



Boon for small businesses

Microfinancing on remote mountaintops

BY BESS BROWN

Half a million men — perhaps more — leave Tajikistan each year to take up seasonal or permanent employment abroad, mostly in Russia, because they cannot find work at home. This stark reality underlies the Tajik Government's drive to create employment opportunities as a major element in the country's socio-economic strategy. Nudged by the international donor community, this approach increasingly calls for the development of small businesses as a means of generating desperately needed jobs.

After launching some moderately successful start-up activities in co-operation with international partners in 2003 (see box), the OSCE in Tajikistan initiated a microcredit programme of its own in 2004 in response to requests of local officials that activities be carried out directly with home-grown groups.

While one partner in the southern province of Shartuuz, on the Tajik-Afghan border, abandoned the scheme by the end of the year, Madina, a domestic non-governmental organization in Khorugh, persevered: It turned its initial grant of \$6,000 into a

self-sufficient microfinance institution, eventually gaining national recognition.

Khorugh is the administrative centre of the Gorno Badakhshan Autonomous Region, which hardly offers an environment conducive to launching a commercial activity. The *oblast* occupies nearly half of Tajikistan's territory and boasts some of its most spectacular scenery, including its highest mountains, the Pamirs. However, accessibility has improved only gradually in recent years.

Even though the main road from Dushanbe to Khorugh has been upgraded, the journey by car still takes about 12 hours each way, even at the best of times. At least one flight is scheduled daily by Tajik Air, but it is often cancelled due to inclement weather.

Now, the economic prospects in this least developed part of the country are improving. Environmental and adventure tourism affords great potential for income generation. In addition, a new border post on the Kulma Pass in eastern Badakhshan has opened up the remote region to transit traffic from China, delivering goods to markets throughout Central Asia.

Indeed, far-sighted Pamiris see Badakhshan becoming an integral part of

During the civil war, the Aga Khan Foundation served as the main lifeline of the Pamiris, many of whom adhere to the Ismaili faith. Photo: OSCE/Lubomir Kotek

a trans-Asian transport network that will, sooner rather than later, link Tajikistan with Pakistan and India via the Karakorum Highway, which is the world's highest paved international road.

The challenge is to ensure that the people of Badakhshan master the business skills that will enable them to take advantage of these more favourable circumstances.

The OSCE is fortunate to have two excellent partners in Badakhshan:

Milal-Inter, an NGO, actively promotes the development of regional trade. Having initially concentrated on trade with Afghanistan, the group has expanded its work to include the development of contacts with China's autonomous Xinjiang region and with southern Kyrgyzstan.

The other partner is Madina, which started out as an NGO teaching skills to vulnerable groups, particularly women, so they could be self-supporting. Now it is a full-fledged micro-finance institution.

Madina's Director, Naobot Dodkhudoeva, recalls how she and her staff used the microcredit fund of \$6,000 from the OSCE to extend \$100 to \$200 loans to course participants who were keen to start their own small businesses.

"To qualify for a loan, applicants had to demonstrate that they had fully grasped the essentials of running a business, assessing local market conditions and drawing up a realistic plan to improve the sustainability of their ventures," she says.

During the fund's first year of operation, the repayment rate on the loans was 100 per cent. Most of the borrowers were women, who used the money to start bakeries and other small food services. Two young men took a loan to buy a used truck and launch a transport company.

"The repayment performance has remained largely constant through the years," Ms. Dodkhudoeva says. "When the national legislation on microcredit facilities was tightened in 2005, we went through a lengthy procedure to qualify for a National Bank licence as an officially recognized microfinance institution."

By the end of 2006, Madina had quadrupled the seed capital received from the OSCE and had become largely self-supporting. That same year, the OSCE employed the group to set up a permanent legal advice and business training centre for entrepreneurs in Khorugh. The centre is now being considered by the Aga Khan Foundation's Mountain Societies Development Support Programme as a possible partner for its business incubator schemes.

Bess Brown is an Economics Officer at the OSCE Centre in Dushanbe, where she has held various functions since 2004. She was a research analyst on Central Asia at Radio Liberty for 16 years, and has worked at the OSCE's Liaison Office in Tashkent and the OSCE Centre in Ashgabad.

Teaching the ropes

The Economic Unit of the then OSCE Mission to Tajikistan started promoting the development of small businesses as early as 2003.

By supporting the International Labour Organization's programme, "Start and Improve Your Own Business", which aims to hone instructors' training skills, the OSCE helped create a pool of experts sufficiently qualified to pass on their know-how to aspiring entrepreneurs. This has been paying off handsomely: Today, the OSCE Centre in Dushanbe regularly taps into this human resource for its business training projects.

It was also in 2003 that the Economic Unit began supporting local NGOs in their schemes to set up sewing workshops and community and home bakeries throughout the country. The aim was to build skills and, in some cases, provide women with a properly equipped workplace — especially those who had suddenly found themselves heading households during and after the civil war, and as more and more of the menfolk went off to search for greener pastures.

