



# SOCIAL INNOVATION ATLAS

---

## OF CENTRAL ASIA



# SOCIAL INNOVATION ATLAS OF CENTRAL ASIA

***"This publication/report was produced with the support of Innovation for Change – Central Asia Hub. The contents of this publication, the findings, interpretations and conclusions are the sole responsibility of the authors and do not necessarily reflect the views of Innovation for Change – Central Asia Hub".***

- Tara Shoup-Paulsson, MA/MLA – International
- Wali Rasta, MA – Afghanistan
- Margarita Khegai, PhD – Tajikistan
- Abzal Daribayev, MA – Kazakhstan
- Nazira Esenalieva, PhD, Associate Professor – Kyrgyzstan
- Uugantsetseg Gonchigdorj, BA – Mongolia
- Tara Shoup-Paulsson, MA/MLS – Turkmenistan
- Nazira Abdullaeva, MBA – Uzbekistan

This research would not be possible without the support of the Innovation for Change - Central Asia and ARGO project team.

- Aziza Khoshimova, MA for leading project coordination
- Assel Kurmantayeva, MSc for concept design and development
- Erlen Abdulmanov for project design
- Jamila Asanova, PhD for leadership and advising
- Natalia Yakovleva for project coordination and administration support

# Content

Preface.....	3
Social Innovations Atlas of Central Asia.....	5
• Social Innovations and Civic Space.....	5
• The Central Asian Context.....	5
• Social Innovations Ecosystem in Central Asia.....	6
• Social Innovations for the Central Asian Region.....	7
Afghanistan - Social innovations in civic space.....	9
• Country context.....	9
• Ecosystem.....	10
• Case analysis.....	11
• Recommendations.....	12
• Potential key players and drivers of social innovations in Afghanistan.....	12
Kazakhstan - Social innovations in civic space .....	14
• Country context.....	14
• Ecosystem.....	14
• Case analysis.....	15
• Recommendations.....	17
• Potential key players and drivers of social innovations in Kazakhstan.....	18
Kyrgyzstan - Social innovations in civic space .....	20
• Country context.....	20
• Ecosystem.....	21
• Case analysis.....	25
• Recommendations.....	26
• Potential key players and drivers of social innovations in Kyrgyzstan .....	27
Mongolia - Social innovations in civic space .....	29
• Country context.....	29
• Ecosystem.....	30
• Case analysis.....	31
• Recommendations.....	33
• Potential key players and drivers of social innovations in Mongolia .....	33
Tajikistan - Social innovations in civic space .....	35
• Country context.....	35
• Ecosystem.....	35
• Case analysis.....	37
• Recommendations.....	40
• Potential key players and drivers of social innovations in Tajikistan.....	40
Turkmenistan - Social innovations in civic space .....	43
• Country context.....	43
• Ecosystem.....	44
• Case analysis.....	45
• Recommendations.....	45
• Potential key players and drivers of social innovations in Turkmenistan.....	46
Uzbekistan - Social innovations in civic space.....	47
• Country context.....	47
• Ecosystem.....	47
• Case analysis.....	50
• Recommendations.....	51
• Potential key players and drivers of social innovations in Uzbekistan.....	52
Conclusion and Recommendations to Advance Central Asia through Social Innovations.....	55
Acronyms .....	57

## Mapping the social innovations ecosystem for the defence and strengthening of civic space in the countries, Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan

This Atlas of Social Innovations in Central Asia is the first of its kind for the region. It is the product of the Innovation for Change - Central Asia project team and the social innovations research committee, consisting of seven local researchers and an international lead researcher exploring the landscape of social innovations (SI) in their own countries Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan. By speaking with local social innovators, social entrepreneurs, beneficiaries, civil society leaders, international organizations and governmental authorities; and by reviewing legislation and international reports, the researchers captured an understanding of the country specific ecosystem supporting SI, along with insights, and recommendations to advance social innovations for the defence and expansion of civic space. This mapping also developed a pilot methodology, using case study analysis to test the hypothesis that social innovation can defend and strengthen civic space.

**Social Innovations:** space for interaction between civil society and other stakeholders, where new solutions are developed. Innovations often develop new solutions in existing contexts, with transferring successful existing solutions to a new context, or with recombining existing solutions in an existing context to give a new result.

This is a flagship project of the Civil Society Research Think and 'Can-Do' Tank. Through action based research, this Global South-led think tank strives to, 'fulfill the gaps in research literature, analysis, knowledge production and dissemination, enabling civil society to act cohesively, and respond adequately and proactively to ongoing and future civic space and development challenges and opportunities.' As a flagship research project, it is expected that the Atlas will inspire not only action and movement for the individual countries and the Central Asian region, but also lay the foundation for a global iteration of the research.

**Civic Space:** the space for citizens and civil society organisations to organise, participate and communicate - freedom of assembly, freedom of association, and freedom of expression.<sup>1</sup>

It needs to be noted that this research was conducted in the midst of the COVID-19 pandemic, and a few weeks prior to the political change in Afghanistan. This situation created unique circumstances for the data collection and analysis process, requiring adaptability and flexibility. It was also an illustration of the significant need for social innovations to navigate this dynamic environment of pandemic related restrictions and human resource shortages, and the growing threats and closure of civic space.

## Preface

Social Entrepreneurship: a form of social innovation, as a for-profit enterprise with the primary purpose to benefit society or the environment.

This pivotal resource was created as a part of Innovation for Change (I4C). I4C is a global network of people and organisations who want to connect, partner and learn together to defend and strengthen civic space and overcome restrictions to our basic freedoms of assembly, association and speech.

**Social Innovations Research Committee  
November 2021**

### Area Total

4,003,451 km<sup>2</sup>

### Population

17.43 km<sup>2</sup> (6.73 sq mi)

### GDP (PPP)

\$1.0 trillion (2019)

### GDP (nominal)

\$300 billion (2019)

### GDP per capita

\$4,000 (2019; nominal)

\$14,000 (2019; PPP)

## Mapping the social innovations ecosystem for the defence and strengthening of civic space in the countries, Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan

### Social Innovations and Civic Space

Civic space, defined as: the space for civil society organizations and citizens to organize, participate and communicate has been slowly eroding in countries around the world. A 2017 EU Parliamentary report identified that over 100 governments have issued legislations restricting the operating environment for civil society operations.<sup>1</sup> In the case of the post-Soviet Central Asian countries, all but Mongolia, are classified as either obstructed, repressed, or closed civic spaces.<sup>2</sup> This global shrinkage has further been exacerbated by the COVID-19 pandemic, either through governments restricting civic space for political gains, particularly surrounding freedoms of expression; or restrictions for the purposes of public health and safety - i.e. freedoms of assembly and association.

The concern is that these restrictions pose the risk of government overreach, with governments using the pandemic as an opportunity and justification to impose restrictions for political purposes.<sup>3</sup> Social innovation is asserted to be a proactive and peaceful means to address and counter the shrinking civic space, by opening new, alternative spaces through inclusive dialogue and action.

It is an approach to reinvent the civil society landscape, to reach beyond the institutionalized civil society and engage the sector as a whole - i.e. activists and citizens. SI is a valuable tool, as this collaborative method of pooling ideas, skills, and resources in cocreating solutions between the beneficiaries, community, private sector, government actors, and civil society organizations brings better results and opportunities.<sup>4</sup> Strategically, the collaborative ownership and leadership spurred by SI addresses common problems that created restricted societies. It reduces the risk of project activities being dismissed by authorities and critics as being 'Western-driven,' and at the same time creates long-term sustainability. Interventions by international actors often open temporary spaces, whereas SI invests in local ownerships, encouraging longer-term sustainability.<sup>5</sup>

### The Central Asian Context

Central Asia is a vital, but yet and often overlooked part of the world. Historically, this region is known as the 'Silk Road,' with trade routes connecting China and the far east to the Middle East and Europe. Today, these nations are renewing their role as the crossroads of trade between the West and Asia—resulting in significant economic development, especially in the sectors of energy and natural resources. They also have a critical geography with a resurgent Taliban in power to the south, an increasingly assertive China to the east, and a revanchist Russia to the north. In this neighborhood, a strong, stable and independent Central Asia is more important than ever.<sup>7</sup>

Though geographically connected, with kindred cultures, similar infrastructure and shared history of Soviet influence, Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan are quite diverse in their economic development and democratic transition. For example, Turkmenistan is rated as a 'not free country' by the Freedom House Democracy Index,<sup>8</sup> while Uzbekistan, is in an active state of democratic reformation, and Mongolia is rated as a 'free country.'<sup>9</sup> However, when talking about the use of social innovations to defend and expand civic space, these seven countries share significant similarities, especially in regards to the practical application of SI.

<sup>1</sup> Four Approaches to Rebuilding Civic Spaces. Search for Common Ground. 20 December 2017. <https://www.sfcg.org/rebuilding-civic-spaces/>

<sup>2</sup> Monitor: Tracking Civic Space. Civicus. <https://monitor.civicus.org/whaticivicspace/>

<sup>3</sup> COVID-19 and shrinking civic spaces: patterns and consequences. Bethke, Felix & Wolff, Jonas. ZeFKo Studies in Peace and Conflict. (2020). <https://link.springer.com/article/10.1007/s42597-020-00038-w>

<sup>4</sup> Four Approaches to Rebuilding Civic Spaces. Search for Common Ground. 20 December 2017. <https://www.sfcg.org/rebuilding-civic-spaces/>

<sup>5</sup> Four Approaches to Rebuilding Civic Spaces. Search for Common Ground. 20 December 2017. <https://www.sfcg.org/rebuilding-civic-spaces/>

<sup>6</sup> Silk Road. History. (20 September 2021). <https://www.history.com/topics/ancient-middle-east/silk-road>

<sup>7</sup> After Afghanistan: Why Central Asia is more important than ever. Atlantic Council. (27 September 2021). <https://www.atlanticcouncil.org/event/after-afghanistan-why-central-asia-is-more-important-than-ever/>

<sup>8</sup> Freedom in the World 2021: Turkmenistan. Freedom House. <https://freedomhouse.org/country/turkmenistan/freedom-world/2021>

<sup>9</sup> Freedom in the World 2021: Mongolia. Freedom House. <https://freedomhouse.org/country/mongolia/freedom-world/2021>

## Social Innovation Ecosystem in Central Asia

In viewing the Central Asian region as a whole, there appears to be a fairly positive environment for the growth of social innovations as a tool for movement in defending and protecting civic space. The majority of the countries have an active agenda to support the development of civil society, have existing legislation that enables civic initiatives, have demonstrated a willingness to engage in multi-stakeholder engagements, are interested in the concept of innovations and advancement, and are dedicated to achieving the Sustainable Development Goals. Additionally, the governments and civil societies of the Central Asian region have a tendency to replicate the experiences of their neighbors. For example, if civil society and the Government of Kazakhstan continues to benefit from and formally support SI, then the other countries are likely to replicate the experience in accordance with their country's context.

These seven countries of the Central Asian civil society also have experiences, albeit limited, of networking and collaboratively working together at the regional level. Over the last decade, two major USAID funded regional programs,<sup>10</sup> and the Innovation for Change (I4C)<sup>11</sup> initiative have created a regional infrastructure, leadership and momentum for a unified Central Asian civil society driven movement. This is demonstrated not only through the development of thematic cross-border and regional networks established as a product of this core network, but also the ever growing Annual International Insights into Development Conference,<sup>12</sup> hosted by a locally registered CSO. In 2020, the conference united over 160,600 civil activists from 108 countries both in peer-to-peer and virtual settings. Through this infrastructure, more than 300 people from 13 countries (Argentina, Afghanistan, Belarus, Germany, Kazakhstan, Kyrgyzstan, Mongolia, Russia, USA, Tajikistan, Turkmenistan, Uzbekistan, Sweden), jointly formulated Looking into the future Development of Central Asian Civil Society - 2025.<sup>13</sup>

Based on a wide and inclusive understanding of the civil society 'ecosystem,' this strategic document unifies and re-defines Central Asian civil society as a stronger and more powerful actor in shaping government and the donor community policy.

Though the region has a fairly positive environment, the advancement of social innovations will only be possible by addressing the weaknesses and limitations. For the most part, the concept of SI in the Central Asian region is in the nascent or incipient stages. The research revealed that while the civil society in each country was familiar with the term 'social innovation,' they all lacked a common definition or understanding of the topic within their respective countries.

Additionally, the governmental and private sectors have non-existent or extremely weak understanding of SI, and there is almost no communication between sectors on this topic. Kazakhstan and Kyrgyzstan appear to be the most familiar with the SI concept, especially with social entrepreneurship. Each of the seven countries are also faced with similar resource gaps - financial and knowledge, along with access to vital domestic, regional and international networks for the implementation and advancement of social innovations within their countries. While each country has national and network CSOs with sufficient capacity, the leadership in driving the movement is also lacking at the country level.

From the regional perspective there is also a lack of leadership to unite the seven countries within the SI movement. In actuality, only one CSO, The Civil Society Development Association - ARGO has taken a region-wide leadership role. This locally registered CSO has sought to unite and mobilize the Central Asian civil society as the I4C Hub Secretariat and implementer of two major regional USAID funded regional programs. In the process to pass on the I4C Hub Secretariat to another Central Asian CSO, the Hub has struggled to find a CSO with sufficient capacity and an interest in working at the regional level. This country specific priority was also reflected in interviews with social innovation leaders who were identified as regional SI champions. It was clear that their focus and understanding of SI was primarily of their own respective countries, rather than the region as a whole.

While there has been positive movement in engaging an inclusive civil society in Central Asia - i.e. activists, private persons, beneficiaries, and etc. the general understanding by all sectors - government, civil society, private, and community continues to strongly refer to the formal, institutionalized component of the sector. The overall concept of civil society as being both the formal and informal components is still emerging; as are the tools and methodologies to engage the sector. This movement towards inclusivity is further challenged by a lingering Soviet expectation that the government is responsible for all issues within the society.

As a result, citizens and community members often have limited to no interest, nor take responsibility to engage in civic initiatives.

Each country does have experiences implementing a form of SI, either initiated by civil society, international organizations, or government agencies, as a means to expand civic space and/or democratic reforms. The analysis of these case examples lay the foundation for the methodology to test the hypothesis that SI can defend and/or expand civic space.

<sup>10</sup> Development through Regional Cooperation (DRC) in Central Asia (2012-2015) and Partnership for Innovations (P4I) (2016-2021).

<sup>11</sup> Originally Civil Society Innovation Initiative (CSII), <http://www.innovationforchange.net>

<sup>12</sup> ARGO Announces the International Conference: Insights Into Development.' Civil Society Development Association. 6 August 2020. <http://en.cso-central.asia/argo-announces-the-international-conference-insights-into-development/>

<sup>13</sup> Looking into the future Development of Central Asian Civil Society - 2025. The Civil Society Development Association (ARGO). 2020. [http://argonet.org/wp-content/uploads/2020/05/Looking-into-the-Future\\_2025\\_English-final.pdf](http://argonet.org/wp-content/uploads/2020/05/Looking-into-the-Future_2025_English-final.pdf)

<sup>14</sup> The Civil Society Development Association - ARGO. <http://argonet.org/en/>

Some cases did demonstrate the intended impact of the SI intervention, unfortunately it appears that capacity limitations and sustainability were inhibiting factors to the actual impact. As SI is quite new to the region and the ecosystem is newly forming, it is difficult to accurately assess the actual impact of SI in expanding civic space or supporting beneficiaries in Central Asia.

The potential of social innovations to become a common approach to defend and protect civic space in the Central Asian region lies upon the already established foundation of a relatively enabling environment and established infrastructure. It is also going to require a significant shift in knowledge and perception by all sectors.

### Social Innovations for the Central Asian Region

The Soviet Union collapsed in 1991, leaving a legacy of a centralized economic and political ideology, not only within the former Soviet Socialist Republics of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan; but also the heavily influenced countries of Afghanistan and Mongolia. Seemingly overnight, these countries entered the 'post-Soviet' era. For Afghanistan, this meant the loss of Soviet supplied military and economic aid vital for securing the standing Afghan Government, followed by 30 years of conflict and political instability.<sup>15</sup> For the other six countries, this was a time of transition to define themselves as independent states, establish market-driven economies, and develop their own governance and ideology.

During this transition period, the development of a formal civil society, led by civil society organizations (CSOs) was deemed essential for the democratic transition. The sector is considered the conduit for civic space, enabling the diversity of political opinions and ideological approaches in solving public and state problems to be taken into account.<sup>16</sup> As a result, the sector was targeted for development by international organizations and foreign governments in the 1990's for Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan and Mongolia; and during the 2000's for Afghanistan.<sup>17</sup>

After decades of development and international interventions, the status of the formal civil society sector in the post-Soviet Central Asian region has varied significantly. Upon first glance, it appears that all countries - including Afghanistan,<sup>18</sup> achieved the first stage of sector development - 'liberalization' with the legitimization of institutions and principles of civil society, and testing of new forms and mechanisms of its relations with the state.<sup>19</sup> Four of the target countries - namely Kazakhstan, Kyrgyzstan, Mongolia and Tajikistan have gone even further, by making progress towards the 'institutionalization stage' of development. At this stage of democratization, there is a noticeable increase in the political and social activity of the population, and civil society itself takes on quite mature forms and turns into an influential agent of political and social transformations. Unfortunately, civil society in post-Soviet spaces have yet to achieve the 'stage of consolidation,' with relations between the state and civil society evolving in the direction of consolidating and "routinizing" the mechanisms of interaction, and the institutionalization of social partnership practices that arose in the previous stages.



*Innovation for Change in Central Asia holds a Makeathon to solve social problems*

<sup>15</sup> Afghanistan. *Britannica*. <https://www.britannica.com/place/Afghanistan/Struggle-for-democracy>

<sup>16</sup> Aleksanyan A. (2020) *Civil Society as a Phenomenon of Post-Soviet Political Life: A Threat or a Guarantor of National Security*. In: *Mihr A. (eds) Transformation and Development*. Springer, Cham. [https://doi.org/10.1007/978-3-030-42775-7\\_3](https://doi.org/10.1007/978-3-030-42775-7_3)

<sup>17</sup> *Civil Society in Afghanistan: Issues and Prospects*. Ali, Muntzar. *Pakistan Institute of International Affairs*. Vol. 62, No. 2/3, April-July 2009. <https://www.jstor.org/stable/24710998>

<sup>18</sup> *Who we are and what we want*. Heinrich Böll Foundation. <https://www.boell.de/en/2019/06/05/who-we-are-and-what-we-want?dimension1=startseite>

<sup>19</sup> Aleksanyan A. (2020) *Civil Society as a Phenomenon of Post-Soviet Political Life: A Threat or a Guarantor of National Security*. In: *Mihr A. (eds) Transformation and Development*. Springer, Cham. [https://doi.org/10.1007/978-3-030-42775-7\\_3](https://doi.org/10.1007/978-3-030-42775-7_3)

<sup>20</sup> Aleksanyan A. (2020) *Civil Society as a Phenomenon of Post-Soviet Political Life: A Threat or a Guarantor of National Security*. In: *Mihr A. (eds) Transformation and Development*. Springer, Cham. [https://doi.org/10.1007/978-3-030-42775-7\\_3](https://doi.org/10.1007/978-3-030-42775-7_3)



According to an OSCE study reflecting on post-Soviet spaces, "In the framework of the political system that arose as a result of the transformation, effective channels of interaction between the state and society have not yet developed, which has an extremely negative effect on the prospects for the institutionalization of civil society."<sup>20</sup> In actuality, the progress towards the consolidation of civil society as a conduit for civic space in the Central Asian region is under increasing threat, exacerbated by the COVID-19 pandemic and in the case of Afghanistan, no longer exists at all.

This constant struggle to preserve civic space, and the stagnation in institutionalizing and consolidating the civil society infrastructure is indicative that a new approach to further the civil society sector as a partner in the governing process is necessary. The transition to democratic systems, with a healthy and vibrant civic space requires the participation of all stakeholder

"Democracy always accompanies the affirmation of civil society organizations, such as NGOs, trade unions, social media, civic networks, associations and unions, into which active citizens enter on their own initiative for various purposes: professional communication, collective defense of their interests, and more effective dialogue with the authorities."<sup>21</sup> The post-Soviet spaces have effectively established an infrastructure of civil society, with capable CSOs, domestic and international networks, knowledge, resources, and etc. It is now time to leverage this infrastructure, to create an inclusive space for stakeholders to create and implement new solutions through social innovations.



*Innovation for Change in Central Asia launch.*

### About the Researcher

**Tara Shoup-Paulsson**, MA/MLA is a social scientist with over 10 years of experience working as a researcher and civil society development advisor in the Central Asian region. She holds a Master's of Arts degree in International Studies from the University of Wyoming, USA with a specialization in civil society development, and women and gender studies; and a Master's of Liberal Studies degree in Organizational Leadership.

email: [t.shoup.paulsson@gmail.com](mailto:t.shoup.paulsson@gmail.com)



<sup>20</sup> Aleksanyan A. (2020) *Civil Society as a Phenomenon of Post-Soviet Political Life: A Threat or a Guarantor of National Security*. In: Mihr A. (eds) *Transformation and Development*. Springer, Cham. [https://doi.org/10.1007/978-3-030-42775-7\\_3](https://doi.org/10.1007/978-3-030-42775-7_3)

<sup>21</sup> Aleksanyan A. (2020) *Civil Society as a Phenomenon of Post-Soviet Political Life: A Threat or a Guarantor of National Security*. In: Mihr A. (eds) *Transformation and Development*. Springer, Cham. [https://doi.org/10.1007/978-3-030-42775-7\\_3](https://doi.org/10.1007/978-3-030-42775-7_3)

## Social innovations in civic space – Afghanistan

\*Please note, this research was conducted shortly before the 2021 political change within the country. It serves as a positive example and resource of Afghanistan's progress towards development and the potential impact of social innovations.

