

Prospects for Achieving the Millennium Development Goals

Available data from the Soviet period point to very low levels of income poverty (Millennium Development Goal [MDG] 1) in the CARs, and to social indicators (MDGs 2-6) broadly corresponding to those in middle-income countries. It is reasonably certain, therefore, that the CARs were not suffering from widespread income poverty, social deprivation, or gross income inequality when they became independent.

Unofficial data indicate that in the first 5 years of independence (1991–1995), about 30% of the population in the CARs slipped into poverty. The worst affected were Azerbaijan, with 1.5 million internally displaced persons, the Kyrgyz Republic in which nearly two thirds of the population were poverty stricken in the worst year, and Tajikistan where prolonged civil strife resulted in almost the entire population suffering indigence and social deprivation.

The major cause of poverty at independence was the economic transition that resulted in large-scale loss of employment and therefore income and purchasing power in all the CARs. Specific components of the transition were:

- the breakdown of the Soviet Common Market Economic Association production and distribution network that resulted in the closure of a large number of industrial facilities;

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- the cessation of budgetary support from Moscow that led to a near collapse in social sector expenditures;
- the breakdown of social security systems that had been maintained by state-owned enterprises and supported by state pensions that dried up due to loss of public revenues and poor governance;
- hyperinflation caused by disruption in supplies of necessary goods and loss of control over money supply as the CARs switched from the Soviet rouble to independent currencies;
- civil strife in Azerbaijan and Tajikistan and also in the Ferghana Valley;
- the migration of large numbers of skilled Russians and other nationalities to their home countries.

As a result of sustained growth between 1996 and 2002, poverty incidence in the CARs has declined, yet poverty levels remain high ranging from about 27% in Kazakhstan and Uzbekistan to 62% in Tajikistan at the end of 2002.⁴ The average incidence of poverty in the CARs is estimated at around 32% which is unacceptably high for a region that earlier had virtually none. Moreover, rural poverty levels are now significantly higher than urban levels as agriculture has had to absorb many poor, urban, unemployed pensioners without a corresponding increase in farm or off-farm employment. Income disparities and poverty are pronounced and are concentrated in areas such as the Ferghana Valley; the border regions of Kazakhstan; the Kyrgyz Republic and Tajikistan; in Karkalpakstan and Dashoguz provinces in Uzbekistan and Turkmenistan respectively; and among internally displaced persons in Azerbaijan.⁵ Regional disparities have become noticeable as resource-rich areas have attracted new investment pushing incomes ahead of other regions. This was most marked in the oil-producing regions of Azerbaijan and Kazakhstan and in capital cities (like Ashgabat, Astana, and Bishkek) that received a disproportionate share of public and private investment.

All these countries had high levels of social development at independence. Literacy was universal. Education

was nearly universal at primary (MDG-2) and secondary levels, and approximately 30% of students went on to enter institutions of higher education in the Soviet Union or in Eastern Europe. There was no gender discrimination (MDG-3) in education. Similarly for health care, there was nearly universal free coverage for primary services and free access to tertiary and specialty hospitals although waiting periods were long. Social protection for the elderly was nearly universal although modest. There were few, if any, urban slums.

There has been a perceptible decline in gender balance in access to both education and health facilities since independence. The CARs have been able to maintain near-universal literacy although some gender bias against women is beginning to emerge. Uzbekistan and Tajikistan, however, seem to have improved literacy since independence, especially for women. Gross enrollment has been maintained at near-universal levels both for primary and secondary education with hardly any gender bias. There is, however, marked decline in access to childcare facilities at the preschool level,⁶ and there are disconcerting declines in tertiary enrollment in Azerbaijan, Kazakhstan, Tajikistan, and Turkmenistan. In contrast, tertiary enrollment has increased in the Kyrgyz Republic and Uzbekistan. Education curricula and testing need to be standardized and brought in line with the needs of the market.

Life expectancy at birth—widely regarded as a good overall indicator of health and nutritional conditions—has been declining in the CARs. Infant mortality improved for all except Kazakhstan.

Under-five mortality rates (MDG-6) improved since independence except in Azerbaijan, the Kyrgyz Republic, and Tajikistan where they worsened before improving again. Maternal mortality (MDG-5) seems to be deteriorating in almost all CARs except Uzbekistan where it has been almost halved since independence. Mother and child nutrition has also declined across the region. Unfortunately, there has been a sharp increase in communicable diseases such as tuberculosis and HIV/AIDS (MDG-6).⁷

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The spread of HIV/AIDS is related to rising drug use that often correlates with rising income poverty. These trends could also be a serious consequence of the marked decline in public expenditure on health in the CARs since independence.

Considering their per capita incomes, the CARs still have impressively high levels of human resource development.⁸ This is partly because of the socialist legacy and is partly an upward bias in official statistics. Despite the latter, high poverty levels and overall regression in social indicators are visible across the region. The oil boom in Kazakhstan over the last 4 years may have reversed this trend to some extent, but surveys in several other CARs suggest that access to education and health continues to deteriorate and also often depends on payment of unofficial fees that the poor cannot afford. This further exacerbates social inequalities and creates structural impediments to achieving inclusive growth.

The significant decline in social indicators in the CARs shows a need to adapt the MDGs by changing the base year to the year of worst poverty and social development. The creation of a regional poverty database using a standard methodology would facilitate the formulation of national poverty reduction programs and the monitoring of the status of the MDGs at both the national and regional levels.

In XUAR, illiteracy was below 2% among the young and middle aged in 2001. A system of compulsory elementary education is enforced, and the province has 21 institutions of higher learning with an enrollment of more than 100,000. In 2001, the province had 13,578 hospitals offering 35.1 hospital beds per 10,000 population as compared to 1.6 in 1949. A three-tier health system at the county, township, and village levels has been put in place, and the number of doctors and medical workers is above the national average. Almost half the population (8.1 million) now has access to piped drinking water.

Despite Mongolia's progress in meeting many of the MDGs, achievements in reducing income poverty have lagged behind. This is perhaps a combined result of

modest rates of economic growth and worsening income distribution. A more sustained effort is required to make growth more inclusive and less dependent on exogenous conditions. On the basis of the latest survey undertaken in 2002–2003, other non-income MDGs appear to be achievable. Mongolia has a unique reverse gender gap with higher levels of enrollment among females in post-elementary education.

Strong family ties underpin Central Asia's rich and diverse culture.

