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Explaining successful reforms

- the case of land reforms in the Pamirs

Abstract

Agricultural reforms have been a part of the transition to market economy in most former communist countries. Such reforms have included both reorganizing the production structures, and changing the property right system regulating land use.
Tajikistan is one of the slowest reformers in the former Soviet Union. However, the province of Gorno-Badakhshan stands out as an exception. There, land reforms were pursued already in the middle of the 1990-ies. As a result, household farms have replaced state farms as the main production unit, and production levels have increased significantly.
This master's thesis attempts to explain why reforms in Gorno-Badakhshan were successful, while they have failed in other parts of Tajikistan. Explanations are found both on the regional political arena, and on the level where reforms were implemented. On the political level, it was crucial how the Aga Khan Development Network convinced the regional government to adopt a radical reform agenda.
On the level of local implementation, most state farm managers consented to reforms, despite the fact that the reforms dissolved the very companies over which they presided. One of the reasons for this was the continuing decay of the state farms, which meant that most directors had relatively little to lose from reforms. Another suggested reason was increased demand from the villagers for reforms. Moreover, the managers got some compensation for their lost privileges, in form of disproportionately large shares of the state farm assets, and employments in other organisations.

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1 Introduction

The differences between the two sides of the Panj river in the Pamir Mountains are not very striking at a first glance. On both sides, there are low clay houses, clinging to small areas of inhabitable land between the high mountains and the narrow but roaring river. In the small fields around the houses, wheat, barley and potatoes are grown, and occasionally, fruit trees and vegetables. The fields are crowded with working people of all ages, and where the ground is too stony for cultivation, skinny sheep, goats and donkeys try to find something edible.

Looking closer, there are distinctions: on one side of the river, there are decade-old tractors or combine-harvesters. Most of them stand as wrecks, but some function. On that same side, there are electricity cables to each house, and a paved road with cars. On the other side, the donkey caravan is the dominating mode of transportation. That is the Afghan side of the river, which serves as an international border. The side with the road, the tractors and the electricity line belong to the former Soviet republic of Tajikistan.

The similarities between the two sides may look like expressions of an archaic society that does not know state borders. But reality is more complex; it is true that the Afghan side has not changed much in a hundred years, since the border was drawn up[1]. However, the Soviet-Tajik side has gone through extremely radical changes. Twenty years ago, the contrast between the two sides of the river was more marked than today, as Soviet farming was organised in state farms, supported with subsidised credits, fuel and machinery. Crops were different, as was the life style of most villagers. But in the 1980-ies, the Soviet Union started to reform, then fell apart, and Tajikistan became an independent state. This lead to civil war, and to isolation and food shortage in the Tajik Pamirs, also known as GBAO (meaning the autonomous region of Gorno-Badakhshan). These various crises were followed by agricultural reforms with the dual purpose of making the region self- sufficient in food stuff and re-creating a class of self-owning family farmers from former state farm workers. Thus, what the traveller observes on the Tajik side is the outcome of this process, rather than untouched, traditional farming.

[1] This North-Eastern part of Afghanistan has escaped most direct warfare of the last decades, which explains the relatively idyllic scenery.

Figure 1. Map of Tajikistan.

2 Purpose, methodology and delimitations

The process to split up the state-and collective farms into family farms has proven difficult in most parts of Tajikistan. In GBAO, the process of breaking up old structures and institutions, and introducing new ones, was done earlier and more successfully than anywhere else in Tajikistan. The purpose of this study is to find the factors that explain this deviation.

The primary method of this study is interviews that have been conducted with key individuals during a field study[2] in GBAO and other parts of Tajikistan. On the regional political level, I have interviewed officials and others who were directly involved in the reform process from the side of the regional government, or who had a good insight into it. Moreover, I have conducted a considerable amount of interviews in different villages, in order to get a picture of how the reforms were actually implemented on the ground. I have been particularly interested in the state farm directors and their incentives to accept or reject reforms.

[2] I am grateful to Sida (Swedish International Development Agency) who provided me with this opportunity through its Minor Field Study grants.

Apart from these primary interviews, I have also pursued secondary, or background, interviews with various experts on land reforms and the political situation in Tajikistan and GBAO.
All interviews have been carried out in a semi-structured form. This means, that some standard questions are asked in each interview, whereas there is also room for "spontaneous" questions, depending on the previous answers. Examples of questions are found in Appendix A.
Admittedly, there are many problems with using interviews as a research method. For instance, the informant may not remember all details exactly, or may not want to reveal them. The answers are also sensitive to the researcher's interpretations, and difficult to quantify. But it is difficult to see any other research methods that would be more suitable when studying GBAO land reforms. Apart from macro-level yield figures, there is no coherent statistic covering the land reforms or income distribution in the area. The scientific literature about the land reform is also very limited.
One alternative research method could have been to use questionnaires, in order to get a larger quantity of answers, and more easily quantifiable answers. However, many of the issues of interest, especially those regarding the distribution of assets during the land reforms, are sensitive for the people involved. Such information is usually only shared, once a certain amount of trust has been established between the researcher and the informer. It is therefore unlikely, that questionnaires would have been very suitable to catch such information. The benefits and drawbacks of interviews as a research method will be further discussed, based on the experience from the actual research work.
In order to give an overview of how the reforms proceeded in each village, I have structured the answers from the interviews in "field notes", summarizing the main findings from the eight researched villages. These are found in Appendix B. The intention has been that the researched villages should be a representative selection of GBAO villages. The first researched village (Vankala) was chosen, as there happened to be convenient transport to this village from the regional capital Khorog, at the right time. This transport was provided by an organisation affiliated with the Aga Khan Development Network, AKDN. With Vankala as a base, other villages in the same area (the Gunt river valley) were researched. Later, a second round of research was carried out in villages of the Wakhan valley, in the extreme South of GBAO. This second area was deliberately chosen to balance the first one, as geographic and climatic conditions differ between these two areas. The climatic constraints for farming are harsher in the Gunt valley, whereas on the other hand the Wakhan valley is more isolated from the regional hub and market in Khorog (see the exact location of the villages in Figure 2, "Map of Western GBAO").
There may theoretically be a risk of a bias when choosing village after the existence of transport. In reality, however, the Aga Khan-related organisations have activities in and transport to all villages in GBAO, and the choice of Vankala as the first village can therefore be seen as the result of a random process.
The selection process also touches upon another dilemma when doing field research in GBAO, namely how to relate to the AKDN. With its organisational infrastructure and wide portfolio of activities,

research often implicitly means an evaluation of AKDN's work. On the other hand, it is nearly impossible for any visitor to rural GBAO not to use this infrastructure. In the case of this study, representatives of the AKDN have indeed been helpful in advising in practical issues related to transport and accommodation (apart from answering questions related to the research work itself). However, the market price for all services has always been paid, in order to make sure that the independence of the work could not be questioned.

Finally, one important geographical limitation should be pointed out. Within GBAO, there is a clear geographic, economic and ethnical divide between the East and the West. The Eastern parts are made up of a high plateau of more than 4000 meters of altitude, with an extremely harsh climate, suitable only for husbandry. The population of Eastern GBAO is very sparse (less than 20000) and is primarily made up of ethnic Kyrgyz, who have traditionally been nomads. Given these differences, the pattern of agricultural reforms in the East has also been fundamentally different from that in Western GBAO, which is the topic for this essay.

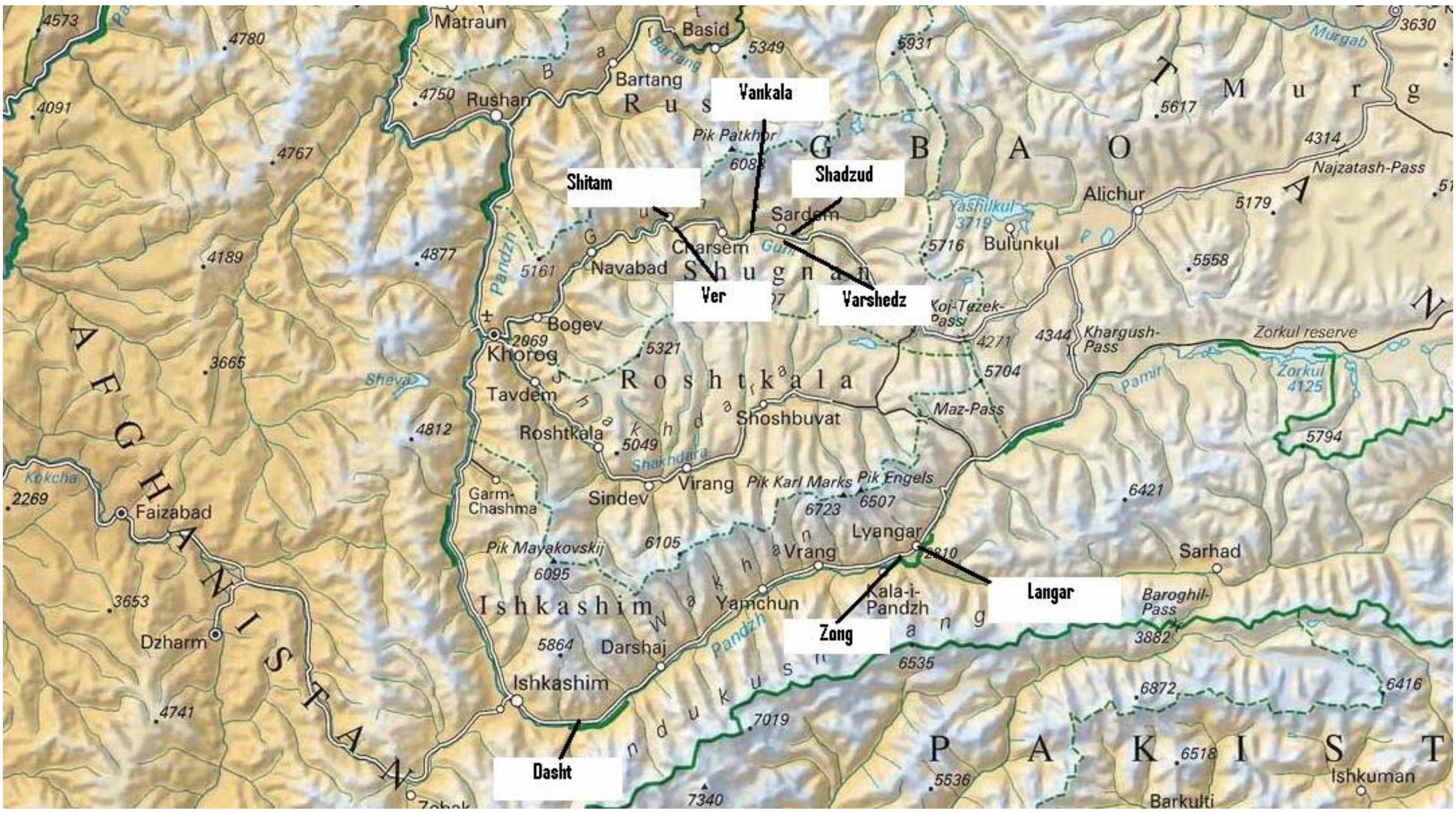


Figure 2. Map of Western GBAO

3 Background

About Tajikistan

Tajikistan used to be the poorest of the 15 Soviet republics, and its entire economy relied heavily on subsidies from the central government. The country became independent for the first time with the fall of the Soviet Union in 1991. Independence meant that the subsidies disappeared and as a consequence, the country suffered a severe economic crisis. This crisis was aggravated by the civil war that broke out soon after independence, along regional lines. Although major fighting only continued until 1994, a peace treaty was not enacted until 2000 (Akiner, 2001).

As a consequence of the war, it took a comparatively long time before reforms of the Soviet political and economic system started in Tajikistan. Politically, the country retains many Soviet features, with an autocratic president as its ruler. However, the peace treaty brought different parties to the government; parties that represented opposition fractions during the civil war and that are still characterized by regional ties (International Crisis Group 2004).

Economic reforms have lagged compared to other transition countries, and the state retains control over important sectors of the economy. However, a large part of the economy is informal, and in many cases tied to organized crime. Often, political and economic interest are intertwined, to the extent that some describe the situation with the term state capture (Cornell 2004), meaning that criminal networks exercise control over vital state functions. This is mostly related to the drug trade networks, smuggling opiates and heroine from Afghanistan. However, there are also networks involved in the profitable but partly illegal cotton trade (International Crisis Group 2005).

All of these factors –regional and clan loyalties, a desire to keep state control of the economy, and criminal networks exercising influence- today determine much of national Tajik politics and economy. Although there are elections, these are frequently flawed, and popular influence in politics is limited. In the rating by Freedom house, the country gets a score of 5, 71 (where 1 is the most and 7 the least democratic). Although high compared to Europe, it is slightly lower than some of its neighbouring countries (Freedom House 2005).

About GBAO

Gorno-Badakhshan, or GBAO, roughly makes up the eastern half of Tajikistan. Despite its size, it only contains about 220 000 of the country's seven million inhabitants. It is an extremely mountainous area, with several peaks reaching over 7000 meter, and most of its inhabitants live in the narrow river valleys in the Western parts of the region (for more on the distinction between Eastern and Western GBAO, see Chapter 2). Its inhabitants differ ethnically, linguistically and religiously from majority Tajiks, as they speak half a dozen mutually incomprehensible languages, and belong to the Shia sect Ismailism (unlike the majority of Tajiks, who are Sunnis). Already during Soviet times, GBAO was an autonomous region within the Tajik Soviet republic. In the aftermath of independence of Tajikistan, the region even proclaimed independence, and sided with the opposition in the civil war. This lead to severe isolation, as the government punished the region by blocking the only road connecting it to the rest of the country. As the region was dependent on the outer world for foodstuff, isolation brought acute food shortages, which were only cured through humanitarian assistance starting to pour in from abroad. A crucial role in the relief efforts was played by organisations belonging to the Aga Khan Development Network (AKDN), affiliated with the religious leader of the Ismailis. The AKDN has since remained in the region, and has as shall be described an analysed in detail an enormous influence on developments in the region (This section is mainly based on Kreutzmann, (2002)).

