

Water and energy disputes between Tajikistan and Uzbekistan, and their negative influence on regional co-operation

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Abstract: This research was carried out in 2010-11 and revised at the beginning of 2012. In recent years, water and energy disputes between Uzbekistan and Tajikistan have engaged the attention of specialists and policy makers, and not just in the region and the CIS. The theme often appears in a range of mass media from various perspectives. These disputes threaten the strong neighbourly relations between two historically- and culturally-close Central Asian peoples and, in addition, cause problems for economic cooperation and security in the region.

Key words: *Tajikistan, Uzbekistan, regional co-operation, energy*

Introduction

The antagonism between Uzbekistan and Tajikistan has a historical character, and the roots of the dispute have been fed by various economic, ethnic and political issues for centuries. While on the one hand joining one socialist state drew the two peoples together on the surface, on the other hand, it planted the seeds for future disputes over issues such as territory. At the time when Uzbekistan and Tajikistan entered into interstate relations as sovereign states, the development of both republics depended significantly on mutually-beneficial cooperation. Unfortunately, over a period of two decades neither country has displayed good-neighbourliness, and the differences of opinion between them have gradually grown into a serious regional conflict. One of the reasons for disputes between the countries of the region is inequitable division of water resources. Geographically divided into upstream (Tajikistan and Kyrgyzstan) and downstream (Uzbekistan, Turkmenistan and Kazakhstan) countries, these agrarian republics have not yet reached a final agreement about effective use of the region's water.

The economic and political situation in Tajikistan

Today, Tajikistan remains the poorest country in the former Soviet Union. In the years of independence, since 1992, the number of labour migrants earning their keep primarily in Russia has been continuously increasing. An independent economist believes that the number of external labour migrants is between 1,000,000 and 1,500,000, of whom more than 95 per cent are in the Russian Federation (B. Karimov, 2010). Tajikistan produces little and imports a lot. Growth of the economy is acutely dependent on international investment which, as of yet, is not forthcoming at sufficient levels.

Some experts believe that the tax take, which increased following amendments to the Tax Code, could become a serious burden on tax payers, and that it could be disastrous for small and medium enterprise. All experts agree that to augment the budget the state should treat all taxpayers objectively, moving away from the system in which privileges are given to one company while others face double taxation. For example, the aluminium smelter (TALCO), controlled by the President's family according to unofficial sources, does not pay its taxes in full. Instead of paying \$350 million in taxes, only \$70-90 million goes into the budget (Ramziya Mirzbekova, 2010).

Tajikistan's external debt is growing year by year, approaching a catastrophic 40 per cent of GDP. At the beginning of 2011, the external debt was \$1,790 million, or 31.8 per cent of

GDP. According to Tajikistan's Finance Minister Safaraly Nadjmiddinov, because of the failure to fully finance the state budget with revenues, not one of the national economy's branches is fully funded (Avesta.tj 2010).

Politically, international organisations categorise Tajikistan as an authoritarian state, in which power has been concentrated in the hands of one group for a long time, and where human rights are violated very often. Since 1995, the OSCE has evaluated all the elections that have taken place in the country (four parliamentary and three presidential) as failing to meet international standards. Democracy is poorly developed in the country, and most of the population plays almost no part in the decision-making process. Opposition forces appear under strong pressure. Decisions at state level are taken with very little real debate and public discussion.

Tajikistan has not been very successful in the international arena. Its heavy economic and political dependence on Russia, as well as its ineffective diplomacy, has prevented the country from signing equal and mutually beneficial contracts with developed countries and companies interested in joint economic projects in the republic.

