



# **Expert Research (brief version)**

"Social Partnership: Interaction between NGOs and the State in Central Asian Countries"

as part of the "Development through Regional Cooperation" Program of ARGO Civil Society Development Association with the support of the US Agency for International Development (USAID).

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### CONTENTS

Introduction. Relevance, goals and objectives, methodology of the research.

Concept of social partnership and international practice.

Four forms of interaction. Examples of Central Asian countries.

Contribution to the socio-economic development.

Conclusion.

#### INTRODUCTION. Relevance, goals and objectives, methodology.

Civil society organizations (CSOs) are actively developing in Central Asian countries for more than 20 years.

A support of international organizations in 1990s gave a new impetus to the development of nongovernment organizations (NGOs), the sector grew strong, and later the government agencies also started to interact with NGOs to one extent or another. Over this period of time a number of researches have been undertaken focusing on a status and development of civil society. In recent years its regular 'measurements' have been performed (for example, USAID's Civil Society Organizations Sustainability Index<sup>1</sup>), as well as interaction between NGOs and the state has been studied (for example, as part of the National Reports<sup>2</sup>). However, in light of international events when in some countries nongovernment organizations started to be perceived as 'agents of influence', as some antagonists to the state, a need arose first in analyzing the issues of interaction between civil society organizations (CSOs) and the state in CA countries exactly in the context of social partnership, documenting identified country examples of social partnership, challenges and lessons learnt, and also in identifying core institutional and legal opportunities and obstacles for the social partnership development in the region.

Second, in attempting at determining how important a role of the civil sector is not only from the socio-political but also from the economic perspective. If social significance of civil society organizations is almost not disputed, an economic effect of their activity until recently could not be assessed due to a number of methodological and technical reasons. Thus, according to the system of national accounts, nonprofit organizations of civil society may be referred to all sectors of economy, which makes it impossible to determine a common economic effect of CS. The situation changed with publication in 2006 of the UN Handbook on Non-Profit Institutions, and even the first pilot studies using subsidiary accounts showed importance of nonprofit organizations as an economic force<sup>3</sup>. A specific feature of this research is exactly studying a role and contribution of NGOs to the socio-economic development of Central Asian countries.

It should be mentioned that in accordance with the legislation the concept of civil society organizations or nonprofit organizations is rather broad almost in all countries and may include

<sup>1</sup> <u>http://www.usaid.gov/sites/default/files/documents/1863/KAZ\_0.pdf,</u> http://www.usaid.gov/sites/default/files/documents/1863/2010complete\_document.pdf

<sup>2</sup> mk.gov.kz/details/ndownload.php

http://www.google.kz/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://www.google.kz/vrl?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://www.google.kz/vrl?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://www.google.kz/vrl?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://www.google.kz/vrl?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://www.google.kz/vrl?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://www.google.kz/vrl?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=j&q=&strc=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=t&rct=s&rct=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=s&rct=s&frm=1&source=web&cd=1&ved=0CB8QFjAA&url=http://wrl?sa=t&rct=s&rct=

<sup>&</sup>lt;sup>3</sup> The state of global civil society and volunteering. Lester Salamon and others, Comparative nonprofit sector working paper No. 49 2013

public associations and funds, associations and institutions, as well as householders societies, territorial self-governments, cooperatives, including financial ones, notary chambers and even community-based type of organizations. Therefore, we will use a definition of NGO based on the criteria developed by the  $UN^4$ :

- voluntary self-governed organization
- independent on state authorities
- *not pursuing a goal of profit generation.*

These organizations in different countries may be called differently – NGOs (nongovernment organizations), NNOs (nonprofit nongovernment organizations), PAs (public associations), NPOs (nonprofit organizations). For the purposes of this research there were taken nonprofit nongovernment organizations only according to the above criteria, and it is such organizations' interaction and partnership with state authorities and contribution to the socio-economic development (SED) that was considered. For these organizations the term of NGOs is mainly used in this research.

Thus, a *goal* of this research is to identify a basis for the development of social partnership in CA countries and also to develop conceptual approaches for their use subject to the international experience, evaluate a contribution made by NGOs to the socio-economic development of the countries.

