employers see the Alliance as a ‘club of millionaires’. Some employers’ organizations-members of the Alliance try to have influence on government policy by writing letters or contacting members of parliament, if any employers’ interest is at stake.

The Alliance has been instituted only recently and is therefore a rather new participant in the social dialogue, while the Confederation of Employers is an older organization, established seven years ago. At that time employers’ organizations were literally absent in Kyrgyzstan. The Confederation of Employers claimed a national status only in May 2008 after their General Convention. Until then, the Confederation of Employers had been a signatory of the general agreement on behalf of the employers’ community. The members of the Council of the Confederation of Employers informed the experts about their activities in the past and claimed credit for the efforts to develop from scratch the legislative basis for associations of employers in Kyrgyzstan. Thus, they have initiated and participated in the development and adoption of the Law on Employers’ Associations, and actively participated in the development of the Law on Social Partnership. Also, the Confederation of Employers participated in the review or discussions of some laws (Labor Code, Customs Law) and participated in various consultative bodies created under the auspices of the government and different ministries.
Study observed a lack of solidarity among these employers’ organizations and some unwillingness to unite and cooperate, as well as some level of distrust towards each other. It is difficult at this stage to identify all possible reasons for these schisms among the employers’ community. Such reasons could include different interests of various associations as they represent different sectors, enterprises of various scales and nature, different political affiliation of their top leaders; differences in their approaches towards social dialogue and labor relations. This lack of cooperation among employers might also be due to institutional weaknesses and the lack of a general platform that could bring all employers communities together. Seemingly at this point, the employers’ side is very fragmentary and various business and employers’ associations tend to discuss all issues within their own narrow circles, using only those issues which have an immediate impact on their respective sectors or industries. Some government informants explained the absence of solidarity among employers as a competition for leadership. In 2007 a new business association called the National Alliance of Business Associations (NABA) was organized by 21-member organizations. Interestingly, the NABA association includes those organizations that are engaged in small businesses, retail and services, agro-businesses, transport operators, consultative services, microfinance institutions. The main goal of this association is to reform the tax law, to make it more favorable for entrepreneurs, but NABA also intends participating in social dialogue. The emergence of NABA is additional evidence that the institutional development of employers’ associations is still an ongoing process.

Obviously, employers’ organizations are not ready for such cooperation and the government should take more responsibility, set up some sort of interim procedure and envisage participation of several employers’ organizations which have substantial representations.

**Government**

Social dialogue in the Kyrgyz Republic takes place at various levels. At all these levels, except the level of collective labor agreements in privately owned companies, the government plays an important, or rather: a leading, role. At the level of the general agreement the government takes the lead and tries to enhance the social dialogue. In 2003, the legislative framework for the social dialogue (The Law on Social Partnership in the Domain of Labor Relations in the Kyrgyz Republic) was issued. As a result, a tripartite commission, the Republican Tripartite Commission, was established. This Commission worked on an agreement concluded for three years (2005-2008), which is extended.

According to the extended agreement the secretariat rotates every year among the parties involved. This is cause for a lot of problems and is one of the weaknesses of the social dialogue, because this system implies a lack of continuity. The expired agreement has been extended for the next years: under that agreement a tripartite commission has been instituted. Every social partner has nine representatives on the commission. According to the law the three parties should decide independently who represents them in the republican tripartite commission. The way the employers’ side will divide the seats and who will represent them in the republican tripartite commission has not become totally clear. The trade unions divide the seats by voting. The commission meets every three months. The chair is held by the vice prime minister of the Kyrgyz Republic.

The government is not satisfied with the role the social partners have played until now. In the agreement’s negotiating process one of the employers’ organizations demanded an extension of the social dialogue on side aspects of the labor market, such as customs regulations, housing and the training of the self-employed. This blocked the new agreement on social dialogue, which the government found especially frustrating because in their view the employers’ organization lacks critical mass about representation. The government holds the opinion that the parties themselves are responsible for obtaining an independent and realistic position to participate in social dialogue: the government is unable but also unwilling to support the parties or the process to obtain this position. The government holds the opinion that the legislation is no obstacle to the parties’ further development. The legislative framework allows parties to conduct as real antagonist social partners; the laws do meet the ILO-regulations.

