Institutional Aspects of Poverty Measurement in Tajikistan

Prepared by the Ministry of Economic Development and Trade of the Republic of Tajikistan

Abstract. There are many discussions and debates on the definition and interpretation of poverty indicators in Tajikistan. For official purposes, Tajikistan uses the poverty measurement methodology proposed by the World Bank. However, many researches and civil society representatives believe that the methodology based on $2.15 purchasing parity power per day does not fully reflect the picture of poverty in the country and is not adequate to the national specifics. This paper provides historical background on poverty definition/measurement in Tajikistan.

To systematize the long-term development process of the Republic of Tajikistan in line with the Millennium Development Goals and to create a sustainable platform for future development of the country, in 2005 Tajikistan developed and adopted a long-term socioeconomic programme, the National Development Strategy of the Republic of Tajikistan until 2015 which identified the following major development goals: public administration reform, private sector development, attracting investments and human capital development.

To achieve the long-term socioeconomic development goals set by the Strategy a number of medium-term socioeconomic development programmes will be implemented at the national level; such programmes specify the objectives and measures of government policies pertinent to the existing conditions and current trends. All other sectoral and national programmes and action plans are fully aligned with the above national strategic framework, irrespective of the timeframe.

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In pursuance of the National Development Strategy Tajikistan has so far successfully completed the implementation of the 2007-2009 and 2010-2012 Poverty Reduction Strategies and launched the implementation of the 2013-2015 Living Standards Improvement Strategy.

The implementation of the Tajik Government strategies and programmes related to socioeconomic development helps reducing the poverty levels in the country.

One should note that in 1999, 2003, 2007 and 2009 the Statistics Agency under the President of the Republic of Tajikistan in conjunction with the World Bank conducted living standards surveys. According to the surveys the poverty rate reduced from 81% in 1999 to 72.4% in 2003, 53.5% in 2007 and 46.7% in 2009. On the basis of the GDP growth per capita the poverty rate was 45% in 2010, 42% in 2011 and 38.3% in 2012.

One should note that the data on poverty rate derived from surveys are available for 2009 only. From 2010 onward the Ministry of Economic Development and Trade uses the indicator of GDP per capita. Tajikistan measures poverty levels using such methodology, i.e. based on GDP per capita the poverty level in Tajikistan was 42% in 2011 and 38.3% in 2012.

However, the values for 2010-2012 are not verified and are used only for preliminary poverty assessment in the country; this resulted in continuous discussions and debates between official government authorities and civil society on the methods and approaches to the definition of poverty indicators in the country. In other words, the debates are not around poverty reduction but around the methodologies to measure it.

Therefore the issues related to poverty measurement and poverty incidence are now the focus of the Government of the Republic of Tajikistan.
One should note that for assessing poverty levels in the country the Statistics Agency under the President of the Republic of Tajikistan conducts quarterly household budget surveys. In addition, in order to enhance the methodology for measuring poverty and to improve transparency the Ministry of Economic Development and Trade together with the Statistics Agency and the World Bank commenced activities to set up the Poverty Assessment Committee. As part of these activities several rounds of negotiations and discussions have been held regarding the establishment of such committee which may act as a platform to discuss technical issues of poverty indicators. Preliminarily its mandate may include:

- discussion of technical issues resulting from household budget surveys;
- assessment of financial level of poverty in Tajikistan;
- analysis of technical issues of poverty indicators;
- justification of poverty indicators based on the implementation of the national development programmes (National Development Strategy and Living Standards Improvement Strategy); and
- dissemination of information in Tajikistan and beyond it.

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