### Area Total

652,864 km<sup>2</sup> (252,072 sq mi) (40th)

### Population

32,890,171 (43rd)

### Density

48.08/km<sup>2</sup> (124.5/sq mi) (174th)

### GDP (PPP)2018 estimate

Total \$72.911 billion (96th)

Per capita \$2,024 (169th)

### GDP (nominal)2018 estimate

Total \$21.657 billion (111st)

Per capita \$493 (177th)

## Country Context

After decades of protracted conflict, the war-torn country received opportunities to revive itself. The 2001 US/NATO intervention marked an era of high expectations and hopes for a peaceful and better Afghanistan. Afghans have been blessed with opportunities and enabled the youth (entrepreneurs and civic leaders) to build and promote development ideas. Since 2001, the country has made significant economic and social progress with an inflow of aid, according to a World Bank report, in 2013 96 percent of public expenditure was financed by international donors.

Despite having a talented population and abundant natural resources, the GDP per capita is low and the unemployment rate is high in the country. In addition, many companies are on the verge of closure or have been closed due to low productivity, lack of demand, and insecurity. While almost 95% of the start-ups have closed in the early days of its commencement, the reason lies within the country's competitive potential in the regional market and is very limited. The private sector as a supporting economic body for the country is extremely narrow. Employment is concentrated in low-productivity agriculture, and thus private sector development and diversification is constrained by insecurity, political instability, weak institutions, inadequate infrastructure, widespread corruption, and a difficult business environment.<sup>2</sup>

However, since 2001, Afghanistan has made significant progress in improving human well-being. Enrolment in primary schools has grown from 1 to 8.5 million.<sup>3</sup>

GDP per capita increased by 74% between 2002 and 2013 with an annual growth averaging 9.4% between 2003 – 2012, though it slipped by a cumulative 2.4% over 2014-17. Other World Bank data shows that the annual growth was 2.5% between 2015 – 2020 as the aggregate GDP growth failed to keep pace with the increase in population.<sup>4</sup>

A range of factors have since slowed economic and social progress, and gains against development indicators slowing or – in some cases – reversing. While the aid flows decreased after 2014 with the decrease in the number of international forces. Unfortunately, the growth slowdown led to increasing poverty, especially in rural areas.

Among these ups and downs, a new generation of scholars emerged, having been nurtured with cutting edge skills and creative minds aimed to eliminate problems by using collective knowledge and producing new ideas. They were believed to transform the war-affected society to a more prosperous one by bringing changes. This inspiration accompanied by opportunities made them sensitive to each other's destiny and strive for each other's growth, and ultimately caused a stream of science, knowledge and experience to flow between them, which paved the way for innovation.

<sup>1</sup> "Social Conditions". 2021. The Swedish Committee for Afghanistan (SCA). [https://swedishcommittee.org/afghanistan/social\\_conditions](https://swedishcommittee.org/afghanistan/social_conditions).

<sup>2</sup> "Overview". 2021. World Bank. <https://www.worldbank.org/en/country/afghanistan/overview>.

<sup>3</sup> EDUCATION Every child learns. Unicef.org. (2021). Retrieved 20 October 2021, from [https://www.unicef.org/afghanistan/media/4406/file/Programme%20briefs%20\(Education\).pdf](https://www.unicef.org/afghanistan/media/4406/file/Programme%20briefs%20(Education).pdf).

<sup>4</sup> Afghanistan: Public Expenditure Update. Documents1.worldbank.org. (2019). Retrieved 20 October 2021, from <https://documents1.worldbank.org/curated/en/696491564082281122/pdf/Afghanistan-Public-Expenditure-Update.pdf>.

## Understanding Social Innovation

Social innovation as a formal concept is not widely explored in Afghanistan, though innovation has merely emerged as a change phenomenon in the war-battered country. It used to be understood as technical innovations, with various degrees of social value creation, and is defined as creating new ideas aiming to bring societal changes. The concept has been more or less understood by social activists and entrepreneurs in the last ten years, and describes social innovation through economic and technological dimension.

On the other hand, the term social innovation or innovation in Afghanistan is translated parallelly as the development of new ways in any sector with the impact on society as a whole. In 2012, the first tech-innovation labs were introduced in Afghanistan. USAID supported technological ideas for solution of social needs, this initiative challenged participants to apply ideas to some of the country's many social problems in health, education, agriculture and other sectors.<sup>5</sup> The resulting innovations were conceptualized, prototyped and built, in order to address social challenges.<sup>6</sup> The Labs also exposed civil society organizations (CSOs) to the possibilities of information communications technologies, and increased the awareness of the technical community about the social issues facing the country. Since those first labs, the term social innovations has expanded beyond tech innovation to much larger, practical fields including the arts, social values, education and employment. Various types of innovation have emerged in recent years, mostly project based funded by international organizations, such as: tech innovation; collective innovation; educational innovation; and social entrepreneurship, creating employment with both social and financial objectives.

## Main Actors Fostering Social Innovation

This research identified that CSOs/NGOs and social enterprises are the main actors in promoting social innovation in Afghanistan. Considering the role of CSOs as a part of the third sector or non-profit sector, they have led the facilitation of social innovation through various means. CSOs are in the frontline of social transformation. As said by Maxwell, "In communities, the nonprofit sector plays a vital role in social innovation".<sup>7</sup>

Through innovation nonprofit organizations find ways to use scarce resources more wisely, capture new resources, and enhance the quality of their services. Effective innovation is one key to the nonprofit sector's ability to improve our quality of life and the health of the polity.<sup>8</sup> For example, the CSO Artlord, visually brings social issues to the public space through art. Such innovative solutions provide a platform for dialogue between a diversity of voices, as well as the free exchange of information between civil society actors, private, and state actors, as well as public. It also creates awareness and promotes a culture of acceptance, tolerance and inclusion in Afghanistan.

In addition to CSOs innovating solutions to address society's challenges, the development of social enterprises undoubtedly counts as a significant force for social changes. Most of the new entrepreneurs believe that entrepreneurship can play an important role in the economic growth and development of the country, which will increase productivity, create employment and social welfare. In Afghanistan, several success stories illustrate how social entrepreneurs in different provinces have responded to social challenges with innovative solutions. In this regard, social entrepreneurship has emerged as a breaking point to evacuate from the poverty context of rural Afghanistan. Social entrepreneurs are helping female carpet weavers in rural Bamiyan province to break the cycle of poverty.<sup>9</sup> While such interventions make a difference in people's lives, their impact may not be sufficiently large to lift millions of poor people out of poverty and hunger. Social entrepreneurship is emerging as an innovative approach for dealing with complex social needs,<sup>10</sup> and is being driven by social goals to benefit society.

Public institutions are the least active actors in fostering social innovations. Nevertheless, government entities such as the ministry of communication and information technology have many initiatives, which concentrate on technological innovation. Overall, the government has low capacity to develop and implement social innovation. Its role can be defined as a regulator and creator of the ecosystem between various actors.

<sup>5</sup>"Afghan Innovation For Social Change | Archive - U.S. Agency For International Development". 2021. 2012-2017.USAID.Gov. <https://2012-2017.usaid.gov/results-data/success-stories/afghan-innovation-social-change>.

<sup>6</sup>Said Marjan Zazai, Khaama press. 2015. Technology Innovation labs in Afghanistan <https://www.khaama.com/technology-innovation-labs-in-afghanistan-9354/>

<sup>7</sup>Judith Maxwell of the Canadian Policy Research Networks (in Goldenberg, 2004, p. iii)

<sup>8</sup>Juknevičius, S., & Savicka, A. (2003). From restitution to innovation: Volunteering in postcommunist countries. In P. Dekker & L. Halman (Eds.), *Nonprofit and civil society studies: The values of volunteering: Cross-cultural perspectives*. New York, NY: Kluwer Academic/Plenum Publishers.

<sup>9</sup>Najafzada, M., & Cohen, M. (2017). Social entrepreneurship tackling poverty in Bamiyan Province. *researchgate.net*. Retrieved 20 October 2021. [https://www.researchgate.net/publication/313940753\\_Social\\_entrepreneurship\\_tackling\\_poverty\\_in\\_Bamiyan\\_Province\\_Afghanistan](https://www.researchgate.net/publication/313940753_Social_entrepreneurship_tackling_poverty_in_Bamiyan_Province_Afghanistan).

<sup>10</sup>Edquist, C. & Johnson, B., (Eds.). 1997. *Institutions and organizations in systems of innovation*. London: Frances Pinter.

## Obstacles and challenges of social innovation in Afghanistan

Despite the development in civil society and enterprises, challenges that impede the fostering of social innovation in Afghanistan, include:

The policies surrounding innovation: Lack of adequate policies on promoting social innovation, nevertheless, only policies that exist are on tech-innovations which are developed upon a project, funded by international organizations.

Lack of financial resources as a central production factor: Due to scarcity of public financial resources, social innovation has not been much improved.

Absence of strong institutions as primary and supporting elements: The country has received enormous amounts of funds for institutional building over the previous two decades, but existing corruption prevented the development of strong institutions.

Administrative and legal bottlenecks within the government and outside the government body limit social innovations as a development resource. This study finds that financial policies and access to finance are major barriers towards innovative start-ups in the country. In addition, the quality of public services for businesses and start-ups is inadequate, specifically administrative processes such as registration, tax filing, the administrative and tax regulation challenges. The ecosystem in almost every sector is fragile, especially the agricultural, education and health landscapes, which limits the ability of innovators to act. On the other hand, what is important in the realization of innovation is localization of it.

### Case study:

The following case study demonstrates that social innovations can have a positive effect in bettering and strengthening Afghan society.

Afghan children have lived their life in conflict and have suffered in many ways. In particular, access to school and an inclusive education. Over the last few years, the educational facilities have improved in the country. The number of schools have increased, along with the number of chairs and tables, and teachers. The teachers are also better trained. While all of these logistical issues have been gradually improving, the curriculum and the approach towards learning has a long way to go. Considering the deficiencies in the education system and lack of access to libraries for children, the organization, Charmaghz, was established in Kabul.

The organization is managed with a team of young Afghans dedicated to creating a space to develop children's critical thinking, and encourage them to wonder, read, question, have fun, and be themselves, said Charmaghz deputy director. By providing a supportive and creative environment, children will grow and become open-minded individuals who have the compassion to change the society. The Charmaghz team believes that access to school is not equal to learning.

Charmaghz is an innovative solution to the education system in Kabul, using a mobile children's library. Charmaghz has four bus libraries, and one mobile educational cinema. Between 350 and 500 children a day visit the buses to read stories, paint, ask each other questions, and learn from teachers and psychologists. Children run to the library with so much excitement, said the Charmaghz deputy director. The libraries are designed in a creative way. Children are given the right to choose if they want to read stories, play chess, paint, or play games that improve their mental health.



Children are playing chess in Charmaghz mobile library in Kabul

## Recommendations to Better Support Social Innovations

Better targeted and context-oriented strategies should be developed in supporting social innovation in Afghanistan that focus on the access to finance, human capital, administrative procedures, infrastructure and tax.

### *Government*

- Create a better environment for social enterprises and start-ups by improving regulations for establishing and developing initiatives that support both profit and non-profit, and better information channels to inform businesses of existing procedures.
- Strengthen access to finance through various means, such as access to bank loans, and targeted startup initiatives, including mentorship and funding support.
- Remove administrative bottlenecks through administrative process reforms and easing public service delivery by digitizing services, with an emphasis on mobile platforms; improved one-stop shops for businesses licensing; and expanded digital infrastructure, to enhance e-payments, ICT and mobile connectivity.

### *Civil Society and Business Sector*

- Establish public-private partnerships, as an important role in supporting social innovations.
- Raise awareness of the public, government, and business sectors about the concept and benefits of social innovations.

### *International Organizations*

- Raise awareness of the public, government, and business sectors about the concept and benefits of social innovations.
- Increase capacity of social innovators and social entrepreneurs to establish multi-sector partnerships and implement localized social innovations.

## Potential key players and drivers of social innovation in Afghanistan

### *Government organizations and agencies:*

- Ministry of Communication and Information Technology (MICT)
- Afghanistan Telecom Regulatory Authority (ATRA)
- The Directorate of innovation and science under MICT

### *National Civil Society Organizations:*

- Artlords
- Charmaghz

### *International Organizations and Agencies:*

- United States Agency for International Development (USAID)
- United Nations Development Program (UNDP)
- The Civil Society Development Association, ARGO (argonet.org)
- World Bank

### *Private Sector:*

- Tasees-Afghanistan
- Namad-Afghanistan

### *Academia:*

- Kateb University

## Data Collection and Analysis

In order to meet our objectives, both quantitative and qualitative research methodologies and tools were applied in this study.

For the quantitative approach, an online administered survey was conducted to collect the data. The questionnaires were distributed among CSOs, private and government bodies and were analyzed. The qualitative approach is of huge importance for this research in order to have an in-depth understanding of the social innovation in civic space. The methodology for this research adopted a variety interconnected method to meet the desired objectives:

1. A critical literature review of the theoretical framework of Social Innovation in relevance to civic space.
2. Inclusive and comprehensive desk-research to identify relevant organizations.
3. Semi-structured face-to-face interviews.
4. Observational visits of the organization's work.
5. Data collection and evaluation of responding organizations.
6. Collection of insights and recommendations proposed by the respondent organizations.

A case study approach was adopted as a part of this study, as we were interested in understanding the process of social innovation and its impact on the society as a whole. One organization was selected for the case. Semi-structured face-to-face interviews, lasting between 60 and 90 minutes, were conducted with the head and staff of the organization. A range of topics was covered, including the details of the organization, its process of social innovation, the nature of its activities, and the impact on the society. its social delivery business model, its external linkages, and other pertinent issues.



Organization for Better Tomorrow in Afghanistan (OBTA) increased the awareness of people from rural and urban on COVID-19 in Bamyan province, Afghanistan.

### About the Researcher

Abdul Wali Rasta is the deputy director of PRSO. Mr. Rasta received his B.A in Social Sciences from India. He completed a Post-Graduate Diploma in Military and Defense studies from HNMG University, India. Mr. Rasta earned his Masters' degree in public and municipal administration from KIMEP University, Kazakhstan. Mr. Wali Rasta has enjoyed solid experience in numerous capacities and roles with various organizations including the security sector, research think tanks, national and international organizations and academic institutions. Mr. Rasta is equipped with theoretical as well as practical knowledge and experience in research, public policy development, analysis and training.



### Area Total

2,724,900 km<sup>2</sup> (1,052,100 sq mi) (9th)

### Population

18,711,560 (64th)

### Density

7/km<sup>2</sup> (18.1/sq mi)

### GDP (PPP)2018 estimate

\$569.813 billion (41st)

Per capita \$30,178 (53rd)

### GDP (nominal)2020 estimate

\$179.332 billion (55th)

Per capita \$9,686 (69th)

## Country Context

Since independence in 1991, the Republic of Kazakhstan has undergone rapid economic growth, reducing overall poverty and transforming the country into a middle-income economy.<sup>1</sup> At the same time, the civil society sector has also advanced, becoming more diverse, visible and robust. Since 2006, the Government has institutionalized comprehensive frameworks for the development and regulation of CSOs. The International Center for Non-profit Law notes that these frameworks have been both supportive for CSO development, while at the same time restricting the operating environment.<sup>2</sup> In recent years, the Government has shown increasing interest and actions towards strengthening the environment. In 2019, the Government of Kazakhstan declared reforms related to the decentralization of power, strengthening the role of the public in decision-making, and improving the accountability and transparency of state bodies, by promoting the concept of a “Hearing State.”<sup>3</sup> This movement has been challenged by the COVID-19 crisis, requiring new innovative formats and solutions.

## The ecosystem

Social innovations (SI) in Kazakhstan is in the nascent stages with significant potential for development and advancement. The concept is primarily understood in terms of social entrepreneurship (SE), and defined as a new product, service or process that improves the quality of life of a community or sub-group. While the concept of SI may be limited, the country is experiencing some movement in the development of social innovations.

A few SI support organizations are active within the country, along with the implementation of successful SI and SE initiatives in creating space for multi-sector solutions, creating inclusion for vulnerable groups and positively changing society.

## Policy, Regulations, and Funding

Overall, the ecosystem for supporting SI in Kazakhstan is slowly advancing. The operating environment for the non-business and non-government sector - i.e. the civil society sector is simultaneously enabling and restrictive. The interviewees noted that the government demonstrates openness for the social innovation projects which foster citizen engagement. While the current laws impose strict regulations on foreign funding, the available government funding for social contracts awarded to CSOs has also grown dramatically in recent years, reaching \$38 million in 2017.<sup>4</sup> However, there is no governmental support, policy, or regulations specific for social innovations. The two primary SI support organizations report receive little to no government financial support. In the country, SI operates either under the CSO regulations or regulations specific for entrepreneurship and/or social entrepreneurship.

In regards to a subsector of SI, social entrepreneurship (SE), the Government is making important strides. In June 2021, the new Law on Social Entrepreneurship was signed and put into effect. The law offers tax incentives, subsidizing loan interest rates and state support for businesses working with socially vulnerable groups.

<sup>1</sup> The World Bank in Kazakhstan. [www.worldbank.org/en/country/kazakhstan/overview](http://www.worldbank.org/en/country/kazakhstan/overview)

<sup>2</sup> International Center for Non-Profit Law. *Civic Freedom Monitor: Kazakhstan*. (July 2021). [www.icnl.org/resources/civic-freedom-monitor/kazakhstan](http://www.icnl.org/resources/civic-freedom-monitor/kazakhstan)

<sup>3</sup> President of Kazakhstan Kassym-Jomart Tokayev's State of the Nation Address. (September 2, 2019).

[www.akorda.kz/en/addresses/addresses\\_of\\_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-2-2019](http://www.akorda.kz/en/addresses/addresses_of_president/president-of-kazakhstan-kassym-jomart-tokayevs-state-of-the-nation-address-september-2-2019)

<sup>4</sup> International Center for Non-Profit Law. *Civic Freedom Monitor: Kazakhstan*. (July 2021). [www.icnl.org/resources/civic-freedom-monitor/kazakhstan](http://www.icnl.org/resources/civic-freedom-monitor/kazakhstan)

The law was initiated by the deputies of the Kazakh Parliament to enhance legislative regulation and systematization of mechanisms for the development of social entrepreneurship in the country;<sup>5</sup> and based on the outputs of the National Council of Public Trust. The National Council is a Presidential advisory body for open dialogue with the public, political parties and civil society to develop specific proposals for reforms and legislation.<sup>6</sup> A social entrepreneur and founder of the first School of Social Entrepreneurship in Nur-Sultan is a contributing member.

Prior to this law, all research respondents indicated that social entrepreneurs were eligible for indirect support as businesses under the Business Road Map 2025: State Business Support and Business Development Program.<sup>7</sup> It mainly consisted of small sized financial grants up to 7,000 USD and tax exemptions to companies which have at least 50% of employees with disabilities. SE's were also eligible for support through the three Government funded innovation startup hubs: the Innovation Cluster of Nazarbayev University,<sup>8</sup> AstanaHub,<sup>9</sup> and the Almaty Tech Garden.<sup>10</sup> Additionally, the state owned company, QazTechVenture<sup>11</sup> offers seed and venture funding for tech innovations.

Other funding sources for SI are quite limited. International development organizations are a primary contributor to the development of SI in Kazakhstan. USAID, in cooperation with Civil Society Development Association (ARGO) conducts research on SI in Central Asia, and provides technical support and grants through the Innovation for Change initiative. Additionally, in 2019, UNICEF launched the Social Innovation Lab in cooperation with Astana Hub. The lab announced its first competition in 2020, for a digital innovative project to help protect children around the world from violence and discrimination.

Corporations and large businesses are primarily engaged in social or charity projects, with very few systematically supporting social innovations. Funding for the two main SI support organizations is mainly from the Chevron corporation and the Eurasian Resources Group corporation (ERG). The interviewed representative of Akniel Pharmaceuticals, one of the leading pharmaceutical companies in Kazakhstan,

indicated that they are interested in supporting social innovation projects in education, and are currently in the process of identifying the best systematic approach. The annual grant competition of the private Saby Fund for young entrepreneurs (<https://entrepreneur.saby.kz/>) also prioritizes projects with high social impact.

### Main Actors Fostering Social Innovation

The actors fostering and supporting social innovation in Kazakhstan are quite limited and isolated. It is virtually unknown by the general public; overall, CSOs have a limited understanding of SI and its role in changing society; the Government is currently not a direct actor in developing SI; and the concept is essentially non-existent in the realm of academia. Albeit limited, international organizations are a main actor in driving SI in the country through SI support programs in cooperation with CSOs and innovation hubs. Kazakhstan also has two primary SI support organizations:

- The Impact Hub, Almaty,<sup>12</sup> providing co-working space and incubation programs for social innovators; and
- The Kazakhstani Friends Association of Tel-Aviv University (TAU Friends);<sup>13</sup> implementing Tom: Kazakhstan, a community of inventors-makers who, through technology and ingenuity, solve real life challenges of the need-knowers (people with disabilities); and the City initiative, a project supporting the development an implementation of SI in cooperation with local authorities.

The interlinked relations between the existing SI actors is fragmentarily only. Cooperation between the social innovators or the social entrepreneurs is good, but government engagement is limited to very specific social entrepreneurs. Social entrepreneurs within this research identified the need for a strong network and cooperation between the main actors.

### Cases, impacts and beneficiaries

The research findings indicate that social innovations in Kazakhstan have been an effective tool for positively impacting vulnerable groups, expanding civic space, and improving government services.