The Government do not recall a single case of strikes or other stock of collective protest in Kyrgyzstan, except for strikes of railway workers in 2006. Although in the period 2012 – 2015 were a wave of protests of workers in some mining companies and the local population about the opaque hiring based on nepotism and bribes. The government keeps a record of strikes and shares of collective protest, it also does not consider the number of members or representation of trade unions or employers’ organizations. In accordance with article 18 of the Law on social partnership, Ministry (government) registers of the General, sectoral or territorial agreement, but collective labor agreements concluded at enterprises, are not considered. In 2016-2017 there had been no such agreement. Some prisoners informed the General, sectoral and territorial agreements are still in effect. The Government has no information about the conclusion of collective labor agreements, as records of such documents are not maintained.

The unions are not involved in any bargaining process regarding the settlement of wages as far as the civil servants or state financed sectors (i.e. healthcare) are concerned. The wages for civil servants are determined by presidential decree, and depend on the financial possibilities of the government. The minimum wage is set by presidential decree without consultation or negotiation with social partners.

The Labor Inspectorate does not cooperate on a structural basis with trade unions and individual employers. In projects were cooperation seems useful this is done based on ad hoc appointments. Other governmental institutes do not have structural contacts either with trade unions or employers (organizations). The same applies to the State Agency on Vocational Training. This organization cooperates with trade unions and employer’s organizations on an ad hoc basis only.
The abolishment of the Foundation of Employment and Insurance in the view of SCME made the work of the tripartite commission less effective. This foundation was abolished in 2005 and all financial aspects of employment programs were transferred to the state budget. Distribution of social benefits previously controlled and monitored by the tripartite commission were no longer an issue. This led to a situation in which trade unions and employers became less interested in the work of the tripartite commission.

Challenges vs Opportunities

A threat to sound social dialogue is distrust of the parties involved, this distrust is based mainly on misinterpretations and uncertainty about the interests represented by the parties. The government is not certain about the groups represented by especially the employers’ organizations. The government accuse the employers’ organizations of lacking critical mass, and blames the trade unions for not adapting to the changes that occurred after the implementation of the market economy. In some cases, this reproach is not justified, as with the conclusion of some collective labor agreements, but in other cases the government does have a strong point. As for the trade unions, they seem to have serious problems with the administration of members and the representation of the members in the field of social economic affairs. Besides, the trade unions do not represent the interests of all the stakeholders on the Kyrgyz labor market. Because of the specific labor market conditions, a sound social dialogue cannot be organized properly without the commitment of the groups that until now were not represented. Especially the position of the younger workers deserves attention.

The government has a detached attitude towards trade unions and employers’ organizations. In the government’s view, the development of the trade unions and employers’ organizations is not the government’s concern. Moreover, the independence of these organizations as required by law does not allow the government to interfere. Therefore, the government is not willing to facilitate the secretariat of the republican tripartite commission founded based on the general agreement. This secretariat rotates every year between the three main participants of the general agreement. The government’s view of this issue is outdated, if at all true. The government confuses independence with the encouragement and fostering of social dialogue and the partners participating in it, which is not only allowed by the ILO regulations but strongly supported, even.

The state agencies they met do not have structural meetings with the trade unions and employers’ organizations. On the other hand, all these agencies were proud of their projects, which they conduct in cooperation with the trade unions and employers’ organizations. The choice of projects and of cooperation with other partners all seemed coincidental. A more structured consultation of employer’s organizations and trade unions could contribute to better balanced decisions and could improve social dialogue in general.