Antagonism and cooperation between Tajikistan and Uzbekistan

Sources of antagonism

One of the main sources of discord between Tajikistan and Uzbekistan immediately following the collapse of the USSR was territorial disputes, which began when territory was divided between the newly-formed Soviet republics of Central Asia in the 1920s. This process is known in history as the "clumsy division".¹ "I say 'clumsy'," academic Rahim Masov recalls, "because when national territorial divisions were being made in Central Asia in 1924, it was emphasised that 'this work was conducted in a clumsy fashion, and we will return to this issues again.' The document stressed that the decision was a temporary one. However, the issue still remains unresolved" (Rahim Masov, 2011). The division of territory was not carried out by national / ethnic origin, as a large number of ethnic Tajiks in two large cities – Bukhara and Samarkand – ended up under Uzbek rule. This became a kind of ticking time bomb which made itself known in the first days after the Communist regime collapsed. In 1991, after independence, the question of state border demarcation arose between Tajikistan

¹ A popular expression coined by Tajik historian and academician Rahim Masov about the territorial delimitation of Central Asia by the Soviet authorities in the 1920s and 1930s.

and Uzbekistan. Tajikistan declared its readiness to determine the borders, if Uzbekistan officially recognised Samarkand and Bukhara as historically and culturally Tajik cities. Uzbekistan did not agree to this condition, and the issue was postponed indefinitely. The borders between the two sovereign states still remain administrative, as defined in the 1924 document.

The unified Soviet communications system, which once ensured the cohesion of the multi-ethnic country, now makes one independent country dependent on another. For example Uzbekistan, with a large area and a huge population more than four times that of small Tajikistan, contains all the railway and road connections between Tajikistan and the other CIS countries. This allows Uzbekistan, to a certain degree, to control Tajikistan's communications with the outside world. It thus follows that Uzbekistan has been able to use this important lever to exert pressure on Tajikistan.

Despite its relatively developed economy and huge area Uzbekistan, with its millions of hectares of irrigated land allocated for cotton cultivation, depends on water which flows into the country through interstate rivers from Tajikistan and Kyrgyzstan. According to the London-based Environmental Justice Foundation (EJF), Uzbekistan uses 56 per cent of the entire region's water, most of which goes into cotton production, which brings in about \$1 billion per year. The output-input ratio of many irrigation canals is low, and therefore, up to 60 per cent of irrigation water does not reach the fields. (Zhandos Almatov, 2010). Every kilogram of cotton collected in Uzbekistan costs the region's water reserves 20,000 litres of water, and every hectare of cotton field requires 14,000 km³ of water. For several years already, experts have warned about the growth of potential conflict because of water resource use in Central Asia and its main causes.

Co-operation

Tajikistan and Uzbekistan have always cooperated with each other. This cooperation has included the economic, cultural and other fields of life. Until recently, the countries exchanged the electricity they produced: Tajikistan exported surplus electricity to Uzbekistan in the summer, and imported it in the winter, when the country faced a shortage of water resources for producing electricity. Tajikistan also bought natural gas from Uzbekistan, as it was not produced in sufficient quantities in-country. The two countries traded extensively in vegetables, watermelons and mineral fertilisers. Today, beside official exports and imports of

goods, there is illegal trade between the countries, traces of which can easily be found in the markets of both Tajikistan and Uzbekistan.

It thus follows that the Tajik – Uzbek relationship cannot just be characterised as negative.

Unified energy system

The idea of a unified energy system (UES) for the countries of Central Asia is not new. During the days of the USSR, the Soviet leadership planned the distribution of water and energy resources in the region. In general, all planning focussed on production of the raw cotton needed for the Soviet textile industry, and little attention was paid to environmental changes or the social wellbeing of the region's population.

On independence, the countries of Central Asia began to reconsider membership of the UES. Thus, the composition of the UES has changed several times recently. At the beginning of 2010 Uzbekistan, unhappy with steps taken by Tajikistan, announced that it was leaving the system. Kazakhstan also threatened to leave the UES, motivated by unhappiness with Tajikistan. At the end of 2010, a new UES was created for the region, excluding Tajikistan.

When discussing the water and energy conflict in Central Asia, most experts again and again return to the idea of a unified energy system for the region. In particular, Aleksandr Knyazev, Director of the of the Institute of CIS Countries' Regional Branch in Bishkek, proposes creation of a joint expert council for joint evaluation of water and energy projects, to be made up of competent specialists from all interested parties. In his opinion, a regional agreement should be developed and agreed on to regulate use of water and energy facilities, based on objective assessment of the situation. The expert also highlights the need to develop a system of mutual compensation (dotation) for economic losses in the use of water and energy resources (Aleksandr Knyazev and Aza Migranyan, 2009).

