

### **ANALYSIS**

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### TAJIKISTAN: CAUGHT IN A DOWNWARD SPIRAL

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The food crisis that is hitting directly forty or more countries around the world and which recently has been featured in the international media could be foreseen more than a year ago. Mediocre grain harvests due to very poor climatic conditions have now occurred two years in succession. Australia in particular has been experiencing severe drought that greatly reduced its grain production. Combined with financial speculation and, to a lesser extent<sup>1</sup>, the fad in the developed countries for bio-fuels, the production shortfalls caused world grain prices to explode and led to violent food riots in Africa and in the Caribbean.

Another factor in inflation has been the rise in the standard of living of emerging *BRIC* countries (Brazil, Russia, India and China). This rise in living standards is inevitably expressed by an increase in the consumption of meat.<sup>2</sup> More meat means more herds, and more cattle means more grain to fatten them for the market. It is thus not at all surprising that the price of maize, of which the United States exports more than half of the world's production, has doubled in the course of the last ten months of 2007, while wheat experienced an increase of 50%.

Beginning in 2007, the IMF and other international financial institutions were sounding the alarm bells and described the threats that double-digit inflation posed for the social stability of weak states, in particular those of Central Asia and the Caucasus. Economists who favour drastic fiscal policies doubted the ability of the authorities to implement solutions different from those inherited from the Soviet period<sup>3</sup> and were particularly pessimistic.

Tajikistan was already greatly handicapped in 2006<sup>4</sup>, and it has been the Central Asian country to suffer the most from the uncontrolled rises in the price of grains.<sup>5</sup> As an extremely harsh

<sup>&</sup>lt;sup>1</sup> The surface area worldwide of land currently devoted to grain production for the purpose of conversion into bio-fuels is just 2% and thus, contrary to the widespread opinion, has a very limited responsibility for unleashing the present shortages.

<sup>&</sup>lt;sup>2</sup> http://www.economist.com/displaystory.cfm?story\_id=10250420

<sup>3</sup> http://www.eurasianet.org/departments/insight/articles/eav120607.shtml

<sup>4</sup> Of all the countries of the former Soviet empire, Tajikistan is the one with the lowest rate of human development, according to the 2007 report of the UN Development Programme (UNPD). Cf.: <a href="http://hdr.undp.org/en/media/hdr">http://hdr.undp.org/en/media/hdr</a> 20072008 en complete.pdf

<sup>&</sup>lt;sup>5</sup> The price of a 50 kg sack of flour suddenly rose last summer from €18 to 23, a price which corresponds to the average monthly salary in this country. Since the beginning of July 2007, the prices of wheat, flour and bread were subjected to an increase of 50%. The whole country is suffering from shortages of flour and just in Dushanbe the price of bread jumped by 33% in the course of the second week of September 2007.

winter ends, one may wonder how this small country, faced with immense and apparently insoluble problems will be able to get out of the downward spiral that is leading it towards bankruptcy.

#### 1) A birth by forceps

#### a. A bloody civil war

Of all the Soviet Socialist Republics of Central Asia, Tajikistan is the only one to have experienced civil war after the fall of the Soviet empire. On the heels of rioting that bloodied the capital, Dushanbe, the country proclaimed its sovereignty on August 24, 1990 and its independence a little more than a year later, on September 9, 1991. In 1992, the clashes between pro-Communists and Islamists got worse and degenerated into civil war, necessitating the dispatch of Russian troops to the area. A state of emergency was decreed and President Rakhmon Nabiev, who was elected in December 1991, was forced to resign. He was replaced by Akbarsho Iskandarov. The skirmishes between Russian border guards and rebels were numerous and incessant over the course of the following years. In 1997, a peace treaty which was negotiated under the aegis of the United Nations put an end to this civil war between a government supported by Moscow and its Islamist Opposition. In all, 50,000 people are believed to have died. Nearly a tenth of the population fled the country and the damage to infrastructures was estimated at 4.5 billion Euros.

#### b. An oligarch in power ...

Born in 1952, Emomali Sharipovich Rakhmon<sup>6</sup>, a former cotton grower, came to power in 1994 after having occupied in 1992 the functions of president of the Parliament at the time of the forced departure of the first President of the country, Rakhmon Nabiev. Relected in 1999, he saw his term in office extended constitutionally to seven years. He was elected again in 2006 in what was, in the view of international observers sent to the country for the occasion, an unfair and rigged election. At the beginning of the 1990s, Emomali Rakhmon played a prominent role alongside the pro-Communists in chasing the rebel Islamists out of Dushanbe. He became particularly 'illustrious' at the head of his troops in the district of Kulob and loyally supported the intervention of security forces from former sister republics of the Soviet empire who arrived to lend a strong hand to the pro-Moscow Tajik government.