<sup>5</sup> Astana Times. *New Social Entrepreneurship Law Offers Tax Incentives for Socially Responsible Businesses.* (June 25, 2021). <https://astanatimes.com/2021/06/new-social-entrepreneurship-law-offers-tax-incentives-for-socially-responsible-businesses/>

<sup>6</sup> Embassy of the Republic of Kazakhstan. *National Council of Public Trust.* <https://kazakhembus.com/domestic-policy/elections-political-reforms/national-council-of-public-trust>

<sup>7</sup> e.gov. *Business Road Map 2025 State Business Support and Business Development Program.* (September 12, 2020). [egov.kz/cms/en/articles/road\\_business\\_map](https://egov.kz/cms/en/articles/road_business_map)

<sup>8</sup> <http://en.nuris.nu.edu.kz/>

<sup>9</sup> <https://astanahub.com/>

<sup>10</sup> <https://www.iasp.ws/our-members/directory/@341601/almaty-tech-garden>

<sup>11</sup> <https://qaztech.vc/en/>

<sup>12</sup> <https://www.facebook.com/ImpactHubAlmaty/>

<sup>13</sup> <https://english.tau.ac.il/kazakhstani-friends>

<sup>14</sup> <https://www.kazakhstan.tomglobal.org/>



For example, respondents identified that people with disabilities directly benefit from socially innovative projects that create inclusive training and employment opportunities; the public directly benefit from education and healthcare projects; and citizens benefit from public engagement and oversight projects that improve government transparency and efficiency. Moreover, social innovators stimulate the government to develop new social policies, and spread the innovative solution to the national level.

The research also identified the government as a beneficiary of SI, as cooperation with social entrepreneurs and volunteers affords the government an opportunity to efficiently and quickly solve social problems.

### Case examples - Social innovations

Accept me, launched by the Ashyk Alem fund in 2013 and Every child deserves a school, launched by the Bolashak fund in 2015 are probably the best examples of SI projects in Kazakhstan. Both were initiated by the volunteers with almost no governmental support, and have led to huge social impacts. These projects initiated new national Governmental policies, which now allow children with autistic spectrum disorder to be admitted in any school of Kazakhstan and be eligible for tutors, hired by the school administration. Because of these projects, children with autism now have greater opportunities for both education and to be included in society.

iKomek109<sup>15</sup> is a platform that not only helps the residents of Nur-Sultan to improve city administration services, it helps the city administration to conduct necessary data analysis and identify systemic problems in the city services. iKomek109 is a single point of contact with the Nur-Sultan mayor's office, uniting all municipal department call centers. Launched in 2018 by the city administration, it has become a popular centralized communication tool for citizens to communicate issues with local authorities and helping to improve service quality. Through this system, annually more than 600 thousand resident calls are received through various communication channels (telegram, instagram, facebook, whatsapp) and 85% are fully addressed in the first call.

City Initiative<sup>16</sup> is a collaborative project between local authorities of three small municipalities in north east Kazakhstan, and TAU friends. It is a portal that fosters participatory budgeting, citizen engagement, improves government effectiveness and positively affects the transparency of the central and local government. Through the portal, residents of the participating municipalities suggest a project to local authorities that will improve quality of life in the city.

The best projects are selected in cooperation with the local municipalities, and funded by the local budgets. In 2020, 13 projects were selected for implementation.

The Atlas of New Professions and Competencies in Kazakhstan<sup>17</sup> is a collection of new professions that, according to industry experts, will appear in the next 5-10 years. The atlas was developed to support the economic and social development of the country by guiding the next generation to enter needed professions. This project, using new technological foresight, provides the opportunity for youth to prepare for professions that will most likely be demanded by the future labour; and advise the government to amend the education process in preparation for the future labour market. The Atlas was developed by the private company, BTS Education based on a joint order between the Ministry of Labor and Social Protection, the WorldBank, and Developing Work Skills and Stimulating Jobs.

Istoki Dobra (translated: Origins of Good) is an example of a SI, supported by civil society and international development organizations. With the technical and financial grant support of the USAID funded Partnerships for Innovations program, implemented by the Kazakhstani CSO, Civil Society Development Association (ARGO), Istoki Dobra piloted a community recycling program in a rural village of Southern Kazakhstan. In 2018, volunteers installed four recycling sites with separate containers for glass, metal, plastic and paper in eight apartment buildings in Aksukent, a small town in Turkestan region. To incentivize the local residents to separate their waste, Istoki Dobra established agreements with the local waste processing companies to transfer the funds earned from the recyclable materials to public accounts of the apartment buildings, which could then be spent on building improvements or renovations.

The project gained popularity by both the government and public because it had a noticeable environmental impact and was an income generating tool for the community residents. In response, the project has received grant support from the First President Fund to expand the project goals and construct a waste recycling center; and the local authorities of Uralsk city in Northwestern Kazakhstan are replicating the recycling program.

### Case example - Social entrepreneurships

Social entrepreneurships, such as the Green TAL or Kunde Social Cafe have proven to be sustainable and effective in creating pathways for more

<sup>15</sup> [www.ikomekastana.kz/](http://www.ikomekastana.kz/)

<sup>16</sup> [budget-uchastiya.kz/](http://budget-uchastiya.kz/)

inclusive societies for people with disabilities. Founded by a second generation social worker, the Green TAL<sup>16</sup> opened its doors in 2015 as a social workshop manufacturing furniture, souvenirs and textile and clothing items as well as providing IT services. The Kunde Social Cafe<sup>18</sup>, founded in 2018 is a cafe providing training, socializing, and rehabilitation for people with disabilities.

Kazakhstan also has examples of several sustainable and successful SI edutech startups in Kazakhstan, such as Teachers Lab, a marketplace where teachers can share, sell or buy the teaching materials that they have developed. Another example is Okoo, a platform facilitating the teaching and learning process for coding. These types of projects improve the teaching skills and learning opportunities positively affecting the education level of the community.

Unfortunately, very few green social entrepreneurs are sustainable. However, the Eco Products Group LLP<sup>20</sup> is an exception. Launched in 2016, this SE is the first and only innovative domestic manufacturer that produces fully biodegradable products in Kazakhstan. The company not only supplies local consumers, it also exports products to neighbouring countries. In addition, the company hires people with disabilities - which is not a common practice in Kazakhstan.

### Recommendations to Better Support Social Innovations

The following recommendations are derived from the interviews, case studies, and researcher analysis to boost social innovation as a tool to strengthen civic space and positively impact society in Kazakhstan.

#### Government

- Develop/promote an effective network with all active players in social innovation and entrepreneurship to jointly develop effective, quality policies and tools for SI and SE.
- Expand the focus of SI and SE beyond the needs of people with disabilities, by supporting and encouraging social innovations and entrepreneurship to engage in multiple social solutions, including education, healthcare, ecology, and citizen engagement. The current limited focus on people with disabilities could lead to narrow new policies and tools.
- Actively implement SI as a means to reach the SDGs and increase the quality of life
- Launch specific incubation programs and grants for SI projects.
- Increase the quality of monitoring and analysis for the citizens needs, not just reacting to citizens concerns and appeals.
- Stimulate research in the area of social innovation among academia and government research institutions.

#### Private Sector:

- Actively support SI projects, as their positive impacts on society may be higher than traditional charity projects.
- Sharing international experience from abroad may be useful for local SI actors.

#### International Organizations

- Actively raise awareness and promote the idea that SI positively impacts not only individuals with special needs, but also sectors including education, healthcare, citizen participation, ecology, etc.
- Raise the awareness of public servants through various seminars and training that social innovations could significantly increase the effectiveness of the public services, along with the benefits and potential of multi-sector collaboration.
- Promote/help the local civic society and the government to build a strong SI network with all active players in the country.
- Launch in cooperation with local innovation clusters, training programs for the social innovators including providing new funding opportunities for social innovators
- Support local CSOs in capacity building in SI
- Promote international experience sharing of the governmental bodies, CSOs on SI at Central Asia regional level, as well as learning best practices in the world

<sup>17</sup> [www.enbek.kz/atlas/en](http://www.enbek.kz/atlas/en)

<sup>18</sup> [kazakhstan.britishcouncil.org/i-seed/case-studies/green-tal](http://kazakhstan.britishcouncil.org/i-seed/case-studies/green-tal)

<sup>19</sup> [www.youtube.com/watch?v=JXr\\_owZMvOY](http://www.youtube.com/watch?v=JXr_owZMvOY)

<sup>20</sup> [biopack.kz](http://biopack.kz)

## Social innovations in civic space – Kazakhstan

*Civic society, social innovators, and social entrepreneurs:*

- Raise awareness and encourage the public to engage in SI and SE.
- Establish SI and SE networks for sharing knowledge, best practices, and resources.
- Build the capacity of social innovators and social entrepreneurs through special education and incubation programs.
- Social innovators and social entrepreneurs would benefit from strong cooperation with relevant government bodies and/or corporations, which could increase the chances of project success.

*Academia:*

- Pay more attention and contribute to SI.
- Identify the positive trends and SI cases which could be implemented nationwide by the government or corporations.
- Support government, civil society, social innovators and social entrepreneurs in developing progressive policies and strategies.

### Potential key players and drivers of social innovation in Kazakhstan

*Government organizations and agencies:*

- Ministry of Labor and Social Protection
- Ministry of Digital Development, Innovation and Aerospace Industry

*Civil Society Organization:*

- The Civil Society Development Association, ARGO ([argonet.org](http://argonet.org))
- Impact Hub, Almaty ([www.facebook.com/ImpactHubAlmaty/](http://www.facebook.com/ImpactHubAlmaty/))
- The Kazakhstani Friends Association of Tel-Aviv University (TAU Friends) ([english.tau.ac.il/kazakhstani-friends](http://english.tau.ac.il/kazakhstani-friends))

*International Organizations and Agencies:*

- United States Agency for International Development (USAID)
- United Nations International Children's Emergency Fund (UNICEF)

*Private Sector:*

- Chevron Corporation ([www.chevron.com](http://www.chevron.com))
- Eurasian Resources Group ([www.eurasianresources.lu/en/home](http://www.eurasianresources.lu/en/home))

*Academia:*

- Nazarbayev University



CSO "Istoki Dobra", Aksu village, Kazakhstan Introduction of waste management system model in rural area in southern Kazakhstan

## Data Collection and Analysis

This preceding report is based on the findings of desk research, interviews, and researcher analysis. The interviews were conducted with the key decision-makers of the local social innovation projects/initiatives. Purposeful sampling was used as a method of selecting candidates for the interviews. Two case studies were conducted, each case study consisted of interviews with the project leader and a beneficiary of the project. The following participants were selected based on their level of involvement in social innovation projects or initiatives:

### Civil Society Organizations / Social Innovators:

- Impact Hub, Almaty <sup>21</sup>
- The Kazakhstani Friends Association of Tel-Aviv University (TAU Friends) <sup>22</sup>

### Central and local authorities:

- Ministry of Labour and Social Protection
- Nur-Sultan city administration, iKomek109 <sup>23</sup>

### Social enterprises:

- GreenTAL <sup>24</sup>
- TeachersLab
- Okoo

### Large business:

- Ak Niet Pharmaceuticals

## About the Researcher

*Abzal Daribayev works as a Director for Innovation Development at NURIS, Nazarbayev University. He has 8 years of leadership position work experience in innovation ecosystem development. In addition, Mr. Daribayev has provided mentorship support for the several social innovation projects in Kazakhstan.*

*Email: [abzal.daribayev@nu.edu.kz](mailto:abzal.daribayev@nu.edu.kz)*



<sup>21</sup> <https://www.facebook.com/ImpactHubAlmaty/>

<sup>22</sup> <https://english.tau.ac.il/kazakhstani-friends>

<sup>23</sup> [www.ikomekastana.kz/](http://www.ikomekastana.kz/)

<sup>24</sup> [kazakhstan.britishcouncil.org/i-seed/case-studies/green-tal](http://kazakhstan.britishcouncil.org/i-seed/case-studies/green-tal)

### Area Total

199,951 km<sup>2</sup> (77,202 sq mi) (85th)

### Population

6,586,600 (110th)

### Density

27.4/km<sup>2</sup> (71.0/sq mi) (176th)

### GDP (PPP)2018 estimate

\$35.324 billion (127th)

Per capita \$5,470 (134th)

### GDP (nominal)2020 estimate

\$8.455 billion (141st)

Per capita \$1,309 (158th)

Following independence the Kyrgyz Republic has been in constant transition and political crisis, which has been spurred by corruption and nepotism as the underlying stress factors of revolutions that deposed presidents in 2005, 2010 and 2020.<sup>1</sup> This turmoil has hampered socio-economic development and risked social stability.

Regardless of this instability, Kyrgyzstan is considered to have one of the strongest civil societies in the Central Asian region. CSO representatives have been engaged with the government at the national and local levels, and work in a wide range of areas, including human rights, support of vulnerable groups, culture, art, health, environmental protection, youth, sport, education and advocacy. Traditionally, the basic concept of freedom of association has been respected in the country, and registration of CSOs has been relatively quick and easy.<sup>2</sup> However, the sustainability of the sector remains a deep concern due to diminishing foreign funding and the lack of local financial sources. The majority of Kyrgyz CSOs rely entirely on funding from foreign sources, and still there are several efforts to place restrictions on foreign assistance.<sup>3</sup> Civil society and civic space have also been under continual threat through the repeated introduction of draft laws aimed at narrowing the democratic space and limiting freedom of association. Until recently, the sector has been able to mitigate these legislative threats. However, in June 2021, amendments to the Law on Non-Commercial Organizations and the Law on State Registration of Legal Entities were accepted by the President of Kyrgyzstan. According to the International Partnership for Human Rights, the new amendments both require burdensome financial and programmatic reporting requirements on CSOs, and

*“the new legislation might result in growing pressure on NGOs who challenge public policies and seek accountability for corruption and human rights violations, including violations of the rights of women, ethnic minorities, LGBT, detainees and other vulnerable groups. These concerns are reinforced by the fact that proponents of the law have used stigmatizing and discrediting language against NGOs, accusing them of 'serving Western interests,' undermining so-called traditional values and threatening national security because of their efforts to defend fundamental rights and freedoms.”<sup>4</sup>*

<sup>1</sup> World Bank in the Kyrgyz Republic.

<https://www.worldbank.org/en/country/kyrgyzrepublic/overview#:~:text=The%20World%20Bank%20and%20the,improve%20access%20to%20social%20services.>

<sup>2</sup> International Center for Nonprofit Law. Civic Freedom Monitor: Kyrgyz Republic. (April 9, 2021). <https://www.icnl.org/resources/civic-freedom-monitor/kyrgyz>

<sup>3</sup> International Center for Nonprofit Law. Civic Freedom Monitor: Kyrgyz Republic. (April 9, 2021). <https://www.icnl.org/resources/civic-freedom-monitor/kyrgyz>

<sup>4</sup> International Partnership for Human Rights. Kyrgyzstan: Ensure that new legislation does not impede NGO activity. (July 15, 2021). <https://www.iphronline.org/kyrgyzstan-ensure-that-new-legislation-does-not-impede-ngo-activity.html>

The advancement of SI is more vital than ever considering the current restrictions on civic space in the country. Historically, the Kyrgyz civil society has utilized a level of organic SIs to unify and defend the young and fragile sector from Governmental restrictions. The sector has been able to demonstrate social cohesion and coordination to resist state pressure. However, the current approach is no longer effective and the sector requires new movements and engagements to create and expand the shrinking civic space.

### Social Innovations Ecosystem

The social innovations (SI) ecosystem in Kyrgyzstan has developed at different levels depending on the individual, sector and geography, even the basic understanding and application of SI is quite divergent. Within the civil society sector of the capital city, Bishkek, social innovation and social entrepreneurship (SE) seems to be a relatively known and practiced concept, especially social entrepreneurship. Those who are aware of social innovations - i.e. the research respondents, report understanding SI as an innovative process to solve old and new social problems with new approaches - particularly through technology. Additionally, the respondents reported that innovative solutions are necessary for the constant rethinking of existing practices in the social sphere, which is aimed at changing technological, state and financial processes. Social innovation allows more efficient, cheaper and better creation of solutions at local, regional and state levels. Unfortunately, the concept is lesser known in the rural areas outside of Bishkek, where the need is the greatest.

Within the governmental, private, and academic sectors, the concept of social innovation and entrepreneurship appears to be almost wholly unknown or unacknowledged. The governmental focus is on technological innovations for economic development. For the most part, Kyrgyz academia does not acknowledge SI, except for the American University of Central Asia and University of Central Asia. This lack of a cohesive understanding of SI across sectors is an inhibiting factor to supporting the ecosystem and implementation of SI.



Women social entrepreneurship in the remote regions of Kyrgyzstan.

*«To involve a business sector into SI development, it is necessary to reveal the community with the business interest, that is, to sell the profitable idea to the business. At this level, it is easy to "sell" an enterprise as an idea - provided that it will benefit local residents, no matter in what form it is presented as a help for vulnerable groups or support of the enterprise».*

**Aibek Sapashov**  
co-owner of Makers

In Kyrgyzstan, SI is mainly applied in the form of social entrepreneurship, which has developed into a subsector of civil society. Many emerging social enterprises are owned or independently managed by CSOs focused on youth, environmental sustainability and the socio-economic development of vulnerable groups - including people with disabilities.

### Policy, Regulations, and Funding

The policy and regulatory environment for social innovations is simultaneously enabling and restricting. Social innovations and social entrepreneurship are not directly included within the legislative framework, and therefore operate under civil society or business related regulations. While not an ideal legislative environment, this framework has enabled the establishment of a strong and influential civil society sector. It is expected that SI can also grow under such a system. However, with the adoption of the new amendments to the Law on Non-Commercial Organisations and the Law on State Registration of Legal Entities, civic space and the enabling environment has been restricted and may be an inhibiting factor for SI.

In regards to social entrepreneurship specifically, the impact may be different as they operate under different legislation. The experts interviewed for this study were divided over how favorable the current conditions are for social entrepreneurs in Kyrgyzstan. Some respondents were disappointed with the lack of targeted support from government, financial institutions or businesses.

This challenge is further exacerbated by the lack of local financial sources and diminishing foreign funding to support the civil society sector, and subsequent SI initiatives. The majority of Kyrgyz CSOs rely entirely on funding from foreign sources,<sup>5</sup> which has now been further restricted by the new legislation. Philanthropy, another important source of funding, is almost non-existent in the country due to economic conditions and poor implementation of tax legislation, which does not provide incentives to encourage donations. According to the law on charitable organizations, CSOs have the right to carry out economic activities, but the resulting income is taxable unless the CSO qualifies as a charitable organization - a status that is almost impossible to maintain because of operational restrictions.

This lack of funding affects both the initiation and sustainability of social innovation initiatives. The interviewees reported that almost all initiatives on social innovations come "from the bottom up," and without external support and funding the initiatives generally do not develop past the piloting stage and are not sustainable. They report that social entrepreneurs have a greater chance of success as they are an income generating entity. However, it is estimated that only 50% survive more than one year in the absence of start-up funding support.



Women social entrepreneurship in the remote regions of Kyrgyzstan.

Social enterprises are also inhibited by lack of access to affordable microcredits. The interest rates on microcredits are very high, with an average 30-35% per annum,<sup>6</sup> and the loan terms are identical to those of traditional entrepreneurs.

In 2017, the Government of Kyrgyzstan initiated measures to improve the CSO financial sustainability, while improving the quality of social services in the country by enacting a new Law on State Social Procurement. This Law provides three forms of social contracting: (i) social procurement, (ii) financing of public benefit projects of CSOs, and (iii) social vouchers. Since 2018, four Ministries have implemented this Law.<sup>7</sup>

Corporate social responsibility funds also support social innovations in the country by both international and national corporations, including Coca-Cola Foundation, Beeline, and the Kumtor Gold Company. The Coca-Cola Foundation has supported social initiatives and SE start-ups; Beeline holds annual youth digitalons and hackathons, along with awarding start-up financing for best created innovation; and the Kumtor Gold company offers microfinance programs to stimulate social engagement.

Kyrgyzstan is seeing a trend with corporations becoming more socially responsible and involved in solving local social problems.

<sup>5</sup>International Center for Nonprofit Law. Civic Freedom Monitor: Kyrgyz Republic. (April 9, 2021). <https://www.icnl.org/resources/civic-freedom-monitor/kyrgyz>

<sup>6</sup>External and internal factors influencing the formation of interest rates on loans in the banking system of the Kyrgyz Republic. Analytical work National bank of the Kyrgyz Republic. (April 4, 2018) <https://www.nbkr.kg/DOC/04052021/000000000056650.pdf>

<sup>7</sup>International Center for Nonprofit Law. Civic Freedom Monitor: Kyrgyz Republic. (April 9, 2021). <https://www.icnl.org/resources/civic-freedom-monitor/kyrgyz>

## Needs, Challenges and Opportunities

### Needs

- Close the rural gap. In comparison to the capital city of Bishkek, the rural areas of Kyrgyzstan are in the greatest need for advancement and social innovations, especially for vulnerable groups. The country's most significant social problems are generally located outside of Bishkek, such as: high levels of poverty, unemployment, gender inequality, low education, the advancement of extremism, and ecological issues. Regardless of this socio-economic need, the majority of financial and knowledge resources are concentrated in Bishkek, with some being disbursed to the rural areas. This disproportionate distribution is due to a lack of technical capacity in the rural areas to compete for the funding. It also creates a situation of 'imposed solutions,' by both the civil society and state sectors. Bishkek based organizations are awarded funding for their own solution designs, which are then implemented in the rural areas. In the rural areas of Kyrgyzstan, there is a significant need for not only knowledge and financial resources, but also the autonomy and ownership to create local SI solutions.
- Strengthen professional skills. Social entrepreneurs and social innovators lack the necessary skills to successfully implement their initiatives. According to 32% of the interview respondents, many social entrepreneurs lack the business skills to run their business and promote their products. For this reason, the survival rate in the first year among social entrepreneurs is minimal.
- Stakeholder Coordination. Donors and international development agencies do not coordinate the implementation of SI projects, thus creating a partial and fragmented approach to SI development. Each actor has separate targeted programs in terms of time period, project indicators, location and even beneficiaries. Instead, a collaborative approach could create a more holistic support system, building the capacity for a sustainable SI environment.