#### **Objectives of the expert research:**

- Identify and describe best practices on social partnership (in a broad context) in CA countries. Make a comparative analysis with the best international practices, and make recommendations.
- Determine NGOs' contribution to the socio-economic development of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

*Methodology used:* this research has a descriptive analytical and expert character without claiming for representativity and representation of absolutely entire spectrum of interests and opinions. A research of this type is aimed at describing the structural elements of a phenomenon under study, and identifying patterns and reasons underlying it. An expert research is focused on learning facts and is subject to common patterns of the cognitive activity. As part of the research the following *data collection methods* were used: desk study (analysis of legal and informational materials – printed and electronic mass media, web-sites of NGOs and government authorities, NGOs reports, public reports, other accessible informational and analytical materials); expert survey (up to 20 experts); in-depth interviews (up to 5 people). It should be noted that in Uzbekistan and Turkmenistan having regard to the circumstances only a desk study was used, while in Kazakhstan, Kyrgyzstan and Tajikistan – a full range of methods, including focus groups and questionnaire data. Upon the results full country reports were prepared based on which this brief version has been made.

#### CONCEPT OF SOCIAL PARTNERSHIP AND INTERNATIONAL PRACTICE.

<sup>&</sup>lt;sup>4</sup> Handbook on Non-Profit Institutions in the System of National Accounts. UN, New-York 2006

Social partnership in the current legislation is understood as a system of relationships between employees (employee representatives), employers (employer representatives), government authorities, local self-governments that is aimed at ensuring alignment of the interests of employees and employers on the issues of labor relations regulation.

For the purpose of this research we consider the concept of partnership broader. The economic dictionary (<u>http://dictionary-yconomics.ru/word</u>) considers the word etymology – from English 'partner', from 'partition' – separation, distribution. A partner is someone who a business is shared with. Partnership may be both registered legally and not registered. Anyway, it is joint activity organizations where the partners' rights and obligations are regulated, their contribution (not necessarily financial) and participation in the joint activity results. It is such understanding of social partnership between NGOs and the state – as joint participation, consideration of the parties' interests, involvement in decision-making and segregation of duties – that we consider for the purpose of this research.

An important aspect of the necessity of establishing an interaction between the state and CS is the fact of recognizing a civil society as an integral and essential part of any state. The World Trade Organization in one of its documents says: "We live in a tripolar world represented by the three global forces: the state, market and civil society". Real and effective partnership between the state and civil society is achievable with mutual respect, recognition of autonomy and independence of parties, and freedom of speech and positions of different NGOs. Lack of understanding by parties of the essence (nature) of a partner causes concerns from both parties. In the same manner as the government is concerned about its political power's being undermined and decline in national security, NGOs are concerned about a growth of corruption in their sphere, loss of independence and occurrence of financial dependence upon the state.

However, mutual cooperation is important. Such cooperation has a various scale, depth and composition of stakeholders. Cooperation is important not so much for participating parties themselves, as for a country as a whole. For example, researches conducted by the World Bank in 1988 showed that there is clear correlation between a success of development projects and a degree of involvement of local CSOs in them<sup>5</sup>. Later researches showed the importance of mutual consultations already at the stage of preparation of such projects.

By studying interaction between civil society and the state in European countries, what is often subject to analyzing is a degree of institutionalization of such interaction on different levels: the parliament, government, local government<sup>6</sup>. As far as the countries of 'non-western' areal are concerned, where usually institutionalization is something needless to speak about, researchers more often distinguish the main spheres of interaction. Analysis of the NGOs – state cooperation practices in such countries has determined four main spheres or areas:

1) mediation between the community and the power (public and advisory councils, public discussions, etc.);

2) provision of services (for example, through the state social order);

<sup>&</sup>lt;sup>5</sup> People, Profit, and Politics: State-Civil Society Relations in the Context of Globalization. Teresa S. Encarnacion Tadem, UNDP 2006

<sup>&</sup>lt;sup>6</sup> Improving Cooperation between Public Institutions and Civil Society in the Western Balkans and Turkey; TACSO Project Report, ECNL 2012

3) monitoring and civil control over state authorities' actions, and

4) lawmaking process and development of policies (with participation of NGOs).

There are no rigid boundaries between these areas, and often processes in one area are transformed into another. We will give the most striking examples in Central Asian countries.



#### FOUR FORMS OF INTERACTION. Examples of Central Asian countries.

1) *Mediation between the community and the power* in the form of different kinds of advisory councils under government authorities, public discussions and hearings exists in all CA countries. We will give examples from **Tajikistan and Turkmenistan**.