He was particularly allergic to any form of opposition, criticism or challenge. In this regard he followed the line of the former regional apparatchiks who, after the fall of the Soviet Union, were cleverly recycled and seized power in their countries, holding on to it ferociously. His party, the Democratic Party of the People, has held 49 of the 63 seats in Parliament since the legislative elections of 2005, which Western observers considered as not meeting the criteria and the standards of modern democracies.

Despite his special and very personal conception of democracy and human rights, Emomali Rakhmon seems to enjoy real popular support. Most of his fellow citizens are pleased with the way he has been able to preserve civil peace ever since coming to power. Emomali Rakhmon is much less eccentric than his former Turkmen counterpart, the now deceased Niazov, and he is surely less brutal than Islam Karimov, the President of Uzbekistan. Nonetheless, Rakhmon figures among the tightly knit club of Central Asian dictators.

<sup>&</sup>lt;sup>6</sup> Better known under the name of Rakhmonov before he required in a 2007 decree that his compatriots abandon all Russian suffixes in their last names.

#### c. ...and a corrupt regime

A list of the 100 biggest fortunes in Tajikistan<sup>7</sup> was recently published by an independent Tajik press agency, *Avesta*. It includes the names of many members of ministerial offices, parliamentarians and high government officials. In a country where the average monthly salary barely reaches 20 Euros and the official salary of a minister is 62 Euros, and where concealment of income is a national sport that counts many enthusiasts, the agency *Avesta* based itself on external signs of wealth (property and luxury cars, sources of income, visits to prestige hotels and restaurants) to prepare this non-exhaustive list.

There are very few people like Opposition parliamentarian Hoji-Akbar Turajonzoda who dare to admit to 'side' income on the order of 125,000 Euros annually. Bobojon Bobokhonov, the attorney general, explains modestly and without blushing that the luxury cars parked in the courtyard of his administration are 'gifts made to its employees by people close to them.' <sup>8</sup> However, the immense majority of Tajiks has no illusions. This entire display of wealth has only one source: the endemic corruption which reigns in the country, which paralyses the introduction of reforms and leads to the moral degradation of society.

#### d. A relatively calm geopolitical environment

Because of its many handicaps and above all the absence of major natural resources, Tajikistan occupies just a modest place on the geopolitical level.

While the threat it poses has been clearly reduced since the departure of the Taliban from Kabul, Afghanistan still constitutes the main security concern of Dushanbe. The Islamic movement of Uzbekistan, an allied organisation of Afghan Taliban that is active on Uzbek and Tajik territories, has clearly lost its influence and no longer constitutes a threat to the stability of Tajikistan. The traffic in heroin and opium coming from Afghanistan and transiting Tajik territory remains the most serious long term menace to the stability and development of the country because of the way it encourages corruption, criminality and economic disparities.

On the other hand, the problem of managing water resources could in the short term become a major source of tension in the region. One incident, certainly minor but very indicative of what could happen on a large scale, played out on March 23 between Tajiks of the northern province of Isfara and the inhabitants of the southern Kyrgyz province of Batken, both situated in the Ferghana Valley, a fertile and overpopulated valley where Kyrgyzstan, Tajikistan and Uzbekistan all meet. Furious over the serious decline in the water level in their irrigation canals, several hundred Tajik farmers accompanied by police and by their regional leader crossed the border with the firm intention of making the management of the dam responsible for all their problems listen to reason.<sup>9</sup>

# 2) A country that certainly is close to heaven but has been forgotten by the gods!

The smallest of the former Soviet republics of Central Asia in terms of land area (143,000 km²) and with a population of more than 7 million, Tajikistan is situated in the heart of Central Asia. Bordered by Kyrgyzstan on the North, China to the East, Afghanistan in the South and Uzbekistan in the West and Northwest, it is a (93%) mountainous country made an enclave by an average altitude well above all of its neighbours. It is crossed by a chain of

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<sup>&</sup>lt;sup>7</sup> http://www.rferl.org/featuresarticle/2008/4/C320F9D4-5833-43B5-9836-3F3505EC429C.html

<sup>8</sup> http://www.rferl.org/featuresarticle/2008/4/C320F9D4-5833-43B5-9836-3F3505EC429C.html

<sup>9</sup> http://tajikistan.neweurasia.net/

the Pamirs (there are eight summits above 6,000 metres) and more than half of its territory is situated at an altitude above 3,000 metres.

#### a. A convalescent economy

Tajikistan was already the poorest country in the days of the former Soviet Union and following the civil war of 1992-1997, it even became one of the poorest countries in the world. It has the weakest GDP of all the former Soviet republics. The civil war did harm to an economy that was very fragile and ravaged the industrial and agricultural sectors.