### Challenges

Aside from challenges associated with funding limitations, restrictive legislation, and lack of awareness/understanding, social innovations are further challenged by weak public participation. Especially in the rural areas, it is difficult to mobilize and involve civil society and the community in solving local problems. This is the product of both a lingering Soviet mentality, placing all social responsibility onto the government, and a lack of education and awareness of their civic rights. As a result, civic monitoring is quite weak, and the participation of citizens in public hearings is minimal. They are further challenged by corruption and cooperation with local authorities. Community CSOs cannot act without the approval of the local authorities, which has led to challenges, such as:

*«A clear understanding of what problem needs to be solved and how to ensure sustainability, as well if an business idea is in demand and there is a value for a final product, then further monetization may not be needed»*

*«The development basis and a driving force of social innovation in the Kyrgyz Republic is the diversity and freedom of civil society and social entrepreneurship. Collaboration of the activities of various specialists and experts from completely different backgrounds can lead to the creation of unique products for solving social problems».*

*«A lot of technological innovative solutions take place, hence there is no government policy and regulation to advance many innovations. Therefore, the legislative framework is necessary to be developed by the state».*

**Shamil Ibragimov**

*Executive Director of the Soros Foundation*

They are further challenged by corruption and cooperation with local authorities. Community CSOs cannot act without the approval of the local authorities, which has led to challenges, such as:

- The refusal of local authorities to support SI projects; or
- Local authorities reporting full ownership of a project to the regional/national authorities, though it was fully or partially funded by international donor funds.

Scenarios such as this not only inhibit SI implementation, but also deters the public and civil society from initiating local solutions. However, the respondents noted that the situation is generally much different when women representatives are in the local parliament. Local women authorities have a greater tendency to allocate local budgets and cooperate with civil society initiatives.



They are further challenged by corruption and cooperation with local authorities. Community CSOs cannot act without the approval of the local authorities, which has led to challenges, such as:

- The refusal of local authorities to support SI projects; or
- Local authorities reporting full ownership of a project to the regional/national authorities, though it was fully or partially funded by international donor funds.

Scenarios such as this not only inhibit SI implementation, but also deters the public and civil society from initiating local solutions. However, the respondents noted that the situation is generally much different when women representatives are in the local parliament. Local women authorities have a greater tendency to allocate local budgets and cooperate with civil society initiatives.

### Opportunities

Mass media, information communication technologies and social networking platforms have proven to be extremely effective tools in Kyrgyzstan to raise awareness, mobilize civil society and the public, and communicate with the government. It is an effective and trusted mechanism that can further support innovations.

These tools have been the driving force behind SI in solving social problems on the ground. This is especially seen with online petitions, crowdfunding, and civil society's response to COVID-19 related restrictions. The online petitions do not have any legal force, but this persistent mechanism has effected changes by attracting media and public attention, and proposing various solutions at different levels. Also, the information communication technologies during the COVID-19 quarantine and related restrictions has proven invaluable for civil society and vulnerable groups to lobby for civil rights.

## Main Actors Fostering Social Innovation

In comparison to the other Central Asian states, Kyrgyzstan has quite a few actors driving social innovations, especially social entrepreneurship. However, they tend to be fragmentary, and act in isolation. CSOs, activists, innovators, social entrepreneurs, and international development organizations are the primary drivers. For the most part, the state is still an outside observer and a passive participant in SI development, while academia is playing a supplemental role.

International Development Organizations and Civil Society. Kyrgyzstan's strong civil society is the true driving force of social innovations in the country. Social entrepreneurs have especially been useful, particularly those that support CSOs, as they are a sustainable revenue stream. SIs are primarily promoted by CSOs with the support of international development organizations. The Association of Social Entrepreneurs<sup>8</sup> has also played a leading role in this, and is making efforts to support selected social entrepreneurs from the business sector.<sup>9</sup>

For example, the Association of Social Entrepreneurs is a part of a USAID supported consortium for youth development, which includes the Public Foundation Mountain Societies Development Support Program, the University of Central Asia, the International Debate Educational Association of Central Asia, and the Aga Khan Foundation in the Kyrgyz Republic, is initiating activities to support social entrepreneurship among youth.

Another example of civil society's role in supporting social entrepreneurship is Enactus Kyrgyzstan<sup>10</sup>, which is a part of the global Enactus movement. The movement spans 36 countries and supports young people to engage in youth social action and youth social enterprise. Annually Enactus Kyrgyzstan hosts a SI/SE start-up competition among university students. In 2021, the student team from the Kyrgyz State Technical University, together with Fab Lab, created tactile sound cards for the blind and visually impaired. This innovation enables independent movement and improves the quality of life of beneficiaries.

Government. Currently, the government is quite a passive driver of social innovations, and in general unaware of the concept. However, there seems to be a growing awareness among state agencies that they cannot solve social problems alone. This is one motivation for the Presidential initiative, the State Intellectual Property Fund under the Kyrgyz Patent office. The initiative supports both SI and SE. It opened acceleration centers throughout the country and has organized the second annual competition of start-ups of innovative projects. In actuality, the State Intellectual Property Fund is the only state agency that deals with social innovations and entrepreneurs. It is also vulnerable to the will of the President. The Fund was created under President Sooronbay Jeenbekov, and may or may not receive continued support by the new president, President Sadyr Japarov.

<sup>8</sup> <http://asekg.org/en/>

<sup>9</sup> <https://www.usaid.gov/ru/kyrgyz-republic/fact-sheets/enhancing-employability-and-civic-engagement-youth>

<sup>10</sup> <http://enactus.kg/>

**Academia.** The concept of social innovations appears to be virtually unknown within the academic sphere, except for the American University of Central Asia (AUCA). The AUCA hosts the Department of Social Entrepreneurship and Design Thinking, which offers a bachelor's degree program in social entrepreneurship, and conducts research on the social startup projects that are implemented by the University's students. In 2019, with the support of the Soros Foundation the department created the Laboratory for Social Research to identify innovative solutions for social problems. In addition,<sup>11</sup> the AUCA Continuing Education Center organizes competitions around the country to identify promising SE startups, and has supported the launch of several projects with funding from various companies and international organizations.

**Business.** For the most part, the business sector is not involved, nor aware of the concept of social innovations and social entrepreneurship. However, the research respondent representing the business sector noted that actors within the private sector would be willing to invest in social enterprises that hold the potential for profitability and return on investment.

### Cases, impacts and beneficiaries

Social innovations, especially social entrepreneurship in Kyrgyzstan is an effective approach to positively impact vulnerable groups, defend and expand civic space, and address environmental conservation. For instance, the use of information communication technologies and social networking has enabled the mobilization and unification of the civil society movement to respond to proposed government restrictions. Thanks to these tools and resources, civil society has been successful in stopping restricting legislation up until the enactment of the most recent June 2021 law. Online petitions and crowdfunding have also been effective resources to enable civil society movements.

As a part of the social innovations concept, social entrepreneurship has proven to be the most popular mechanism to enact changes for vulnerable groups. A 2019 INTRAC study served SE's across the country, their reported beneficiaries included: long-term unemployed (61%); families in crisis (44%); persons with physical, mental or mental disabilities (28%), children from single-parent families (28%) and the elderly (25%).<sup>12</sup> The study also noted that 56% of social enterprise executives are women and 44% are men. The share of women leaders in this new sector is higher than women top managers in business in Kyrgyzstan, and slightly higher than women leaders of CSOs.<sup>13</sup> The Head of the Department of Social Entrepreneurship and Design of Thinking of AUCA shared a similar observation, that the active social innovators are women. This is an area that should receive further study, as SE may be an avenue to support greater gender equality through enabling women's leadership and employment.

### Case examples - Social innovations

The MoveGreen Youth Environmental Movement<sup>14</sup> has been very effective in not only raising public awareness about the air pollution in Bishkek and the other major cities in Kyrgyzstan, but also to initiate public and governmental corrective actions. Through the downloadable app, Aba.kg, the public is able to monitor air quality in real time, and understand that the main source of air pollution is particulate matter. This type of pollution is hazardous to human health, and caused by the burning of coal, plastic and other household waste.

*«Social innovation can be more effective and practically impactful when it is collaborated and integrated with culture. Since the stimulus through the cultural channels always gives a greater impact».*

**Ulan Isakbekov**  
*Executive Director of Grasshopper*

<sup>11</sup>[https://auca.kg/ru/dss\\_silk\\_projects/](https://auca.kg/ru/dss_silk_projects/)

<sup>12</sup>Buxton, C., Ablezova M., and A. Moldosheva, 2019. 'Development tool or civil society actor? Understanding social enterprise in Kyrgyzstan', Praxis Series Paper No. 8, Oxford: INTRAC.

<sup>13</sup>Buxton, C., Ablezova M., and A. Moldosheva, 2019. 'Development tool or civil society actor? Understanding social enterprise in Kyrgyzstan', Praxis Series Paper No. 8, Oxford: INTRAC.

<sup>14</sup><http://movegreen.kg/en/>

As a result of the campaign, 20% of Bishkek's population are aware and monitoring the city's poor air quality. MoveGreen has made the problem of poor air quality in Bishkek and major cities a political agenda item, and part of the government's strategic plan. In coordination with the Kyrgyz Hydrometeorological Center, \$400,000 was allocated from public funds to purchase equipment to measure air quality in 2021. These results are significant, as prior to the MoveGreen campaign, governmental agencies only explained that the smog was caused by the population burning solid fuels and waste, but did not take any practical action. In actuality, the smog is caused by resident's inability to afford electricity to heat their homes due systemic corruption in public utilities; and the availability of inexpensive, poor quality coal.

### Recommendations to Better Support Social Innovations

The following recommendations to support the development of social innovations in Kyrgyzstan are derived from the desk research, in-depth stakeholder interviews, case studies, and researcher analysis.

#### *Government*

- Support the development of social innovations and social enterprises as a tool to address social problems through initiatives such as multi-sector coordination and cooperation at the local and national levels, supportive legislation and policies specific to SI and SE - i.e. simplified registration, tax incentives, and providing start-up funding, accelerators and incubators, and etc.

#### *International organizations / donors*

- Jointly coordinate the implementation of SI and SE initiatives with other international organizations operating in Kyrgyzstan.
- Support multi-sectoral awareness raising about SI as a mechanism for inclusive social development.
- Increase the availability of funding and technical opportunities for local and regional social innovations, including support for SI and SE capacity building, incubators, and accelerators.
- Build the capacity of rural social innovators and entrepreneurs through training, technical skill development, financing, and mentorship. Specific high needs topics include: methodology to adapt best practices to meet local realities and cultures, sustainability strategies, and business models.
- Improve accessibility to initiatives and supports of international organizations for local social innovators by simplifying administrative and bureaucratic procedures.

#### *Social innovators and social entrepreneurs:*

- Establish a clear understanding of the actual need and co-develop a solution by engaging with key stakeholders, namely the beneficiaries, local civil society, relevant businesses, and local authorities.
- To ensure actual outcomes and long-term impacts, incorporate a sustainability strategy as a part of the solution.
- Adapt regional and global SI best practices and experiences to meet the challenges of local realities and reflect the local culture.

#### *Civil society:*

- Raise awareness of the public, civil society, local authorities, and national government about social innovations as a tool to positively impact civic space and vulnerable groups.
- Build the capacity of social innovators and entrepreneurs, especially in rural areas, through training, technical skill development, financing, and mentorship. Specific high needs topics include: methodology to adapt best practices to meet local realities and cultures, sustainability strategies, and business models.
- Establish networking and peer-to-peer learning platforms to support collaborative discussion and development of SI and SE.
- Engage and partner with the business sector to support the implementation and start-up of social innovations and entrepreneurship. This may include involving businesses to participate in the juries of hackathons and makeatons.
- Leverage the multi-sectoral engagement nature of SI to influence public participation and decision-making with local and state authorities.

#### *Academia:*

- Research and explore the socio-economic and socio-political impacts of SI within Kyrgyzstan the Central Asian region.

#### *Private sector:*

- In rural areas for rural residents, the finance industry, and especially banks should consider venture investments to support the start-up of social entrepreneurship.
- Explore the business-case associated with supporting the start-up of social innovations and social entrepreneurship.

## Potential key players and drivers of social innovation in Kyrgyzstan

### Government organizations and agencies:

- The Ministry of Economy and Finance (<http://mineconom.gov.kg>)
- Ministry of Healthcare and Social Development (<https://mlsp.gov.kg>)
- The State Agency on Youth Affairs, Physical Culture and Sports (<http://sport.gov.kg/>)
- The Ministry of Education and Science (<https://edu.gov.kg>)

### Civil Society Organization:

- Association of Social Entrepreneurs, Kyrgyzstan ([asekg.org](http://asekg.org))

### National Civil Society Organization:

- United States Agency for International Development (USAID)
- United Nations International Children's Emergency Fund (UNICEF)

### Private Sector:

- Civil Society Development Association (ARGO)
- Innovation for Change (I4C)
- United States Agency for International Development (USAID)
- GIZ
- Soros Foundation
- INTRAC

### Academia:

- The University of Central Asia, School of Professional and Continuing Education
- American University of Central Asia, Continuing Education Center; and the Liberal Arts and Science department - Social Entrepreneurship and Design Thinking Program

## Data Collection and Analysis

This preceding report is based on the findings of legislative review, desk research, in-depth interviews with key-stakeholders (in-person and digitally), and researcher analysis. One case study was conducted, which consisted of interviews with the project leader and a beneficiary of the project. The following participants were selected based on their level of involvement in social innovation projects or initiatives:

### Civil Society Organizations / Social Innovators:

- Shamil Ibragimov – Executive Director of the Soros Foundation, Kyrgyz Republic
- Gulbarchyn Suyunova - Executive Director of Enactus Kyrgyzstan
- Beksultan Rustamov - Executive Director of IDEA Central Asia
- Ulan Isakbekov – Executive Director of Grasshopper, Manager of the Scout Camp in the Kyrgyz Republic
- Maria Kolesnikova – Executive Director of MoveGreen

### Central and local authorities:

- Joodar Zhumabayev - Executive Director of the State Intellectual Property Fund under the Kyrgyz Patent

### Private sector:

- Aibek Sapashov – co-owner of Makers (IT company)

### Academia:

- Aibike Esengulova – Head of the Department of Social Entrepreneurship and Design Thinking, American University of Central Asia (AUCA)
- Emil Nasritdinov – Executive Director of the Social Innovations Laboratory, American University of Central Asia (AUCA)

## About the Researcher

**Nazira Esenalieva**, PhD, Associate Professor,  
Head of Science Department at Ala-Too International University  
Research projects:

- Coordinator of the IFC Research Project on Responsible Financing in the study "Habits and Preferences of Financial Consumers"
- DFID Research project study "The effect of kinship on the development of small and medium-sized businesses in the Kyrgyz Republic"
- UCA Research project "High interest rates as a factor in increasing the social tension of the population of Kyrgyzstan"

Working on the postdoctoral research on the topic: "Formation of internal investment funds towards development of the economy of the Kyrgyz Republic"



### Area Total

1,564,116 km<sup>2</sup> (603,909 sq mi) (18th)

### Population

3,353,470 (134th)

### Density

2.07/km<sup>2</sup> (5.4/sq mi) (194th)

### GDP (PPP)2019 estimate

\$47 billion (115th)

Per capita \$14,270 (93rd)

### GDP (nominal)2019 estimate

\$13.7 billion (133rd)

Per capita \$4,151 (116th)

## Country Context

Mongolia is a country between China and Russia in Central Asia, with a population of 3 million people. Nearly half of the population lives in Ulaanbaatar, the capital city, and the rest reside in small urban centers and rural areas of 21 provinces. According to the 2020 census, 99 percent of households living in urban areas, and only 45 percent of households in rural areas are connected to the centralized electrical system. The remaining households - primarily herders living in the countryside far from the aimag<sup>1</sup> or soum<sup>2</sup> centers, have limited access to electricity. Herders commonly use low-voltage, portable solar panels, and automobile batteries. Internet use is not as wide-spread in the country, and is accessed by only 68 percent of the population; the majority being from urban areas. Those living in the countryside have limited access primarily through mobile data, and some through a fixed connection. The Mongolian internet usage is low compared to the Central Asian population as a whole, with approximately 86 percent of the population having access.<sup>3</sup>

In terms of the demographics, Mongolia is a country of youth with 63 percent of the population being under the age of 34 years old. This “demographic window” of having a high share of working age in the total population is an advantage for growth and development of the country. Mongolia has a sufficient labor force to develop and implement long-term policies and programs to improve the level of education for children and youth, train qualified personnel, increase investment, and create jobs.<sup>4</sup>

Although the country was never a part of the USSR, it was heavily influenced by the Soviet Union. After 70 years of socialism, Mongolia shifted towards democracy with the start of hunger strikes to overthrow the Government in 1989 and 1990. This movement was mostly spearheaded by younger people, and inspired by the collapse of the Soviet Union. Since its transition towards a market driven economy and democracy in the 1990s, the country's economy has tripled its gross domestic product. Unfortunately, due to the severe and widespread economic impact of the COVID-19 pandemic, the Mongolian economy contracted by 5.3 percent in 2020, its worst contraction since the early 1990s. However, the World Bank is predicting that the country's economy will recover,<sup>4</sup> and that with its vast agricultural, livestock and mineral resources, and an educated population, Mongolia's development prospects look promising in the long-term, assuming the continuation of structural reforms.<sup>5</sup>

In regards to democratic and civil society development, prior to 1990 the Government of Mongolia established civil society organizations (CSOs) under the socialist regime; they were known as mass organizations. Over the last two decades of democratization, civil society movements have become one of the most active parts of the Mongolian society. Unfortunately, there is a strong rural-urban divide within the country; over 80 percent of CSOs are based in the capital, and the remaining registered at the local level. CSO survival and successful functioning is significantly influenced by limited funding opportunities, human resource retention issues, and management capacities. One of the biggest challenges facing CSOs is their limited experience mobilizing funding within the country and internationally.<sup>6</sup>

Regardless of the infrastructure challenges, according to the International Center for Not-for-Profit Law, “Among Asian countries, Mongolia is considered to have relatively robust civic freedoms. The country has a generally enabling legal environment for civil society and civil society organizations (CSOs), including for freedom of expression, freedom of the press, and other civic rights”.<sup>7</sup> The Freedom House, 2021 Freedom in the World global ranking classified Mongolia as a ‘free’ country.<sup>8</sup>

<sup>1</sup> Translation: Provinces

<sup>2</sup> Translation: District

<sup>3</sup> Digital Central Asia: Access to Internet. Kabar. (30 March 2018). <http://en.kabar.kg/news/digital-central-asia-access-to-internet/>

<sup>4</sup> NSO (2019). Population of Mongolia. [http://1212.mn/BookLibraryDownload.ashx?url=population\\_mn\\_2018.pdf&ln=Mn](http://1212.mn/BookLibraryDownload.ashx?url=population_mn_2018.pdf&ln=Mn)

<sup>5</sup> The World Bank in Mongolia: Overview. (6 April 2021). [www.worldbank.org/en/country/mongolia/overview#1](http://www.worldbank.org/en/country/mongolia/overview#1)

<sup>6</sup> Civil Society Brief: Mongolia. Asian Development Bank (ADB). (2019). <https://www.adb.org/sites/default/files/publication/503101/civil-society-brief-mongolia.pdf>

<sup>7</sup> Civic Freedom Monitor: Mongolia. International Center for Not-for-Profit Law (ICNL). (31 August 2021). [www.icnl.org/resources/civic-freedom-monitor/mongolia](http://www.icnl.org/resources/civic-freedom-monitor/mongolia)

<sup>8</sup> Freedom in the World 2021. Freedom House. (2021). <https://freedomhouse.org/country/mongolia/freedom-world/2021>

## The Social Innovations Ecosystem

*The development of the social innovations concept*

The concept of social innovation (SI) is slowly emerging in Mongolia and appears to have true potential for movement and growth in the country. While the actual understanding of SI is at the incipient stage without a generally accepted definition, the country has demonstrable examples of SI initiatives that have been / are implemented by CSOs, international organizations and socially focused tech-based start-ups. This emergence is fueled by the robust and enabled civil society sector, international organizations, and the country's drive for innovative economic development.

As outlined in the Case Example section below, the Government's pursuit of innovative technology to spur the growth of a knowledge based economy and economic diversification has unintentionally encouraged the growth of social entrepreneurs (SE) in Mongolia. With business plans based on social needs and driven by international trends, a few start-up entrepreneurs and CSOs have positively benefited society, fostering civic space and improving citizen engagement.

### *Policy and Regulatory Environment*

Social innovation and social entrepreneurship are not specifically identified or defined within the Mongolian policy and regulatory environment, and therefore operate under relevant civil society and business / private sector mandates. While this lack of specific legislation inhibits the full potential development of SI and SE in the country, the existing regulations create a relatively enabled environment.

Civil Society Legislation: CSOs can register as a legal entity under the regulatory framework of the NGO Law, enabling them to receive and report on the funds, employ staff, and conduct their activities on a broader scale. At the same time, community groups and social movements may operate without registration, but are not eligible to raise or account for the funds.<sup>9</sup> Various external reviews of Mongolia's enabling environment, including the International Center for Not-for-Profit law, Freedom House, the Asian Development Bank, and etc. indicate that CSOs and civic groups are able to form and operate with relative ease.