The common interest of Tajikistan and Uzbekistan

Development of Tajikistan's economy and its interrelationship with the construction of hydropower stations

Tajikistan's leadership is doing what it can to attempt to resolve its real political and economic problems and recover from the economic crisis that engulfed the country immediately after it became independent in 1991. The only way the Government sees to resolve the problem is through use of its water resources, which are extremely large not only by the standards of Central Asia and the CIS, but even by world standards. Thus, construction of hydropower stations could resolve most of its economic problems. Supporting industrial development with cheap energy, Tajikistan could at the same time resolve the problem of unemployment and improve the living standards of its population. However, several independent experts from Tajikistan doubt that, in the context of total corruption among authorities at all levels, the country can improve the population's wellbeing. Construction of a cascade of hydropower stations on the river Vakhsh and other high-mountain rivers in Tajikistan was already being considered by Soviet planners, who expected great economic benefits for Tajikistan and the whole region.

The energy dispute with Uzbekistan took a serious turn from 2004, when the Government of Tajikistan signed an agreement with Rusal (a Russian company) to construct the Rogun Hydropower station. The controversy negatively influenced the energy exchange between the two countries in summer and winter, the provision of gas from Uzbekistan to Tajikistan, and the transit of electricity from Turkmenistan to Tajikistan through Uzbekistan's territory. This left the population of Tajikistan without electricity and gas for long periods, particularly in the winter. The harsh winter of 2007-8, when Tajikistan suffered an acute deficit in electricity and heating, caused many problems up to and including human fatalities. There was social discontent among the population. This all forced the Government of Tajikistan to speed up construction of hydropower stations, as a means to improve the country's economy and improve the population's wellbeing.

Construction of the Rogun Hydropower station. Opposition from Uzbekistan

The government of independent Tajikistan has made attempts since 1992 to complete the Rogun Hydropower station using foreign investment. Initially, Pakistan was interested in sponsoring the facility. Former Tajik Senator Khodji Akbar Turajonzoda maintains that in

1992 Pakistan was interested in receiving cheap electricity, and promised to provide \$600 million in funds to build the Rogun Hydropower station. However, Russia and Uzbekistan prevented implementation of the project (Rukhshona Ibragimova, 2010). After a long pause, Tajikistan signed an agreement in 2004 with Russian company Rusal to complete the power station. This agreement was terminated in 2007 when, under the influence of Uzbekistan, Russia demanded a reduction in the rock fill dam by 50 metres, suggesting instead a 285 metre concrete dam.

Uzbekistan began to strongly oppose construction of the Rogun Hydropower station. Speaking to residents of Karakalpakstan, President Islam Karimov of Uzbekistan noted that “The embankment height of Rogun Hydropower station is 335 metres and it needs eight years to fill up. How could we let residents of Uzbekistan live without water for eight years, while the Rogun reservoir is filling? How would we work the fields all of that time?” (Centrasia.ru, 2010). Analysing all the official statements by Uzbekistan’s leadership, we can conclude that Uzbekistan is chiefly worried about the irrigation of millions of hectares of land under cotton cultivation.

In order to prevent the construction of the giant hydropower station in the neighbouring country, Tashkent has used all possible means, including:

- Preventing the transit of Turkmen electricity to Tajikistan through Uzbekistan’s territory;
- Reducing delivery of gas to Tajikistan;
- Increasing the price of gas provided to Tajikistan;
- Blocking the transit of railway wagons with goods for Tajikistan; and
- Organising mass meetings of the Uzbek population in border districts against environmental pollution by the Tajik Aluminium Factory, one of the small number of profitable enterprises in Tajikistan.