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Makhumhuli. The Commission's activity is coordinated by the Turkmen National Institute of Democracy and Crescent Society of Turkmenistan, Union of Women of Turkmenistan, Youth Union of Turkmenistan named after President of Turkmenistan, National Center of Trade Unions of Turkmenistan, including PAs of the National Red Democracy and Human Rights under the President of Turkmenistan, Institute of the State and Law under the President of Turkmenistan, State Committee for Statistics of Turkmenistan, Turkmen National Institute of Supreme Court of Turkmenistan, General Prosecutor's Office of Turkmenistan, Religion Council under the Population, Ministry of Culture, Ministry of Internal Alfairs of Turkmenistan, Ministry of Defense of Turkmenistan, Ministry of Education, Ministry of Health and Medical Industry, Ministry of Labor and Social Protection of the Turkmenistan, Ministry of Foreign Affairs, Ministry of Adalat (Justice), Ministry of Economy and Development, human rights. The Interdepartmental Commission consists of representatives of Medilis (Parliament) of  $_{NU}$  or  $_{Di}$  or  $_{Di}$  or  $_{Di}$  international and legal obligations of T internation of the area of UNactivity of ministries, state committees, departments and executive bodies at the local level, enterprises, institutions Commission is a permanent consultative interdepartmental body created for the purpose of coordination of the international treaties in the area of human rights for submission to contractual bodies. The Interdepartmental objectives of this Commission is to ensure preparation of national reports on the progress of implementation of off. "wan navianinamuh lanoitarivita na vidgiy namuh to avea of ini navinamikuh to enoitagildo lanoitariviti the sondidence with the second of the second

2) *Provision of services* – a good example is the NGOs services purchasing system through the **state social order (SSO) in Kazakhstan**. Since 2002 interaction between NGOs and the state has gone through definite stages of conceptual formation, and in 2005 Law of RoK "On state social order" was adopted, such social order is allocated among NGOs on a competitive basis as part of the state procurement system. This mechanism has a number of deficiencies that are attempted to be eliminated now, in particular, by way of draft law "On the introduction of amendments and additions into some legislative acts on the activity of nongovernment organizations in the Republic of Kazakhstan".

However, for the last 8 years the amount of financing on the part of the Ministry of Culture has increased by 10 times. In 2014 the state allocated approximately 7 billion tenge (equivalent to about 37.8 million US dollars) for socially significant NGOs projects. As part of sectoral interaction with relevant NGOs 10 central government agencies are implementing the state social order. Locally SSO is placed on the level of regional and district administrators of budget programmes, which contributes to developing civil initiatives in rural areas.

# 3) *Monitoring and civil control over state authorities' actions* – we will give an example of **Kyrgyzstan**.

In accordance with Law "On public councils of state authorities" No.74 dated 24 May 2014, public councils (hereinafter PCs) are advisory and supervisory bodies created on a voluntary basis out of civil society representatives for interaction and cooperation with government authorities and to conduct public monitoring of their activities.

PCs were entrusted with two primary functions:

*Advisory:* (1) make recommendations to a government authority on how to improve the work, (2) offer alternative ways of problems solution, (3) hold public hearings on NGOs projects and other decisions.

*Supervisory:* supervise (1) target use by a state authority of budgetary and other funds, (2) holding tenders, contests and other events, (3) compliance with the laws by a state authority in its activity.

PCs' decisions have a recommendation character. The activity of PCs is characterized not only by interaction with state agencies but also with other participants of public relations – citizens, the business sector and donors. The strength of PCs is in publicity and openness, accessibility for citizens, protection of the society's interests.

The work group of the PC Coordination Council on corruption control as part of the anticorruption forum holds monitoring and conducts analysis of the compliance with the anticorruption strategy and plan of the government on corruption control. PC of the Ministry of Transport and Communications, PC of the Ministry of Education, PC of the Ministry of Health and Compulsory Medical Insurance Fund (FOMS), PC of Gosgeologiya provided their expert opinions on ensuring transparency and openness of the republican budget, the Work Group of the Coordination Committee of PC for corruption control together with the Anticorruption Business Council of KR carried out an expert examination of the 2014 draft budget.

(from the report of Mukanova N.A., Chairperson of PC Coordination Council at international conference "Accountability of the state to the community and citizens' involvement in good governance").

Currently, a PC's web-site has been created where there is information about the activity, status, functions, etc. (www.ons.kg). Since 2011 41 PCs have been created in Kyrgyzstan under ministries, state committees and other central state agencies which included 545 members. An overall composition of PC members includes 31% of women, which complies with the legislation of KR regulating gender representation.

4) Lawmaking process and development of policies – interesting is an example of Uzbekistan where in 2014 Law "On social partnership" was enacted.

Social partnership appeared concurrently with emergence of civil society institutes. CSOs were in need of cooperation with government agencies to achieve their aims in the area of healthcare, environmental protection, population employment, education of the youth and other. Developing processes of the society democratization required determining mechanisms of such cooperation. Since 2010 until now a number of documents have been published obliging representatives of different sectors of the society to accomplish one and the same tasks through joint efforts.