Trade Unions:
- are not taking an independent position
- do not have a strongly developed internal democratic system
- lack basic ‘internal’ information does not have much experience in organizing industrial actions are in danger of representing conflicting interests

The employer’s organizations:
- do not have (or give) clear insight in their members
- are not clear about the interests they represent
- distrust each other and do not cooperate properly
- cannot therefore take a united and thus strong position
- are in the process of developing and have a strong inward focus

Government:
- takes a passive attitude on the independent development of social partners
- is reluctant to invest in the development of social dialogue

There is a real sense of urgency among all partners: Leaders are genuinely interested and concerned about social partnership. Social partners (unions / ego’s) are developing and increasing their affiliation rates (and are organizing or looking at new groups).
While verified and up-to-date statistics on the number of business and professional associations in Tajikistan is unclear, its number estimates to about 2,800+ registered public associations. By legal status, business and professional associations are registered as public associations in accordance with the Law “On Public Associations”.

Legislation

The founding legal grounds for business and professional associations to exist and operate in Tajikistan are equal to those of other forms of associational civil society – Article 28 of the Constitution, which provides that: “Citizens have the right of association. Each citizen has the right to participate in the formation of political parties, trade unions, and other social associations, as well as voluntarily to join them and resign from them.”

Business and professional associations are recognized in the legislation as public associations. Hence, a primary legislative reference is the Law “On Public Associations”, which in its Article 4 provides for citizens the right to form associations: “the right to create on a voluntary basis public association for the protection of common interests and the achievement of common objectives, to join existing public associations or abstain from entering them, and to freely terminate membership in these associations.”

Two other laws that relate to some degree to business and professional association are the Law “On State Protection and Support to Entrepreneurship” (March 18, 2015) and the Law “On Labor Unions» (August 02, 2011). Article 1 of the Law “On State Protection and Support to Entrepreneurship” defines business associations as: “non-profit organizations established by business actors with the aim of coordination of their activities, as well as representation and protection of rights and lawful interests of business actors.”

Article 7 of this law re-iterates the right of entrepreneurs to: “create business associations (unions) jointly with other business actors or join therein in accordance with procedures set forth by the law.”

Unlike business associations, professional associations are not mentioned in any piece of legislation as such. The closest category that exists in the legislation is found in the Law “On Labor Unions” for one simple reason - in Russian and Tajik a labor union translates as ‘association of profession’. Article 2 of this law defines a labor union as: “a voluntary public association bringing together citizens that are bound by common interests in productive and non-productive sectors for the protection of labor, social, economic and other rights and interests of its members.”

It also establishes that a labor union can be established if at least three citizens decided to associate – a clause identical to the regulation on establishing a public association. The only distinction between professional/labor union and a professional association that may be inferred from the law is the mission. While a labor union is concerned with pay slips, labor standards and social protection of employees, a professional association’s mission is left open due to its non-defined status.

Policies

The government has committed to support the development of entrepreneurial associations in two large policy frameworks:

1. the Programme on State Support to Entrepreneurship in Tajikistan for 2012-2020; and

2. the Mid-Term Economic Development Programme (MEDT) in Tajikistan for 2016-2020.

In the former, the government puts forward 11 objectives to support entrepreneurship in the country, where No.7 priority is to encourage the creation of self-supporting institutions for entrepreneurship. In the Mid-Term Economic Development Programme, the government has included the establishment of general and women-led business associations as progress indicators on priority 2.2.8 “Formation of institutional system for entrepreneurship support”.

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41 Author's estimations based on 2015 database of registered public associations by the Ministry of Justice.
42 See at: http://mmk.tj/ru/library/ob_obchestvennih_obedinieniyah.doc
43 See at: http://www.mmk.tj/ru/library/o_goszashite_i_podderzhke_predprinimatelstva.doc
44 See at: http://base.mmk.tj/view_sanadhoview.php?showdetail=&sanadID=253
45 See Article 16 of the Law “On Public Associations”.
46 See the Programme on State Support to Entrepreneurship in Tajikistan for 2012-2020.
**Main barriers**

Challenges that business and professional associations face in Tajikistan are various. The 2015 amendments to the Law “On Public Associations” tightened control over public associations through: a) enhancement of the Ministry of Justice’s authority to inspect compliance of public associations with the law and their own statutes; b) obligating all public associations to inform the Ministry of Justice about any foreign funding they receive. Although these measures targeted primarily critical civil society organizations, they also have impacted business and professional associations.