Unsuccessful in its attempts to find international investors, Tajikistan decided to complete Rogun using its own funds: the meagre state budget and the sale of shares in Rogun Hydropower station to the population. On 6 January 2010, a campaign began in Tajikistan to sell shares in the Rogun Hydropower station Joint Stock Company. The Government intended to sell shares for a total price of six billion somoni (about \$1.37 billion). The fundraising was

accompanied by a costly PR campaign. However, the attempts by Tajikistan to complete Rogun Hydropower station by itself were unsuccessful. Fundraising among the population, enterprises and organisations, as well as sale of shares in Rogun Hydropower station, was compulsory and forced. This could not but provoke discontent among the population. Shares were also “sold” to students and pensioners. And finally, the campaign ended thanks to intervention by the IMF. In addition, the pressure exerted by Uzbekistan played a significant role in freezing construction of the hydropower station, as Uzbekistan threatened that it would take all possible measures up to and including “military intervention” if Tajikistan did not halt construction of Rogun.

Disputes around construction of Rogun Hydropower station

Tajikistan’s position:

- Rogun is a source of environmentally friendly and cheap electricity;
- Rogun will facilitate the economic growth of Tajikistan; and
- Rogun is being built on the basis of a comprehensively thought-out proposal. In no way would it influence the environmental situation of the Aral Sea and it does not threaten disaster.

Uzbekistan’s position:

- Construction of the Rogun Hydropower station would be bad for the environment in the region, and in particular would lead to accelerated desiccation of the Aral Sea;
- Tajikistan does not have the competent personnel needed for safe construction of hydroelectric facilities. Consequently, if a natural disaster occurred, erosion of the high rock-fill dam could lead to flooding of parts of some settlements in Tajikistan, Uzbekistan and Turkmenistan; and
- Tajikistan does not have the right to build hydropower stations on trans-boundary rivers in Central Asia that cross its territory without agreement from downstream countries (in this case Uzbekistan and Turkmenistan).

The issue of Uzbekistan’s hegemony in the region

In Soviet times, Tashkent was unofficially considered the capital of Central Asia, and Russia ruled the region through Uzbekistan. This meant that the political leadership of Uzbekistan had many privileges, and it also facilitated economic development in the country. After the

collapse of the communist regime, the regional situation gradually changed. The fast-developing, in economic terms, Kazakhstan forged ahead, and its GDP per head even caught up with that of Russia. Therefore, today Kazakhstan is attempting to carve itself the role of regional leader. However, Uzbekistan has not yet ceased demanding that its opinion be considered. In the opinion of a Kyrgyz expert, representatives of Uzbekistan often say the word “agree” when discussing water and energy issues with Tajik and Kyrgyz counterparts in a way that sounds like “permit” (Jandos Almatov, 2010).

Neither does Uzbekistan hide its ambition for leadership in Central Asia. On an official information and news site in Uzbekistan an article was written which, when mentioning potential external participants in hydroelectric projects (Rogun Hydropower Station in Tajikistan and Kambarata Hydropower station in Kyrgyzstan), the author clearly states the importance of Uzbekistan in the region: “We can remember how China, a few years ago, quickly halted planned construction of Zarafshan Hydropower Station² in Tajikistan, when it realised that construction would be fraught with conflicts with Uzbekistan, a key player in the region. China also barely disguised its scepticism about more recent proposals from Kyrgyzstan to participate in hydroelectric projects” (O. Radjabov, 2010).

Economic and many other indicators indicate that Uzbekistan is much stronger than Tajikistan. Taking into account all these factors, it should be recognised that it would be difficult for Tajikistan to defend its position with regard to construction of new hydropower stations against a neighbouring opponent like Uzbekistan. Construction of Rogun Hydropower Station, around which Uzbekistan has kicked up a big storm, could bring to mind the fate of the Zarafshan Hydropower station. In this context the weak diplomacy of Tajikistan’s Government should also be noted, as it has not yet brought onto its side either neighbours in the region or potential investors from countries seeking to take part in joint hydroelectric projects.