Law "On social partnership" is aimed at improving organizational and legal mechanisms of interaction between state authorities and NGOs and other civil society institutes in the development and implementation of socio-economic development programmes, including sectoral, regional and territorial programmes, regulatory and legal acts and other decisions affecting the rights and legitimate interests of citizens. The law defines the rights, format of joint activity and sources of financing of each of the social partnership parties. In addition, the law provides for creation of public funds to accumulate and allocate financial resources for these purposes under Zhokargy Kenes of the Republic of Karakalpakstan, Kengeshes of people's deputies of the regions and city of Tashkent. Allocation of grants is in place for applying the social partnership principles.

In March 2013 the Public Fund on support of nongovernment nonprofit organizations and other civil society institutes under the Oliy Majlis of the Republic of Uzbekistan announced a tender for grant award on topic "Strengthening of social partnership of NPOs with state authorities and in implementation of State Programme "The Year of Well-Being and Prosperity" and other socially significant programs aimed at ensuring a growth of well-being, increasing population employment, further development of small business and private entrepreneurship, rendering targeted social assistance to various layers of the population.

In addition to implementation of the Law on social partnership in proper, representatives of CSOs participated in studying and discussing of other draft laws:

• Participation being a part of the republican commission in the development and implementation of state programme "The Year of Family" - 23 organizations of the national level and more than 320 organizations of the regional level in 2012;

• Participation being a part of the republican commission in the development and implementation of state programme "The Year of Well-Being and Prosperity" - 31 organizations of the national level and more than 430 organizations of the regional level;

• Participation in the development, discussion and expert review of suggestions on improvement of the legislation - about 1,200 representatives of CSOs in 2012;

• Participation in the development, discussion and expert review of suggestions on improvement of draft laws "On environmental control", "On social partnership" and "On public control" – more than 2,000 representatives of CSOs in 2013.

#### CONTRIBUTION TO SOCIO-ECONOMIC DEVELOPMENT (SED)

A contribution to the socio-economic development was evaluated based on the following indicators:

- NGOs and employment (amount of salary in the sphere of NGOs; number of jobs created in NGOs)

- attracted investments and amount of NGOs financing for projects implementation

- social services provided by NGOs to various groups of the population

- NGOs contribution to GDP of the country.

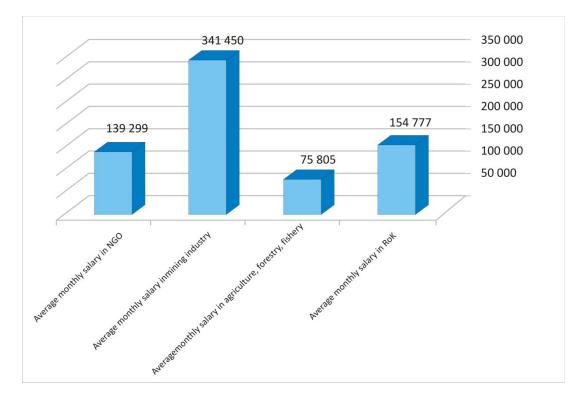
To obtain the data, requests were sent to relevant statistics agencies, tax authorities, justice authorities, etc. A part of the data was obtained from these official sources. As mentioned above, NGOs have not yet been singled out into a separate category; therefore, some indicators were estimated by experts indicatively. We offer the data obtained for Kazakhstan and Kyrgyzstan. The data on Tajikistan failed to be obtained, as well as for Turkmenistan and Uzbekistan (there are data on individual organizations only).

#### CSOs contribution to the socio-economic development of Kazakhstan.

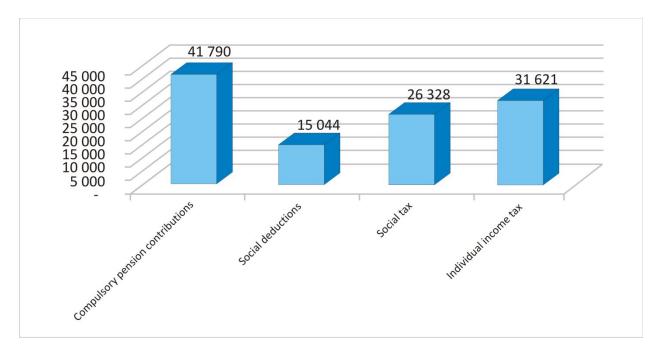
#### Amount of salary in the sphere of NGOs.