Innovative Entrepreneurship Legislation. With the intention for economic development and diversification, several policies are in place to promote innovation and entrepreneurship in Mongolia;<sup>10</sup> including:

- "Vision-2050" a long-term development strategy;
- Law on Innovation (2012, amended in 2019);
- State policy on Innovation (2018);
- National Innovation System Development Program (2020); and
- The priority sectors of innovation, approved by the Government (2020).

Under these legal and policy documents, innovation is mainly determined as a form of advanced technology. While they do not address the concept of social innovation or social entrepreneurship, SI and SE are able to operate under the applicable legislation.

### *Funding support for Social Innovations*

According to the Asian Development Bank, financial limitations and the capacity to mobilize funding are significant challenges for CSOs in Mongolia.<sup>11</sup> As reported by the Ministry of Justice and Home Affairs, 59.5 percent of CSO funding is from international donor organizations, 27.9 percent from individual and private donations, and 12.6 percent from their own enterprise activities.<sup>12</sup> International donors are the primary source of funding for CSO implementation of social innovations. They also support the development of SI and SE via incubators, hackathons, start-up competitions and mentoring programs.

However, the laws, policies and decrees create an avenue for possible Government support of SE development for innovative products and services through funding, credit policies and state procurement, as well as grants. It is possible for innovative social entrepreneurs to qualify for these types of Government funds. Unfortunately, their sustainability is not secured through these programs, and therefore the initiatives must be founded on a solid and sustainable business plan for long-term survival and impact.

Additionally, funding support is also available to a limited extent through the private sector. Business entities, such as corporations, the mining industry and commercial banks provide some corporate social responsibility funding or soft loans to support projects, SE start-up capital, and etc.

<sup>9</sup> Asian Development Bank (ADB) (2019). *Civil Society Brief: Mongolia*

<sup>10</sup> Pushing Mongolia's landlocked boundaries: An investigation into the country's innovation ecosystem. MIT Regional Entrepreneurship Acceleration Program. (2016).

<sup>11</sup> Civil Society Brief: Mongolia. Asian Development Bank (ADB). (2019). <https://www.adb.org/sites/default/files/publication/503101/civil-society-brief-mongolia.pdf>

<sup>12</sup> Report on NGO Activities. Government of Mongolia, Ministry of Justice and Home Affairs. (2004).

## Main Actors Fostering Social Innovation

International organizations are the primary actors fostering social innovations in Mongolia, especially social entrepreneurship and good governance initiatives. The United National Development Program (UNDP), United States Agency for International Development (USAID), the World Bank and the Asian Development Bank (ADB) appear to be the primary supporters.

The UNDP is employing social innovation-like tools to promote democratic governance. For example, a joint UNDP/Mongolian government project highlighted in the below Case Example section supports reforms in the civil service sector, by enabling civil servants to implement locally developed solutions. UNDP Mongolia<sup>13</sup> also launched the Accelerator Lab in Mongolia, which works towards innovative solutions to create inclusive digital transformation in public services with more local collaborations.

I4C is a global network of people and organisations who work together to protect civic space and overcome restrictions to our basic freedoms of assembly, association and speech. Mongolia is connected to the Central Asian I4C Hub.<sup>14</sup>

With the financing by the World Bank, Smart Government Project Mongolia is being implemented by the Cabinet Secretariat of the Government of Mongolia. Under the project, the component 'Innovation support program' is being implemented to award innovation start-up grants, including funding and mentor support.

In February, 2021 the ADB is funding, Social Innovation Week 2021, in Ulaanbaatar. The event is organized by two private entities, Kite Mongolia LLC and ADB Ventures; and supported by the local authority - The Ulaanbaatar Agency for Science, Industry, and Innovation. While this event is called 'social innovations', the topic is limited to start-ups that provide innovation and technology-based products and services to address the social development challenges facing the capital city. It is not actually addressing the entire scope of SI.<sup>15</sup>

## Challenges and opportunities for social innovation in Mongolia

Due to the enabled CSO operating environment and supportive entrepreneurship development ecosystem,

Mongolia has an almost ideal ecosystem for the advancement of social innovations as a tool to expand and strengthen civic space.

The challenges in this ecosystem include:

- Overall lack of knowledge and awareness of the social innovation and social entrepreneurship concept throughout society, within the general public, government, civil society, and business sectors.
- Extremely limited resources for the development of SE and SI in Mongolia, not only within the governmental and domestic arena, but also with international development organizations.
- Disjointed development of SI and SE. The existing support mechanisms, provided by either international organizations or CSOs are either unrelated or overlap. There is no platform for inter-sectoral or multi-sectoral coordination to spur and coordinate this movement.
- Mongolia does not have vested stakeholders, either domestically or internationally, to champion the SI movement.

Additionally, it needs to be acknowledged that Mongolia does face restrictions to civic space, with continual watch dog and civil rights defenders advocating to further open civic space and freedoms. According to the Civicus Monitor, the country's civic space is deemed as obstructed due to restrictions on peaceful assembly and restrictions on press freedom.<sup>16</sup> These types of restrictions hold potential challenges for SI development depending on the sensitivities and specifics of the SI focus area.

## Cases, impacts and beneficiaries

Upon first glance, it appears that the implementation of social innovations in Mongolia is quite limited. However, as the concept is still emerging, and is not officially formalized in terms of language or legislation, it is possible that SI is more a prominent approach than what is reflected in official registrations. In actuality, local level initiatives addressing problems in an innovative or new way may not be officially registered, and the implementers themselves may be unaware that they are implementing innovation. The following case examples demonstrate the potential of SI to expand and protect civic space in the country. It has been implemented by CSOs, social enterprises, and local and national authorities, and has been a benefit to the public.

<sup>13</sup> UNDP Mongolia joins world's largest and fastest learning and innovation network: Accelerator Labs. United Nations Development Program. (23 February 2021). [www.mn.undp.org/content/mongolia/en/home/presscenter/pressreleases/2021/undp-mongolia-joins-worlds-largest-and-fastest-learning-and-inno.html](http://www.mn.undp.org/content/mongolia/en/home/presscenter/pressreleases/2021/undp-mongolia-joins-worlds-largest-and-fastest-learning-and-inno.html)

<sup>14</sup> Innovation for Change. Civicus. [www.civicus.org/index.php/what-we-do/innovate/innovation-for-change](http://www.civicus.org/index.php/what-we-do/innovate/innovation-for-change)

<sup>15</sup> Kite Mongolia. (5 October 2021). <https://info-60364.medium.com/>

<sup>16</sup> Monitor: Tracking Civic Space: Mongolia. Civicus. (18 October 2021). <https://monitor.civicus.org/country/mongolia/>



### Case example: Non-profit Social Enterprise

GerHub<sup>17</sup> is a nonprofit social enterprise that seeks to find innovative and creative solutions to some of the most pressing issues in the ger areas of the capital city, Ulaanbaatar. 'Ger' is the Mongolian word for the round tent-like nomadic dwelling. The ger areas of Ulaanbaatar are composed of both traditional gers and self-built detached houses, but the main identifying factor for the ger areas is that none of the households are connected to the core infrastructure of central heating, running water, or plumbing. Ulaanbaatar's population has more than doubled in the past 25 years due to internal migration of former nomadic herders into the city. This rapid expansion of urban ger areas using rural living approaches presents infrastructural, political, and social problems. Gerhub's current projects focus on researching and developing ways to affordably modify and modernize the Mongolian ger to meet the housing needs of ger area residents. The organization partners with top universities and institutions globally in the fields of architecture, design, and engineering. Previous partners and supporters have included: the University of Stanford, MIT, University of Columbia, Hong Kong University, UNICEF, the Nexon Foundation, and the Open Society Foundation.

In addition to design and innovation of the ger, GerHub has implemented the Gerude- Education for Innovation Program to help nurture the next generation of creative problem solvers and innovators, and the development of the community space.

### Case examples: Social innovations

The project, Towards a Professional and Citizen-centered Civil Service in Mongolia<sup>18</sup> is a joint initiative between the UNDP and the governmental body, the Civil Service Council. The aim of this project is to support the implementation of the Civil Service Law, improving public service and supporting a citizen-centered civil service reform. One of the project components supports local level civil servants, who are most familiar with particular challenges of public service, to implement innovative public service solutions. In 2020/2021, eighteen projects of this type were selected and implemented around the country, some of which included public participation as a part of the solution-making process. Examples of project results include:

- In the Gobi-Altai province, civil servants were able to rapidly respond to resident reports and complaints, reducing the processing time by half; and
- Preschool education was made available for children in remote areas, who had stopped attending kindergarten for various reasons.

Empowering CSO for Improved Government Digital Transparency, was a project supported by Innovation for Change (I4C) initiative and implemented by the CSO, the Independent Research Institute of Mongolia (IRIM). Under this project IRIM developed the Digital Transparency Index for Government Organizations - an assessment tool for CSOs to actively monitor governmental digital transparency and provide government recommendations.<sup>19</sup>

Based on the analysis and findings of the digital transparency index study, IRIM provided recommendations to reform the Law on Public Information. Additionally, some government organizations in Mongolia are using the results of the index as an indicator of their performance.<sup>20</sup>

This tool has been shared through the I4C global network of CSOs for replication; and IRIM held a workshop for the Internet Society Kyrgyz Chapter, their partner organization in Kyrgyzstan, training them on how to use the methodology and how to collect data to assess government organizations.<sup>21</sup>

An Urban Governance project is being implemented by the Asia Foundation Mongolia in partnership with the Municipality of Ulaanbaatar (MUB), with funding from the Swiss Agency for Development and Cooperation (SDC). The project helps to decentralize the public service and implement a re-engineering process at MUB. With the support of the project, public services are decentralized to first level administration units resulting in efficiency and reducing the time and costs for citizens. Also, within the project component, the MUB launched an online voting tool allowing citizens to register their opinions on local level decision making and participate in the public budget development to weigh in on investments by the Local Development Fund (LDF). It is solved by the system integration with MUB's existing mobile application "SmartUB". This effort became a new solution and increased civil engagement.

<sup>17</sup> GerHub. website: <https://gerhub.org/>

<sup>18</sup> Towards a Professional and Citizen-centred Civil Service in Mongolia. UNDP. [www.mn.undp.org/content/mongolia/en/home/projects/towards-a-professional-and-citizen-centred-civil-service-in-mong.html](http://www.mn.undp.org/content/mongolia/en/home/projects/towards-a-professional-and-citizen-centred-civil-service-in-mong.html)

<sup>19</sup> IRIM Has Started Implementing The 'Empowering CSOs for Improved Government Digital Transparency' project. IRIM. (12 June 2019). <https://irim.mn/news/1256>

<sup>20</sup> Interview with the IRIM.

<sup>21</sup> IRIM Launches The Digital Transparency Index For Government Organizations In Bishkek, Kyrgyzstan. Independent Research Institute of Mongolia. (29 August 2019). [www.irim.mn/news/1262](http://www.irim.mn/news/1262)

## Recommendations to Better Support Social Innovations

The following recommendations to support the development of social innovations in Kyrgyzstan are derived from the desk research, in-depth stakeholder interviews, case studies, and researcher analysis.

### *Government*

- Specifically include social innovation in the country's innovation policy documents, and define SI as an inclusive approach to innovation and social development that is not limited exclusively to information technology.
- After bringing the concept into the policy documents, it is vital to promote social innovation and raise awareness of its benefits to advance society and achieve SDGs in this rapidly changing society.
- To ensure the sustainability of current initial practices and further social innovation implementations, the Government should address investment or funding for social innovation, or at least include SI in the current National Innovation System Development Program (2020) and the Government approved priority sectors of innovation.
- Establish regulations to support social innovation and social entrepreneurship.

### *Civic society, social innovators, and social entrepreneurs:*

- Raise public and governmental awareness of social innovation.
- Build the capacity of youth to implement and develop social innovation in Mongolia.
- Establish a platform for networking and multi-sectoral collaboration to coordinate in leading the advancement of SI in the country.

### *International Organizations:*

- In addition to the incubator programs currently being implemented, more efforts should be made to raise awareness of social innovations, foster its benefits, and introduce international best practices.
- Connect Mongolian civil society, social innovators, and social entrepreneurs with international networks of social innovators.
- Support the development of a platform for networking and multi-sectoral collaboration to coordinate and lead the advancement of SI in the country.
- Empower the advancement of SI in Mongolia through providing knowledge and technical resources for CSOs, social innovators, and social entrepreneurs on topics including: organizational capacity development, resource mobilization, and the development/implementation of social innovation initiatives.

## Potential key players and drivers of social innovation in Mongolia

### *Government organizations and agencies:*

- Communications and information technology authority ([www.cita.gov.mn/](http://www.cita.gov.mn/))
- Science, Industrial Development and Innovation Agency (<http://new.sidia.ub.gov.mn/>)

### *National Civil Society Organization:*

- GerHub NGO (<https://gerhub.org/>)
- IRIM NGO (<http://irim.mn/>)
- Equity Lab NGO ([www.equitylab.mn](http://www.equitylab.mn))
- LEAD Alumni Association NGO ([www.leadalumni.org/](http://www.leadalumni.org/))
- The Mongolian Sustainable Finance Association ([www.toc.mn/](http://www.toc.mn/))
- Mongolian Youth Council NGO
- Youth Policy Watch NGO
- Center for Citizenship Education NGO

### *International Organizations and Agencies:*

- United Nations Development Program
- World Bank in Mongolia
- Asian Development Bank in Mongolia
- Caritas Czech Republic in Mongolia
- The Asia Foundation

### *Private Sector:*

- Golomt bank
- Trade and Development Bank
- Telecommunication companies: Mobicom LLC, Unitel LLC
- LendMN
- Other start-ups: TomYo Edtech LLC, Agrolly Mongolia LLC, UBCab LLC, V4Green LLC

## Data Collection and Analysis

This preceding report is based on the findings of legislative review, desk research, in-depth interviews with key-stakeholders (in-person and digitally), and researcher analysis. Case studies were conducted, each case study consisted of interviews with the project key professional and a beneficiary of the project as well as the review of project documents. The following organizations were selected based on their level of involvement in social innovation projects or initiatives:

*Civil Society Organizations / Social Innovators:*

- Independent Research Institute of Mongolia
- Young Scholars Association
- Confederation of Mongolian Trade Unions

*Central and local authorities:*

- Communications and information technology authority
- National Statistics Office

*Social enterprises:*

- V4Green LLC
- TomYo Edtech
- Kite Mongolia LLC

*Academia:*

- National University of Mongolia
- University of Finance and Economic



*Independent Research Institute of Mongolia (IRIM) and Innovation for Change Central Asia (I4C CA) initiated the 'Virtual Marathon' project to support the concept development of innovative solutions to contribute to the increased transparency, accountability and anti-corruption initiatives and prototyping and testing their solution for effectiveness and impact with the potential for a further scale-up and sustainable operation.*

### About the Researcher

*Ugantsetseg has been working in the research and consultancy industry since 2011 and works as a freelance consultant for development projects. Having an educational background in sociology, she strives towards effective implementation of development solutions in Mongolia by providing research-based professional consultancy focusing on social development, gender and social inclusion. Email address: ugantsetseg.g@gmail.com*



### Area Total

143,100 km<sup>2</sup> (55,300 sq mi) (94th)

### Population

9,537,645 (96th)

### Density

48.6/km<sup>2</sup> (125.9/sq mi) (155th)

### GDP (PPP)2018 estimate

\$30.547 billion(132nd)

Per capita \$3,354 (155th)

### GDP (nominal)2018 estimate

\$7.350 billion (147th)

Per capita \$807 (164th)

## Country Context

With some of the world's highest mountains covering 93% of its territory, Tajikistan faces obstacles to its development, including food insecurity, limited transport connectivity, and low levels of private investment.<sup>1</sup> While still the poorest country in Central Asia, Tajikistan has made tremendous progress since 2000 in reducing poverty and growing the economy. During that time, the poverty rate fell from 83 percent of the population to 27.4 percent.<sup>2</sup> The recovery was spurred by remittance from labour migration (mostly from the Russian Federation), supporting private consumption and, to a much lesser extent, investment. According to the National Bank of Tajikistan (NBT) since 2008, remittances have averaged about 40% of GDP. This in turn has contributed to strong growth in the services and agricultural sectors.<sup>3</sup>

Unfortunately, this narrow economic base and reliance on remittances by labor migrants, makes Tajikistan's economy vulnerable to external shocks, such as the global economic impacts of the COVID-19 pandemic.<sup>4</sup> Due to the pandemic, the remittances almost halved in 2020 (23.8% of GDP).<sup>5</sup> While vital for Tajikistan's economic development, labor migration also creates challenging social and family dynamics, such as situations of abandoned wives and families of labor migrants. The third sector, civil society, is one of the most dynamically developed sectors in the country, according to the International Center for Nonprofit Law.<sup>6</sup> The third sector, civil society, is one of the most dynamically developed sectors in the country, according to the International Center for Nonprofit Law.

Civil society organizations (CSO) - registered as Public Associations or other forms of non-commercial organizations are engaged in a wide range of activities, including humanitarian and charitable work; the protection of the marginalized and vulnerable; the defense of human rights; and support for stability, peace and the process of democratization. Unfortunately, the sector is operating within an increasingly restrictive environment spurred by both targeted legislation,<sup>7</sup> economic instability and resulting corruption because of the COVID-19 pandemic, and infrastructure restrictions - including the rationing of electricity<sup>8</sup> and deteriorating mobile communication.

## The Ecosystem

Introducing and understanding social innovations Overall, the concept of social innovation (SI) and social entrepreneurship (SE) in Tajikistan is in the early nascent stage. In the general civil society sector, social innovation appears to be thought of in terms of traditional development approaches, rather than a space for interaction between civil society and other stakeholders - including beneficiary to jointly develop new solutions. SI is also not yet conceptualized in either governmental policy or academia. There are no shared definitions or mechanisms to support SI, and methodology of the data collection for accounting the contribution of non-state actors.

Regardless if the concept is still being introduced to the country, CSO stakeholders have expressed support for the implementation of SI to solve social problems in the country. Additionally, implemented social innovations, as detailed under the case study section of this paper have proven to be a beneficial mechanism to not only benefit vulnerable groups, but also develop communities, expand civic space, and strengthen local economies.

### Policy and Regulations

Within the policy and regulation environment of Tajikistan, SIs and related SEs operate within the legal frameworks as commercial or non-commercial organizations - i.e. civil society organizations. There is no specific legislative reference to SI or SE, nor is there a special registration status or privilege, such as tax incentives for prosocial business structures.

<sup>1</sup> Asian Development Bank. ADB's Work in Tajikistan: Overview. [www.adb.org/countries/tajikistan/overview](http://www.adb.org/countries/tajikistan/overview)

<sup>2</sup> The World Bank in Tajikistan: Overview. [www.worldbank.org/en/country/tajikistan/overview](http://www.worldbank.org/en/country/tajikistan/overview)

<sup>3</sup> National Bank of Tajikistan

<sup>4</sup> Asian Development Bank. ADB's Work in Tajikistan: Overview. [www.adb.org/countries/tajikistan/overview](http://www.adb.org/countries/tajikistan/overview)

<sup>5</sup> Central Bank of the Russian Federation and National Bank of Tajikistan

<sup>6</sup> International Center for Non-Profit Law. Tajikistan. (9 April 2021). [www.icnl.org/resources/civic-freedom-monitor/tajikistan](http://www.icnl.org/resources/civic-freedom-monitor/tajikistan)

<sup>7</sup> International Center for Non-Profit Law. Tajikistan. (9 April 2021). [www.icnl.org/resources/civic-freedom-monitor/tajikistan](http://www.icnl.org/resources/civic-freedom-monitor/tajikistan)

<sup>8</sup> Eurasianet. Tajikistan returning to electricity rationing regime: Levels at the Nurek hydropower dam are four meters lower than last year. (6 January 2021). <https://eurasianet.org/tajikistan-returning-to-electricity-rationing-regime>

The official government strategy to achieve the Sustainable Development Goals, the National Development Strategy 2030, does not address the role of SI within development.<sup>9</sup> The current legislation only regulates the registration of two types of CSOs - Public Associations of individuals or legal entities and Community Based Organizations. (For the purpose of this paper, both types of organizations will be referred to as CSOs). These organizations are allowed to engage in social, economic and cultural activities, and can have various sources of funding – donations from individual and legal entities,<sup>10</sup> grants from the state and international organizations,<sup>11</sup> income from paid services, and investments. Unfortunately, the regulations surrounding the acceptance and implementation of funding, especially international funding are unclear, and CSOs report experiencing abuse of power and multiple audits from various governmental departments.

The legislation has created a space for non-state actors to provide social services in spheres that have traditionally been delivered by the state. For example, the decentralization of the vocational education<sup>12</sup> allows licensed CSOs and businesses to provide vocational training on a free or paid basis. Though the contributions of non-state actors are not included in the official statistics, independent researchers estimate that the number of trained workers has annually increased tenfold, and self-employment / employment has increased, including for vulnerable groups - i.e. rural women, people with disabilities, and labor migrants, because of the decentralization.

In regards to social entrepreneurship, there currently is no legislation regulating or supporting SE in Tajikistan. However, in 2018, a Tajik CSO developed and introduced the Concept of Social Entrepreneurship<sup>13</sup> and an action plan for implementation. To date, the Concept has been expertized by the government and has been presented at an information session in Parliament. It is currently awaiting approval.

### Funding

Funding support for social innovations and social entrepreneurs are quite limited in Tajikistan. International organizations are the primary funder for social innovations within the country, namely USAID,<sup>14</sup> UNDP,<sup>15</sup> and UNICEF.<sup>16</sup> These initiatives seek to strengthen the capacity of Tajik civil society to incubate and accelerate SI and SE targeting specific areas, including: youth, COVID-19, and community development.