Business and professional associations share to some extent the same impediments with the rest of civil society, for instance administrative barriers (registration and inspections) and capacity problems. Yet, some challenges are very specific, as for instance, divergence of members’ interests or lack of strategic lobbying. Besides, challenges facing business and professional associations are different in intensity and even relevance to either one of two groups. For instance, while funding is a challenge to both, business and professional associations, it is more intensely felt by professional associations. And divergence of members’ interest is, for example, is only relevant to business associations.

**Challenges shared with civil society organizations**

Both, business and professional associations register as public associations at the Ministry of Justice. The registration process is complex and requires various documents to be submitted to the Ministry of Justice or its regional offices. The registration process is breeding corruptive practices that involve the applicant organization to bribe the justice officials to speed up procedures or receive approval to the application. (Civicus/AGNA, 2015). In case of business associations, bribing is often taken for granted by both parties – entrepreneurs and justice officials. The former tend to treat it as operational costs and are willing to accept it as long as it makes things smooth. The latter are also welcoming the move to make sure the registration is done without complications. Yet, such normalizing of corruptive practices holds valid only for low-profile and mostly provincial associations. Large urban associations usually employ qualified individuals or legal support to smooth the registration process. Unlike business, professional associations cannot afford ‘operational’ costs related to registration. Their applications are processed in routine way – they may be returned for minor errors and delayed. However, unlike a non-profession based civil society organization, a professional association may rely on expertise and support of its individual members.

The registration itself also costs money. A local public association is required to pay about 40 USD in registration fee. For both, business and professional associations this amount is manageable. The challenge emerges when/if an association wants or has to re-register due to changing of legal address. As per 2015 amendments to the Law “On Public Associations”, in the event of changing its actual ‘residence’ address, an organization is required to re-register with the Justice Ministry or its regional offices. Abiding by this clause leaves business associations in a better-off position compared to professional associations and other civil society organizations. Professional associations find it burdensome to pay the re-registration fee every time they move from one rented place to another.

In the past four years, since 2014, civil society sector has been placed under tighter controls and inspections of central and local authorities. Article 34 of the Law “On Public Associations” authorizes the Ministry of Justice to inspect public associations to determine if the latter obey the law and function in accordance with the statutory goals. The Justice Ministry's authority materializes in two ways: a) it can examine resolutions of association's governing body, documents detailing its governance and other information about the association; b) the ministry's officials can attend all events conducted by public associations without any restriction. Still, the Justice Ministry is not the only inspecting agency. Public associations are regularly inspected by the Tax Committee, labor inspection, fire-fighting department, environmental protection authority, hygiene and sanitation inspection, and prosecutor's office.

Although originally these enhanced inspections mainly targeted human rights organizations, today many more public associations working on development and social issues complain of intensified and hardened controls by the state. Business and professional associations are unfortunately, no exception to these practices. Yet, the frequency and severity of inspections are not as harsh as the case for some human rights organizations. In most cases, business associations are inspected by tax authorities and various agencies (labor inspection and fire-fighting department). The state does not see these associations as a threat to political situation/stability, which translates into less ‘political’ interference with the activities of these associations. Professional associations are of even less ‘interest’ for inspecting authorities, as even bribe-seeking in this case is almost destined to fail due to limited resources and higher legal literacy of their management.

**Sector-specific challenges**

Business associations face a number of specific challenges in their work and development. Firstly, they have to address divergence of the members’ interests. Secondly, lobbying is often not institutionalized as a practice – either lobbying strategies are not sufficiently advanced or lobbying as an activity is not systematic. Thirdly, reliance on strong personalities presiding or managing the association often creates association’s dependency on the personality rather than institutional capacity. Fourthly, funding remains significant impediment, while also is felt somewhat differently by business and professional associations.

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⁴⁹ See Article 34 of the Law “On Public Associations”.