² According to research carried out by the German Society for Technical Cooperation, the Zarafshan Hydropower Station does not threaten damage to Uzbekistan’s irrigation system, which uses 94 per cent of the water resources of the river, while Tajikistan uses only 6 per cent of the total volume. The Republic of Tajikistan intends to build a small hydropower station on the River Zarafshan which will be regulated on a daily basis, and not affect the water balance of the river.

Tension in international relations

Already on 5 February 2009, the Embassy of the Republic of Tajikistan in Kyrgyzstan released an official statement about the situation that had arisen in the country's energy sector at the beginning of 2009. This document affirms that the reason for the serious energy crisis in the Republic of Tajikistan was the harsh and obstructive policy of neighbouring Uzbekistan, which not only artificially delayed development of Tajik-Uzbek relations, but also pressurised third countries that were keen to engage in economic cooperation with Tajikistan.

According to unofficial Uzbek sources, a crucial role in the growing antagonism between Uzbekistan and Tajikistan is the personal enmity between the heads of the two countries.³ Russian journalist Arkadiy Dubnov cites a statement by Tajikistan's President at a meeting with journalists on 8 December 2009: "I used to think very well of Karimov... We called him '*otamiz*' ('our father' in Uzbek), but then we found out a lot. This man is struggling against everything Tajik... he doesn't want development in our country, closes roads, and turns off our electricity in the cold winter" (Arkadiy Dubnov, 2009). Citing this meeting, a Tajik unofficial source recalls personal confirmation by Tajikistan's President that scandals occurred that ended in blows in two official meetings between him and Karimov. Here Rahmon mentioned the claim of Tajikistan to the cities of Samarkand and Bukhara, which are now part of neighbouring Uzbekistan.

Ordinary citizens lose their lives to landmines every year on the borders between Uzbekistan and Tajikistan. Uvaydullo Abdulloev, a resident of Zafarabad district, a border area of Tajikistan, stated that in their district "in recent years (since 2010) shootings by Uzbek border guards of Tajikistan's citizens illegally crossing the border have become more frequent". He remembered last year, when border residents of both countries freely visited their relatives in villages close to the border.

With regard to the construction of Rogun Hydropower Station, at the beginning of February 2010 Uzbekistan's Prime Minister Shavkat Mirziyoyev sent an official letter to his counterpart in Tajikistan. Stressing the possible negative consequences of building giant

³ Sources mention a well-known unfriendly quotation by the President of Uzbekistan in narrow political circles: "I made this collective farmer into a president," pointing out that in 1992, Karimov allegedly backed the candidacy of former state farm director Rahmon for Tajikistan's Presidency to Boris Yeltsin, President of the Russian Federation. Therefore, Islam Karimov demands special respect from Rahmon.

hydropower stations in upstream countries, Mirziyoyev proposed that Tajikistan conduct an independent assessment of construction of the power station. In his official reply, Tajikistan's Prime Minister Oqil Oqilov stressed Tajikistan's readiness to discuss all issues related to the Rogun Hydroelectric Station project with Uzbek colleagues, and to receive a competent delegation from Uzbekistan in Dushanbe. However, the discussions did not go beyond this stage.

Actions taken by Uzbekistan to intervene in the construction of Rogun at international level caused Tajikistan to suspend construction of the hydropower station in anticipation of an international assessment. Uzbekistan also succeeded in freezing the CASA-2010 project, under which Pakistan planned to finance construction of Rogun Hydropower station in return for cheap electricity. The international community has not yet clearly expressed its position on this issue. However, from time to time the voice of European Parliamentarian Struan Stevenson is heard stating that construction of Rogun will in no way harm the region's environment. Throughout this period, the population of Tajikistan has experienced an acute deficit of electricity and gas. And as of yet there is no hope that the situation will improve.

Intensification of antagonism

All the state media in both Tajikistan and Uzbekistan address the issue of Rogun construction in a one-sided manner, thereby further aggravating the relationship between the two states. Confirmation of this fact can be found in the furious and hateful public statements made by the political leaders of Tajikistan and Uzbekistan, and the official statements by both sides on the issue.