Farming in the Soviet Union

Agricultural production all over the Soviet Union was forced into collective and state farms in the 1920-ies and 30-ies. These farms were much larger than what is typically the case in market economies, and being the only local employer, the collective and state farms also usually had far-reaching responsibilities for rural infrastructure and social services. This was a grossly inefficient system, and surveys of state and collective farms of the Soviet Union during the second half of the 1980-ies show that most farms would have made constant losses, had there not been state subsidies (Lerman, Z., Csaki, C. and Feder, G. 2002, p 41). As analysed by the same authors, some of the sources of their inefficiencies were insensitivity to market signals, lack of profit orientation, free riding and moral hazard, and an inability to control labour costs. The problems of the agricultural sector were well known and analysed by Soviet scholars, from at least the beginning of the 1960-ies. However, thorough reforms were impossible due to ideological and political constraints in the Soviet system (Lerman, Z., Csaki, C. and Feder, G. 2002, p 46).

Parallel to the large units, many rural inhabitants in the Soviet Union intensively cultivated their small household plots. This small-scale farming did not have the same productivity problems as the large units. Strikingly, the household plots in the Soviet made up only 2 percent of farm land, but produced 20 percent of its agricultural output (Lerman, Z., Csaki, C. and Feder, G. 2002, p 24).

Farming in Tajikistan and GBAO before independence

In Tajikistan and the other Central Asian Soviet republics, the agricultural sector had an extremely strong focus on cotton production. This started during Tsarist times, but intensified gradually during the 20th century, as cotton became a crucial input in the industrialisation of the Soviet Union (International Crisis Group 2005). As cotton needs high temperature to grow, agriculture in the relatively cold mountainous areas of Central Asia for a long time stuck to its traditional food crops. However, in the 1960-ies the Soviet authorities decided, that the Pamirs should be designated for animal husbandry. Most of the meat and wool that was produced in the Pamirs was exported and exchanged for other goods, within the commando economy system. Food needs were covered through imports from other parts of the Soviet Union. This change is reflected in the statistics over land use in the region: while in 1965 76, 3 percent of the cultivable area of GBAO was used for food, the corresponding figure in 1987 was 25, 4 percent (Herbers 2001, pp 371). Gradually, reforms were also undertaken to merge collective farms into state farms. By the middle of the 1980-ies, this process was finished, and the entire agricultural sector of the GBAO was organised into state farms (Herbers 2001).

Although subsidies and transfers were integral parts of the entire economic system of the Soviet union, there were also specific geopolitical reasons why the Soviet government deemed it particularly important to support GBAO: it was considered a strategic advantage to have a large population in this sensitive border area with China, Afghanistan and Pakistan nearby (Breu and Hurni 2003, pp18). According to Shabogshoev[3], food prices for households were directly subsidized, whereas for farms, fuel and fertilizers were subsidized and credits regularly written off.

Like elsewhere in the Soviet Union, household farming also took place in GBAO. However, according to Shabogshoev[4], anyone whose private stock grew above a certain number had to give away the "superfluous" animals to the state farm or kolkhoz. During the last Soviet years, the attempts to reform the economy apparently also affected GBAO. The reforms opened up for a system of leasehold land, meaning that there was a legal possibility for the villagers to rent unused land from a kolkhos or state farm, with payment made as a percentage of the yield. It is unclear what real impact this reform had, but Gulmirov point to the leasehold system as a useful experience, when the full-size reforms took place the following decade[5].

Post-socialist land reforms

As transition started, reforming the inefficient agricultural sector was deemed necessary in most countries of the former East block (Deiniger, 2002). Swinnen (1997) identifies two principal questions that faced reformers in the former socialist countries: who should own the land, and how should farming be organised? The property rights issue is crucial to the possibilities of establishing a secondary land market- i.e., the practical possibility of buying and selling land. In turn, a functioning land market is a prerequisite for credits with land as collateral. The second question targets whether the state and collective farms should be kept as organisational entities, or be split-up. Although in principle, these two dimensions of reforms are separate, Deiniger points to how in reality, they reinforce each other. For instance, if there are no secure property rights and functioning factor markets, the farm workers will have little incentive to demand a split-up of the large units.

The chosen reform paths differ strongly between different post-socialist countries. Like with other aspects of transition, it is now common to speak of a new "East-West divide"(Lerman 2001). On the

[3] Bogsho Shabogshoev, Head of the land department at the Municipality of Ver and Former state farm director. Interview in Ver, 13th of October 2004.
[4] Ibid.
[5] Shamir Gulmirov, Chairman of the Association of Dekhan farmers in Zong, and former director of the state farm. Interview in Zong, 21st of October 2004.

Western side, there are the former satellite states plus the Baltic States, where clear property rights and functioning land markets have been re-established. On the Eastern side of the divide (that is, in most of the former Soviet Union), reforms have been slow. The newly independent states have often been reluctant to give up their monopoly of land: instead, many of them have introduced land leases. This has inhibited the establishment of land and credit markets. Farm restructuring has also been slow in most parts of the former Soviet Union: although many state and collective farms have formally been restructured, this has not always been lead to any real management changes (Lerman 2001).[6]

Land reforms in Tajikistan

Even among the slow reformers on the Eastern side of the divide, Tajikistan as a whole is among the slowest reformers (with GBAO as the exception). The reluctance to reform the agricultural sector concerns both the ownership issue and the organisational issue, discussed above. Private ownership of land is prohibited. Although state and collective farms have been abolished by law, implementation of these reforms is extremely troublesome. In reality, these old structures have been often just been given another legal form, while they are managed like before: command structures are intact, as are resource flows and labor division. Although by law, farm workers should be informed and be able to choose between all available options for reforms (including privatizing and dividing the land among the workers), this has often not been the case. Often, farmers do not even know that their enterprises have been "reformed". For instance, in a survey made by Action Against Hunger among farmers in an area where the state and collective farms had been abandoned, 64.3 percent of the respondents thought that they were still working on such farms (Action Against Hunger 2003, pp 6). In effect, little substantial changes have occurred as to who makes the important decisions such as crop choices, or where the proceeds end up (this section is based on Action Against Hunger 2003 and International Crisis Group 2005).

During interviews, Sharipov[7], Hall[8] and Ansola[9] all claimed that resistance to reforms is strongly connected to cotton production. As one of the main export products of Tajikistan, cotton is crucial for the economy of the country as a whole. However, exploitive business practices dominate the cotton trade. Whereas cotton is exported at world market prices, the cotton pickers in the fields are underpaid- in many cases, they are not paid at all (International Crisis Group 2005, pp9). To express it simply, the proceeds end up in the pockets of semi-criminal networks between the cotton fields and the world market. Representatives of theses networks are found at different levels of society, from the kolkhoz chairman to top government officials. Although many of those who gain from this are private individuals or companies, the state is also highly involved in this trade: just like in Soviet times, each

[6] For an overview of land reforms in the former Soviet Union, see also Swinnen and Heinegg (2002).
[7] Azibek Fatoevitj Sharipov, Chairman, Union of Dekhan Farmers of Tajikistan. Interview in Dushanbe, 23rd of September 2004.
[8] Michael Hall, Director, International Crisis Group. Interview in Dushanbe, 20th of September 2004.
[9] Jeanne Reiser-Ansola. Land reform advisor, UN FAO. Interview in Dushanbe, 27th of September 2004.

cotton-producing region get a target for their production, for which the regional governor and, in turn, the local governments are responsible (International Crisis Group, 2005 pp 6). Reiser-Ansola[10] regards this system as an obstacle that inhibits all attempts to reform the sector.

Hall[11] and Reiser-Ansola[12] give two reasons, why those who gain from the cotton trade oppose reforms. First, true reforms would make it difficult to directly exploit the labor force the way it is done today. Second, there is a fear that reforms would lead to decreased total cotton yields, if family farmers would be able to decide for themselves what crop to grow. As this thesis will further elaborate upon, reforms have been easier to pursue where cotton does not grow. Hall illustrate the difference in the following way:

"Some (of the cotton network members) are old commanders from the war. Others are high-ranking civil servants, such as the head of the Central Bank. Relatives of the President are also involved. Important persons like that are not involved in fruit, or mulberries, or whatever- because there are no foreign buyers interested in buying train loads of apricots and the like. But cotton is money, and money is power, and no-one wants to give that up."

Land reforms in GBAO

As mentioned, GBAO stands out as an exception from the picture of land reforms in Tajikistan. After humanitarian aid had helped avoid acute starvation in the early 1990-ies, the regional government of GBAO started to undertake reforms, in order to make the region self-sufficient in food. These land reforms started in 1995, and by 1999, 80 percent of the cultivable area of GBAO had been reformed, and was cultivated by households instead of state farms (Herbers 2001). The reforms have also brought a change in crops, from fodder to wheat, barley and potatoes. Cattle such as cows, sheep and goats are plentiful, although hay production is rare. According to Shabogshoev[13], the proportion of land used for food crops in his municipality has gone from 30 to 70 percent, and the amount used for fodder has decreased correspondingly, as a consequence of the land reforms.

The level of self-sufficiency in food in GBAO as a whole has increased from10-20 percent in the 1980-ies, to almost 100 percent today (Breu and Hurni 2003, pp20). This is due not only to the change from husbandry to food production, but also a consequence of increased areas of farmed lands, and through increased productivity thanks to better crop varieties, better techniques, and more intense cultivation. Most of these changes have been initiated and supported by the AKDN (Herbers 2001).

Legally, the user rights to land in most villages belong to an entity called a dekhan association. These associations are formally responsible for gathering land taxes from the villagers, and according to

[10] Jeanne Reiser-Ansola. Land reform advisor, UN FAO. Interview in Dushanbe, 27th of September 2004.
[11] Michael Hall, Director, International Crisis Group. Interview in Dushanbe, 20th of September 2004.
[12] Jeanne Reiser-Ansola. Land reform advisor, UN FAO. Interview in Dushanbe, 27th of September 2004.
[13] Bogsho Shabogshoev, Head of the land department at the Municipality of Ver and Former Kolkhoz director. Interview in Ver, 13th of October 2004.

Alabachshov[14], this is usually their only practical function. According to Robinson[15], dekhan associations were created as legal successors of the state farms, while at the time of reforms, it was unclear legally whether private individuals could possess land user rights.
Of greater practical importance than the dekhan associations are the Village Organizations (VOs), set up by the AKDN during the reform work, with extensive development activities both within and outside the agricultural sector, and substantive budgets for these activities[16]. The local and regional authority structures remain intact since Soviet times, although their resources and capacities are limited.

4 Theoretical framework

The thorough changes of agriculture in GBAO make up one case of the global phenomenon of transition from planned to market-based system. Therefore, in the following, the most common transition theories and their applicability to this case will be discussed. Following that, the best models to analyze the case of GBAO will be identified and applied.

Institutions, transition economics and the political economy of reforms

For a long time, mainstream economists neglected the role of institutions in economic life. This has changed the last few decades, with the development of modern institutional economics. Probably the most influential in this neo-institutional school of thought is Douglass C North, who describes institutions as "…humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights)"(North 1991).
Institutional economics developed partly in order to explain phenomena that are difficult to explain for neo-classical economics, such as why identical policies may yield completely different results in similar countries, or the phenomenon of path dependence through history. Generally, representatives of the neo-institutional school seek answers to these questions in property right systems and transaction costs. Where there are institutions that help to keep cost to maintain property rights and transaction costs down, there will be more room for transactions. This opens for more specialisation, which in turn leads to growth or, with another term, development (based on North 1993).
Institutional economics has gained even more in relevance from the developments in the former communist world. This entire transition can actually be summarized, as going from one set of (planned economy) institutions to another (market economy based). These historic events have also put focus on what can be done to help change institutions. In particular, the transition has lead to the

[14] Bojmamad Alabachshov. Head of GBAO branch of Union of Dekhan farmers of Tajikistan. Interview in Khorog, 14th of October 2004.
[15] Sarah Robinson. Evaluation officer, MSDSP. Interview in Khorog, 15th of October 2004.
[16] As observed by the author in the researched villages.

development of a literature on the political economy of reforms.[17] This literature has evolved alongside political events, and as a consequence of demand for advice on policy. Thus, it is not surprising that most of the works on the political economy of reforms that have come out from the transition paradigm take the perspective of the government. The issue is what political constraints the ruler faces, and what can be done in order to overcome these constraints. Roland (2002, pp 4) describes these models as based on the “agenda- setting hypothesis”. The assumptions behind this hypothesis are that the government (or any other ruler) has the exclusive power to design and sequence policy measures. However, these measures have to be accepted by either a legislature or in a popular referendum. Crucial to this literature is the question why reforms, that are beneficial the majority of the population, so often meet popular resistance. Many authors point to the role of uncertainty as an answer. One example is Fernandez and Rodrik(1991), who discuss individual uncertainty as an explanation to the puzzle. They describe a reform that will gain a majority of the population, but that will also create some losers. In case of certainty of the outcome, the majority of gainers would vote for the reform. But in case only the aggregate outcome is known, and not the outcome for each individual, it is no longer obvious that a majority will support the reforms.

Another real-life riddle that economists try to answer is why reforms initially often have large popular support, only to lose it later. Rodrik’s (1995) explanation to this phenomenon is that the preferences of the voters change in the process. He envisages a situation, where there are two sectors in the economy: a subsidized, low-paying state sector, and a higher-paying private sector. The policy choice facing the reformer in the transition setting is basically how much the subsidy to the state sector should be, which corresponds inversely to the tax rate of the private companies. The lower the subsidy, the faster will the expansion of the private sector be. Rodrik shows, how it is easy to gain popular support for low subsidies in the beginning of the process, when the private sector is small. Such a policy is likely to find supporters also among state employees, as it will give them a greater chance to find employment in the better-paying private sector. But as time goes by, the chances for the state workers to gain employment in the private sector decreases. This, Rodrik suggests, may be one explanation to the pattern in Eastern Europe during the first half of the 1990-ies, where strong support for reforms in many countries turned into resistance and return of the reformed communists to power.