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Associations of entrepreneurs by definition bring together different businesses. Ideally, the members of the association would share the same interests and objectives throughout the life span of the association. However, it is often not the case. Members of business associations tend to have converging interests for certain length of time. Once interests are realized and objectives are met, members tend to either lose interest in the membership, or drag the association into different directions, sometimes contradictory. For instance, the American Chamber of Commerce in Tajikistan brings together almost 50 businesses as diverse as AirAstana JCS (Kazakh biggest airline), Deloitte & Touche LLC (advisory and consulting), AsiaPlus News Agency (Tajikistan’s largest private mass media), TCell (a telecommunication company), Eurasia Foundation in Central Asia (international non-profit organization), and many others. The diversity among members runs along several domains: a) by the size of operations there are small, medium and large businesses; b) by business segments members represent more than 10 different areas; c) by legal status there are private firms and non-profit organizations. With such a mix it is always difficult to agree on a single position to be lobbied or an agenda to be pursued. The end result is a respectful collective of entrepreneurs comparable to the state’s Trade and Commerce Chamber, but underutilized impact capability through lobbying policy or legislative decisions that would meet the interests of all members.

The interest divergence is not so much a problem for professional associations, for they unite individuals of the same profession having in common more than just profit-making. Professional associations are more prone to develop a coherent position and follow an agreed line of advocacy. Instances of interest divergence are reported very rarely, but when they do, disagreements seem to be bound to disagreements between specific individuals-members rather than difference in interests of entities-members (as the case in business associations). Still, professional associations are perceived as exerting little impact on policy and/or legislation, as they lag behind on funding and resources to advocate for their cause.

Decreasing interest of members in their association (either business or professional) is also a byproduct of gaps in lobbying/advocacy and adaptation of the association. Though having a mission and (some) vision, many business and professional associations do not have detailed advocacy and/or lobbying strategies. The latter are often replaced by short-term action plans based on specific topics and issues. An example of the Association of Micro-Finance Organizations is a case in point. Established in early 2000s at the support of international donors (Aga Khan Foundation, Welthungerhilfe, Care International, etc.), in just 10 years the association grew to a leading lobbyist of the country’s micro-finance sector in negotiations with the National Bank and the Parliament. However, in the past five years the association has been steadily losing its role and importance in lobbying. Today, the association with 50+ members (primarily small micro-finance organizations) shrank to offering trainings and de facto retreating from lobbying. Lack of clear long-term strategy and inability to adapt to changing demands downplayed its impact capability. Besides, the association is mainly attractive to newly established micro-finance organizations that seek expertise, knowledge and access to market and resources to grow. Bigger actors (banks and large regional micro-finance organizations) either keep their membership nominal or leave the association.

The importance of personality as a predictor of employee performance at all levels ranging from low-skilled handler to chief executive officers has been well documented in the management research and psychology (George, 1992; Peterson et al., 2003; Barrick and Mount, 2005). Much of it holds true for business and professional associations in Tajikistan. Yet, there is an additional layer to it – the role of personality in associations’ management is often counter-productive for performance of these associations as independent institutions. Despite being non-state actors, many business and professional associations replicate organizational management culture of the state institutions in Tajikistan.

The case in point here is two associations that are highly outspoken thanks to their chairs:

a) the National Association of Small and Medium Business headed by Mrs. Matlyuba Uljabaeva;

b) Association of Energy Sector Professionals headed by Mrs. Rafiqa Musoeva.

Mrs. Uljabaeva is a daughter of Mr. Tursun Uljabaev, a former Chairman of Cabinet of the Tajik Socialist Republic (1952-1954) and former First Secretary of the Communist Party of Tajikistan (1956-1961), i.e. the former head of state. His daughter, Matlyuba Uljabaeva has inherited reputation and huge social capital accumulated by her father that helps her to enjoy certain lobbying power within the central government in Dushanbe and regional authorities in the country’s northern Sughd province. She herself managed business development projects at the United Nations Development Programme in Tajikistan and worked as chief executive officer at Indigo-Tajikistan Telecommunications Company (a predecessor of TCell).