Government funding through state social orders<sup>17</sup> is also a possible resource to support SI. Both for-profit entrepreneurs and CSOs registered as public associations are eligible to apply through a tender process and receive state social orders. Unfortunately, the scope of governmental funding is limited, and procedures for participation are complex and not transparent. However, some CSOs have reported applying for state social orders, as it is an opportunity for more effective cooperation with local authorities and project sustainability.

Support from the private sector is quite limited and restricted. Crowdfunding and individual donations are usually one-off due to the country's high level of poverty, and the fact that people with extra finances try to hide their income from the authorities. Local budgets are very limited, therefore, authorities use every opportunity to force wealthy people to invest in social development, abusing their power.

Businesses are often in the same position as wealthy individuals. They are often pressured by the state to donate for the development of social facilities, such as building medical centers, schools or sports facilities, or providing schools with computers. Additionally, there are no tax incentives to encourage charitable donations. However, businesses sometimes support CSOs with one-off initiatives.

Private microfinance organizations are also available to provide loans to social entrepreneurs. However, the interest rate is high, from 30% and more per year. Therefore, this is not a commonly used funding source for non-profit activities.

### Opportunities

The combination of the state's decentralization legislation giving CSOs authority to provide services, and the population's trust in the civil sector creates a space for potential SI growth and opportunities.

For example, the Government has taken steps to enable dialogue between the state and civil society for joint development, implementation and monitoring of national policies through public councils. Though the original Public Council at the national level was created 25 years ago, and the role and influence of civil society in this dialogue remains unclear, this venue is a potential opportunity for civil society to influence a SI agenda within public councils, their mandates and activities.

<sup>9</sup> National Development Strategy of the Republic of Tajikistan for the period up to 2030, Introduction;

<sup>10</sup> The Law of the RT on Public Associations (2008)

<sup>11</sup> The Law of the RT on Local Self-government Bodies of Settlements and Villages (2009)

<sup>12</sup> The Law on Primary Vocational Education, 2003

<sup>13</sup> The draft of the Concept on Social Entrepreneurship Development in the Republic of Tajikistan. The draft was initiated and designed by PA Bureau of

<sup>14</sup> Human Rights and Rules of Law, 2018

<sup>15</sup> Social Innovation in Central Asia, 2019 - 2024. <https://www.eurasia.org/Programs/social-innovation-central-asia>

<sup>16</sup> Boost: Solutions for COVID-19. <https://www.tj.undp.org/content/tajikistan/en/home/presscenter/pressreleases/2020/07/new-undp-platform-boost-will-use-social-impact-innovation-to-tac.html>

<sup>17</sup> Upshift. <https://www.unicef.org/eca/stories/skills-and-innovation-successful-youth-tajikistan>

<sup>17</sup> State grants are regulated by the Law of the Republic of Tajikistan on the State Social Order. The Law supports pro-social projects of CSOs or businesses.

Though the original Public Council at the national level was created 25 years ago, and the role and influence of civil society in this dialogue remains unclear, this venue is a potential opportunity for civil society to influence a SI agenda within public councils, their mandates and activities.

In actuality, the precedent for multi-sector dialogue in Tajikistan has already been established. Since 2013, the Coalition of Civil Society "Transparency for Development" has driven the Extractive Industries Transparency Initiatives (EITI). This initiative enables joint decision-making about quasi-fiscal expenditures between the state, businesses, the CSO Coalition, and the local authorities and the population of affected areas.<sup>18</sup> Prior to this mechanism, the extractive companies usually independently decided to distribute food or coal to the affected population. They are now rebuilding damaged anti-mudflow systems or roads, building rural health centers or schools because of the joint decision with the local communities and authorities.

Another opportunity for SI growth lies in the positive public opinion about CSOs. The population actually trusts CSOs more than some state services. For example, people infected by HIV or drug users, may be punished by the state and therefore turn to the civil sector for support.

Civil servants may lack adequate knowledge to provide effective advice and support, and it is not uncommon for civil servants to refer clients to CSOs for better consultations. In cases of gender-based violence, women are often afraid to go to court or law enforcement agencies because corrupt practices can worsen their situation, and the problem of violence is sensitive and confidential for women. This public trust has the potential to spur community support for SI initiatives.

### Challenges

The enabling environment in Tajikistan is challenging for the development and integration of social innovation. In addition to the already mentioned lack of overall understanding of the SI concept and systemic challenges. The SI supportive ecosystem is also challenged by a lack of official acknowledgement of the role of civil society to support economic and social development. This is extremely apparent in the academic study included in the National Development Strategy 2030.

The study examines innovations in science, economy, industry and technologies for designing the development policy. The chapter on education, health, social protection, culture and sport, which is considered "social infrastructure branch" per the Soviet definition, takes into account only services provided by state institutions.<sup>19</sup> Input on supporting social services by non-state actors is not available in state or academic statistics. This lack of regular data on pro-social activities of non-state actors remains a barrier to study SI development in the country.

Corruption is also a significant barrier. All initiatives implemented at the local level related to funding are required to receive approval by the local authorities. In some cases, when officials are corrupted, the initiatives are not able to be implemented, and there are no clear rules or effective mechanisms to address corruption at the local level.

In addition, the lack of organizational and operational capacity of community organizations is a huge impediment to the development and implementation of SIs. Community organizations formally exist in every locality, however most do not have enough knowledge and skills on fundraising, stakeholder collaboration, needs assessment, implementation, decision-making and the monitoring and evaluation processes of SI.

## Cases, impacts and beneficiaries

The analysis of the below cases indicate that social innovations in Tajikistan are an effective tool to positively impact vulnerable groups, communities, and expand civic space. They also demonstrate the importance of including beneficiaries in the entire social innovation process, i.e. - design, decision-making, and implementation. The inclusion of beneficiaries ensures the delivery of effective and sustainable solutions. The below cases also are also an illustration of how social innovations can contribute to strengthening Tajikistan through economic, human, and infrastructure development.

<sup>18</sup> Second Validation of Tajikistan – Board decision. Decision reference: 2020-02/BC-284. Extractive Industries Transparency Initiative (EITI) International Secretariat

<sup>19</sup> Design of the Innovation Development Concept of the Republic of Tajikistan, Institute of Economics and Demography of the Academy of Science of the Republic of Tajikistan, 2016-2020, Chapter II, Article 2.2.

## Case 1. Interview with Public Association and social entrepreneur.

Parents of Children with Autism (IPCA) began more than twenty years ago as an informal group, and within five years it was a registered CSO. Currently, the IPCA provides fee-for-services for children with autism and for their parents, offers parenting education and stress management, creates community through parent volunteerism, operates a social cafe providing training and employment for their beneficiaries, and conducts autism awareness raising campaigns with the participation of beneficiaries, media and businesses. IPCA's work has achieved significant long-term impacts that have positively changed the lives of people with autism and their families, including:

1. Increasing public awareness of autism at the national level.
2. Aiding a Ministry of Health and Social Protection working group to develop a clinical protocol for diagnosing autism and including the disorder in the national disease registry. The protocol is currently awaiting a World Health Organization certification.
3. Offering early intervention, including speech therapy and other services.
4. Providing inclusive education and employment for persons with autism.
5. Contributed to the development of the National Concept of Inclusive Education for Children with Disabilities in the Republic of Tajikistan for 2011-2015, which was approved by the Government in April 2011, and
6. Invited to teach in the State Institute of Pedagogy and in the State Teacher Training Institute.

The IPCA has various financial sources: 1) grants from international donors; 2) state social orders; 3) donations from individuals and business; 3) member contributions; 4) entrepreneurship income; and 5) crowdfunding.



*The Public Association of Parents of Children with Autism "IRODA", held the Autism Awareness Day in Dushanbe, Tajikistan.*

## Case 2. Partnership for Innovations Program / Tajikistan in Rasht Valley.

The USAID Partnership for Innovations (P4I) program, was a four-year program jointly implemented by the Civil Society Development Association - ARGO (Kazakhstan) and the Fidokor (Tajikistan). The target region for the program was the Rasht Valley, which is one of the most war-torn, yet least assisted districts in the country.

P4I/Tajikistan made great contributions towards strengthening civil society at the community level and raising the status of rural women in the Rasht Valley. The program increased the capacity of public initiative bodies - i.e. informal public associations of vulnerable women, which were awarded state social orders from the local administration to produce school uniforms, protective masks, and other clothing. This became a reliable revenue source for the PIBs and vulnerable women, who in turn support their families and communities. In addition, the programs' collaboration with local authorities established local ownership and investment to support vulnerable women. The local authorities committed and are providing long-term, in-kind contributions to support women's economic empowerment initiatives, and applying the Law on State Social Order<sup>20</sup> in the Rasht region.

P4I's efforts further augmented these successes through enabling the first women leaders to be elected to the local Council of People's Deputies.<sup>21</sup> This is a remarkable accomplishment in an extremely traditional and conservative society. Thanks to P4I, the voices of vulnerable women are now better included in local policy. The program also enabled joint civil society / government monitoring and evaluation of the Rasht Valley initiatives supported by Presidential grants. This joint monitoring is not only a good sign of trustworthy cooperation, bringing long-term results for women's socio-economic empowerment in the rural areas, it also significantly contributed to better transparency and efficiency of presidential grants implementation, in which the number and amount are gradually increasing each year.



PIB "Chorgul", Village Karakendzha, Lakhsh region, Tajikistan  
Masterclass on weaving adras from cotton threads in one of the distant jamoats of Muksu, Lakhsh district

<sup>20</sup> This law obligates and regulates state financial support for the implementation of programs and projects that address a social problem or need.  
<sup>21</sup> similar to a US city council.



The program also enabled joint civil society / government monitoring and evaluation of the Rasht Valley initiatives supported by Presidential grants. This joint monitoring is not only a good sign of trustworthy cooperation, bringing long-term results for women's socio-economic empowerment in the rural areas, it also significantly contributed to better transparency and efficiency of presidential grants implementation, in which the number and amount are gradually increasing each year.

### Case 3. Interview with a leader of a Community-Based Organization.

Ten years ago, the population of a remote village received permission from the district administration to collect money from residents to purchase and install the infrastructure for clean drinking water. The residents raised the money to purchase the equipment, voluntarily drilled the well, and installed a pump. The initiative then made arrangements with a local entrepreneur to invest in the installation of water pipes throughout the village. However, when the initiative sought permission from the district administration to install the piping, the administrator requested to meet with the potential investor. However, the investor wanted to remain anonymous, for fear that he would be forced to invest in more expensive 'investments,' and refusal would result in numerous inspections and fines. Since then, the villagers have not initiated any further expensive infrastructure development projects.

### Recommendations to Better Support Social Innovations

The following recommendations are derived from the interviews, focus group, case studies, desk research, legislative reviews and researcher analysis to boost social innovation as a tool to strengthen civic space and positively impact society in Tajikistan.

#### *Government*

- Conceptualize the policy on social innovation and social entrepreneurship, taking into consideration special conditions to support pro-social activities;
- Clarify the inspection rules for all types of organizations – i.e. public associations, legal entities and individuals (self-employed), and develop a transparent inspection mechanism;
- Establish the Institute of the Entrepreneurial Ombudsman according to National Development Strategy 2030;
- Develop additional anti-corruption measures in order to encourage funding for SI at the national and local levels; and
- Develop a concept of charity, taking into account tax and other incentives.

#### *Civil Society, mass media and business associations:*

- Establish a shared definition of SI and SE;
- Diversify the sources of funding for pro-social activities; and
- Initiate open discussion on improving the environment for SI with state and other actors.

#### *International Organizations:*

- Support training on the concept and benefits of SI and SE for government and civil society, including business-associations and mass media;
- Expand projects on monetizing the activities of CSOs and support the start-up of social entrepreneurs; and
- Strengthen the capacity of the Institution of the Entrepreneurial Ombudsman through trainings regarding social entrepreneurs.

### Potential key players and drivers of social innovation in Tajikistan

#### *Government organizations and agencies:*

- Committee for Women and Family Affairs under the Government of the Republic of Tajikistan
- Ministry of Health and Social Protection
- Ministry of Labor, Migration and Employment
- Ministry of Education and Science
- State Committee of Youth Affairs, Sports and Tourism (<http://www.visittajikistan.tj>)
- State Committee on Investment and State Property Management ([investcom.tj](http://investcom.tj))
- Ministry of Economic Development and Trade of the Republic of Tajikistan ([medt.tj/en/](http://medt.tj/en/))
- Ministry of Finance ([minfin.tj/](http://minfin.tj/))
- Ministry of Justice ([www.adliya.tj/](http://www.adliya.tj/))
- Local state bodies

### National Civil Society Organization:

- PA Bureau of Human Rights and Rule of Law ([bhr.tj](http://bhr.tj))
- PA Fidokor (<http://fidokor.tj/>)
- PA IRODA ([autism.tj](http://autism.tj))
- PA Rushdi Inklusy
- PA National Union of People with disabilities of Tajikistan ([immt.tj](http://immt.tj))
- PA Association of Parents of Children with Disabilities ([www.facebook.com/assotsiatsiya.roditeley.dov/](http://www.facebook.com/assotsiatsiya.roditeley.dov/))
- PA League of Disabled Women Ishtirok (<http://www.ishtirok.tj>)
- Coalition of PAs From Equality de jure to Equality de facto ([tajikngo.tj/en\\_US/index.php/2018/12/10](http://tajikngo.tj/en_US/index.php/2018/12/10))
- Coalition of CSOs on Transparency for Development ([tfd.tj](http://tfd.tj))
- National Association of Business-Women of Tajikistan ([nabwt.tj](http://nabwt.tj))
- Association of Mobile Operators of Tajikistan
- Associations of Journalists Media-Alliance (<https://mediatj.wordpress.com/>)

### International Organizations and Agencies:

- United Nations Development Program (UNDP)
- United States Agency for International Development (USAID)
- The Civil Society Development Association, ARGO ([argonet.org](http://argonet.org))
- UN WOMEN
- UNICEF
- Open Society Institute Assistance Foundation in Tajikistan ([osiaf.tj](http://osiaf.tj))
- MERCY CORPS ([mercycorps.org/es/where-we-work/tajikistan](http://mercycorps.org/es/where-we-work/tajikistan))
- OSCE in Dushanbe ([osce.org/ru/programme-office-in-dushanbe](http://osce.org/ru/programme-office-in-dushanbe))



The Network of Experts for Sustainable Development of Central Asia" disseminated affordable technologies for sustainable water and energy supply to local population in Tajikistan.

### Academia:

- Institute of Philosophy, Political Science and Law of the Academy of Science ([www.anrt.tj/ru/instituty-issledovaniya/otdelenie-obshchestvennykh-nauk/institut-filosofii-politologii-i-prava-im-a-m-bakhovaddinova](http://www.anrt.tj/ru/instituty-issledovaniya/otdelenie-obshchestvennykh-nauk/institut-filosofii-politologii-i-prava-im-a-m-bakhovaddinova))
- Institute of Economics and Demography of the Academy of Science (<https://anrt.tj/ru/instituty-issledovaniya/otdelenie-obshchestvennykh-nauk/institut-ekonomiki-i-demografii>)

## Data Collection and Analysis

This preceding report is based on the findings of desk research, legislative review, 12 in-depth interviews (digital and in-person), 2 focus groups, 8 case studies and researcher analysis. The case studies consisted of interviews with the project leader and a beneficiary of the project. In total 30 multi-sector stakeholders contributed to the findings of this report representing: civil society sector from different regions of the country, independent researchers, social entrepreneurs and beneficiaries, academics, and parliamentarians.

The following participants were selected based on their level of involvement in social innovation projects or initiatives.

### Civil Society Organizations / Social Innovators

- PA IRODA
- PA Fidokor
- PA Bureau of Human Rights and Rule of Law
- PA Rushdi Inclusy
- PA League of Disabled Women Ishtirok
- PA Center for socio-economic education and development, member of the National EITI Board
- CBO in Hissor district
- CBO in Rast Valley
- CBO in Rushan district

Please note that all interviewed social entrepreneurs had the legal status of Public Associations; and none of the interviewees could name any private pro-social entrepreneurs (individuals or legal entities) whose impact on social changes would be known. In regards to state bodies, they were not able to provide any information (verbal or written) due to limitations with the research timeframe and timing requirements for the necessary official requests. The international organizations contacted for this research explained that they could not give interviews, and asked for a questionnaire by email. However, even with a reminder, none completed the questionnaire during the two week data collection period.

## About the Researcher

**Margarita Khegai** graduated from Lomonosov Moscow State University in 1982 with a diploma in economics and cybernetic. She defended her Ph.D. thesis in 1989 on DataBase Development for Labor Migration Management in Tajikistan. She is an experienced university teacher and researcher at the academic institute. Ms. Khegai was a Fulbright Visitor at the American University (AU), Washington, DC in 2011-2012. For over 20 years, she has worked as a freelance researcher on socio-economic issues. Ms. Khegai has research experience on gender, secondary education, inclusive education, vocational education, employment, labor migration, rights of vulnerable groups and the non-governmental sector. Since 1996 she has been a member of various local NGOs and working groups at the national and regional levels. Currently, Ms. Khegai is a member of the National Working Group on M&E of SDG-16+, a member of the International Organization CIVICUS and a board member of the NGO Bureau for Human Rights and Rule of Law

Email: [khegai.margarita@gmail.com](mailto:khegai.margarita@gmail.com)



## Social innovations in civic space – Turkmenistan

### Area Total

491,210 km<sup>2</sup> (189,660 sq mi) (52nd)

### Population

6,031,187 (113th)

### Density

10.5/km<sup>2</sup> (27.2/sq mi) (221st)

### GDP (PPP)2021 estimate

\$112.659 billion

Per capita \$19,526

### GDP (nominal)2021 estimate

\$42.764 billion

Per capita \$7,411

*Lets carry the torch of peace, trust and innovations all together.*

– Mr. Shukurgeldi Myradov,

Focal Point of Y-PEER Turkmenistan, Leader of the Interregional network of the UN Ambassadors for Preventive Diplomacy for Central Asia

## Country Context

Since gaining independence in 1991, Turkmenistan has gained a reputation as an 'island of stability' in the Central Asian region.<sup>1</sup> Geographically, the country is located in a critical position, sharing borders with Afghanistan and Iran, and linking Afghanistan and the South Asian subcontinent.<sup>2</sup> Since 2012, Turkmenistan has been classified as an upper-middle-income country, with gas reserves estimated to be the world's fourth largest.<sup>3</sup>

Civil society in the country operates in a largely restrictive environment. Turkmenistan is considered to be one of the world's most closed and restrictive countries. The Freedom House 2020 Democracy Score rated Turkmenistan democracy percentage as 0.00 on a scale of 1 - 100<sup>4</sup>; and the Civicus, 2018 UN Universal Periodic Review identified that the country has an extremely restricted civic space and CSO operating environment.<sup>5</sup>

With that said, Turkmenistan is engaged in achieving the Sustainable Development Goals,<sup>6</sup> and since 2016, the country has seen some movement in legislation with the potential to further enable the civil society operating environment.

In particular, the Law on Volunteering, which establishes a legal framework for volunteerism and the Law on Ombudsman, regulating the functioning of the new State Institute of the Authorized Human Rights Representative (Ombudsman). In addition, Turkmenistan also adopted the Law on Charitable Activity, which gives individuals and legal entities - including international organizations, foreign citizens, and organizations of foreign states the right to carry out any charitable activity with or without the establishment of a charitable foundation. According to the International Center For Not-For-Profit Law, the Turkmenistan state intends to support charitable activities by competitively financing charitable projects and programs. Registered CSOs will now also be able to avoid a complicated procedure for registering and reporting on the use of foreign aid.<sup>7</sup>

<sup>1</sup> Turkmenistan Country Profile. BBC. (26 February 2018). [www.bbc.com/news/world-asia-16094646](http://www.bbc.com/news/world-asia-16094646)

<sup>2</sup> US Relations with Turkmenistan. U.S. Department of State. (January 20, 2021). [www.state.gov/u-s-relations-with-turkmenistan/](http://www.state.gov/u-s-relations-with-turkmenistan/)

<sup>3</sup> Overview. The World Bank in Turkmenistan. [www.worldbank.org/en/country/turkmenistan/overview#1](http://www.worldbank.org/en/country/turkmenistan/overview#1)

<sup>4</sup> Nations in Transit 2020: Turkmenistan. Freedom House. [freedomhouse.org/country/turkmenistan/nations-transit/2020](http://freedomhouse.org/country/turkmenistan/nations-transit/2020)

<sup>5</sup> 2018 UN Universal Periodic Review. Civicus. [www.civicus.org/index.php/fr/component/tags/tag/turkmenistan](http://www.civicus.org/index.php/fr/component/tags/tag/turkmenistan)

<sup>6</sup> Sustainable Development Goals Knowledge Platform: Turkmenistan. United Nations.

<https://sustainabledevelopment.un.org/memberstates/turkmenistan>

<sup>7</sup> Civic Freedom Monitor: Turkmenistan. ICNL. (12 July 2018). [www.icnl.org/resources/civic-freedom-monitor/turkmenistan](http://www.icnl.org/resources/civic-freedom-monitor/turkmenistan)

## The Social Innovations Ecosystem

### Introducing and understanding social innovations

The concept of social innovations (SI) has barely been introduced in Turkmenistan. It appears to be a known and relatively well understood concept in the civil society sector, particularly within organizations and actors that are connected to international knowledge sharing venues. This research interviewed the leaders of two leading CSOs in the country, who identified SI as a means to include the community in solving social issues, and improving lives. They also identify that SI - including adapting international best practice is an important tool in responding to the reality of changes - especially environmental impacts, including the COVID-19 pandemic.

In consideration that SI is relative to the country context, multi-sector engagement appears to be the most prominent form of SI being implemented in Turkmenistan at this time. For example, one interviewee shared that previously only government organized, non-governmental organizations (GONGOs) participated in the national governmental platform on disaster risk reduction. However, with the support of a USAID/Governance Support Program (GSP), some other CSOs are now trying to participate in the platform. All involved parties understand that all CSOs, local and national can positively contribute to disaster risk reduction.