One response to this problem has been to try to “isolate” the rulers from pressure by the population. Olofsgård(2003, pp 20) describes some of the proposed measures, such as giving power over fiscal and monetary matters to professional technocrats, or simply centralize authority in order to overcome national division. However, Hellman(1998) criticizes such measures, which he considered based on an un-founded fear that short-term losers of reform would get impatient. Instead, the danger he sees is that short-term *winners* of reforms will have an incentive to stall reforms. For instance, they may be in a position to make an arbitrage out of partial reforms, if prize liberalization is introduced to some

[17] See for instance Olofsgård (2003) for an overview of this literature.

goods, but not to all. With their profits, they may be able to make the government inhibit reforms half-ways.

Other writers make explicit prescriptions about how political constraints can be relaxed. Gerard Roland (2002) describes four different ways to do this: to *compensate losers*, to *make reforms partial* in order to reduce opposition, to *create institutions* that make a commitment to compensating transfers credible, and finally to *wait for the status quo to deteriorate*.

Compensating losers can be done in many different ways- but it can also fail in many different ways. For instance, it may be difficult to identify the losers of reform. Moreover, Roland points out that there is not always a practical possibility in transition countries to enforce tax collection, necessary to finance transfers.

Instead, Roland has a stronger belief in *partial reforms* as a method to overcome political constraints to reforms. He argues that it makes it less costly to experiment, at least if the reversal costs are smaller for partial than for full-scale reforms. Moreover, it can be used to build up support for further reforms, through two different tactics that can be used, namely the "divide and rule" and the "optimal sequencing"- solutions. Roland exemplifies the "divide and rule"- tactics with a plan for restructuring of a company, including making two thirds of the work force redundant with some, but not full compensation. If faced with the alternatives of status quo and such a plan, a majority will opt for the status quo, meaning there is a political constraint that inhibits restructuring. But if the management starts to plan redundancies of small groups of employees, without compensation, it will be beneficial for a majority of the workers to accept the original proposal, with incomplete compensation. "Optimal sequencing" refers to the order in which partial reforms are enacted. A "good" outcome of an initial and partial reform will increase support for further reforms. For the reformer, it is thus crucial to start with those reforms that have the highest likelihood of a positive outcome. When uncertainty is resolved in this way, the reformers will gradually build a constituency for reforms.

Creating institutions with a commitment to transfers may make compensation promises more credible. One example would be to create democratic institutions, if the issue is about compensating the poorest segment of a population.

Wait for a deterioration of status quo is sometimes the only alternative, but its outcome is highly uncertain.

Agenda setting, implementation and policy choice

With its focus on how the ruler can overcome popular resistance to reforms, the theories based on the agenda-setting hypothesis have less to say about other aspects of reform. For instance, the implementation of the reforms, once they are decided upon, is implicitly assumed to be free of hassle. However, there are other examples from the transition literature, where the problem of implementation is given more attention. One example from the early transition literature is given by Winiecki (1996) in his "Why economic reforms fail in the Soviet system- a property-based approach". Written in the

1980-ies, it describes the Soviet system in present tense, and shows that economic reforms are unlikely to be successful, without simultaneous political reforms. The reason for that is to be found in the nomenklatura system. Simply described, this system meant that entire cadres of officials had strong interests in keeping the old system. It gave them different kinds of privileges, forming what Winiecki with reference to North describes as a particular "property rights system". With genuine, decentralising reforms, the need for that type of bureaucrats would strongly diminish- on state, regional, and company level. Moreover, as the nomenklatura member were not recruited on the basis of merit, they would also have difficulties in competing for positions in a reformed economic system. Therefore, argues Winiecki, the nomenklatura that controls the political system is unfit to implement and pursue reforms. Economic reforms without prior or simultaneous political reforms would therefore be doomed to fail- even if reforms were optimal, and had the support of the relevant constituencies.

More recently, Jones Luong (2003) has explicitly argued against using the agenda-setting hypotheses when studying Central Asia. Her argument is that the greatest obstacle to reforms in Central Asia is not constituencies or popular majorities, but rather forces *within* the government and administration themselves: "…(C)entral ministries, regional governments, and kolkhoz (collective farm) chairmen resist market-based initiatives (such as the privatization of land, rational use of water, and an end to mandated crops and production quotas) that would wrest their control over crop production and distribution, which is tied to both their economic well-being and political power"(Jones Luong 2003, pp 1). Even if there were a ruler with support among voters or other constituencies to enact reforms, it would be impossible to *implement* them due to resistance within the administration.

This picture indeed seems to be valid for the land reform issue, as described in the background section: those reforms that are formally decided upon, are in reality not implemented, due to resistance from the structures meant to implement them. As the example of GBAO shows, this does not mean that reforms cannot be implemented- but it shows that the bureaucracies that are supposed to enact reforms, can block them if they have an interest to.

The implementation issue is thus one reason why the common transitional theories are not fit to analyze this case. Moreover, I would argue that there is another problem with the agenda setting hypothesis as well, namely, that it does not explain what made the ruler chose a certain policy. It is just assumed, that he or she wants a policy that is optimal for the population as a whole. In countries suffering from state capture, it cannot be taken for granted that this is realistic. In Tajikistan, the land ownership issue is a good example. The unanimous advice that experts and international organisations give to the government[18] is to allow private ownership of land. Nevertheless, the government has been extremely reluctant to take the necessary steps. As described above, it is widely believed among experts, that the reason is the responsible government officials and their relatives personally make

[18] See for instance the World Bank 2005.

large gains from the cotton trade today, and that they believe that these gains would be threatened with far-reaching reforms.

The case of GBAO

To sum up, the reasons why reforms fail may be both that rulers are reluctant to adopt reforms, and that they are unable to implement them. On the other hand, successful reforms such as those in GBAO, have logically passed both these hurdles. In the case of GBAO's land reforms, the relevant policy level is that of the regional government, which chose to pursue a radical reform policy. Implementation, on the other hand, took place on a level of state farms and their managers. Although these two processes are interconnected, they are different enough to make it necessary to analyse them separately, applying different models.

As for the policy choice process, it has already been described, how the AKDN had a crucial role in convincing the regional government to pursue reforms. It is logical to look for a model that focuses on policy choice as the outcome of interest groups' efforts to lobby for their preferred policy. One such model, originally developed to explain trade policy of agricultural products, is Hedlund and Lundahl's Tariff-seeking model[19] (1985). In this intuitively appealing model, conflicting interest groups are investing resources to influence policy makers. This model will be further explained below.

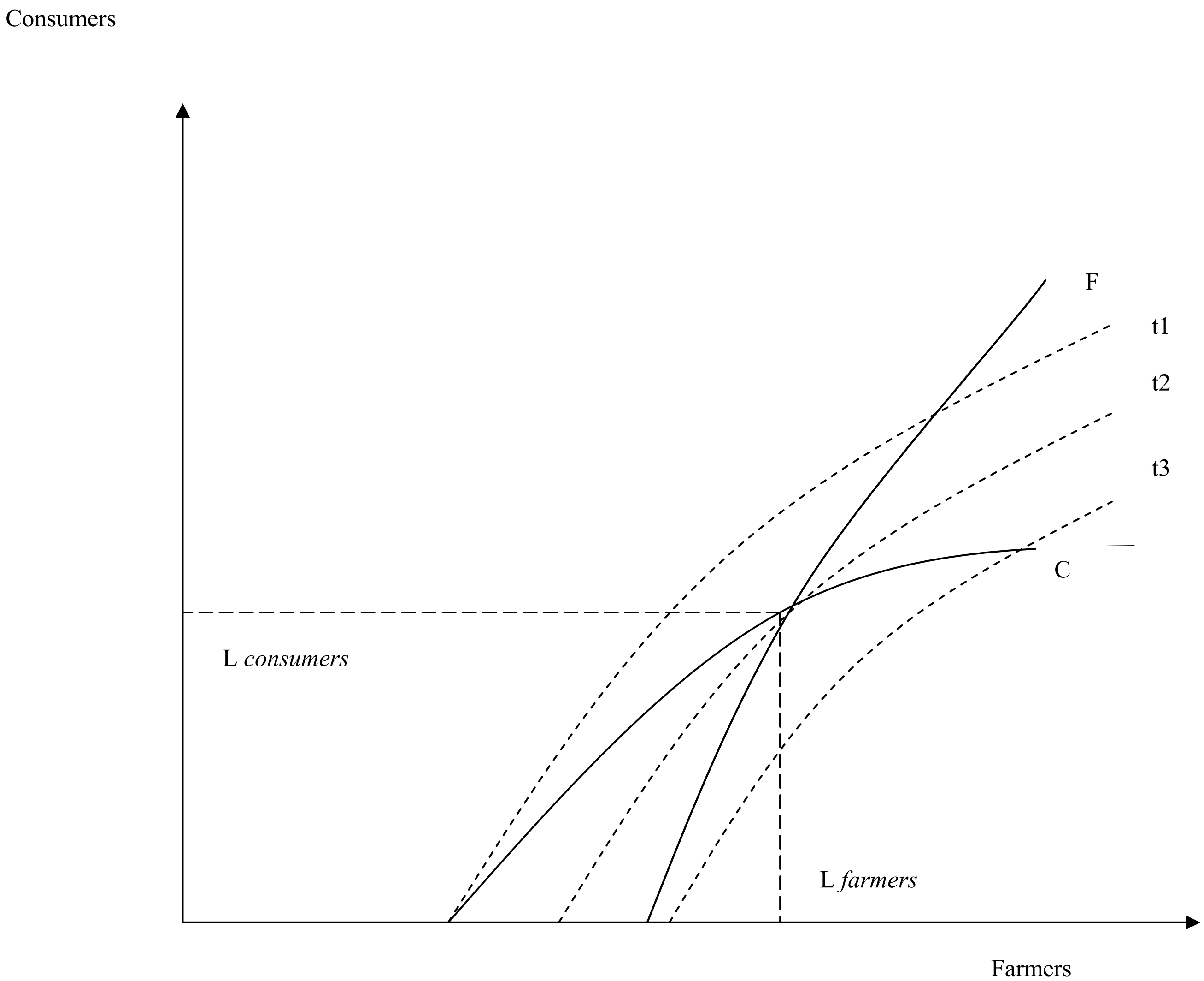
For the implementation issue, the state farm managers make up a key group. They could be compared with the "nomenklatura" in Winieckis description: they have a powerful position in the old system, and risk losing it if reforms are implemented. As examples from other parts of Tajikistan show, they also have the ability to block reforms. The regional government therefore had to enter into a bargaining process with them, in order to be able to implement the reforms. One model that has been developed to analyse such processes is Jones Luong's game theoretic Transitional Bargaining Game, or TBG (2002). It is based on the interest and perceptions of actors with conflicting interests, as they negotiate about the design of a reform, in a transition period with high degrees of uncertainty. The model was originally developed in order to explain how political institutions are being reformed. Therefore, using this model is also a test of its applicability for changes of economic institutions.

The tariff seeking model

In the original tariff-seeking model, the issue at stake is the tariff levels on agricultural products. The two actors are farmers and consumers. Whereas farmers want high tariffs, in order for their products to be protected from international competition, consumers have an interest in keeping tariffs down, as that will make food cheaper. The efforts of these pressure groups, and the resulting policy, can be shown graphically, with the resources that the two groups spend in order to influence policy on each of the axes (see figure 3). As each actors reacts to how much resources the other actor spends, his or her actions are described in reaction curves, C and F. These curves show how much each actor will spend

[19] Translation by this essay's author of the Swedish term "Tullsökning".

on changing policy, for each given level of expenses by the other actor.



t= tariff level

$t_1 > t_2 > t_3$

F= Farmers' reaction curve

C=Consumers' reaction curve

L *consumers*= amount of resources consumers spend in equilibrium

L *farmers*= amount of resources farmers spend in equilibrium

Figure 3. The Tariff seeking model.

(From Hedlund and Lundahl (1985), p 201)

The point where the reaction curves meet equals the equilibrium, where none of the actors will have an incentive to spend more (or less) on influencing policy. It is located on one of several tariff lines (t_n), each of which corresponds to a certain tariff level. The further to the right in the diagram the tariff line is located, the higher a tariff it corresponds to; this reflects, that the more resources the farmers spend, the higher will the tariffs be.

The shape and design of the reaction curves are determined by how much the actors are willing and able to spend on influencing policy. One crucial factor for this is the ability of the actors to solve their internal coordination problems. Lundahl and Hedlund refer to Mancur Olson, and his discussion about individual incentives related to collective goods. In short, Olson's point is that the smaller the group, the easier it is to coordinate efforts to get that good; in smaller groups, each individual will get a larger share of the good, and will therefore have a larger personal incentive to act for the desired policy. Moreover, if there are selective incentives for the individuals in the group to act for the good of the group as a whole (rather than to free ride), it is more likely that the group will be able to act concertedly in order to get their policy through.

In the original version of this model, farmers make up a smaller group, with better-developed selective incentives than the consumers. This means that the farmers react more strongly and earlier than the consumers. In terms of the model, it means that the reaction curve of the farmers is steeper than that of the consumers. Its leftmost point is on the x-axis, to the right of the origin of coordinates. As the reaction curve of the consumers also cuts the x-axis to the right of the origin of coordinates, the farmers can spend a certain amount of resources, before the consumers react. As the curve of the consumers start to the left of the curve of the farmers, the reaction curves will cut each other in the equilibrium point. The resulting situation is seen in Figure 3.