Mrs. Rafiqa Musoeva is a former Minister of Labor and Social Protection and a head of committee at the Parliament’s lower chamber. Enjoying wide connections within the government, Mrs. Musoeva is able to lobby for certain initiatives as for instance the Transparency in Extracting Industries Initiative (TEII) in Tajikistan. The OSIAF notes that Mrs. Musoeva’s position and lobbying capacity was a decisive factor in opting to collaborate with the Association of Energy Sector Professionals in the framework of TEII programme.

Thus, it is the leader of an association who is recognized by stakeholders, who takes the association forward or drags it backward, and on whom an association is centered. Development partners and authorities look at the personality of the association’s leader in taking a decision to collaborate or not with the association, and in determining whether the association should/could be taken serious or not. This creates enormous dependence of association’s functionality on its manager or chairperson. In other words, as long as an association has a reputable and respected leader, it is active and alive. Once the leader leaves without being replaced by comparably capable and resourceful personality, the association fades away.

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51 Studies on organizational management culture or leadership in Tajikistan are scarce (Ismail and Ford, 2009).
The personality problem has two interrelated facets. On the one hand, when/if an association becomes equated to its manager or chairperson, the association is not developing as a sustained institution in its own rights. On the other hand, the strength of the leadership neither translates into the strength of the association, nor is passed to succeeding management. In the end, business and professional associations face an ambivalent situation of benefiting from strong and capable leadership personality, but at the same time, sacrificing on institutional development.

Another important challenge that business and professional associations are facing is funding. Financial stability is a problem across entire civil society sector. The country's civil society organizations remain dependent on external (foreign) donor funding (Civics/AGNA, 2015). A 2012 survey of almost 200 civil society organizations conducted by Tajikistan National NGO Association found that only about 7 per cent of civil society’s funding came from domestic sources (either as own income generation or through private companies) (USAID, 2014). The survey found that 75 per cent of funding came through foreign aid and the remaining 18 per cent through governmental contracts for delivery of social services.

For civil society organizations the funding challenge is three-fold:

- **limited funding through domestic sources**
- **inadequate fund raising capacity**
- **unwillingness to engage in commercial activity**

For business and professional associations the funding issue has slightly different connotation:

- Firstly, lack of funding is mainly a concern for professional than for business associations.
- Secondly, fund-raising capacities are less of an issue for business associations, but have higher relevance to professional associations.
- Thirdly, engaging in income generation activity is in fact, part of services offered by both business and professional activities.

Primary sources of funding for both, business and professional associations are membership-bound contributions. Business associations are better-off compared to professional associations, as they rarely rely on membership fees. Instead these associations rely more on financial or in-kind contributions of their members and commercial activities. Professional associations do not enjoy this privilege of having financial contributions from its members on top of membership fees. But even membership fees are not considered to be somewhat reliable source. Besides, a professional association can rarely offer benefits to its members comparable to those of a labor union (e.g. discounts for public rest and recuperation facilities). Therefore, professional associations look for funding through income generation, philanthropy or foreign donors.

In seeking funding from foreign donors, professional associations find themselves competing on the market with hundreds of civil society organizations. Philanthropy is not a reliable source of funding either, as individual and corporate philanthropy is still uncommon in Tajikistan. Examples of local funding through philanthropy are rare and primarily charity-oriented. For instance, Bank Eskhata, Oriyonbank, TCell, Beeline, and Megafon grant funds for charity through civil society organizations. Lastly, income generation through commercial activity, professional associations often replicate civil society organizations and are reluctant to incur additional burden of financial and tax reporting.

The situation of business associations is quite different. Budgets are mainly composed of members’ contributions and commercial activity. The former carries more risks, as members may delay payments/contributions or submit amounts less than agreed. In such cases, the association can rely only on internal procedures of ‘enforcement’, but cannot complain to any external body. At the same time, membership-bound funding risks are outbalanced by commercial activity that many associations offer to non-member customers. For instance, the Association of Micro-Finance Organizations of Tajikistan offers 18 types of services in the price range of 50 TJS (USD 6) to 3,000 TJS (USD 340). The National Association of Small and Medium Business offers six clusters of services including legal counseling, management and marketing consulting, financial audit and taxation, information distribution, business education, business plan design and partnerships. Another great example is the National Association of Business Women of Tajikistan that offers vocational (sewing, bakery, patchwork, floristry, etc.) and business development (beginner and intermediate) training courses. Thus, business associations are far more financially sustainable than other segments of non-profit civil society, including professional associations.