Though the country experienced sustained economic growth after 1997, nearly 2/3 of the population still live below the poverty line. After having reached a peak of nearly 10% in 2004, the rate of economic growth stabilised at 8% in 2005 and reached 7% in 2006 and 2007. This allowed Tajikistan to appreciably improve its economic position compared to other countries in Central Asia such as Turkmenistan and Uzbekistan, which are rich in hydrocarbons.

However, the economic situation of Tajikistan remains fragile due to the uneven implementation of structural reforms, weak governance, a high rate of unemployment and a large foreign debt. In December 2002, Russia forgave nearly 155 million Euros out of the 190 million which Tajikistan owed it.

#### b. Limited industrial and agricultural resources

The sources of income, which are linked to exportation of cotton and aluminium, are precarious and render the economy vulnerable to market prices. Due to its mountainous configuration, just 7% of the land can be cultivated. Cotton constitutes the principal agricultural resource, but the sector is handicapped by debt and the infrastructures are obsolete. There are underground deposits of silver, gold, uranium and tungsten. The industrial sector is limited to a major aluminium plant at Regar (500,000 tonnes per year), several units of hydroelectric power generation and small plants in light industry or food processing, often in a state of advanced dilapidation.

#### c. The collapse of the hydroelectric system

Although it is ranked third worldwide in terms of water reserves per capita, in the winter Tajikistan regularly suffers general cuts in electricity supply due to an erratic management of its resources. The commissioning on January 20 of the first tranche of the hydroelectric dam at Sangtuda<sup>10</sup>, whose construction was financed by the Russian energy company *RAO UES*, will, however, not be sufficient, given its daily production of 2.7 million kWh, to satisfy the country's needs. The capital, Dushanbe, alone consumes on average 10 million kWh per day.

The solution will come from the construction of tranche 2 of this dam. It also will come from the completion of construction of the dam at Rogun. Featured as being the highest dam in the world - 335 metres – its construction began in 1976. In 1993, it had reached a height of just 60 metres when it was partly destroyed by a violent high water surge of the Vakhch, the river on which it is being built. Since 2006, Russia has re-launched the idea of this dam and in February 2007 a partnership agreement was signed between Moscow and Dushanbe to finish the dam. Once this project is completed, it will have cost a total of more than 1.25 billion Euros and should produce finally 35 million kWh per day.

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 $<sup>^{10}~\</sup>underline{http://www.reuters.com/article/marketsNews/idINL2069024220080120?rpc=611}$ 

<sup>11</sup> http://www.cawater-info.net/news/02-2007/18\_e.htm

#### d. A country dependent on subsidies

In 2000, three years after the end of the civil war, international aid remained essential to maintain the 'rehabilitation' programmes aimed at reintegrating the former combatants of the civil war into society. In the same year, international aid was also necessary to limit the fall in the production of food which was due to the second consecutive year of drought. Already in August 2001, the Red Cross announced the start of a famine in Tajikistan and issued an appeal for international assistance.

In 2007, the country received substantial aid from China to finance the work of putting into shape the highway network and energy transportation. In order to facilitate trade with Afghanistan, a bridge that received 22.5 million Euros in financing from the United States, has linked the two countries since August 2007.

Regarding development aid, Tajikistan is the number one beneficiary in the region per inhabitant of assistance programmes run by the European Commission. Between 1992 and 2002, it received 350 million Euros, essentially in the form of grants. Since 1993, ECHO (the office of humanitarian aid of the European Commission) has been assisting the most vulnerable strata of the Tajik population by providing more than 160 million Euros of humanitarian aid.

#### 3) The catastrophic winter of 2007/2008

Faced with the harshest winter in this region for 25 years (temperatures below -20° Celsius were recorded for several weeks straight), the United Nations sounded the alarms on February 18. The experts estimated emergency requirements to be 16 million Euros and put at 260,000 the number of Tajiks who needed immediate food assistance. As for the local authorities, they estimated that the number of persons in danger would be 2 million if reserves of food and fuel were not quickly reconstituted in the rural areas. For its part, the Tajik National Bank announced that there were 156 million Euros in losses due to the climatic conditions. This is nearly 40% of the country's annual budget of around 381 million Euros.

Even if this appeal prompts a large-scale international response, one may wonder if it is not coming too late. There is reason to fear the reappearance of illnesses that we believed had disappeared forever in the 21st century and the spread of persistent famine to reach the scale of an entire region.

#### a. A country plunged into the dark

Surprised by the extreme rigour of the winter, the Tajik authorities resorted to drastic rationing of water, gas and electricity.<sup>12</sup> The hydroelectric generating stations, paralysed by the deep freeze and the low level of water reserves, were forced to reduce their production by around 60% and the capital saw its electricity supply limited to 10 hours a day. Gulomjon Bobozoda, Minister of Trade and Economic Development, admitted on February 18 that 'the chronic cuts in power constituted an aggravating factor but that it was still too early to estimate the damage to which the Tajik economy was subjected.' <sup>13</sup>.