According to the Committee for Statistics of the Republic of Kazakhstan, an average monthly nominal pay of one employee in December 2014 was 154,577 tenge (equivalent to \$835). As of December 2014, in NGOs an average monthly pay was 139,299 tenge, which is by 10% lower than an average indicator in the country, by 1.8 times exceeds the similar indicator of agriculture, forestry and fishery, but also by 2.5 times lower than the indicator in the mining industry.

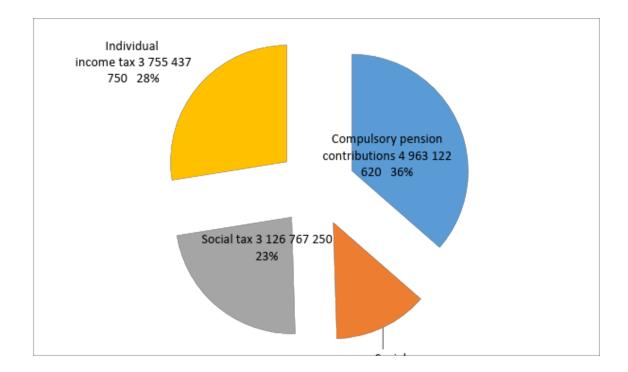
Based on the number of actually operating NGOs in the country (9,897) and subject to the fact that in NGO on the average there are three employees, an indicative level of employment in the industry is comparable to large national companies, and an average monthly payroll fund is no less than 4 billion tenge. It should be noted that calculation of salary in implementation of projects as part of the state social order is made on the basis of official data of the authorized body in the sphere of statistics.



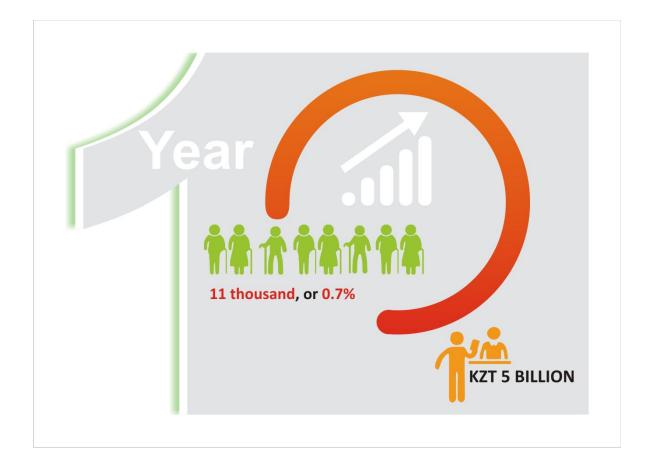
According to the Committee for Statistics, one NGO on the average pays 114,783 tenge per month to the budget and state funds, including:



With a view to all active NGOs for the past year the mentioned amount is more than 13 billion tenge, including:



About 5 billion tenge per year of pension contributions of NGOs are involved in the country's money turnover. At the expense of social contributions of NGOs more than 11,000 or about 0.7% of all pensioners of the country are maintained.

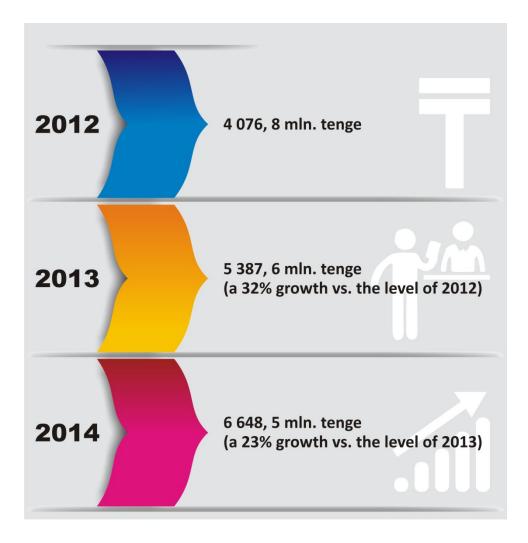


### Number of created jobs in NGOs.

At present within the framework of the Interdepartmental Work Group under the Administration of President of the Republic of Kazakhstan an issue of inclusion of this indicator into overall statistical accounting in the sphere of NGOs is being worked over. At the same time, according to the estimated statistical data, it can be assumed that in the sphere of NGOs 30 to 60 thousand people are employed, or about 1% of all wage workers of the country, of them almost half (46%) in Almaty and Almaty Region, and also in South Kazakhstan and Karaganda Regions. (From the statistical report for December 2014: a headcount of wage workers for December 2014 was 3,812,300 people.)