This original set-up of the model describes a situation where both groups exercising influence, so that the policy outcome is a compromise. However, Lundahl and Hedlund actually argues that in the real case that they are studying (agricultural policy in Sweden before deregulation and EU accession), the differences in organisational strength are large enough to create a situation where the farmers can dictate policy. In terms of the model, this means that the reaction curves never cross. The farmers' reaction curve starts to the left of that of the consumers, and like in the original set-up, the farmers' curve is steeper. This means that the farmers can practically chose policy, through spending as much as is rational from their point of view- i.e., up until that point where the marginal revenue of higher tariffs equals marginal costs for achieving higher protection. In the model, this is the same as the point where the reaction curve cuts the x-axis. The resulting policy will thus be the one that is represented by the tariff line cutting the x-axis at the same spot.

One of the underlying assumptions of the tariff-seeking model is that the investments that the actors make really have an effect on the policy that the government chooses. With other words, there are no other actors or factors that influence what policy the government chooses. Although this is not always the case, the authors argue, that it is the case in the particular situation that they study (This entire section is based on Hedlund and Lundahl (1985), chapter 8).

Explaning implementation: the Transitional Bargaining Game

The TBG is a game theoretic model, based on Rubinstein's bargaining model (1982). It was originally developed to explain reforms in the electoral systems of three Central Asian countries. In the terminology of the TBG, reforms are the same as changes of institutions. Institutions are distributional tool that determines the permanent distribution of a certain resource between two players, into (x) and $(1-x)$. In particular, an institution is $x \in X = [0,1]$, where (x) represent what Player 1 receives, and $(1-x)$ what Player 2 receives. The two players have asymmetric powers, and are both trying to maximize their shares of the resource in a bargaining process about the design of the institution.

The game goes on in an infinite number of rounds, or until an agreement is reached, or the game breaks down. Each round contains two moments; a proposal and a reaction. The proposal consists of a suggested size of (x). If the reaction is an accept, the proposed distribution of the resource will be made permanent, so that the players will permanently get control over (x) and $(1-x)$, respectively. This means that the game is over, and that the distribution of the resource will become permanent.

If the reaction is a rejection, the resource will be temporarily divided along the current power relationship between the two players. Power is thus defined and measured by how much resource each player can lay his or her hands on. This is shown by the relative size of the reservation values, R_1 and R_2. The distribution along the lines of reservation values is temporary, in the sense that already in the next round is the distribution likely to change.

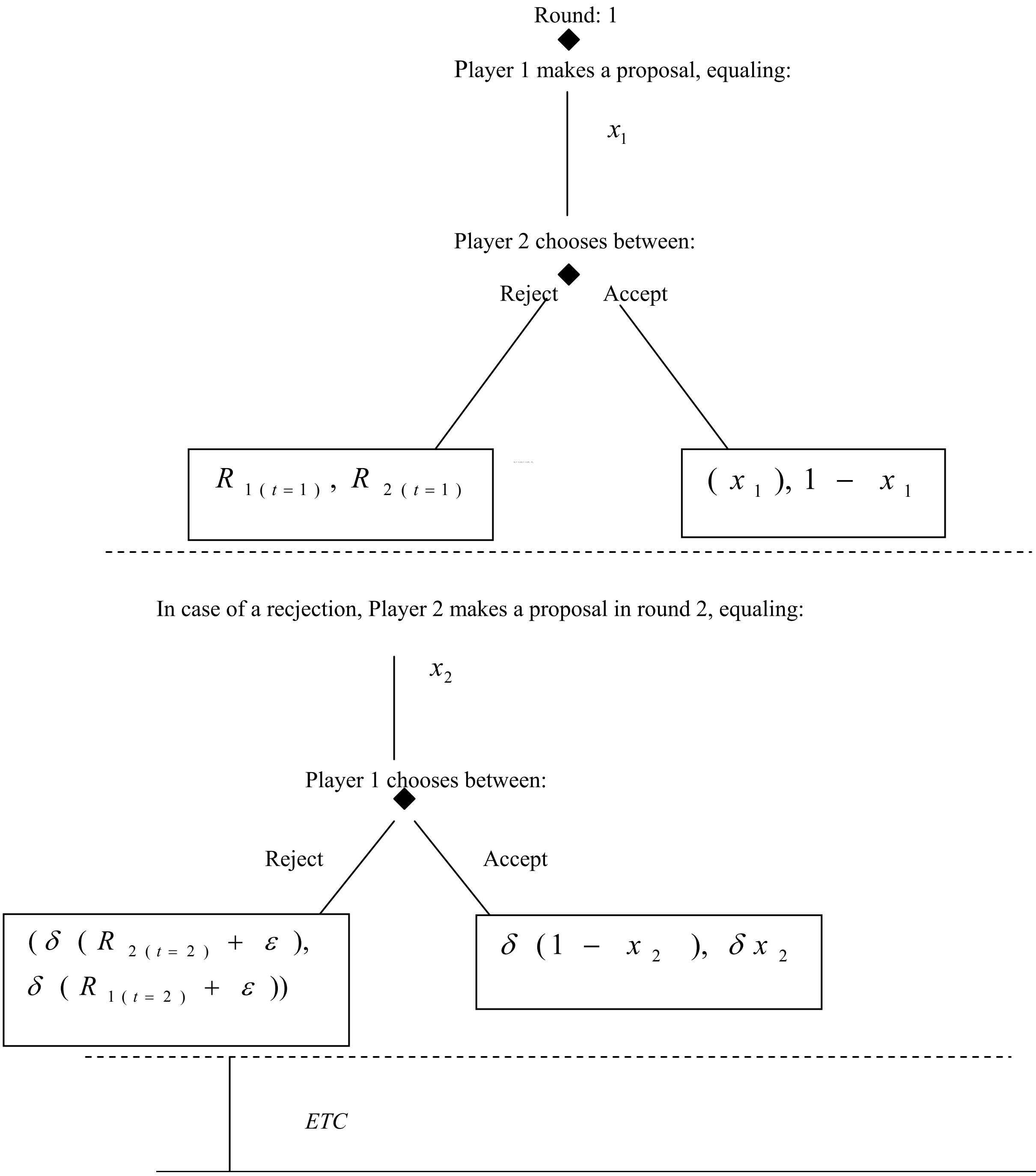
The players know the current power relationship and reservation values. However, they do not know what this relationship will be in the next round. They can only estimate the change: whether it will be negative or positive from their point of view, and how large it will be. This estimate is represented by ε [20], or the expected shock to the reservation values. The size and direction of the ε will directly affect the players' bargaining strategies.

The players make their estimation of ε independently of each other, without information about how the other player assesses the situation. The players may make identical or diverging estimations: for instance, they may both think that they will gain in influence in the next round, although this is impossible, as reservation values are relative.

Apart from the individual beliefs about the reservation value, the players also have a common interest in reaching an agreement as soon as possible. For instance, if the bargaining game goes on for long, other players may try to get a seat at the table, too, and the game risks breaking down. This phenomenon is represented by a common discount factor, δ, showing that ceteris paribus, an

agreement now is better than an identical one in the next round, for both players. Jones Luong stresses that this during the transition, uncertainty is particularly important: there is a crucial risk that the game will break down, in case a proposal made by the other player is rejected. Either, one of the players could refuses to accept the outcome of the round, and leave the negotiations, or actors that have not had a seat at the table start to demand influence over the negotiations.
The TBG is graphically described in figure 2.

Figure 4. Principles of The Transitional bargaining game.
(From Jones Luong (2002), pp 32)



[20] ε can range in value from –1 to 1, has a mean of zero, and a variance of $s^2 < 1$

The players will seek to exploit that moment, which is most favorable to them. A player that expects his or her influence to diminish will try to make sure that the permanent distribution reflects the current power relationship. On the other hand, a player that expects his or her powers to increase will accept no less than an institution that reflects this. On the basis of the players' beliefs about the future, Jones Luong predicts four scenarios, characterized by the length of the process and by its distributional outcome.

In **scenario 1**, player 1 expects a positive shock to its reservation value, and player 2 a negative shock. The most likely outcome of such a scenario is an agreement in the first round, and a distribution that favours player 1. The reason for is that Player 2 will accept an agreement in the first round, because he or she fears to lose influence if the negotiation goes on. The outcome will favour Player 1, who designed the proposal.

In **scenario 2,** player 1 expects a negative and player 2 a positive shock. The prediction is a game with multiple rounds, and a distribution that favours player 2. Player 2 will not accept the first proposal, as he or she expects a better deal in the next round, and will therefore have patience enough to wait. In round 2, player 2 will be able to propose what he or she wants, and player 1 will accept it, for fear of losing even more in coming rounds.

In **scenario 3**, both players believe their position will improve. This means, that they will both be patient. According to the prediction, the game will go on with multiple rounds, with a distribution that finally favours both players (although Jones Luong does not elaborate what this means, it can be assumed to be one where the two sides get approximately one half each of the resource). However, a breakdown of the entire negotiations is also a likely outcome, as the players may become frustrated about not reaching an agreement. One of the players may eventually leave the negotiation. In such a scenario, the reservation values of the last round will become permanent, and equal the new institution.

Scenario 4 is one where both players believe that they will lose influence. According to the predictions, this will mean a single round and a distribution favouring both players. Player 1 will be l generous when making the proposal in order to get an immediate accept, and Player 2 will also have an interest in a quick deal. However, according to Jones Luong, there is also a considerable risk of a breakdown, as the players are likely not only to *feel* weak, but also to *be* weak. This may make actors outside the negotiations to demand influence over the institutional outcome (This entire section is based on Jones Luong 2002, chapter 2).

Comments to the TBG

Before applying the TBG, some comments and clarifications should be made. One problem with the predicted scenarios of the model is that they predict how the players will react to a proposal, without saying anything about its content- the size of (x) and $(1-x)$. Although the distributional consequences are crucial for the player choosing to accept or reject, Jones Luong does not discuss this issue explicitly. However, in order for the predicted scenarios to make sense, one has to assume, that each proposal approximately corresponds to the power relationship of that round. Without this assumption, it would not be possible (as Jones Luong does) to make predictions based only on the expected shocks to the reservation values. For instance, one can imagine a situation, where Player 1 is expecting a positive shock to its reservation value, and formulates a proposal that is extremely unfavourable to Player 2, so that $(1-x)$ approaches 0. It is then likely, that Player 2 will reject the proposal, even if he/she expects a negative shock to his/her reservation value. In such a case, the prediction above of a Scenario 1 does not hold. However, as long as Player 1 makes a proposal that is close to the original distribution of power, it will be a better alternative for Player 2 to accept it, than to risk another round. To what extent this assumption about the size of (x) and $(1-x)$ makes sense, will be further discussed.

It is also worth clarifying, how the distribution of resources by reservation values differs from the distribution by institutions. As far as can be understood, the difference is in the permanence. Institutions determine the permanent distribution of resources; reservation values, on the other hand, give control over the resource only for one period. In absence of an institution, the resource is up for grabs every round, and the reservation values determine how it is divided, until the next round. When an institution is in place, the resource is divided once, and will remain like that permanently. With an analogy from finance, an agreement is like a distribution of an *asset*, whereas distribution round by round is a distribution of the *returns* this asset yields during one particular period.

Comparing Lundahl-Hedlund and Jones Luong

Both the tariff-seeking model and the TBG analyse processes where two sides have conflicting interests, where the actors are guided by self-interest in their actions, and where the outcome of the process is the result of the actions of the two actors. In both models, the actors react to what the other actor does. However, reflecting the differences of the processes that the models have been developed to describe, the differences between the two models are profound.

The tariff-seeking model is specifically describing decision making on a political arena, whereas the TBG is more universal. One crucial assumption for the tariff-seeking model is that policy makers form policy only as a result of the investments that the two outside actors make. The way to influence policy is therefore to invest resources. In the TBG, on the other hand, the actors already have power at the outset. This initial influence does not have to come from investments- in fact, the TBG says nothing about where power came from in the first place. Rather, it takes the opposite perspective of the

tariff-seeking model: power gives the ability to grab resources. Also, the TBG is taking for granted that the actors have no internal coordination problems, or at least that these have been solved.
In the tariff-seeking model, the actions of each actor is guided most of all by what the other actor has done. In the Jones-Luong model, players' actions are instead guided by their beliefs about their future, which means that uncertainty is integrated into the model.
The nature of interaction is also different between the two models. Whereas in the tariff-seeking model the actors try to affect a third part (namely the government), in the TBG the two actors interact directly.
Given these differences, the tariff-seeking model is congenial to explain the political situation in GBAO, where the regional government could easily be influenced to adopt a radical land reform policy, through supporting investments from the AKDN. The TBG model, on the other hand, would be difficult to use for this process, as there was no process resembling negotiations between actors of conflicting interest.
For the implementation, the TBG with its focus on bargaining between actors that have asymmetric powers is appropriate. The actors, namely the reformers and the local state farm bosses, were both powerful, but with different sources of power. As the implementation does not really take place on the policy-making arena, it would be difficult to apply the tariff-seeking model to this process. Specifically, there is no "third party" (equalling the policy maker) that the actors try to influence- instead, they interact directly with each other. Moreover, as described, power does not come only from monetary or equivalent resources as assumed in the tariff-seeking model, but also from hierarchal positions and "historical" influence.

5 Policy choice in GBAO

In the middle of the 1990-ies, starvation had been avoided in GBAO thanks to the flows of humanitarian aid into the region. Although the most violent period of the civil war was over, the central government of Tajikistan was still weak, with a limited or non-existent hold over developments outside the capital. For the regional government of GBAO, this meant that it could not count on getting resources from the central level. As the economy of GBAO itself was in a catastrophic state, the regional government was left stripped of resources and capacities, and came to depend on support from international organisations- most of it channelled through the AKDN (Emadi, H. 1998).
However, the lack of reach of the central government at least meant increased freedom in designing policy regionally (Herbers 2001, pp377-378). Navrushoev[21] describes these times in the following way:
"After the fall of the Soviet Union, it was a very difficult situation. In Tajikistan, there was civil war. Getting to Gorno-Badakhshan was very difficult. The only road was through Kirgizstan, via Osh. We

[21] Amonshor Navrushoev. Head of the land department, the regional government of GBAO. Interview in Khorog, 6th of October 2004.

had to accept help from humanitarian organisations. The state and collective farms that existed were not able to make use of the land. Therefore, we had to transform into private farming. Of course, this was with the consent of the central government. Our chairman of the regional government made the decision about this in 1995. He was a very brave man, because this was one year before the central government adopted a law about land reforms."