Uzbekistan calls the planned construction of hydropower stations in Tajikistan "adventurist" and calls on residents of Uzbekistan to struggle against the phenomenon, calling this a "struggle for the future of our children". A Tajik journalist who visited Uzbekistan in 2010 was astonished to find that the border between the countries was "almost kept locked". He observed that in Uzbekistan the population believes that after Rogun is built the water that reaches them from Tajikistan will be poisoned and no longer fit for consumption or irrigation. Or else after construction they will have no water left at all. Or that famine is rampant in Tajikistan. Residents of Samarkand are worried that Uzbekistan may declare war on Tajikistan because of Rogun construction (Ramziddin Nadjmiddinov, 2010).

Tajikistan's state media, and in particular the fourth channel, which broadcasts to the whole country, tirelessly call on the people to stand together against "enemies of the nation", accusing neighbouring Uzbekistan of all sins. In the words of the Uzbek side, "Tajikistan is publicly concealing its failure to address economic problems with ambitious plans for energy supply to the population" (Aydin Gudarzi 2010).

Damages inflicted on Tajikistan by the conflict with its neighbour

According to Shukurdjon Zukhurov, Speaker of the lower house of Tajikistan's Parliament, since 1993 as a result of regular hold-ups of goods bound for Tajikistan on Uzbekistan's territory, the country's economy has suffered billions of dollars' worth of losses. In August 2010 about 1200 wagons had accumulated at the border. When delays occurred to deliveries for construction of the more modestly-sized Sangtuda-2 Hydropower station, being built with financial support from Iran, Teheran called on Tashkent to put an end to it. However, Tashkent did not indicate any wish to make changes to the trading regime. On 1 August 2010 Tashkent, for the second time in a year, increased tariffs for goods transported across the border from Uzbekistan to Tajikistan by 14 per cent. Official Dushanbe maintains that Tashkent is trying in this way to sabotage construction of Rogun Hydropower station, which is necessary to provide economic independence to Tajikistan. Olimjon Salimzoda, the Chair of the International Affairs, Public Associations and Information Committee of the Madjlisi Namoyandagon (the lower house of Tajikistan's Parliament) expressed its disquiet at the situation: "Wagons bound for Tajikistan do not only contain cargo for the Rogun Hydropower Station. Many of them contain fuel, foodstuffs and other goods, which are essential for the lives of the country's residents. And the owners of most of these goods are entrepreneurs and businesspeople, rather than the Government" (Fergana.ru, 2010). Freight wagons standing idle on Uzbekistan's territory also negatively affected budgetary revenue performance in 2010. Experts believe that this amounted to \$200 million of revenue not received.

Several residents of Khatlon Oblast, which borders Uzbekistan in the south of Central Asia, complain about the sharp rise in the price of imported flour – the basic foodstuff for local residents. Research has revealed that between 2009 and the end of 2010 the price of flour rose by 100 per cent (from 65 somoni for a 50 kilogram sack to 130 somoni). There have also been sharp rises in the prices of meat, cooking oil, pasta, sugar and other important foods. In order to prevent social tension, at the end of 2011 Tajikistan's Government reduced the import duty on flour, thereby reducing its price by 19 or 20 per cent.

In 2010, the trade turnover between the two neighbouring countries was significantly lower than in 2009. According to Tajikistan's Statistical Agency, trade turnover fell by 64.2 per cent, or \$100.5 million, to just \$60.2 million. Political expert Abdugani Mamadazimov notes that the fall in trade turnover between the countries has both a political and an economic character.

The dispute also affects communications between close relatives living on opposite sides of the border. Alisher Kodirov, a resident of Istaravshan town in Tajikistan stated that he has been unable to meet his sister living in Guliston town in Uzbekistan for three years because, in his opinion, of tough checks by Uzbek border guards.

In 2010 Uzbekistan did not fulfil the conditions of its agreement on delivery of natural gas to Tajikistan. Instead of a planned 250 million cubic metres, Tajikistan only received 174 million cubic metres.