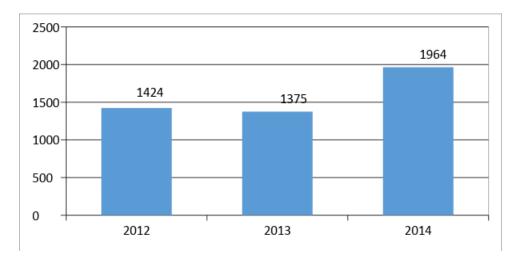
# Amount of NGOs financing for projects implementation.

The Ministry of Culture and Sports within its competence maintains records of projects implemented under the state social order. According to this, an amount of financing under SSO on the central and local levels in 2012 was 4,076.8 million tenge, in 2013 - 5,387.6 million tenge (a 32% growth versus the level of 2012), in 2014 - 6,648.5 million tenge (a 23% growth versus the level of 2012). Keeping a tendency of financing growth in future will allow NGOs solving many urgent problems and increasing an input into the country's development.



Social services rendered by NGOs to different groups of the population. Number of supported NGOs.

A number of social projects within the framework of the state social order on the central and local levels in 2012 was 1,424 projects, in 2013 - 1,375 projects (a 3% reduction versus the level of 2012), in 2014 - 1,964 projects (a 43% growth versus the level of 2013).

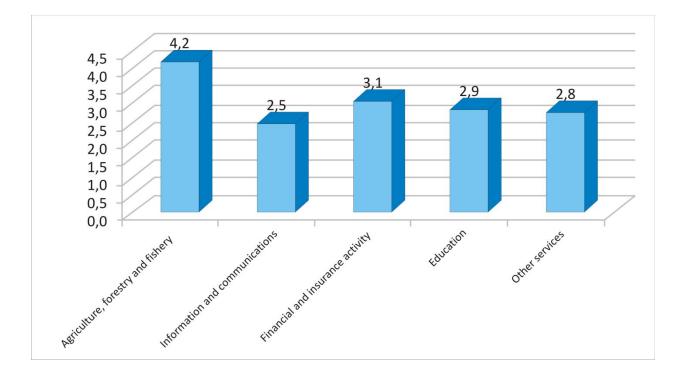


A number of NGOs engaged in implementation of social projects as part of the state social order in 2014 on the central level was 96 NGOs that were engaged in 147 social projects (65%), on the

local level -1,077 NGOs engaged in 1,817 social projects (59%), which testifies to a trend of NGOs 'moving' to districts of the country.

# NGOs' contribution to GDP of the country

Notwithstanding the difficulties related to lack of information in state statistical reports, there has been made an attempt in this report to evaluate NGOs' contribution to GDP of the country. Thus, as estimated, in 2014 a share of NGOs in GDP was 2.8% on the level of such industries as information and communications, education, financial and insurance activities. Brazil and New Zealand have a similar indicator (2.8%).



Further improvement of the NGOs' activity legislative framework, growth of financing, formation of the culture of interaction between the society and NGOs should promote growing of a share of NGOs in GDP.

# NGOs CONTRIBUTION TO THE SOCIO-ECONOMIC DEVELOPMENT OF KYRGYZSTAN

# NPOs and employment

According to the data of the National Statistical Committee of the Kyrgyz Republic<sup>7</sup> a number of persons employed in active NPOs is 25,190 people, or on the average 3-4 employees in one organization. To understand how big or small this figure is, these data can be compared with the data of other rather developed industries of Kyrgyzstan's economy (Fig. 3). At the same time, a headcount of those employed in nonprofit organizations during the period of 2009 to 2014 has never dropped lower than 61,000 people, i.e. this number of able-bodied citizens of Kyrgyzstan

<sup>&</sup>lt;sup>7</sup> Kyrgyzstan in Figures. Statistical Book. National Statistical Committee, Bishkek 2014.

was fully or partially employed in the nonprofit sector. And here the NPO sector is already comparable with such industry as textile or clothing manufacture (63,500 people).