Herbers (2001), Kreutzmann (2002), Emadi (1998), Navrushoev[22] and Hall[23] all stress the central role of the AKDN for the reform process. Jahani[24] and Hendricks[25] describe how the AKDN wished to phase out its humanitarian aid, and instead start with more long-term development work. From its experience from other parts of the world, the organisation had developed an elaborate system and ideology, prescribing how underdeveloped rural areas are best supported. It included technical assistance and know-how, such as which kinds of wheat are most suitable for different climatic conditions, and also "softer" components such as setting up governance structures in which the priorities of the population itself is reflected. Fundamental to this program is the existence of family managed farms. The existing, Soviet structure of the agricultural sector made up a clear obstacle for the development programs of the organisation. For this reason, the AKDN started to lobby for the entire structure of the sector to be changed, with the aim of making all agricultural land in the area privately managed[26]. With the leverage from its humanitarian work, the AKDN soon convinced the regional governments of the need for reforms. Amirbekov[27] describe this in the following way:

"In total, the (regional) government pursued a good policy. It has changed the rules, so that it has been able to pursue the necessary reforms: it meant that collective and state farms could be liquidated. All ministers and civil servants have also seen that the reforms have given a good result… At the time, there was starvation, and we financed the government to almost 100 percent. We had a very good relationship with the government."

One obvious reason for AKDN:s influence is its economic muscles: apart from its own funds, the organisation also channelled most aid from other organisation and states into GBAO (Herbers, 2001, p 373). Moreover, the organisation has the advantage of being tied to the religious authority of Aga Khan. Although difficult to quantify, this factor is substantial, as the Aga Khan is the highest religious authority for the Ismailis. For instance, when Aga Khan himself pledged Ismaili fighters to lay down arms during the civil war, they unanimously did (Emadi 1998, p 19).

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[22]Amonshor Navrushoev. Head of the land department, the regional government of GBAO. Interview in Khorog, 6th of October 2004.

[23] Michael Hall, Director, International Crisis Group. Interview in Dushanbe, 20th of September 2004.

24 Jahani, Mirza. Chief Executive Officer, Aga Khan Foundation. Interview in Dushanbe, June 2003.

[25] Chris Hendricks. Rural Development Program officer, Aga Khan Foundation. Interview in Dushanbe, 27th of September 2004.

[26] "Private" in this respect means not only owned by other entities that the state, but also that it was families rather than organisations that had control over management.

[27] Mizrob Amirbekov. Deputy Manager and Natural Resource trainer, MSDSP. Interview in Dushanbe, 29th of September 2004.

Although the intended reforms were beneficial for the population of GBAO as a whole, some individuals would potentially lose from them; namely, the state officials that had a central position within the commando economy system. This was partly made up of bureaucrats in the regional administration, and partly by the managers of the state farms. According to Amirbekov[28] and Navrushoev[29], although there were some resistance, this group was spread out in the region and had little opportunity to influence when policy was shaped. Instead, the official policy seems to be identical with the ideals of the AKDN.

The tariff-seeking model applied

With some modifications, the process in which a land reform policy was adopted can be described by the tariff seeking model. However, instead of tariffs, the issue in question was what to do with the existing agricultural system. Theoretically, there were a large number of alternatives, ranging between the extremes of leaving everything at its status quo, or to dismantle the state farms completely and distribute their assets among the population. These different policy choices are represented by different policy curves p_n in the graphical representation of the model. The two groups of actors were the AKDN, who wants far-reaching reforms, and the vested interests (including state farm managers), with a potential interest in keeping the status quo. As described, the state officials were spread out geographically, and not very well organised to exercise pressure on the regional government. With the terminology of Mancur Olson, they had not solved their internal co-ordination problem. This is in stark contrast to the organisation, resources and investments of the AKDN. The multiple activities of this organisation, not the least its aid flows, can be seen as a way to gain influence over the government. The AKDN did also not suffer from any internal co-ordination problems.

One crucial assumption for this model is that the government actually chooses policy on the basis of interest groups' efforts. In GBAO, the regional government suffered from an acute lack of resources and capacities, and was therefore very receptive to anyone that could bring in resources and relieve it from some of its responsibilities. In its totality, this is something that the AKDN has done to the extent that Nauk worry that it has become a "state in the state"[30]. The central government had little clout over what the regional government did, and as a Soviet heritage, there were few other organised pressure groups. In sum, the assumption about what influence policy holds.

Expressed in terms of the graphical model, the advocates of reforms had a steep reaction curve, cutting the x-axis to the left of that of the opponents of reform. The reaction curve of the opponents was less steep, meaning that the reaction curves do not cross. Instead, the AKDN could dictate policy, and spend resources on influencing the government until the marginal cost of more investments was higher

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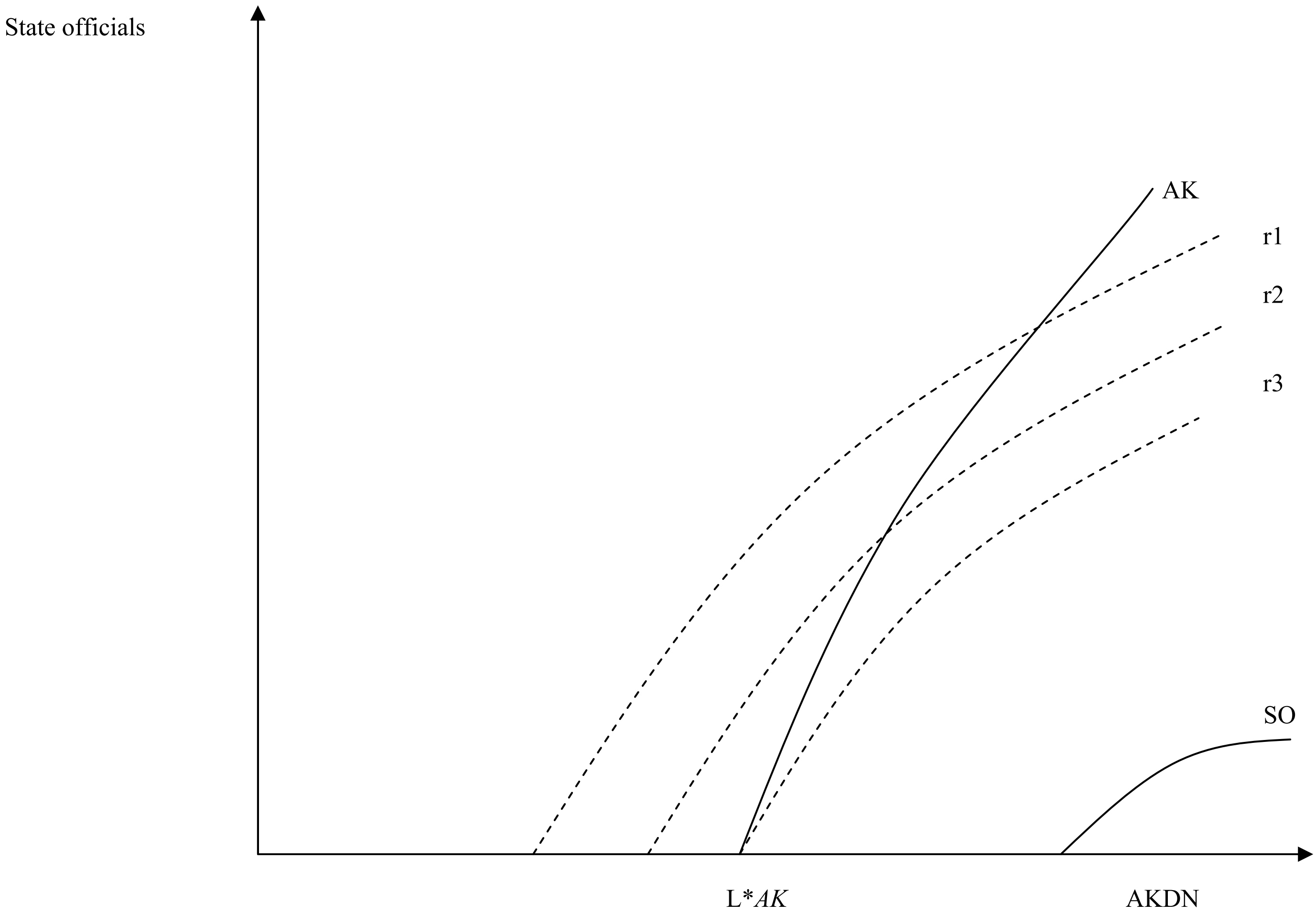
[28] Ibid

[29] Amonshor Navrushoev. Head of the land department, the regional government of GBAO. Interview in Khorog, 6th of October 2004.

[30] Gisela Nauk, Governance specialist, UNDP Communities Programme, Tajikistan. Interview in Dushanbe, 30th of September 2004.

than the marginal utility of more reforms. In reality, this means that the regional government adopted the programme of the AKDN. This situation is described in Figure 5, and is similar to how Hedlund and Lundahl described how Swedish agricultural policy was determined.

Figure 5. The adjusted Tariff seeking model



r_n = reform policy alternatives
SO= Reaction curve of state officials with an interest in Status Quo
AK=Reaction curve of the Aga Khan Development Network
L**AK*=resources spent by the AKDN to achieve the desires reform policy

6 Reform implementation

Once the political leadership of the region had decided to reform the agricultural sector, the next step was to implement it in the state farms. By then (in the middle of the 1990-ies), GBAO had already experienced several years of extreme economic decline. Despite this, the state farms remained the most important legal and organisational entity in the villages, and its managers had a crucial role in the reform process. Although the regional authorities first turned to the subordinated district authorities, the district authorities in turn ordered the state farm management to organise reform committees, as described by Amirbekov[31]:

[31] Mizrob Amirbekov. Deputy Manager and Natural Resource trainer, MSDSP. Interview in Dushanbe, 29th of September 2004.

"*There were commissions on three levels: on the regional level, on the district level, and finally on the farm level. On the farm level, the chairman of the farm also became the chairman of the reform committee.*"

This process started in 1995. The main task of the local reform committees was to determine how the assets of the state farms should be divided among villagers and employees. Apart from the land, there were also assets such as buildings and herds to be divided among the public and the former employees. Shabogshoev[32] describes how this was organized in his village:

"*We organized a committee, with the director and the chairman of the farm, and the chairman of the municipality. Those who had worked for a long time in the brigades also took part. To begin with, we established for how long each and everyone had been working at the farm- for instance, I had been working there for 30 years. In our village, there were 40 hectares, and of those I received 0,3 hectares.*"

It may seem curious, that the state farm managers, who had much to lose from reforms, were entrusted with this task. The explanation is probably that they were too influential to be ignored: they were still the most powerful individuals in their villages, and their involvement was crucial if the reforms were to be successfully implemented. The resulting situation was one where two actors with conflicting interests, and asymmetric powers, recognize each other as negotiation partners. This is the kind of situation that the Transitional bargaining game is fit to analyse, which will be done in the following section.

The set-up of the TBG in GBAO

The **resource** at stake in the TBG is the property of the state farms. As each state farm was reformed separately, there was actually one game being played in each state farm. The negotiating **players** were reformers and state farm managers. The reformers were made up by the regional and district authorities, and by the AKDN. As they have a common agenda, it is justified to see them as one player in the game. Their power is derived from their position in the political hierarchy, and by their access to the significant resources of the AKDN. In the negotiations, the reformers want to use its power to maximize the amount of resources that come under household management. As the reformers initiate negotiations, they equal **player 1** in the model.

Player 2 is made up of the state farm managers. Although they did not formally own the state farms, in reality they often acted as though the state farm assets were theirs. They derived their powers from a strong knowledge of local conditions, and (to varying extents) from support among the villagers that they employed. Their wealth and status went hand in hand with the condition of the state farm, and they wanted to use their power to control over as much of its assets as possible.

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[32] Bogsho Shabogshoev. Head of the land department at the yamoat of Ver; Former State and collective farm director. Interview in Ver, 13th of October 2004.

The **proposal** is a suggested future distribution of state farm assets. The instructions from the reformers to the local reform committees equal the first proposal. As the reformers were the same all over GBAO, it means that the first proposal was also the same in all games: namely, to dismantle the state farms and distribute its assets to the population. The state farm bosses could either accept or reject this proposal, and in case of a rejection, make their own proposal.

If the proposal is accepted and an **agreement** is reached, the state farm assets are permanently redistributed between "ordinary" village families and the state farm managers. If the proposal is rejected, it means that no reforms are enacted. Instead, resources will remain divided along the lines of the **reservation values**. This means, that the state farm managers keep control over as much of the assets as they can, whereas some assets may be taken over by the population.

For the players' decision about whether to **accept** or **reject**, their beliefs about their future power are important. For reformers and state farm managers alike, it is likely that these beliefs are based on the perception of future of the farm and of the wider political currents.

The last major component of the model is the **discount factor**. In GBAO, it makes sense to think of the risk for both actors to be thrown out from the process: for the managers, there was a risk of becoming irrelevant, through the general decay of the farms. For the reformers, the risk was rather a continued dependence on outside humanitarian aid, and possibly the renewed control from the central government over events in GBAO.

Applying the four scenarios of the TBG model to GBAO gives the following predictions:

In the predicted **Scenario 1,** the reformers believe that their influence will strengthen, and the state farm bosses believe that they will lose influence. This leads to a rapid agreement where the state farm assets are evenly distributed among the villagers.

Scenario 2 is one where reformers believe that they will lose influence, and the state farm managers think they will gain influence. Negotiations will take longer than in scenario 1, and the state farm managers will retain control over a large part the assets.