Successful ventures such as Madina's have inspired other OSCE initiatives aimed at nurturing the growth of small businesses in Tajikistan, where the climate is not always friendly to budding entrepreneurs. The good news is that, at the national level, the Government has finally come round to recognizing that empowering individuals to be more resourceful can prove to be an effective means of pulling them out of poverty. — *Bess Brown*



An OSCE-supported sewing workshop in southern Tajikistan.

OSCE/ASTRID EVENSEN



Women's Resource Centres make impressive inroads

The Tajik-OSCE experience

BY GRAZIELLA PIGA

Nigina A., 27, is more than just a computer teacher at the village school. She plays a dynamic role in one of the seven OSCE-supported Women's Resource Centres in Khatlon *oblast*, in southern Tajikistan, tirelessly speaking to women and teenage girls about the Centres' activities and encouraging them to take advantage of what they have to offer.

Nigina is not merely preaching from the pulpit. Her life history is not too different from that of many women in the country's rural areas: Forced into marriage at 14, she became a battered wife. After several years of enduring pain and degradation, she and her children went back to her parents' home — only to fall victim once again to physical and verbal abuse, this time inflicted by her own brothers and parents. It was their way of showing her that they could not forgive her for her "failure".

"One day, I went to a seminar on women's rights organized by the Resource Centre in my community," she said. "From that moment on, my life changed." She is now determined to continue her education and make something of herself.

Nigina's story just may have a rosy ending, but how many more girls and women are out there, feeling helpless and isolated?

Following the dissolution of the Soviet Union, the ensuing civil war and the collapse of the economy, Tajiks began experiencing a revival of archaic local practices that are eroding some of the gains made in breaking down gender-based stereotypes.

Ten years after the onset of peace, the negative consequences of the five-year civil war are still being keenly felt by both men and women: An estimated 25,000 women lost their husbands, and as thousands of men continue their exodus to other countries in hopes of making a decent living, more and more women are heading households and raising children on their own, heavily dependent on relatives and in-laws.

Women in less developed areas are especially vulnerable to all types of violence and abusive behaviour and often do not know where to turn to for information and protection. At the same time, most people are still loathe to consider gender-based violence as having anything to do with the violation of women's right to have access to education, family planning and decision-making.

Tajik women emerge from a vocational course at the Women's Resource Centre in Kurgan-Tyube, southern Tajikistan.
Photo: OSCE/Astrid Evrensel

Girls are particularly disadvantaged in the south, where illiteracy is pervasive and it is not uncommon for them to drop out of school after the seventh class. Why should girls bother getting an education, families and communities say, when they end up marrying early anyway?

To support the Government's efforts to live up to its domestic and interna-

The OSCE Centre in Dushanbe sponsors a website and a bimonthly magazine in Tajik and Russian called *Ravzana ba Jahon* ("Window to the World"), featuring information on gender issues in Tajikistan: www.ravzana.tj

tional responsibility to improve the well-being of Tajik women, the Centre in Dushanbe launched a multi-year project in 2004 aimed at building the capac-

ity of local NGOs run primarily by and for women.

For a start, the OSCE created seven Women's Resource Centres in the rural areas of Khatlon and Sughd. Today, these have grown into a network of 11 OSCE-supported "Crisis Centres".

Except for one, which functions as a shelter, the Centres do much more than provide women in crisis situations with psychological support and legal advice. They also offer free computer and vocational courses, teach literacy skills and conduct seminars focusing on women's rights and gender equality. To reach as many women and local officials as possible, activities take place not just at the Centres but also in surrounding villages.

So far, more than 1,500 participants, 75 per cent of them women, have learned a trade through the three-month vocational



OSCE/GRAZIELLA PIGA

Boosting reading and writing skills in Huroson, Kurgan-Tyube.

courses run by the Centres. These efforts, especially in the south, are often co-ordinated with the work of the Economic Unit of the OSCE Centre in Dushanbe, which organizes courses on how to start a small business.

The linkages make good sense. Quite often, participants in the activities of the Resource Centres reveal that they are victims of domestic violence and are emboldened to seek help — which they would otherwise not do for fear of being stigmatized by their communities.

These are just some of our success stories — and we are keen to have many, many more to tell. We are working hard to ensure that one day soon, the Centres will be able to become more institutionalized to make it easier for financial support to flow in.

The OSCE, the men and women of Tajikistan, and the Government all share a vested interest in the adoption of a draft law to provide victims of domestic violence with legal and social assistance: That will mean that, together, we will be able to carry out our grass-roots efforts within a robust framework.

Graziella Piga is the Gender Programme Manager at the OSCE Centre in Dushanbe. She has led a wide variety of women's projects in Vietnam, Serbia and her native Italy. She has also worked for the OSCE in the former Yugoslav Republic of Macedonia and in Bosnia in police development and human rights

Graziella Piga looks in on a vocational workshop at the Women's Resource Centre in Kurgan-Tyube.



OSCE/SEBASTIEN PACQUIN