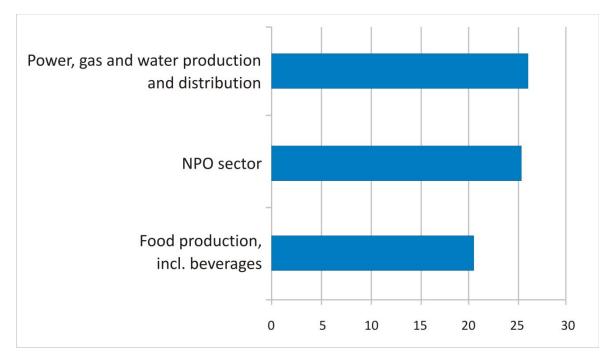


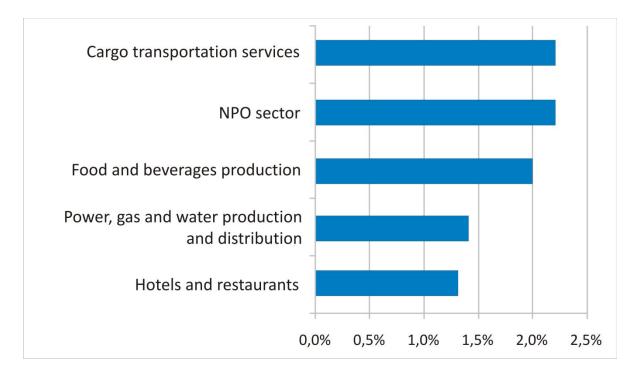
Fig 3. Number of the Employed in Sector, thous. people

# NPOs and the economy

For a long time it was impossible to estimate economic performance results of NPOs. This is because in the system of national accounts an impact of the nonprofit sector upon the country's economy can be monitored only by section "nonprofit organizations servicing households". In 2009 this indicator was 0.7% in Kyrgyzstan.

A pilot study of NSC of the Kyrgyz Republic<sup>8</sup> conducted in 2009 on the subsidiary accounts methodology of NSC identified that NGOs' contribution to DGP of Kyrgyzstan is 2.2% without regard to volunteers' labor (Fig. 4).

<sup>&</sup>lt;sup>8</sup> Nonprofit Organizations in the Kyrgyz Republic. Special Publication. NSC of KR, Bishkek 2011.



# Fig. 4 Comparison of Some Branches of Economy with NPO sector with regard to Contribution to GDP (%)

As it is seen from the chart, NGOs' economic performance results are higher than the indicators of some branches of the country's economy.

This pilot study also revealed that Kyrgyzstan has rather good indicators among other 14 countries where the similar assessment was made (Fig. 5).

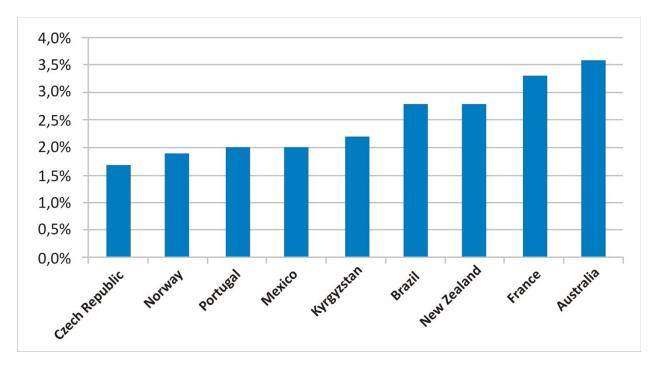


Fig. 5 Nonprofit Sector's Contribution to GDP in Different Countries (%)

And, finishing an overview of NPOs' economic contribution to the country development, we will add two important things. First, like other economic entities nonprofit organizations pay taxes

and social contributions stipulated by the legislation. The data of NPC of KR show that only social contributions of NPO sector (without taxes) allow paying pensions to 3,553 pensioners.



Another very important aspect of nonprofit organizations' activity is attraction of investments. As part of advocacy campaign preparation (infographics presented herein), Fund "Civic Participation" conducted a survey of 100 NGOs concerning their taxes and social contributions, as well as resources raised by them. It turned out that only three NGOs (Development Policy Institute, Reproductive Health Alliance and Youth Development Institute) during the period of 2012 to 2014 provided material and grant assistance to state institutions and local self-governments for the amount of 83 million som.



Each of 100 surveyed NGOs on the average every month ensures with own taxes and social deductions salary payment to one government-paid employee and pensions to eight pensioners.



Second, very often when it comes down to nonprofit or nongovernment organizations, an image of a legal advocacy organization appears at once. However, advocacy is just a small part of real work of NPOs. In the analytical document of Johns Hopkins University<sup>9</sup> it is offered to consider two main areas of NPOs activity: service activity (social services, education, healthcare) and expressive activity (sports, culture, protection of interests, advocacy).

<sup>&</sup>lt;sup>9</sup> A Status of Global Civil Society and Volunteer Services. Lester Salamon, et al. Johns Hopkins University, 2013.