In April 2010 Tajikazot, a joint Tajik-Cypriot enterprise based in Khatlon Oblast, ceased operating, leaving about 1000 people without work. As was noted at a press conference at Tajikistan's Ministry of Energy and Industry, the halt to work at the enterprise was due to the prices for Uzbek natural gas. Currently, Uzbekistan is selling gas to Tajikistan for \$269 per 1000 cubic metres, while the price of 1 tonne of urea produced at Tajikazot was no higher than \$263. At the Ministry of Energy and Industry it was reported that gas is several times cheaper for consumers inside Uzbekistan. For example, enterprises that produce mineral fertilisers in Navoi city pay \$40 for every thousand cubic metres of gas.

Conclusion

Speaking at an international conference entitled "Perspectives on creation of a common Eurasian space: potential, challenges, issues and common interests" held in Dushanbe on 7 December 2010, Dr. Konstantin Syroezhkin, senior researcher at Kazakhstan's Institute of Strategic Studies, noted that "Integration processes in the territory of the CIS have been moving very slowly in recent years, as group interests have appeared. What is happening at the moment between CIS countries reminds one of bazaars and trade. Competition between external powers has also intensified in the region (Asia Plus, 2010).

Tajikistan and Uzbekistan are linked by a common history, culture and religion. In practice, ethnic Tajiks in Uzbekistan and ethnic Uzbeks in Tajikistan are the largest national minorities

after the so-called titular nations. There are very many mixed marriages between Tajiks and Uzbeks within both countries on the one hand, and between citizens of Uzbekistan and Tajikistan on the other. Any antagonism between the countries affects the lives of many people on both sides of the border. Today, visas are required between Uzbekistan and Tajikistan, while between Tajikistan and Kyrgyzstan, and Tajikistan and Kazakhstan no visas are needed. Today, the negative influence of the “Cold War” between the two neighbours is felt in all areas of the lives of Tajikistan’s citizens.

Tajikistan does not yet have a strong position with regard to disputes and differences of opinion with Uzbekistan about the building of hydroelectric facilities on its territory. The country lacks the successful diplomacy and the economic might needed for this. Uzbekistan, on the other hand, is making the running in this regard, having brought on board Russia and the other Central Asian countries, as well as the international community.

It is quite clear that Tajikistan cannot build the Rogun Hydropower station by itself. The country simply does not have the financial resources. The first attempt to make the population buy shares in Rogun did not find favour among Tajikistan’s population, or in the international community. In one and a half months of fierce campaigning to collect the funds and sell shares (in January and February 2010), the Government was only able to collect a little over 10 per cent of the total cost of construction. Latent popular discontent about compulsory collection of funds for Rogun in the context of growing poverty could have serious repercussions. Local independent experts also do not welcome this compulsory collection of funds and, what is more, are also expressing concern about improper use of the funds collected. Unofficial sources report that both the companies contracted to construct Rogun Hydropower station belong to close relatives of President Rahmon.

Construction of Rogun Hydropower station, like that of other potential large-scale hydropower stations in Tajikistan, is the subject of heated discussions in the region. World powers with interests in the region are also observing the events keenly. Attracting foreign investors to build hydroelectric projects is now difficult for Tajikistan.

The interests of Russia in the hydroelectric resources of Central Asia should be particularly stressed. Keeping the political leadership of Tajikistan under strict control, the Russian Federation is preventing other interested countries from cultivating the water and energy resources of Tajikistan. Since terminating the agreement with Rusal in 2007, Tajikistan has

still not found a foreign investor for the completion of Rogun. For this failure, Tajikistan's leadership can also blame Russia. The Russian Federation, which itself intervened to prevent Pakistan from investing to complete Rogun in 1992, has itself invested in Sangtuda-2 Hydropower station, which began operating on 31 July 2009, and plans soon to sell electricity produced in Tajikistan at advantageous prices in Afghanistan and Pakistan.