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52 Interview with Amcham, Dushanbe, February 2018.
53 See at: https://amfot.tj/en/ycnyru-aawzot/nauv-ychnru
54 However, the price range is not open to public.
55 See at: http://nabwt.tj/professionalno-tekhnicheskie-kursi/
Perspectives/opportunities

While facing various challenges, business and professional associations have a few opportunities that could help them sustain their activities and develop further. Firstly, both groups have to be active online, in social media. Secondly, they need to gauge onto social entrepreneurship and social innovation.

Virtual space for advocacy

Opportunities for online campaigning and advocacy are largely underutilized by business and more so, professional associations. While the former are present in virtual space (through own websites and pages in social media), the latter’s ‘existence’ in the online world is largely missing. By raising policy-relevant issues online and moderating discussions, both groups can add an important tool to their advocacy efforts. Furthermore, social media campaigns are great resources to create demand for policy change or new policy/ies.

According to the World Bank estimates, the Internet penetration in Tajikistan was at 17 per cent in 2017, meaning one in six citizens of the country used Internet. Unfortunately, statistics on social media platforms users is less clear. The International Telecommunication Union estimated a total of 84,000 Facebook subscribers in Tajikistan in 2017.⁵⁶ Yet, many more Tajikistani users are active in Russia-based social networks (e.g. odnoklassniki, Telegram and VKontakte). Besides, presence in the social media and Internet has long become part of the government. On the one hand, it is driven by existing policy frameworks on e-governance and ICT for development.⁵⁷ On the other hand, due to increasing importance of online communication, the government is compelled to monitor and react to online campaigns.

Business and professional associations should also think of online activism in terms of push and pull factors in enacting a policy change. No matter how strong the government's position may be on any given policy issue, the government cannot and in fact, does not ignore campaigns in the social media. Hence, online campaigns work as a push factor for the government (or its specific agencies) to re/act on a certain policy issue. And for associations taking policy discussions to the social media works as a pull factor for its capacity to cause the government to act.

Social entrepreneurship

A highly promising avenue of engagement for both, business and professional associations is social entrepreneurship. The rationale here is not about being in the trend with thousands of individuals and businesses all over the world. The principles of operation of social entrepreneurship make it a very good fit for putting development efforts on ‘economies of scale’, in other words, to scale up development at micro level, which is in high demand in a developing Tajikistan. Social entrepreneurship has even been graced as helping to create an “everyone a changemaker world”. Success stories of social entrepreneurs are plenty with some cases having advanced into multimillion operations (e.g. Grameen Bank, charity: water, and Malala Fund).

For business and professional associations, engaging in social entrepreneurship has the following benefits. Firstly, it allows them to raise funds to implement socially relevant projects from a huge pool of sources using crowd-funding – any individual or organization interested in the project may contribute financially. Hence, it may significantly decrease their dependence on foreign donor funding or membership contributions. Secondly, engagement with social projects would enhance outreach and visibility of an association, which eventually (and if managed properly) may lead to greater impact capacity of an association. Thirdly, social entrepreneurship blends two features vital for any civil society actor working in Tajikistan: a) it is highly legitimate; b) it generates sustainability.

And the legal grounds also do exist – it is Article 31 of the Law “On Public Associations” that allows commercial activity for statutory goals. However, it is reasonable to expect that massive engagement in social entrepreneurship would require a policy action – recognition of social entrepreneurship as a separate non-profit or hybrid activity in the legislation. The latter is a realistic target that can and should be lobbied by business and professional associations, as well as a wide range of stakeholders in the civil society and development partners.

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