In **Scenario 3,** reformers and farm managers both believe that their influence and power will increase. The negotiations will drag on for long, and if an agreement is reached, it is a compromise in terms of asset control.

Scenario 4 would be when both the reformers and the managers would expect their influence to disappear. A quick agreement could be expected, with a compromise division of assets.

Expectations and predictions

After the TBG has been adjusted to the context, it can now be applied to the empirical material from state farms and villages in GBAO. First, the expectations of the players, and the resulting predictions will be described. Then, the extent to which the real outcome of the reforms is in line with these predictions will be discussed.

The potential methodological problem with determining expectations that someone had almost a decade ago has already been described in the introduction of this essay. This is particularly a concern regarding the state farm managers, who arguably came out as losers of the reforms. Although their narratives are still relevant, it has to be complemented by other approaches. For instance, one can try to reconstruct what information they had access to, and what they therefore had reasons to believe. Moreover, their expectations are likely to have been reflected in their actions. When describing the expectations of reformers and state farm bosses, all of these factors will be taken into account.

Reformers' expectations

For the reformers, the belief about the future was based both on information about the state of the present agricultural system, and of an assessment of their own resources and influence. As described by Amirbekov[33] and Navrushoev[34], the desperate state of the commando economy system was obvious to the regional government and to the AKDN. Moreover, the resources that the reformers could use to back up their policy (both in terms of financing from abroad and administrative capacity within GBAO), was formidable. These factors should already have been enough to make the reformers feel confident about their future position. Nevertheless, the reformers also used other methods to improve the likelihood of reforms being pushed through. In particular, they tried in various ways to convince the population about the advantages of reforms, something that was meant to undermine any resistance from the state farm bosses. For instance, the reformers deliberately chose to first reform such villages, where reforms would make the greatest difference- namely, where the deterioration of the state farm had gone the furthest. Farmers in reformed villages were also given access to credits, new kinds of seeds, and education in modern farming techniques, which together contributed to a significantly higher yield in reformed than in unreformed villages. Thus, according to Navrushoev[35], the first reformed villages proved to be useful as showcases:

"A:Among the population there were two sides. There were those who were against, and those who were in favour. In each district we first did it on one farm. As it gave a good result, we analysed it, and went ahead step by step.

Q: So you started in farms where the population was in favour?

A: You see, the first year, 1995, we made the decision to do reforms. The first year, we chose such farms, which could not support themselves. Then, those who worked at other farms saw what had happened, and started saying: "we also want reforms!" Those who were against, like the director, he also saw that the neighbours were doing well, that they could support themselves, and that they sold products at the bazaar. Then, they wanted the same for themselves."

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[33]Mizrob Amirbekov. Deputy Manager and Natural Resource trainer, MSDSP. Interview in Dushanbe, 29th of September 2004.

[34] Amonshor Navrushoev. Head of the land department, the regional government of GBAO. Interview in Khorog, 6th of October 2004.

[35] Ibid.

Later, the reformers used even more refined ways to make the farmers demand reforms. During an interim period, some state farms rented out unused land to individuals and households. Although this increased the individual's responsibility for farming, it was not considered enough for reformers, according to Amirbekov[36]:

"In cases where the state farm could not support itself, some land had to be leased to the farmers. We also worked according to this leasing system, according to which the farmers got 70 percent, and the state farm 30 percent of the yield. Then, the farmers really started to feel a belonging to the soil. The next year we said, that we would not work with those using the land according to the principle of leases from the state farm. That meant, that those that did not have seeds, or equipment for the harvest, have to give the land away. That was one kind of slyness that we used, in order to speed up the process. The first year the farmers got 70 percent- the second year nothing, because the AKDN did not support them! That made the farmers go to the state farm administrators and say 'give me that piece of land. The AKDN will not help us if we are leasing the land. They want us to become independent farmers. Come on and let us do it!' In that way, they were pressing them (the state farm managers), and finally they had to accept reforms."

Herbers (2001, p378) also confirms how AKDN deliberately designed the reform process in order to increase its popular support, which she claims was limited at the outset. Whether these measures did really increase support for reforms among the population, and thereby improved the bargaining position of the reformers, is difficult to confirm. However, it is safe to say, that the reformers themselves believed it had the intended effect. This was yet another factor for the reformers to believe, that their position at the negotiation table would improve. This means that the model predicts either scenario 1 or scenario 3 to take place in the villages- depending on what the farm managers expected.

State farm managers' expectations

The state farm managers had a good insight into the state that their farms were in, since subsidies and supply from outside had dried up. On the other hand, they knew less about regional politics, the policies and finances of the AKDN, or the ways in which the reformers sought to mobilize popular support for the reforms. In the general large uncertainty, where the old economic and societal system had been dismantled, it must have difficult for the villagers, including state farm managers, to grasp the full consequences of the changes, or predict would come instead. It is fairly safe to assume, that the state farm managers therefore acted on a mix of realistic and unrealistic assumptions. When the interviewed managers themselves describe their actions, they claim that they understood the necessity of reforms, and that they therefore supported their implementation. Shabogshoev[37], former state farm director in Ver, describes his attitude in the following way:

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[36] Mizrob Amirbekov. Deputy Manager and Natural Resource trainer, MSDSP. Interview in Dushanbe, 29th of September 2004.

[37] Bogsho Shabogshoev. Head of the land department at the yamoat of Ver; Former State and collective farm director. Interview in Ver, 13th of October 2004.

"A:When the war started, the government could not support us. We had to hand out the land. The most important factor was the war, and that the government did not support us. Then the leaders of the region decided to re-structure; to liquidate the farms and to create dekhan-associations.
Q: Did you personally think this was the correct decision?
A: It was a correct decision. If not, there would have been no farming. There are no tractors- it would have been like a dessert, that could only have been used as pasture."
A similar description is given by Nagbekov[38], a former state farm functionary in the village of Langar:
"Q: Were there no protest when the state farm was split-up?
A: No, what would people protest about? It could not continue to exist, because it did not get any support (from the state). It simply did not survive on its own. Now, people are a lot better off."
Similar sentiments were described by Gulomchaydorov[39], Gulmirov[40], Niezmamadov[41], Otyurbekov[42] and Tshurbanchonova.[43] In most cases, there is no reason *not* to believe that this is a valid description of reality: villagers or other sources do not contradict the chairmen's statements. Although each village has its own specifics, the variations between most villages are small enough to justify grouping them into a "standard case" (to distinguish it from the deviating case of the "Pamir" state farm, which will be further discussed below). For this standard case, it can be concluded that the state farm directors believed that their influence would deteriorate further. This leads to the prediction of a Scenario 1: a short process, with an equitable distribution of assets among the villagers (that is, in line with the interests of the reformers). In these villages, it has taken one or maximum two years in most researched villages to pursue the reforms, which must indeed be considered rapid given that the entire livelihoods of each village was at stake. In the next section, the prediction of Scenario 1 of an equitable distribution of resources will be examined.

Asset distribution in the standard case

Although the primary interest of the reformers was land, the state farms also consisted of other assets, such as buildings, herds, machinery, et cetera, which were also distributed during the reforms. Starting with land, there were minor variations between villages of the standard case as to how land was distributed. In contrast to the policy of the reformers, not all villagers always got exactly the same

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[38] Fidoalj Nagbekov, former head of state farm workers' union. Interview in Langar, 20th of October 2004.
[39] Movlonazar Gulomchaydorov, President of the Village Organization, Shitam. Interview in Shitam, 12th of October 2004.
[40]Shamir Gulmirov. Chairman of the Association of Dekhan farmers in Zong, and former director of the state farm. Interview in Zong, 21st of October 2004.
[41] Djumachon Niezmamadov. Former kolkhoz chairman and former head of state farm brigade. Interview in Dasht, 18th of October 2004.
[42]Otyurbekov, Otyurbek Tyorshanbe. Private farmer and former head of state farm brigade. Interview in Dasht, 18th of October 2004.
[43]Suetonasab Tshurbanchonova. Teacher and president of the women's committee of the Langar village organization. Interview in Langar, 20th of October 2004.

amount of land. For instance, according to Gulomchaydorov[44], the years of service in the kolkhoz and state farm determined the size of the land plot for the villagers of Shitam and Ver.

Another issue that found different solutions in different farms was how to treat doctors, nurses and teachers- virtually the only rural inhabitants with a formal employment outside farming. According to Muminov[45], Gulmirov[46] and Otyurbekov[47], teachers, doctors and nurses were given the same amount of land as everybody else in the villages of Dasht, Langar and Zong. However, according to Gulomchaydorov[48], they were given a smaller amount in Ver and Shitam.

A third issue related to the classification of land. As there is a difference in productivity between different land plots, some villagers have according to Navrushoev[49] brought cases to court, claiming the land distribution in their particular village unfair.

Despite these issues, the variations in land distribution between most villages are small, with an equitable distribution of land among the households being the typical pattern. Not the least, this is apparent when comparing to how other assets have been distributed. The official policy for the distribution of other assets was the same as for land. Navrushoev[50], responsible for the land reforms in the government, described the policy regarding assets other than land in the following way:

"*If there is a wish among the state farm workers to buy the equipment, they should be able to do that: if not it should be sold (to someone else). When we made the reforms, we decided: the distribution of these assets should be made so that everyone gets their fair share. In most cases, the equipment was bought by drivers and others that could use them.*"

Among the researched villages, there are examples of villages where the asset distribution seems to have given the result that the reformers desired. For instance, according to Darvoziev[51], in Shadzud, the villagers have formed a machine pool with equipment from the former state farm- equipment that is now available for use for all households in the village. Similarly, herds in Langar were according to Gulmirov[52] equally distributed among the villagers. However, there are also many examples of

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[44] Movlonazar Gulomchaydorov. President of the Village Organization, Shitam.Interview in Shitam, 12th of October 2004.

[45] Rustam Muminov. President of Langar village organization and former head of state farm brigade. Interview in Langar, 20th of October 2004.

[46] Shamir Gulmirov. Chairman of the Association of Dekhan farmers in Zong, and former director of the state farm. Interview in Zong, 21st of October 2004.

[47] Otyurbek Tyorshanbe Otyurbekov. Private farmer and former head of state farm brigade. Interview in Dasht, 18th of October 2004.

[48] Movlonazar Gulomchaydorov, President of the Village Organization, Shitam. Interview in Shitam, 12th of October 2004.

[49] Amonshor Navrushoev. Head of land department, regional government of GBAO. Interview in Khorog, 6th of October 2004.

[50] Ibid.

[51] Forodbek Darvoziev. President of the Village organization of Varshedz. Interview in Varshedz, 11th of October 2004.

[52] Shamir Gulmirov. Chairman of the Association of Dekhan farmers in Zong, and former director of the state farm. Interview in Zong, 21st of October 2004.

villages where the intended equitable distribution failed. Amirbekov[53] admits that dividing other assets than land has been problematic:

”*Many complained about the equipment, and said that you can’t divide a tractor and the like. But we thought that they could sell it to someone, who in turn could rent it out. But some refused. Then, the wheels broke, there were no spare parts, et cetera- so in the end, they still had to sell it.*”

A similar picture appears when it comes to the fate of the animals belonging to the state farm. The number of cattle in GBAO decreased in the 1990-ies, partly probably as the result of the lack of other foodstuffs. The loss of various kinds of state support also affected the herds negatively. For instance, Muminov[54] described why husbandry in his village had lost its importance:

“*Before, when there were state farms, there were pastures for the animal in the Eastern Pamirs. But the animals had to be transported there, and that was not possible when the state did not pay for the transport costs any longer.”*

Apart from such cases, where the general breakdown of the economic system took a toll on state farm assets, there were also cases where those who had the opportunity simply seem to have grabbed assets. For instance, Shabogshoev[55] admitted that prior to reforms, some assets belonging to the state farm of Ver had simply been sold- but could not give any details what had happened with the proceeds. In Dasht, according to Niezmamadov[56], the former brigade leader of the state farm now owns the only tractor of the village. As shall be further described, in the villages belonging to the “Pamir” state farm the tendency of personal enrichment by the state farm managers is obvious. According to Saidrachmonov[57], this has been a common pattern all over GBAO. Robinson[58] also admits that this tendency has been common during the reform process, and that the authorities and the AKDN have mostly turned a blind eye to it. It therefore seems safe to talk about a pattern, through which certain state farm assets during the reform process ended up in the hands of former state farm directors- and that the reformers accepted this.

A few words should also be said about the current role of former state farm managers. It is striking, how often they now enjoy new influential and/or salaried positions within the local organisations that sprung up during the reform process, namely, AKDN’s Village Organizations and the newly established Dekhan associations. Apart from the positions in these new organisations, the posts within the local administration also remain. As the fact sheets show, former state farm managers now often fill positions in these organisations. The most striking example is from the village of Zong, where

[53] Mizrob Amirbekov. Deputy Manager and Natural Resource trainer, MSDSP. Interview in Dushanbe, 29th of September 2004.

[54] Rustam Muminov. President of Langar village organization and former head of state farm brigade. Interview in Langar, 20th of October 2004.

[55] Bogsho Shabogshoev. Head of the land department at the yamoat of Ver; Former State and collective farm director. Interview in Ver, 13th of October 2004.

[56] Niezmamadov, Djumachon. Former kolkhoz chairman and former head of state farm brigade. Interview in Dasht, 18th of October 2004.

[57] Shodi Saidrachmonov. Veterinary specialist, MSDSP Khorog. Interview in Varshedz, 9th of October 2004.

[58] Sarah Robinson. Evaluation officer, MSDSP. Interview in Khorog, 15th of October 2004.

according Gulmirov[59] himself, the entire former state farm management occupy corresponding, and salaried, positions in the dekhan association- despite the fact that the dekhan association has no real function. For the state farm bosses, the existence of such "retirement posts" must obviously have made the reforms easier to accept. Considering that the reformers had the last say in how these posts were filled, it can at least be hypothesized, that these posts were also used, explicitly or not, as a factor in the negotiations.