When analysing the conflict between Uzbekistan and Tajikistan, Russia sharply focuses its position on the issue "Without attracting investment from abroad, Tajikistan cannot modernise its economy, but foreign investors are not rushing to invest in these projects, bearing in mind previous negative experience" (Sergey Shcherbakov, 2010). Furthermore, in another article Russian policy leaders present Central Asian countries with a *fait accompli*, by drawing unambiguous conclusions and recommendations: "Resolving the water and energy issue is an issue of regional integration, but meanwhile there are no economic or political grounds for independent intra-regional intensification of integration processes in Central Asia. On this issue the countries of the region – whether they like it or not – therefore have to orient themselves not towards each other, but towards influential powers from outside the region" (Aleksandr Knyazev and Aza Migranyan, 2009). They go on to suggest that it would be better for all (Central Asian countries) not to close up the region but on the contrary look to address their economic troubles in union with stronger and more competitive countries, which would be able to act as locomotives for the whole region, in both the economic and the political fields, or in the area of security. The other Russian expert from the previous source, lifting the veil on the non-specific expressions, openly calls Russia the "locomotive of post-Soviet integration".

The lack of democratic governance and the growth of corruption in the country mean that Tajikistan is seen in the eyes of the international community as unstable. This frightens international investors greatly, who do not want to risk their finances.

After the relationship with Uzbekistan worsened over the last ten or so years, Tajikistan ended up facing a communications blockade. The Soviet communications system was built to support the production system of the then USSR. After the collapse of Soviet power, Uzbekistan used this lever from its pole position to exert pressure, with the aim of resolving thorny issues in its favour, by hindering the transportation of goods into Tajikistan on its roads and railways in every way possible.

The political leadership of Tajikistan has various ways out of this situation. It is building roads that will ensure permanent communications between different regions of Tajikistan: such as between the capital and the Gorno-Badakhshan Autonomous Oblast, and between the north and the south. In addition, several bridges are being built to Afghanistan over the river Panj, providing communications between Tajikistan and the outside world bypassing Uzbekistan. These steps, while they have resolved most communications issues within the country, still have not fully resolved the problem of external communications, because of the unstable situation in Afghanistan and Pakistan. In order to maintain links with other CIS countries, Tajikistan is only left with the air route, which is not able to fully provide for effective economic cooperation.

Behind the dispute between Uzbekistan and Tajikistan there are clear traces of influential foreign states with economic and political interests in the region. Behind the scenes they are stirring up hatred between the states with subversive information campaigns, both between political leaders and between the peoples of the two neighbouring countries. Policy shapers from certain superpowers casually, as it were, talk about “possible military intervention by Uzbekistan in Rogun Hydropower Station construction”. This situation should caution the political elites of both countries against possible heating up of the relationship.

Recommendations

- The two sides need to sit down for negotiations and create a standing competent commission to resolve water and energy disputes;
- It is essential to think about creating joint mutually beneficial hydroelectric facilities using capital from Uzbekistan and other Central Asian countries;
- In the framework of a unified regional institution or organisation (water-energy consortium, union or something else) a quota needs to be defined for the use of water resources, taking into account the interests of the region’s environment, the economic interests of all participating countries and maintaining balance in the use of water resources;
- Transparency needs to be observed in the activities of interested countries in the region when speaking about use of the region’s water resources or building hydro facilities on trans-boundary rivers. The terms “trans-boundary rivers” and “internal rivers” need to be defined based on international standards;

- All the countries in the region should provide access to information for all interested regional countries when making decisions about construction of large hydro facilities, as in some way or another they influence the region's economy or ecology. If negotiations are held between a country in the region and an investor country on building a large hydro facility on a trans-boundary river, representatives of interested regional countries should be invited as observers;
- Uzbekistan and Tajikistan should study the experience of cooperation between Kazakhstan and Kyrgyzstan on construction and use of the Kambarata Hydropower Station, in which a similar situation was resolved effectively;
- Tajikistan should think about other ways to improve the country's economy. It should also think about an alternative to building large hydropower stations in exchange for compensation from downstream countries;
- Both sides should refrain from making vehement public statements, which lead to large confrontations between the two countries and must think of all possible paths to mutually beneficial cooperation; and
- The countries of Central Asia, which use the same water and energy resources, should not allow the hydroelectric activities of certain foreign states to become a source of regional conflicts.

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