Additionally, the concept of corporate social responsibility (CSR), through business and CSO cooperation is also a growing SI trend for the country, particularly in the areas of environmental protection and sustainability. The interviews and desk research identified joint initiatives where businesses engaged in public awareness raising campaigns for environmental protection, the preservation and cleaning of green spaces, and opportunities for people with disabilities. Additionally, initiatives supported by international organizations have fostered the adaptation or start-up of green businesses and adaptive business models responding to climate change.

This growing interest of business engagement in joint civil society, and prosocial initiatives, holds the potential for the development of social enterprises (SE) - i.e. for-profit business structures that positively contribute to society.

### Policy and Regulations

Social innovation and social entrepreneurship are implemented in Turkmenistan according to the

relevant civil society and business regulations, as neither concept is directly addressed by existing legislation.

It is important to note that business privatization and the development of small and medium enterprises (SMEs), has been a governmental agenda since 2012. The most recent resolution being, the Law of Turkmenistan, "On State Support of Small and Medium-Sized Entrepreneurship."<sup>8</sup> Though criticized by the international business community for minimal advancement of privatization and SME development,<sup>9</sup> this legislative environment is important in enabling additional possibilities for the development of SEs in the country.

### Main Actors Fostering Social Innovation

The concept of social innovations was introduced to Turkmenistan civil society and is being driven - albeit to a limited extent, by international organizations. In actuality, the primary driver appears to be USAID via projects such as:

- Innovation for Change (I4C)<sup>10</sup>
- Partnerships for Innovations (2016 - 2020);<sup>11</sup>
- Social Innovation in Central Asia (2019 - 2024); and<sup>12</sup>
- Start-up Ecosystem Program (2017 - 2021), which also focused on social entrepreneurs.<sup>13</sup>

Other international organizations, including the UNDP,<sup>14</sup> European Union, and EBRD<sup>15</sup> are involved in driving entrepreneurship and small business development with a particular focus on green innovation and adaptation to climate change.

### Funding for Social Innovation

Considering that there is only one main actor driving social innovation in Turkmenistan, available funding for SI and SE initiatives is especially limited. According to the interviewees, government start-up funds for SE are obtainable for sustainable business ideas that benefit society.

In regards to SI, in 2017, Turkmenistan adopted the Law on Charitable Activity, which included the development of a fund to competitively finance charitable projects and programs. This legislation is still in the process of being implemented.<sup>16</sup> Turkmen legislation allows for foreign financing of civic initiatives, and the Law on Charitable Activity includes a section intending to ease the complicated procedure for registering and reporting on the use of foreign aid. However, according to ICNL, the legal environment remains restrictive.<sup>17</sup>

<sup>8</sup> Turkmenistan - 10 years of public private partnership. News Central Asia. (19 March 2018). [www.newscentralasia.net/2018/03/19/turkmenistan-10-years-of-public-private-partnership/](http://www.newscentralasia.net/2018/03/19/turkmenistan-10-years-of-public-private-partnership/)

<sup>9</sup> 2018 investment climate statements: Turkmenistan. US Department of State. [www.state.gov/reports/2018-investment-climate-statements/turkmenistan/](http://www.state.gov/reports/2018-investment-climate-statements/turkmenistan/)

<sup>10</sup> Innovation for Change. [www.civicus.org/index.php/what-we-do/innovate/innovation-for-change](http://www.civicus.org/index.php/what-we-do/innovate/innovation-for-change)

<sup>11</sup> Partnership for Innovations. (2016 - 2020). [www.usaid.gov/central-asia-regional/fact-sheets/partnership-innovation](http://www.usaid.gov/central-asia-regional/fact-sheets/partnership-innovation)

<sup>12</sup> Social Innovation in Central Asia. (2019 - 2024). [www.usaid.gov/central-asia-regional/fact-sheets/civil-society-support-program-central-asia](http://www.usaid.gov/central-asia-regional/fact-sheets/civil-society-support-program-central-asia)

<sup>13</sup> Start-up Ecosystem Program. (2017 - 2021). <http://startup.tyb.com.tm/en/>

<sup>14</sup> For example, the project: Supporting Climate Resilient Livelihoods in Agricultural Communities in Drought-Prone Areas of Turkmenistan. United National Development Program (UNDP). <https://www.adaptation-undp.org/projects/supporting-climate-resilient-livelihoods-agricultural-communities-drought-prone-areas>

<sup>15</sup> For example the projects: Enterprise Growth Programme (EGP) and Business Advisory Services (BAS). Implemented by the European Union and European Bank for Reconstruction and Development (EBRD). [https://eeas.europa.eu/delegations/turkmenistan/51875/implementation-enterprise-growth-programme-egp-and-business-advisory-services-bas-turkmenistan\\_en](https://eeas.europa.eu/delegations/turkmenistan/51875/implementation-enterprise-growth-programme-egp-and-business-advisory-services-bas-turkmenistan_en) or Advice for Small Businesses in Turkmenistan. Implemented by the European Union and EBRD. [www.ebrd.com/work-with-us/advice-for-small-businesses/turkmenistan.html](http://www.ebrd.com/work-with-us/advice-for-small-businesses/turkmenistan.html)

<sup>16</sup> Civic Freedom Monitor: Turkmenistan. ICNL. (12 July 2018). [www.icnl.org/resources/civic-freedom-monitor/turkmenistan](http://www.icnl.org/resources/civic-freedom-monitor/turkmenistan)

<sup>17</sup> Civic Freedom Monitor: Turkmenistan. ICNL. (12 July 2018). [www.icnl.org/resources/civic-freedom-monitor/turkmenistan](http://www.icnl.org/resources/civic-freedom-monitor/turkmenistan)

## Opportunities to advance social innovation in Turkmenistan

The interviewees identified that the inclusive nature of social innovations is beneficial for advancing SI in the country. For example, SI can be used to strengthen civic space, as it is a means to engage the community in addressing common issues. An interviewee shared the experience of a recent campaign conducted by the business community in Ashgabat, raising awareness and encouraging clients and customers to engage in environmentally friendly practices. This initiative involved the civil and private sectors, along with the community.

The inclusive, multi-sectoral nature of SI makes it more possible to implement sustainable projects in coordination with governmental authorities. The interviewees noted that civil servants are interested in improving society, and are also members of civil society after work hours.

In addition, considering the Government's interest in economic development and privatization; and greater resource availability for small and medium enterprises from International Organizations, this current environment holds the potential to support the growth of social enterprises in Turkmenistan.

## Case of Social Innovation in Turkmenistan

Social innovations in Turkmenistan currently take on the form of prosocial, multi-sector engagement. For example, in February 2021, the The Nature Conservation Society of Turkmenistan and Ovadan Syyahat, two partner organizations with different legal forms of activity, jointly removed plastic waste from culturally significant sites in the capital city of Ashgabat, and the Darvaz gas crater.<sup>18</sup> The Nature Conservation Society of Turkmenistan is a registered civil society organization, and Ovadan Syyahat is a national tourist agency. This joint action was significant as it benefitted the mission of both organizations, and more importantly benefitted the economic, social, and environmental situation of Turkmenistan.

## Recommendations to Better Support Social Innovations

### Government

- Public awareness raising about social issues and positive actions. Inspire/motivate public engagement in solutions for social problems and spread the spirit of sustainability.
- Public awareness raising of social entrepreneurship - i.e. business models that are both for-profit and socially beneficial.

### Social Entrepreneurs

- Develop a solid and sustainable business plan that both generates a profit and benefits society. It may be possible to seek financing through both governmental supports and international organization initiatives.

### Civil Society

- Jointly establish a definition of social innovations and social entrepreneurship in terms of both the Turkmen and Central Asian Regional Context.
- Raise multi-sectoral awareness of SI and SE, including sharing practical experiences and international best practices.

### International Organizations

- Continue to raise the awareness and knowledge of social innovation and social enterprises amongst the civil society, business, and governmental sectors.
- Based on the experience of two previous regional initiatives, Turkmen civic actors greatly benefit from new knowledge gained by participating in international opportunities and cross-border initiatives. International organizations can support movement towards SI through the availability of tools, resources, international best practices, and cross-border interactions via both digital and physical media, platforms, conferences, events, trainings, schools, and etc.
- Incorporate the social entrepreneurship concept, training, and resources as a part of the entrepreneurship development programs.
- Project sustainability is heavily dependent on cooperation with government officials. If the government is 'on board' with a project, then it is more likely to be sustained beyond the program lifecycle. Therefore, the interviewees highly recommended that international organizations prioritize government engagement as a part of the project development and implementation process.

<sup>18</sup>Garbage collection campaign was held in the area of the Darvaza gas crater. Metropolitan information web portal. (15 February 2021). <https://ashgabat.in/2021/02/15/akciyu-po-sboru-musora-proveli-v-rajone-gazovogo-kratera-darvaza/>

## Potential key players and drivers of social innovation in Turkmenistan

### Government organizations and agencies:

- “Turkmenaragatnashyk” (Turkmen Communication) Agency;
- Individual enterprise “Turkmen-Innovation”

### National Civil Society Organizations:

- Nature Preserving Society of Turkmenistan (<https://ngo-turkmenistan.org/ngo/2017/01/10/obshchestvo-okhrany-prirody-turkmenistana/>);
- CSO Enterprise “Tebigi Kuwwat” (“Nature Power”);
- CSO Yenme;
- CSO Agama;
- Y-Peer Turkmenistan ([www.instagram.com/ypeerturkmenistan/?hl=en](http://www.instagram.com/ypeerturkmenistan/?hl=en))

### International Organizations and Agencies:

- United States Agency for International Development (USAID)
- United Nations Development Program (UNDP)
- The Civil Society Development Association, ARGO ([argonet.org](http://argonet.org))
- World Bank
- European Bank for Reconstruction and Development (EBRD)
- Delegation of the European Union

## Data Collection and Analysis

This chapter is based on the information generated through desk research, interviews with national civil society organizations, the implementation experience of two regional SI initiatives, and consultations with Central Asian civil society actors who have extensive experience and expertise of the Turkmenistani civil society and civic space.

## About the Researcher

**Tara Shoup-Paulsson**, MA/MLA is a social scientist with over 10 years of experience working as a researcher and civil society development advisor in the Central Asian region. She holds a Master’s of Arts degree in International Studies from the University of Wyoming, USA with a specialization in civil society development, and women and gender studies; and a Master’s of Liberal Studies degree in Organizational Leadership.

email: [t.shoup.paulsson@gmail.com](mailto:t.shoup.paulsson@gmail.com)



### Area Total

448,978 km<sup>2</sup> (173,351 sq mi) (56th)

### Population

35,011,180 (41st)

### Density

74.1/km<sup>2</sup> (191.9/sq mi) (132nd)

### GDP (PPP)2021 estimate

\$275.806 billion (55)

Per capita \$7,830 (154th)

### GDP (nominal)2021 estimate

\$60.490 billion (78th)

Per capita \$1,775 (173th)

## Country Context

Starting in 2017, the Republic of Uzbekistan entered a period of transformation and reforms, with President Mirziyoyev passing numerous laws, decrees and regulations on a broad range of socio-economic issues. Since that time, the economy has steadily grown and gradually diversified, reorienting to a competitive, market-led, private sector economy. Due to the success of these reforms, the World Bank reports that Uzbekistan was one of only three economies in the European and Central Asian region that maintained positive economic growth in 2020, regardless of the COVID-19 crisis. However, as expected from a pandemic, poverty and unemployment have increased in the country.

The overarching Governmental<sup>1</sup> reforms also addressed challenges in the domains of human rights, freedom of expression, association and peaceful assembly, public participation, and civic engagement in decision-making. The Government is making targeted efforts to expand civic space, and for the first time in decades, international human rights organizations and foreign donors have been invited to Uzbekistan for cooperation to contribute to the country's development. As a part of this movement, Uzbekistan is firmly committed to achieving the Sustainable Development Goals (SDGs) - including SDG 16: Peace, justice and strong institutions. SDG 16 is identified as the goal that promotes democratic development.

Unfortunately, in spite of the launched reforms<sup>2</sup> the operating environment for CSOs remains challenging,<sup>3</sup> particularly in the areas of registration, activity implementation, and financial sustainability.

This is especially so for independent CSOs in comparison to their government organized, non-governmental organizations (GONGO) counterparts. Approximately 80% of independent CSOs do not have their own premises, especially those located in remote areas of the country.<sup>4</sup> However, it is important to acknowledge that the sector is reawakening from a period of stagnation, with only four-years of reforms. It will take time for the Governmental reforms, and support from regional and international donors to influence visible strengthening and growth of the sector.

## The Ecosystem

While the concept and implementation of social innovations is in the introduction phase in Uzbekistan, there appears to be a moving trend towards the development of SI. As it comes to Uzbekistan, social innovation defined as: a space for interaction between civil society and other stakeholders, where new solutions are developed, is strongly inline with the Governmental vision of decentralization, and social partnerships. SI promotes an environment that encourages civic engagement, and supports the important role of citizens, communities and civil society, developing and implementing solutions for the betterment of society. In addition, the reforms have begun to open the door towards international technical and financial support, which holds the potential to further the development of SI.

However, the concept of SI first needs to be further developed across all sectors. It is quite blurred among the civil society, government, business and academic sectors. In actuality, there is no clear definition and different actors have different understandings - which leads to misuse of the concept itself. Overall, SI appears to be understood as an approach to promote social development and social projects, regardless if innovations are actually applied. Almost all interviewers understood SI as initiatives/projects that help to solve social problems. There is also no common theoretical understanding of social innovation among academia, which is more evident of the multifaceted nature of the phenomenon and an indicator of its insufficient theoretical development. Furthermore, self-proclaimed social innovations that are implemented by the government and businesses do not use a human-centric approach, meaning that the implementers define the solution without considering the viewpoint of the need knowers, and thus these 'social innovations' are not actually SI by definition.

<sup>1</sup> The World Bank of Uzbekistan: Overview. [www.worldbank.org/en/country/uzbekistan/overview](http://www.worldbank.org/en/country/uzbekistan/overview)

<sup>2</sup> Resolution of the Cabinet of Ministers of the Republic of Uzbekistan #841, October 20, 2018. On measures to implement the National goals and objectives in the field of sustainable development for the period until 2030.

<sup>3</sup> <https://cabar.asia/en/regulation-of-ngos-in-uzbekistan-control-or-partnership>, (July 11, 2021)

<sup>4</sup> <https://cabar.asia/en/regulation-of-ngos-in-uzbekistan-control-or-partnership>

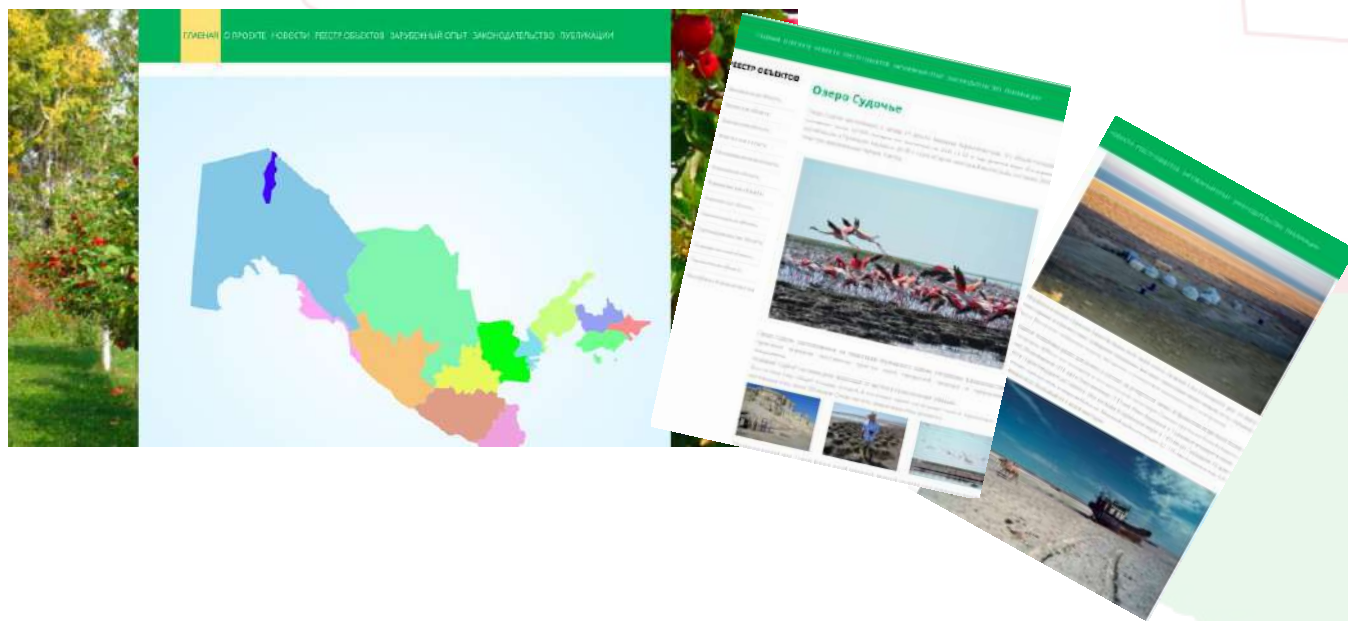


The civil sector in Uzbekistan is actually the main actor in the production and dissemination of social innovations, with the financial and technical support from international organizations. Unfortunately, the SI concept and resources are in the nascent stage. Ideal SI are rooted in the community, with local organizations acting as conductors of grassroots initiatives. This concept is challenged in Uzbekistan, as according to a 2018 analysis by the Institute for Monitoring the Formation of Civil Society, only 34% of CSOs in the country are initiated by civil society on a “bottom-up” basis, and operate at the local level without territorial divisions and extensive government support measures.<sup>5</sup>

In actuality, it is challenging for civil society initiated CSOs to register compared to government supported organizations. They may spend months in the registration process, facing informal barriers and bureaucracy. Additionally, the permission to receive international aid is also restricted; and national law prohibits the activities of unregistered CSOs, with the sanctions of administrative and criminal penalties.

### Policy and Regulations

Overall, the policy and regulations in Uzbekistan are making tremendous advancements in reforming the legislative framework that indirectly supports SI and SE, particularly through building the necessary legal frameworks for the civil society sector to operate; creating mechanisms for multi-stakeholder engagement between the public, CSOs, and the government; and incentivizing targeted prosocial business activities. At present, certain legislative Presidential acts provide benefits and preferences applicable to SEs, including special tax and customs for the development and support of such areas as: non-governmental preschool education, the production of products and equipment for persons with disabilities, as well as medical and industrial activities for persons suffering from mental disorders. In addition, Presidential decrees have incentivized the production of specified goods and services targeting disability, and employing defined vulnerable groups.<sup>6,7</sup> While SI and SE are not directly addressed under the current framework, they operate within the parameters of civil society and entrepreneurship legislation.



The Public Association Fund "Agroinnovatsiya" developed a website which includes an interactive atlas of 93 agro ecotourism sites in Uzbekistan.

In actuality, the Government has attempted reforms to directly address social innovations and entrepreneurship. The Ministry of Innovative Development was created in 2017<sup>8</sup> with one of the priority tasks to introduce innovations in social development. Unfortunately, the subsequent 2019 - 2021 Strategy and Road Map for Innovative Development<sup>9</sup> does not include SI. Additionally, Uzbekistan has twice attempted to legislatively define the concept of "social entrepreneurship." The second attempt resulted in the draft Law on Social Entrepreneurship being adopted in the first reading in January 2021,<sup>10</sup> with an expectation that the law would be finalized and proposed to the Legislative Chamber for the second reading within two months.

<sup>5</sup> Independent Institute for Monitoring the Formation of Civil Society. *The state of the third sector in Uzbekistan: realities and development prospects.* (2018)

<sup>6</sup> Resolution of the President of the Republic of Uzbekistan, June 11, 2018 PP-3782, About organizational measures for stimulation of employment of socially vulnerable segments of the population

<sup>7</sup> Resolution of the Cabinet of Ministries of the Republic of Uzbekistan, February 13, 2015 No. 26, About procedure for calculation and payment of single social payment by microfirms and small enterprises.

<sup>8</sup> Resolution of the President of the Republic of Uzbekistan, November 29, 2017, PP-5264 On establishment of the Ministry of Innovative Development of the Republic of Uzbekistan and Decree of the President of the Republic of Uzbekistan, November 30, 2017, UP-3416, On organization of activities of the Ministry of Innovative Development of the Republic of Uzbekistan.

<sup>9</sup> Decree of the President of the Republic of Uzbekistan, PD-5544 on September 21, 2018 # UP – 5544, On approval of the Innovative Development Strategy of the Republic of Uzbekistan for 2019-2021.

<sup>10</sup> Decree of the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan No. PZ-707. On social entrepreneurship. January 13, 2021, No 693-IV

To date, the draft law continues to be in a state of consideration, and has not been adopted. This inconsistency between government agenda and implementation may be attributed to a lack of comprehensive awareness and understanding of SI within the governmental sector. Under the current framework, SI and SE operate within the parameters of civil society and entrepreneurship legislation.

### Resources and Funding

The Government and international organizations are the primary funding sources to support Uzbekistani civil society and social innovations. However, the available funding is extremely limited due to narrow government budgets and bureaucratic requirements to receive foreign funds, this is especially so for independent CSOs. The Uzbek civil society is hopeful that the situation will change, as the recent Governmental reforms progress.

### Governmental Support

The Government is one of the few sources of financial support for civil society in Uzbekistan, and has taken recent reforms to increase their support of the civil society sector. The primary source of support through subsidies, grants and social orders is the Public Fund under the Oliy Majlis.