Using such division, based on the data of a pilot study of subsidiary accounts, there was conducted an analysis of the structure of gross value added created by nonprofit organizations. It turned out that 63% of gross value added is created by NPOs services. Thus, the NPO sector of Kyrgyzstan is more service-oriented rather than focused on promotion of the interests and protection of citizens' rights. This refutes the established image of an "eternal opponent and critic of the power".

By the level of service area of NPO's activity Kyrgyzstan is comparable with the countries with a fairly high level of the civil society development where the NPO sector is recognized and actively supported by the state (Fig. 6).

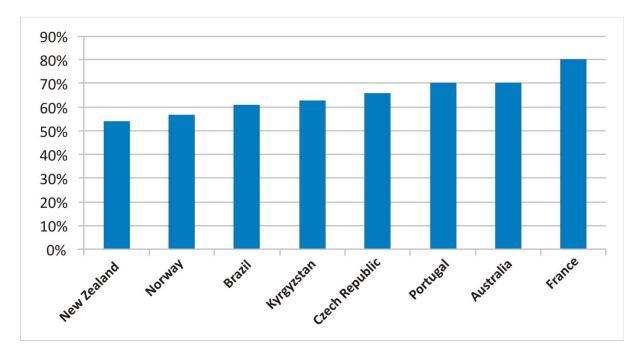


Fig. 6 Share of Gross Value Added Created by Provision of Services (%)

# NGOs contribution to the socio-economic development of Tajikistan

#### NGOs contribution to the socio-economic development of Turkmenistan

#### Amount of salary in the NGO sphere.

A minimum pay at a state enterprise is 200 US dollars, on this basis it may be assumed that a salary of NGO employees will be within the same range.

# Number of jobs created in NGOs.

There are 106 registered NGOs in Turkmenistan. If we assume that on the average 3 people work in every NGO, it will comprise at least 318 jobs. Given an NGO of a larger size such as the National Red Crescent Society of Turkmenistan (NRCST), Union of Women of Turkmenistan and other, we may assume that a number of NGO employees can reach 1,000 people. From the perspective of a number of created jobs, NRCST plans to increase the number of workers in 2012-2015 to 190 people, and volunteers to 2,500 people, and members of the society to 100,000 people.

### **Evaluation of NGOs contribution to the socio-economic development of Uzbekistan.**

At this stage there is no way to provide such information. This is explained by the fact that in 2014 it was planned to develop a data collection methodology. It is specified in Item 12 of the Plan of Additional Measures – "Development of the methodology of state statistical observations of a status of the NNO sector development, based on it ensuring systematic statistical data collection on a status of the NPOs sector development as part of annually approved Program of State Statistical Works", and is planned for 2014 (assigned executive entities are as follows: the State Committee for Statistics, Ministry of Justice, State Tax Committee, Independent Institute for Monitoring of the Formation of Civil Society (NIMFOGO), National Association of Nongovernment Noncommercial Organizations of Uzbekistan (OzNNTMA).

However, with regard to an issue of job creation, there is information that survey of 120 representatives of CSOs that have undergone state registration showed that about 60% of CSOs during the period of grant projects implementation involve volunteers in their work, on the average from 2 to 5 people, largely from among students.

The most complete information is available on UNDP project jointly with the Ministry of Labor and Social Protection of the Population "Social partnership in ensuring employment". More than 300 people who could not be employed on the open labor market, are employed with social enterprises.

# CONCLUSION

- This study confirms apparent importance of interaction and cooperation between NGOs and the state for the purpose of Central Asian countries sustainable development. Based on the state analysis of international practice, four forms of interaction were distinguished mediation between the community and the power; provision of services to the state; monitoring and civil control; participation in lawmaking and development of policies. Every country has examples of successful cooperation in this and another form.
- The legislative framework and conditions for such interaction have been created in the countries; however, many experts notice need in further improvement of the legislative framework regulating CSOs activity, NGOs in particular. In many respects this relates to mechanisms of financing thy NGOs activity (SSO, grants, entrepreneurial activity, etc.).
- This is a need in further institutionalization of cooperation relations between NGOs and the state, development of conceptual strategies approached of interaction and specific plans for the nearest future.
- Currently, methods of estimation and records of the NGOs sector's contribution to the socio-economic development of the countries have almost not been developed. Some countries have already proceeded to developing the methodologies, made pilot estimations that show that the NGO sector's contribution turns out to be on the level of contribution made by a number of branches of industry and national companies. To further develop mutually beneficial cooperation, it is important to work through such methodologies and evaluate precisely the NGOs contribution to the socio-economic development.