The standard case as a TBG scenario

Summing up the findings of the "standard case", it is clear that the reform process in each village was rapid; that there was little variations as to how land was distributed; that there were larger variations in how other assets were divided; and that former bosses still today enjoy comparatively favourable employments in their villages.

Considering that land was distributed according to the preferences of the reformers, and taken the rapid process into account, it may seem obvious at first that this is a scenario 1, in line with the predictions. However, it is worth to also include the other assets, and the employment opportunities into the picture, as these are also a part of the proposal x and $(1-x)$. The variations in distribution of other assets show that the reformers were not rigid: while deviations from the same principle regarding land lead to a re-make of the entire process (Herbers 2001, p378), the reformers could agree on concessions from the egalitarian principles for other assets. It is also clear that the reformers had the possibility to offer the state farm managers employment. Thus, while maintaining the principles regarding land distribution, reformers could design a "package" attractive enough for the state farm managers to accept, already in the first round. The state farm managers could be offered their private share of land (like all villagers), *plus* a share of herds, buildings and machinery, and one of very few salaried positions in their villages- all of which was represented by $(1-x)_1$. For the state farm directors, this was to be compared with the alternative of rejecting the proposal, thus remain the director of a decaying state farm (which equals the resources that the reservation value gives), but be left with a worse position in the next round of negotiations (as they believed in a negative shock to the reservation value). Apparently, the alternative of $(1-x)_1$ was deemed the most attractive alternative in the standard case (shown graphically in figure 6).

As a whole, it is fair to say that the distribution favoured the reformers, and that therefore the outcome is in line with the predictions of the model. However, the flexibility of the reformers, when it came to other assets and employments, was crucial in order to get the proposal accepted. Without this flexibility, it would have been more difficult, or maybe impossible, to get the proposal accepted in the first round.

[59] Shamir Gulmirov, Chairman of the Association of Dekhan farmers in Zong, and former director of the state farm. Interview in Zong, 21st of October 2004.

Figure 5. The standard case as a TBG scenario.

In the first round, the reformers make their reform proposal to the farm managers. It includes splitting up land assets equitably among the households of the state farm, to let the state farm managers keep control over a certain amount of other assets, and the opportunities of employment. All of this equals:

(x_1)

The state farm managers choose between the accepting and receiving $(1 - x_1)$ *immediately, or to reject. A rejection means that they will keep control over what their current power allows them to, in the first round. Moreover, they will in the second round propose an institution, under which they will receive* $(1 - x_2)$*. The value of this is negatively affected by two things: first, since the state farm managers expect their influence to decrease, they think that it will be difficult to get a better deal in the second round (shown by the expected negative shock). Second, ceteris paribus, they value an immediate agreement higher than one in the next round (shown by the common discount factor). In the Standard case, the state farm managers chose to accept the reformers' proposal.*

Reject Accept

$R_{1(t=1)}, R_{2(t=1)}$

$\underline{(x_1), 1 - x_1}$

x_2

Reject Accept

$(\delta(R_{2(t=2)} + \varepsilon),$
$\delta(R_{1(t=2)} + \varepsilon))$

$\delta(1 - x_2), \delta x_2$

The "Pamir" case

Among the researched villages, those who used to belong to the state farm "Pamir" stand out as exceptions. It is a case where pressure from the regional authorities and from the AKDN and popular demand for reforms has not been enough to make the state farm directors consent to full reforms. According to Darvoziev[60], Shadzud and some other villages that used to belong to the Pamir state farm managed to break free and form dekhan associations already in 1995 and 1996, apparently inspired by what had been done in other areas of GBAO. However, the state farm management resisted further reforms until 2000-2001. By then, land in all of the remaining villages but one was also handed out to its inhabitants. However, all other assets of the state farm remained with the gozkhoz (which also means state farm, but which does not have the same connotation from the commando economy). Darvoziev[61] describes this in the following way:

"Around 2001 they re-structured the state farm, without us having any say. All of a sudden they just came and told us that the land in this village now belongs to your dekhan association- we take the remaining land, and that is a gozkhoz. The gozkhoz also kept the herds. But the buildings they just took, and sold the material. We would have needed the buildings here in the villages./../ They just took the equipment and built their own houses, or sold it. We had to start again, from scratch."

The gozkhoz was created in order to retain state control of the genetic reserve of a yak herd belonging to this farm (Herbers 2001,p 375). However, according to Darvoziev[62] and Mulloev[63], only a few years later, the gozkhoz was transformed into a cooperative farm. The cooperative is formally owned by all its remaining 50-100 employees, but local observers agree, that the cooperative is entirely controlled by the same small group of individuals that used to be the state farm managers. Darvoziev[64] give the following description:

"A: *In 2002 or 2003, it* (the gozchoz) *became a co-operative. 2-5 persons in the management in reality received everything- no one else got anything.*

/…/

Q: *To me, this sounds like a crime.*

A: *It should have been like that, that the government should have come here to do the re-distribution. But it did not happen- they told the people to do whatever they liked.*

Q: *Did no-one protest?*

A: *Yes, people protested, but they did not care. And we cannot afford to go to court- and by the way, the court is also state run.*

[60] Forodbek Darvoziev. President of the Village organization of Varshedz. Interview in Varshedz, 11th of October 2004.
[61] Ibid.
[62] Ibid.
[63] Sultonbek Mulloev. Head of the land department at the yamoat of Vankala. Interview in Varshedz, 8th of October 2004.
[64] Forodbek Darvoziev. President of the Village organization of Varshedz. Interview in Varshedz, 11th of October 2004.

Q: *How about MSDSP?*

A: *Well, MSDSP… they do not interfere in state matters. And among the population, there is not enough resources* (to bring the issue to court)."

A similar picture is given by Saidrakhmonov[65]:

"The co-operative is completely superfluous. It is controlled by four individuals, persons that worked in the management already during Soviet times. The co-operative only exists for the good of these four persons."

To sum up what happened, the state farm managers resisted reform efforts more fiercely than in most other places. Reforms went through several steps, and for each of them, more land came under private management. At the same time, however, the state farm managers got a tighter and tighter grip over the other assets of the state farm, such as buildings, equipment and the yak herd. It took several years before a compromise was reached, and at the time of research (November 2004), it was not clear whether this was the final outcome, or whether the process would continue.

Many details of how the events unfolded in this particular state farm are unfortunately not available, and it is therefore not meaningful to make a round -by-round TBG analysis of the "Pamir"-case. However, much enough is known about the outcome, to make it possible to say that it resembles the TBG Scenario 3: a lengthy process, with a distributional outcome that is beneficial for both players. Considering that this is a deviation from the standard case and its Scenario 1, it is natural to look for the factor that made "Pamir" different from others. The answer seems to be the yak herd, the only one in Western GBAO. Yaks only survive at a certain altitude, and the "Pamir" is located higher above sea level than most farms in GBAO. Unlike other assets, the herd did not lose most of its value with the turbulence of transition: yaks do not require much "maintenance", as they graze by themselves on high mountain pastures. Moreover, yak meat, milk and wool could be sold locally, at market economy conditions, according to Mulloev[66]. From the point of view of the management of "Pamir", the herd was therefore a valuable asset to keep control over. It seems to have kept them confident, that the farm could survive without subsidies and keep providing some villagers with employment and salaries. In turn, this must have meant that the managers could keep some of its local influence.

The yak herd also influenced the policy of the reformers. Whereas in the standard case, reformers could accept tractors or cattle being taken over by farm managers, the yak herd was too valuable to allow that. Apart from the issue of the herd as a genetic resource, according to Robinson[67], the sheer economic value of the herd may also be a reason why the regional government did not want to let go of it.

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[65] Shodi Saidrachmonov. Veterinary specialist, MSDSP Khorog. Interview in Varshedz, 9th of October 2004.

[66] Sultonbek Mulloev. Head of the land department at the yamoat of Vankala. Interview in Varshedz, 8th of October 2004.

[67] Sarah Robinson. Evaluation officer, MSDSP. Interview in Khorog, 15th of October 2004.

Even if the yak herd retained most of its value, it too was on a decaying path. The number of animals in the herd was according to Saidrachmonov steadily decreasing[68], as also the "Pamir" farm experienced lack of infrastructure support. Correspondingly, the local influence of the state farm management has also been decreasing: they used to be the employers of almost everyone in the villages of the state farm, but does now only employ the inhabitants of one village. From this, it is logical to assume, that the state farm managers of the "Pamir" actually had the same expectations about the future as other state farm managers in GBAO: namely, that the decay would continue, their influence diminish and their reservation values suffer a negative shock. As the reformers had the same expectations for all cases, the TBG would also predict scenario 1 for the "Pamir" case, with a short process and distributional consequences favouring the reformers. As has already been described, this was not the case.

The TBG reviewed

The discrepancy in the "Pamir" case between the prediction and the real outcome, points to one aspect of the TBG model that was discussed in the theory section: the strong focus on expectations as predicting the outcome, and the underlying assumption that proposals are close to the current power distribution. As this underlying assumption does not hold, the predictions of the model are also not correct in the "Pamir" case. Expressed differently, the managers blocked reforms not because they expect their future position to improve, but because *although* they expected their position to weaken in status quo, it was nevertheless a better alternative than the proposals that the reformers came up with. If the reformers had offered something that corresponded, at least closely, to the division of resources and power at the outset, the managers may have accepted it.

Although expectations also played a role, the "Pamir" case rather points to another factor as decisive: powers and material resources at the outset of the game. Whereas the expected shocks and the proposal was the same as in the standard case, the "Pamir" was different at the start, as the state farm bosses were more influential and wealthier, because of the existence of the yak herd.

In light of this, the standard case described above should also be reviewed. Although its outcome was in line with the predictions in the model, it should also be noted, that the proposed reforms were relatively close to the power relationship at the outset- with other words, the state farm managers had not as much to lose, as those in the "Pamir" case.

The "Pamir" case thus shows, how the TBG fails to predict the outcome in cases where the underlying assumption of a proposal that is close to the original distribution of power does not hold. This assumption is not valid, when the reforms are so radical, that they imply that one of the players will be dissolved as a group (with the exception, as in the standard case, that this is about to happen anyway). Thus, the model seems to work better on processes where both players recognize their mutual, continuous existence. This may not fit to describe the typical transition process, which often implies

[68] Shodi Saidrachmonov. Veterinary specialist, MSDSP Khorog. Interview in Varshedz, 9th of October 2004.

radical changes. However, it should be remembered, that the TBG model was originally developed to analyse a political process, with regional power centres negotiating with each other. They represent power strongholds that may lose or gain power over the course of time, but that are not likely to become completely obsolete.

Methodological remarks

It has already been pointed out, that it may many times be difficult to find out expectations about future events retroactively. Another, related problem is that informants sometimes deliberately give a false picture, out of what seems to be self-interest. During this research work, this has been the case with the management of the "Pamir" case. Despite contrary information being given by villagers, a Village Organisation President and representatives of the AKDN, these managers claim that the reform process has been pursued calmly, in a fair and transparent way and without conflicts. This is an illustration of the dilemma of the trustworthiness of interviews, in particular when touching conflicts or sensitive issues. Although these challenges are common for much research based on interviews, the TBG's strong focus on expectations, which are difficult to capture other than through interviews, highlights the problem. The work on this thesis has indeed shown that the model is difficult to use- but not impossible. It requires, however, a lot of time and effort, and preferably, informants' statements should be balanced with as much information from complementary sources as possible. If this is not available, the researcher should be very careful not to treat the statements as proven facts.

7 Summary and concluding discussion

Although the land reforms in GBAO make up a case of transition from planned to market economy, it proved difficult to apply the mainstream transition theories to it. Many of these theories were developed to explain how reforms are best pursued, in the face of popular resistance. In particular, they are based on the agenda-setting hypothesis, implying that there is a benign ruler wanting the best policy for the entire population, and that once reforms have been accepted politically, implementing them will be hassle free. In Tajikistan, where it is not obvious that policy makers wants to adopt optimal policies and where the implementation of policies is ineffective, these assumptions do not hold.

Therefore, in order to answer the question, why land reforms in GBAO have been successful relative to other parts of Tajikistan, two crucial processes had to be explained: first, how the policy of land reform was chosen by the regional government and second, how it was successfully implemented.

For the first issue, a modified version of Hedlund-Lundahls tariff-seeking model was used. It showed, how one actor wanting radical land reforms (namely, the AKDN) could in effect prescribe policy, thanks to massive investments and strong internal coordination. The potential defenders of status quo, on the other hand, had no significant resources to invest and were internally disorganised.

For the second issue, that of reform implementation, the transitional bargaining model has been applied, which predicts the outcome of reform negotiations on the basis of the actors' expectations about the future. Although implementation may not sound like a negotiation process, it is clear that implementation could not take place without the consent of local strongmen, namely the state farm bosses, which were the main beneficiaries of the old system. In most cases, the state farm bosses did not try to block reforms. The reason appears to be a combination of different factors: that they expected their position to weaken even in the absence of reforms, that they were compensated by being given other assets, and that their positions were not extremely strong originally. One important reason for their low expectations about their own powers was the increasing demand for reforms among the population itself- something partly engineered by the reformers themselves.

The reformers (ie, the AKDN and the regional government) as well as the state farm bosses seem to have expected the future power relationship to change in favour of the reformers. This is a situation in which the TBG predicts a short negotiating process, and a distribution of assets that favours the reformers. In most places of GBAO, this is a valid description of what really happened. However, some cases have shown that expectations are not enough to predict the outcome of reforms. In particular, state farm bosses with much to lose blocked reforms, even if they expected their own powers under status quo to diminish. This shows, how one of the underlying assumptions of the predictions of the TBG did not hold: namely, that the reform proposal is close to the power relationship in the round when it is made. Methodologically, it has also proven difficult to determine retroactively, what expectations a certain actors had at the time of reforms.