This has been recently established, along with a parliamentary commission to manage the Fund's resources.<sup>11</sup> According to data from the Ministry of Justice, there has been a steady increase in allocated funds from approx 3.4 million USD in 2019 to 5.6 million USD in August 2021, as calculated from official exchange rates for the time period.<sup>12</sup> In addition, the President Resolution in March 2021, mandated that ministries and departments develop and approve plans for 2021 - 2023 state social orders of socially significant projects, in accordance to the Law of the Republic of Uzbekistan "On Social Partnership".<sup>13</sup> This Presidential decree also included transparency measures, recommending that two major CSOs, the National Association of Non-Governmental Non-Profit Organizations, together with the National Movement "Yuksalish", establish and publicizing a unified database of social partnership projects, including a list of state social orders, their executors, the status of implementation and results on their respective official websites.

The Government has also initiated the provision of rent-free venues for newly established CSOs and CSOs operating in areas of social importance within available government facilities in the Republic of Karakalpakstan, Andijan, Kashkadarya, Namangan, Surkhandarya, Tashkent, Fergana regions and Tashkent city. In addition, the government will equip the locals with the necessary office supplies, furniture, inventory and appliances.<sup>14</sup> As an example, such a house was opened in Urgench city, in September 2018. The house hosts 19 CSOs rent free, including the local branch of the Ecological Movement of Uzbekistan, Republican Association "Chernobyl People of Uzbekistan," Uzbek Society of Disabled People, Red Crescent Society of Uzbekistan, and others. However there is rising concern by CSOs that preference will be given to government organized CSOs, rather than independent grassroots organizations.

### International Support

International organizations are a main actor in fostering and supporting social innovations in Uzbekistan. Historically, these supports have been quite limited due to state restrictions prior to the reforms, and the current transformation to a more active civil society. While the reforms have expanded possibilities for CSOs to receive foreign funding and technical support, inhibiting restrictions remain in place. According to the 2019 resolution of the Cabinet of Ministers, the Ministry of Justice must approve CSOs receipt of foreign funding or property that exceeded a specified threshold totaling approximately 450 USD (exchange rate as of March 2020).<sup>15,16</sup> However, the March 2021 Presidential Decree significantly increased this threshold,<sup>17</sup> requiring approval for the receipt of foreign funds or property that exceeds 100 baseline estimates within a calendar year, totalling approximately 2,307 USD (exchange rate as of August 10, 2021). Regardless of the recent reforms, many independent CSOs are critical of this requirement stating that the threshold is too low, the approval process is too burdensome to receive such limited funds,<sup>18</sup> there have been no actual changes in the process compared to the pre-reform requirements.<sup>19</sup>

<sup>11</sup> Decree of the President of the Republic of Uzbekistan UP-6181, March 4, 2021. On Approval of the Civil Society Development Concept for 2021-2025

<sup>12</sup> 'Undoubtedly, Uzbekistan is moving forward in the development of civil society': <https://www.minjust.uz/ru/press-center/news/101964/> (August 8, 2021)

<sup>13</sup> Decree of the President of the Republic of Uzbekistan UP-6181, March 4, 2021. On Approval of the Civil Society Development Concept for 2021-2025

<sup>14</sup> Decree of the President of the Republic of Uzbekistan, May 4, 2018 UP-5430. On measures to fundamentally enhance the role of civil society institutions in the process of democratic renewal of the country. And Decree of the President of the Republic of Uzbekistan UP-6181, March 4, 2021, On Approval of the Civil Society Development Concept for 2021-2025.

<sup>15</sup> Control or Partnership: <https://www.gazeta.uz/ru/2020/03/20/ngo/> (March 20, 2020)

<sup>16</sup> Resolution of the Cabinet of Ministers of the Republic of Uzbekistan. September 10, 2019. On approving the procedure for accepting the receipt of funds by non-governmental non-profit organizations from foreign states, international and foreign organizations, citizens of foreign states or, on their instructions from other persons.

<sup>17</sup> Decree of the President of the Republic of Uzbekistan UP-6181, March 4, 2021, On Approval of the Civil Society Development Concept for 2021-2025.

<sup>18</sup> Are we moving forward? How to assess the development of civil society in Uzbekistan. <https://www.gazeta.uz/ru/2021/05/10/ngo/> (August 8, 2021)

<sup>19</sup> Control or Partnership. <https://www.gazeta.uz/ru/2020/03/20/ngo/> (August 8, 2021)

International civil society development supporters have included.<sup>20</sup>

- Asian Development Bank (supported social innovations)
- Institute of Education for Adults
- International Finance Corporation
- Japan International Cooperation Agency
- Swiss Agency for Development and Cooperation
- United Nations Development Program (supported social innovations)
- USAID (supported social innovations)
- US Embassy, Democracy Commission Small Grants Program
- World Bank

### Cases, impacts and beneficiaries

The implementation of social innovations is so young and limited in Uzbekistan, that it is not actually possible to capture the impacts or beneficiaries. This section identifies the initial stages of SI development within civil society, highlighting very early initiatives in 2012 and new initiatives in 2019. It also outlines a government initiated SI, creating a public engagement mechanism that helps to link the public and governmental sectors. Of these SI cases, it is apparent that sustainability planning in any initiative is a vital factor for long-term impacts.

#### Case examples - Social Innovations

Social Innovation and Volunteerism. Implemented by the UNDP in 2012, Social Innovation and Volunteerism was probably Uzbekistan's first introduction to social innovations. In addition to the implementation of 30 initiatives, of which the majority fit the definition of social innovations, the project organized the country's first Laboratory of Social Initiatives. B. Radjabov, who led programmatic efforts for public outreach and social innovation promotion of the project noted, "... to be sustainable, and to diffuse across the government sector, these projects needed government support. In practice, however, "social innovation" projects in Uzbekistan lacked this support. These challenges prevented the projects from becoming institutionalized and subsequently diffused across society. Of the total, just two projects were institutionalized, five projects were closed, and 28 projects had only limited local impact. On occasion, the leaders of small-scale "social innovation" projects have sought to cooperate with local organizations"<sup>21</sup>. The following two projects are the only remaining initiatives of this UNDP program.

- Ecobags - The goal of this SI is to raise public awareness of the environmental harm caused by single use plastic bags, and encourage the use of reusable eco-bags. Volunteers develop the concept, the eco-bag design and awareness raising approach, and the eco-bags are produced by social enterprises.
- NatLib Volunteering - The goal of this SI is to educate volunteers for the National Library of Uzbekistan, and share the culture and values of volunteerism. The initiative has included sign language training for National library staff, and the UN Resource Room at the Library organized the first meetings of Café scientific.

Mening fikrim (translated: My opinion).<sup>22</sup> Mening fikrim is a webportal that was launched in 2018 by the Government of Uzbekistan to enhance citizens' participation in the management of public and state affairs, ensure the transparency of the activities of state bodies, as well as the viability and effectiveness of the adopted laws.<sup>23</sup> Citizens send proposals in the form of an electronic collective appeal that is posted on the portal after the examination by the moderator of the system – the Institute of legislative issues and parliamentary studies. General voting is held within 90 days from the date of publication of the petition. The appeal, addressed to both houses of Parliament, should receive not less than 10,000 votes, in order to be sent by the moderator to the competent state authorities no later than the next day. The term of consideration and decision-making on appeals should not exceed 60 days.<sup>24</sup> So far, for three years of operation 4,682 collective appeals have been sent to the portal, 15 appeals are in the process of support, 73 are in the process of expertise, 3 are in the voting process. This type of public participation tool is the first of its kind in Uzbekistan.

<sup>20</sup> ADB Report "Civil society briefs Uzbekistan"  
<https://www.adb.org/sites/default/files/publication/29303/CSB-UZB.pdf>

<sup>21</sup> B. Radjabov, *Public Sector Innovations? Examining Social Innovations in Governance in Uzbekistan*, p4., book: *New Voices from Uzbekistan 2019*, edited by Marlene Laruelle Central Asia-Azerbaijan Fellowship Program

<sup>22</sup> Mening fikrim (translated: My opinion), <https://meningfikrim.uz/ru>

<sup>23</sup> National action strategy on five priority development areas 2017-2021 in the year of support for active entrepreneurship, innovative ideas and technologies

<sup>24</sup> Fighting Corruption in Eastern Europe and Central Asia Anti-corruption reforms in Uzbekistan 4th round of monitoring of the Istanbul Anti-Corruption Action Plan, OECD, March 2019

**Social Innovations Laboratory.** A social innovations laboratory was implemented in Uzbekistan for the first time, as part of the USAID Partnership for Innovations program, which was jointly implemented by the Civil Society Development Association - ARGO (Kazakhstan) and the Nationwide Movement - Yuksalish (Uzbekistan).<sup>25</sup> Through the Lab, social innovations were widely demonstrated and promoted at the national level, increasing CSO and government knowledge of innovative approaches to develop civil society. The activity generated ideas for seven social projects and a network of social activists to collaborate on the realization of these projects.

### Case Analysis: The Public Association, Agroinnovatsiya

The CSO Agroinnovatsiya developed the website, [www.agroturizm.uz](http://www.agroturizm.uz) in 2019, as a part of the USAID project, Partnerships for Innovations. It is an innovative agrotourism technology, and includes an interactive Atlas of 93 agro ecotourism sites. This website allows remote farmers and households to develop small-scale businesses through advertisement on the website. Within the first year of operation, the website attracted 4,630 visits, and currently receives 500 - 600 views per day. The viewers have been mainly from Belarus, England, France, Germany, Kyrgyzstan, Mongolia, Russia, Slovakia, Ukraine, and USA.

Agroinnovatsiya noted that the development of this SI was challenged by the difficult and lengthy CSO registration process. In addition, the sustainability of the SI is being challenged by lack of human resources and financial support. Therefore the founder is considering widening the audience base to approximately 1,000 visitors per day by translating the Atlas into English, and transferring this SI into a social enterprise through selling advertising space and the collected website visitor data.

Unfortunately, the two interviewed ecotourism beneficiaries who are a part of the Atlas have not experienced any benefit from this SI. One ecotourism site reported no feasible changes in the number of customers since 2019, and the other did not know that his ecotourism site was included in the Atlas.

## Recommendations to Better Support Social Innovations

The following recommendations are derived from desk research, legislative review, interviews with key-stakeholders, case studies, and researcher analysis to boost social innovation as a tool to strengthen civic space and positively impact society in Uzbekistan.

### *Government*

- In collaboration with civil society, develop a set of characteristics for a common definition of social innovation and social entrepreneurship.
- Strengthen the efforts to incorporate social innovation into the legislative frameworks, including adding SI to the government agenda, and supporting the Ministry of Innovative Development to fulfill their priority task to develop SI. Appoint a governmental body<sup>26</sup> to connect multiple relevant Ministries to jointly coordinate social innovations under one umbrella. In addition, the body could provide support for sustainability, work towards social innovations policy implementations, regularly organize Social Innovation Labs and boost public awareness on social innovations.
- Support the development of social entrepreneurship by: a) Finalizing the adoption of the Law on Social Entrepreneurship; b) Encouraging the implementation of social entrepreneurships through raising the awareness of the public, business sector, and local authorities regarding the social benefits of SE and the relevant governmental business supports.

### *Civil Society and Social Innovators:*

- Raise awareness and encourage the public and authorities to engage in SI and SE initiatives.
- Adopt an ecosystem approach to partnership and SI development, engaging a variety of key-stakeholders in both formal and informal partnerships.
- Establish a permanent open dialogue platform via social media or other venue that enables multi-sectoral actors - innovators, civil society representatives, authorities, beneficiaries and stakeholders to openly discuss ongoing issues and social problems, and exchange ideas for solutions.

<sup>25</sup> <https://www.facebook.com/p4iuzbekistan/videos/875402306170885/>

<sup>26</sup> <https://mininnovation.uz/ru/menu/o-ministerstve>

### International Organizations / Donors

- Based on the significant experience of initiating and running full cycle projects in partnership with the government, develop mechanisms to ensure sustainability of the projects - i.e. introduce/widen other financing sources, such as crowdfunding, microfinancing, and other revenue streams.
- Actively engage and cooperate with national authorities in order to assure sustainability and ownership of SI initiatives/project outcomes. For this purpose readiness, needs, expectations and capacity of government partners should be carefully considered before any SI interventions.
- Develop a systematic approach adapted to the country context for SI capacity building, and the monitoring, evaluation, and impact assessment of interventions.



CSO "Khamdard", Urgench, Uzbekistan  
The first well functioning Centre with a variety of medical assistance offered to its vulnerable group beneficiaries in the Khorezm region

## Potential key players and drivers of social innovation in Uzbekistan

### Government organizations and agencies:

- Ministry of Innovative Development - <https://mininnovation.uz/en>
- Ministry of Employment and Labour relations - <https://mehnat.uz/en>
- Ministry for Support of Makhalla and Family - <http://moqqv.uz/en>
- Ministry of Higher and Secondary Special Education - <https://www.edu.uz/en>
- Regional and Tashkent city administrations (hokimiyats)

### National Non-governmental and civil society organizations:

- Independent Institute for Monitoring the Formation of Civil Society
- The Nationwide movement "Yuksalish" - <https://yuksalish.com/>
- Union of the Youth (former "Kamolot" youth movement)
- Business Women's Association of Uzbekistan "Tadbirkor ayol" - [www.adju.uz](http://www.adju.uz)
- Association of People with Disabilities of Uzbekistan - [www.imkoniyatlar.uz/uzb/about](http://www.imkoniyatlar.uz/uzb/about)
- Fund "Soglom avlod uchun" - <http://sau.uz/rus/?m=202105>
- "Mahalla" Charity Public Fund of Uzbekistan - <https://obfm.uz/en>

### International organizations and agencies:

- United Nations Development Program (UNDP) - [www.uz.undp.org/content/uzbekistan/en/home.html](http://www.uz.undp.org/content/uzbekistan/en/home.html)
- United States Agency for International Development (USAID) - [www.usaid.gov/fr/uzbekistan](http://www.usaid.gov/fr/uzbekistan)
- United Nation Population Fund (UNFPA) - [uzbekistan.unfpa.org/en](http://uzbekistan.unfpa.org/en)
- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - [www.giz.de/en/worldwide/364.html](http://www.giz.de/en/worldwide/364.html)
- Japan International Cooperation Agency (JICA) - [www.jica.go.jp/uzbekistan/english/office/index.html](http://www.jica.go.jp/uzbekistan/english/office/index.html)
- World Bank - [www.worldbank.org/en/country/uzbekistan](http://www.worldbank.org/en/country/uzbekistan)
- Asian Development Bank (ADB) - [www.adb.org/countries/uzbekistan/main](http://www.adb.org/countries/uzbekistan/main)

### Private sector:

- Chamber of commerce and industry of Uzbekistan: <https://www.chamber.uz/en/index>



CSO "Tarakkiyot", Fergana, Uzbekistan  
The CSO "Tarakkiyot" established a first Civil Society Development Resource Center in the Fergana region, Uzbekistan

## Data Collection and Analysis

This preceding report is based on the findings of desk research, interviews, case study analysis and researcher analysis. The online interviews were conducted with local social innovators, academia, and NGOs to identify their understanding of the social innovations in Uzbekistan, along with the regulations, available resources and challenges. The case study conducted, consisted of interviews with the project leader and one beneficiary. The following participants were selected based on their level of involvement in social innovation projects or initiatives:

- NGO's: Startup accelerator Tech4Impact, Educational Center "UMNICHKA"
- Social innovators: Public association Fund "Agroinnovatsiya," beneficiaries: Chatkal Sanatorium, LLC "Straus Farm"
- Business: Supermarket chain "Korzinka"
- International organization: UNDP/UNV Project 'Social Innovation and Volunteerism in Uzbekistan' (2014-2017)
- Academia: Institute of Macroeconomic Research and Forecasting under the Ministry of Poverty Reduction and Economic Growth of Republic of Uzbekistan

UNDP “Social innovation and volunteerism” project organized training and mini grants for social projects: 20 projects were proposed and 11 most detailed ones were selected, each mini-grant is designed for up to 3 million soums. In addition, initiators of innovative social projects learnt to be socially active citizens of their country and work in partnership with all stakeholders.

Proposed by	Purpose	Details
Student of the State Institute of Arts and Culture of Uzbekistan	Teach children to not pollute in their gardens and keep them clean.	Create an animated film on this topic by using game models for children to convey the correct model of behavior through interesting characters.
Student of Kokand academic lyceum №1	Cultivate among young people a passion for areas such as design and mechanical engineering.	The project "Constructor," will conduct trainings, seminars, and excursions for young people (15 to 25 years old) in the field of mechanical engineering and design. Based on their learnings, the participants will construct and exhibit a technical achievement.
Student of Andijan State University of Foreign Languages	Help young people acquire reliable information, as well as provide an opportunity to express their own ideas on solving urgent problems.	Organize a series of youth debates using different formats - i.e. our Uzbek - the Dilemma discussion club, the American parliamentary debate; a relatively new product for Uzbekistan - the British parliamentary debate, and the debate of Karl Popper to discuss youth health issues, including HIV / AIDS prevention. Through this innovative approach, young people will try to solve problems themselves, because many people have interesting ideas. It is necessary to create conditions for them to be heard.

### About the Researcher

**Nazira Abdullaeva** has the expertise in the area of small business and entrepreneurship development, carried out researches on small business, private entrepreneurship development and its social impact. She holds MBA from the Tashkent State University of Economics and currently a PHD applicant at the Institute of Macroeconomic Research and Forecasting, doing a research on macroeconomic aspects of entrepreneurship development. Abdullaeva is an author of several publications on small business development in Uzbekistan, youth entrepreneurship and co-author of one of the Case studies on business disciplines for university students. Contact details: Nazira.abdullayeva@gmail.com



This Social Innovations Atlas of Central Asia captured an understanding of the country specific and regional ecosystem(s) supporting SI, along with insights and recommendations to advance the approach for the defence and expansion of civic space. It also developed a pilot methodology, using case study analysis to test the hypothesis that social innovation can defend and strengthen civic space. It is the hope of this research that these findings and recommendations will be useful for decision-makers, practitioners, and researchers alike in realizing the full impact of SI to strengthen the individual countries of Central Asia and the region as a whole.

### Recommendations to advance social innovations in the Central Asian region

#### Central Asian Civil Society

- Take a leadership role in spearheading social innovations as the next approach in the democratic transition process.
- Establish an agreed upon definition of SI that is reflective of the Central Asian context.
- Establish a joint strategy to advance SI in Central Asian region as an inclusive mechanism to achieve Looking into the Future: Vision 2025.<sup>1</sup>
- Raise multi-stakeholder awareness of SI, advocating for support, advancement, and engagement of this approach.
- Engage in cross-border and global networking to find connections; engage in the global SI movement to counter the shrinking of civic space; and identify, adapt, pilot and scale international best practices to the Central Asian regional and country specific context.
- Establish a regional platform and network for all stakeholders - reaching beyond the traditional civil society and to disenfranchised areas, dedicated to sharing and advancing SI resources, experiences, best practices, and connections.

#### International Organizations

- Incorporate social innovations approach as a priority strategy to further aid the democratic transition and achieve the Sustainable Development Goals in the region.
- Leverage the position as an international organization (IOs) to secure commitment of governments and stakeholders to advance SI as a viable and effective mechanism to achieve governmental and IO strategic agendas.
- Provide technical support for the advancement of SI in the region, including emphasizing the sustainability and survivability of SI interventions.

#### Central Asian Governments

- Investigate the business case and social benefits of the social innovations approach in regards to the Governmental agenda and strategic priorities.
- Incorporate social innovations as a strategic approach to support the achievements of the Sustainable Development Goal commitments.
- Spur the social innovations ecosystem by incorporating legislation and regulatory incentives for the implementation of social innovations and social entrepreneurships.

#### Central Asian and International Private Sector

- Incorporate social innovations, including social entrepreneurship as a strategic corporate social responsibility agenda.
- Participate as a vested stakeholder in social innovation interventions.
- Understand the business case of SI, and consider incorporating social innovations and entrepreneurships into relevant business models.

#### Central Asian Social Innovators and Social Entrepreneurs

- Engage with multiple stakeholders to co-create a workable, sustainable solution, including the adaptation of existing solutions to a new context.
- Network and connect both domestically and internationally to share experiences, knowledge, resources, and social innovation ideas.
- Seek inspiration, knowledge and capability support to establish sustainable, selfsufficient social innovations.



It is anticipated that these recommendations will be used to guide for the future work of the Innovation for Change Central Asia Hub, social innovations in action. The project and research teams both believe that this atlas and mapping methodology can be scaled-up and replicated in South Asia and I4C regional hubs to further advance the use of social innovations as an approach to expand and defend civic space globally.

**Social Innovations Research Committee  
Innovation for Change - Central Asia and ARGO team  
November 2021**



## Acronyms

**CSO** - Civil Society Organization

**NGO** - Non-Governmental Organization

**ARGO** – Civil Society Development Association

**SI** - Social Innovation

**SE** - Social Entrepreneurship

**AUCA** - American University of Central Asia, Kyrgyzstan

**EITI** - Extractive Industries Transparency Initiative

**I4C** – Innovation for Change

**IO** - International Organization

**IRIM** - Independent Research Institute of Mongolia

**MUB** - Municipality of Ulaanbaatar, Mongolia

**SDGs** - Sustainable Development Goals

**SMEs** – Small and Medium-Sized Businesses

**USAID** – US Agency for International Development

**UNICEF** – United Nations Children's Fund

**UNDP** – United Nations Development Programme



“Civil Society Development Association “ARGO”  
36, Jandosov Str., Almaty  
050057, Kazakhstan  
Phone: +7 (727) 2502787, -88, -89, - 90, - 91  
Web-site: [argonet.org](http://argonet.org)  
E-mail: [info@argonet.org](mailto:info@argonet.org)