Some comments could also be made about the need for further reforms in GBAO. The described process has brought improved living standards, productivity growth and a foundation for a market economy. However, there are serious obstacles for the further development of the agricultural sector. Crucially, the households do not have formal title to the land that they use: this belongs to the dekhan associations. This means that it is difficult to transfer user rights between households within the villages, something that is likely to inhibit developments such as the creating of larger and more effective production units. Moreover, in the current legal system, land cannot be used as collateral, which inhibits farmers' access to credits. Some measures to improve the situation could be taken already within today's legal framework. For instance, formal land use rights could be transformed from dekhan associations to the households. However, it is unlikely that a credit market will develop, before the central Tajik government allows private ownership of land.

The stalled reform process in other parts of Tajikistan is potentially a further field of research. However, the observations from GBAO already give some hints about this question. To start with, the situation on the national political arena is completely different than it has been on the regional arena in GBAO. There is no equivalent of the AKDN that is internally coordinated and can invest enough to tilt policy in the direction of radical land reforms. Instead, those who gains from status quo are the best organised, and are able to make large investments to influence policy. Even if a policy of radical reforms was chosen, it is uncertain if it could be implemented. The modest reform attempts that have been undertaken are in effect usually blocked by state and collective farm bosses. This situation resembles the one in the few farms in GBAO where there, as a consequence of the existence of a particularly valuable asset, have been resistance to reforms.

Based on the experience of GBAO, two tentative recommendations for the rest of the country can be made. The first is that strengthened coordination and more investments from those wishing reforms (such as most of the international donor community) could have an effect on the chosen policy. The second is that in the implementation phase, it can have a good effect to work from beneath, with making the farmers themselves aware of the advantages of land reforms, and thereby to put pressure on “their” state farm bosses.

Acronyms and terminology

GBAO	Autonomous region of Gorno-Badakhshan
AKF	Aga Khan Foundation
AKDN	Aga Khan Development network
MSDSP	Mountain societies development support program (local non-governmental organization affiliated to the AKF)
VO	Village organization (affiliated with the MSDSP)
TBG	Transitional bargaining game
Dekhan association	Association of farmers
Kolkhoz	Collective farm
Sovkhoz	State farm

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Appendix 1: Example of interview questions

When where the economic relations with the national authorities broken?

What happened to the state farm when the old economic relations broke down?

What was the state of the state farms during the period from the breakdown of the Soviet Union, until the reforms started?

When was the state farm land divided among the villagers?

According to what method was the earth divided among the population?

How were other assets (in particular, herds and machinery) divided?

Who wanted to split up the state farms?

What role did the state farm administration play during the reforms?

What did the people think about the reforms?

What did the state farm administration think about splitting up the state farm?

What do the former state farm administrators do today?

What role did the Aga Khan Foundation and MSDSP play during the reforms in your village?

Have there been any conflicts in your village stemming from the reforms?

How has the yield from the land changed since Soviet times?

How has the yield changed since the reforms?

To what extent is the village self-sustaining in food stuff today?

How has the variety of crops changed since Soviet times?

What tasks does the dekhan association fulfil today?

If somebody dies or leaves the village, what happens to his/ her land?

What is the most important question for the development of your village right now?

Appendix 2: field notes

Langar

Organisation prior to the reforms:
Langar used to be a part of the same state farm as the villages Ratm, Zong, Hissor, Zugvan and Dish.

Year of reforms:
The state farm was finally split up in 1999. However, unused land was taken over by individual farmers starting already 1996.

Method of land division:
Each individual was given 0,8 hectares of land. The land was classified into two categories according to quality, and each individual received land of both categories.

Distribution of herds:
Between the Soviet years and the reforms, the number of animals in the herds decreased from 4000 large (meaning cows and horses) and 2000 small (sheep and goats) cattle, to 2500 large and 1000 small ones. These remaining animals of the herds were divided among the villagers according to the "years-of- service" principle. That is, those having worked the longest in the state farm received the largest share of animals.

Distribution of other assets:
The machinery, buildings and works of the state farm were sold to whoever wanted to and could buy it. Tractors and combiners today are today privately owned, but are available through renting to all farmers of the villagers. Most of the state farm buildings and are derelict and empty.

Current occupation of the state farm management:
The former village brigade leader is currently the chairman of the village organisation.
(For the fate of the state farm directors et cetera, see Zong).

Role of the dekhan association:
The role of the association is limited to collecting each household's share of the land tax, and paying it to the tax inspection.

Comments:
The state farm used to transport its herds to high altitude pastures, using lorries for the transport. This was an activity that could not go on without subsidies, and the size of the herds was affected accordingly. Consequently, the decision to split up the state farm is described as un-avoidable and uncontroversial by the informants of this village.
The method of land division was chosen after a popular assembly with all villagers.

Informants:
Fidoalj Nagbekov, former chairman of the trade union.
Rustam Muminov, former brigade leader of the state farm, currently the president of the village organisation.
Sultonasab Tsjurbanchonova, teacher and chairperson of the women's committee of the village organisation.

Ver and Shitam

Organisation prior to the reforms:

Ver and Shitam used to belong to the same state farm, together with 6 other villages. Now, the two villages belong to two different dekhan associations.

Year of reforms:
1997

Method of land division:
The more years of service in the state farm, the more land the families received. Teachers and doctors were also entitled to land, but less than the state farm workers.

Distribution of herds:
Herds were also distributed according to the year of service- principle. Teachers and doctors were *not* entitled to any animals.

Distribution of other assets:
Some of the machinery were sold before the break-up of the state farms, and before the dekhan associations were formed. Other equipment, belonging to the dekhan associations, remain unused in the fields, due to lack of spare parts and fuel.

Current occupation of the state farm management:
The director of the state farm now serves as the agricultural expert in the local government. The head engineer is now the president of the village organisation of Shitam. Other former administrators work as specialists for MSDSP.

Role of the dekhan association:
The dekhan associations do little more than collect taxes. Some equipment formally belongs to the associations, but stand unused (see above).

Comments:
According to the informants, the initiative to reform came from the management of the state farm. It had become apparent, that the state farm was not functioning at all. Thus, the director of the state farm, the head of the municipality and some other officials formed a committee in order to establish a method for dividing the land.
There were some conflicts between inhabitants about how the land should be divided.

Informants:
Bogsho Shabogshoev. Agricultural expert of the local government of the municipality of Ver. Former director of the state farm.
Movlonazar Gulomchaydorov, president of the VO of Shitam and former head engineer of the state farm.

Vankala

Organisation prior to the reforms:
Vankala used to be the centre of the state farm “Pamir“, with about 10 villages. The state farm has now been split up into four different dekhan associations, and one cooperative.

Year of reforms:
The reforms took place in several steps. In 2001, the state farm was turned into a “gozkhoz”, and its land was split up into dekhan associations. Herds and the grazing lands were kept within the “goschoz”. The “goschoz” was in turn made into a “co-operative” about one year later (in 2002 or 2003)

Method of land division:
Land in the village of Vankala has not been distributed; it belongs to the cooperative.

Distribution of herds:
Most of the herds that used to belong to the state farm is today the property of the cooperative.

Distribution of other assets:
Most valuable assets have been retained by the cooperative. Some assets were sold prior to or during reforms. Very little was distributed to the villagers directly or to the dekhan association. The major exception is one of the dekhan associations, that demanded and were given some machinery (see Shadzud fact sheet).

Current occupation of the state farm management:
Almost the entire leadership of the state farm are now managing the cooperative.

Role of the dekhan association:
In the *village* of Vankala, there is no association.

Comments:
The state farm that preceded the co-operative Pamir differed from most other state farms in Western GBAO through its large yak herd. It consists of about 4000 animals, grazing in an are some tens of kilometres away from the centre of Vankala. Unlike most other assets of the state farms, it seems like the yak herds retained most of its value after the fall of the Soviet Union. The yaks simply require little external support for their survival (at least in the short run). Moreover, the market for yak meat and wool is mostly local.
Thus, it is not surprising that the management of this state farm, unlike the leaders of most other state farms, was reluctant to cooperate in the reforms.
The final outcome is also unique. In essence, the co-operative is a concentration of the most valuable assets of the former state farm. Despite its name, this is run as a private company, with the management as the true owners.
The behaviour of the state farm management in this process is apparently highly controversial. Some informers call their acts "criminal". This relates not only to the fact that they have effectively kept control of the yak herd, but also to events prior to the establishment of the dekhan associations. Then, machinery was sold, with the proceeds going directly to the co-operative. Moreover, some buildings were simply tore down, and the construction materials were instead used to build a personal palace for the cooperative director.

Informants:
Ukumatsho Miskinov. Secretary of the local government.
Kazem Saidadchosov. Economist of the cooperative "Pamir".
Saradbek Mironov. Trade union chairman of the cooperative "Pamir".
Sultonbek Mulloev. Agricultural expert of the local government. Former brigade leader of the state farm.
Forodbek Darvoziev. President of the village organisation of Varshedz.
Shodi Saidrachmonov. Veterinary specialist, working for MSDSP in Khorog. Former employee of the "Pamir" state farm.

Varshedz

Organisation prior to the reforms:
Varshedz used to be a part of the state farm "Pamir", together with about ten other villages (see also Vankala fact sheet).

Year of reforms:
In 2001, the reform was officially pursued, as the certificate of the land was transferred from the goschoz of Pamir to a newly formed dekhan association. However, this had been preceded by a "spontaneous" land reform, where the villagers simply took over unused farm land, since the middle of the 1990-ies.

Method of land division:
Land was divided according to the year of service-principle.

Distribution of herds:
The herds of the state farm were kept by the co-operative.

Distribution of other assets:
Most other state farm assets were either sold before the reforms, or kept by the co-operative.

Current occupation of the state farm management:
See Vankala fact sheet.

Role of the dekhan association:
The dekhan association only gathers tax, and pays it to the government. However, as many villagers refuse to pay, the association also has problems paying the land tax to the government.

Comments:
Varshedz belongs to a dekhan association that was formed last from the old state farm. At that time, there was very little machinery or other equipment left for the association or the villagers to take over. This is a contrast to dekhan farms formed earlier from the same state farm (see Shadzud fact sheet).

Informants:
Ukumatsho Miskinov. Secretary of the local government.
Sultonbek Mulloev. Agricultural expert of the local government. Former brigade leader of the state farm.
Forodbek Darvoziev. President of the village organisation of Varshedz.
Shodi Saidrachmonov. Veterinary specialist, working for MSDSP in Khorog. Former employee of the "Pamir" state farm.

Shadzud

Organisation prior to the reforms:
Shadzud used to be a part of the Pamir State farm.

Year of reforms:
In 1995 or 1996, the Shadzud together with the villages of Bochkor and Zardem broke free from the state farm, and formed their own dekhan association.

Method of land division:
Land was distributed according to the years of service- principle.

Distribution of herds:
Herds were also distributed according to the years of service- principle.

Distribution of other assets:
Assets such as tractors and buildings were transferred to the newly formed dekhan association.

Current occupation of the state farm management:
See Varshedz and Vankala fact sheets.

Role of the dekhan association:
Apart from the task of gathering the land tax, the association also runs a machine pool.

Comments:
Shadzud and the neighbouring villages were early to break free from the state farm "Pamir" and form their own association. According to the informants, this was initiated by the villagers themselves. The dekhan association in these villagers actually seems to work well, with its machine pool that all the villagers can use. The contrast is stark to other dekhan associations in the area of the Pamir state farm (see fact sheets of Varshedz and Vankala).

Informants:
Ukumatsho Miskinov. Secretary of the local government.
Sultonbek Mulloev. Agricultural expert of the local government. Former brigade leader of the state farm.
Forodbek Darvoziev. President of the village organisation of Varshedz.
Shodi Saidrachmonov. Veterinary specialist, working for MSDSP in Khorog. Former employee of the "Pamir" state farm.

Dasht

Organisation prior to the reforms:
Dasht used to belong to the same state farm as 12 other villages around the town of Iskashim.

Year of reforms:
End of the 1990-ies.

Method of land division:
Each inhabitant received the same amount of land- including doctors and teachers.

Distribution of herds:
Herds were also distributed evenly among the population.

Distribution of other assets:
Tractors and equipment were sold to the former brigade leader of the kolkhoz.

Current occupation of the state farm management:
The former brigade leader of the village is what other villagers call "a fermer". This means a farmer that is comparatively well off, with larger herds than most other farmers. The former brigade leader also owns the tractor of the village, which he acquired when the state farm was split up.

Role of the dekhan association:
not known

Informants:
Atyurbek Tyorshanbe Otyurbekov. Former brigade leader of the state farm. Currently a large-scale farmer.
Djumachon Niezmamadov. Retired former kolkhoz chairman, and brigade leader of the state farm.

Zong

Organisation prior to the reforms:
Zong used to be a part of the same state farm as the villages of Ratm, Hissor, Dish, Langar and Zugvan.

Year of reforms:
The state farm was finally split up in 1999. However, unused land was taken over by individual farmers starting already 1996.

Method of land division:
Land was distributed equally to all villagers.

Distribution of herds:
Herds were distributed according to length of service in the state farm.

Distribution of other assets:
Machinery was sold to whoever could and wanted to buy it.

Current occupation of the state farm management:
The manager, the book keeper and the agronomist of the state farm (that is, the leading troika) currently occupy exactly the same positions, but in the newly formed dekhan association.

Role of the dekhan association:
The dekhan association collects taxes and fees from the inhabitants, and pays them to the state. The association also distributes pensions and other allowances from the state to the inhabitants. Unlike the dekhan association in most other villagers, the one in Zong has a salaried management.

Comments:
The dekhan association plays a more active role here than in most villages. This role of course does not compare with that of the state farm in Soviet times- but the management of the state farm have retained kept their jobs.
The method of land division was chosen after a popular assembly with all the villagers.

Informants:
Shamir Gulmirov, former state farm director and currently chairman of the dekhan association of Zong.
Fidoalj Nagbekov, former chairman of the trade union.
Rustam Muminov, former brigade leader of the state farm, currently the president of the village organisation of Langar.