Confronted with identical climatic conditions, the neighbouring countries had almost no emergency Kyrgyzstan could offer at best just 500,000 kWh a day. As for the gas and oil Eldorado of its rich neighbour, Turkmenistan, due to concern over satisfying its domestic

<sup>12</sup> http://uk.reuters.com/article/environmentNews/idUKL067449120080206

<sup>13</sup> http://intellibriefs.blogspot.com/2008/02/cold-hungry-and-fed-up.html

demand, it considerably reduced its export of electricity<sup>14</sup> and then stopped exporting completely on April 20.

Two days later, Samandar Boboiev, the Vice President of the national electricity company Barki Tojik, announced that it was 'premature to envisage the raising of restrictions on electricity due the halt in deliveries coming from Turkmenistan.' <sup>15</sup> He thus went back on his optimistic forecasts of February 13, when he said that 'deliveries of electricity will resume fully from the beginning of the month of April to the extent that the reserves of water in the dams are replenished by melting snow.' <sup>16</sup>

#### b. A devastated agricultural sector

According to specialists, the frost practically destroyed all the cotton fields as well as private farmland and vegetable gardens. Representatives of the World Food Programme (WFP) have warned that cattle farming and poultry production have suffered terribly from the cold and according to their estimates the production of milk and eggs will experience a fall of 50%. Many Tajiks are as a result in the first stage of famine and some do not have more than a single meal per day.

In their misfortune, however, they can consider themselves lucky if they compare their fate with that of their neighbours to the South, the Afghans in the province of Ghazni. According to members of the office of the United Nations for the coordination of humanitarian aid, in this region the local population is presently reduced to eating dry grass and alfalfa<sup>17</sup>, with all the consequences that involves for the general health conditions of the populations.

#### c. Inflation at the source of all the ills

After a nearly 70% rise in the price of wheat in 2007, inflation could advance even more steeply during the spring and summer. Besides the damage caused to the agricultural infrastructures by the winter, the attitude of the neighbouring countries is a source of concern.

In March, the mere rumour of a four month long Kazakh embargo on wheat exports had the effect of causing the price of grains on the Chicago futures market to jump by 25% in just one day. This embargo came into force on April 15 and, according to Kazakh Prime Minister Karim Masimov, it will last until September. As the wheat storehouse of the region, Kazakhstan will certainly succeed in stabilising the price of its bread, but it is dealing a serious blow to the economy of its neighbours. Tajikistan and Kyrgyzstan import respectively 15 and 20% of their annual consumption of wheat. But in the case of Tajikistan, dependence on Kazakhstan is nearly total, since Kazakhstan traditionally has provided it with 98% of its imports.

Together with its neighbours Kyrgyzstan and Uzbekistan, Tajikistan counted on overcoming its difficulties by recourse to importation of around 500,000 to 600,000 tonnes of wheat coming from Kazakhstan and Russia. These are in fact the annual quantities imported by this country which, like Uzbekistan and Kyrgyzstan, is incapable of satisfying its own needs despite a programme of re-launching grain production. For Vahhob Vohidov, an expert in economics, the country should produce twice as much wheat to reach self-sufficiency in this domain.

 $<sup>^{14} \, \</sup>underline{\text{http://www.wtopnews.com/index.php?nid=383\&sid=1334894}}$ 

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www.redorbit.com/news/business/1352366/turkmenistan suspends power supplies to tajikistan/

<sup>16</sup> http://tajikistan.neweurasia.net/2008/03/03/electricity-crisis-solved-in-dushanbe/

<sup>17</sup> http://www.irinnews.org/Report.aspx?ReportId=77195

<sup>&</sup>lt;sup>18</sup> http://www.rferl.org/featuresarticle/2008/4/F7D9B497-CDF2-4AA4-942C-874F15439F10.html

#### Conclusion

The forecasts for importing wheat published by Gurez Zaripov, the director of the le chef de Tajikistan customs administration allows us to catch sight of a situation that is much more serious than has been announced.<sup>19</sup> He anticipates, in effect, the importation of 700,000 tonnes of wheat and flour in the course of the months to come, added to the 200,000 tonnes already imported since January. Tajikistan will thus have to import this year more than double its customary volume.

One reassuring element, if we may call it that, is that the international community is standing by the bedside of Tajikistan. On April 16, the *United Nations Office for the Coordination of Humanitarian Affairs - OCHA*<sup>20</sup> announced that it had received nearly 50% of the emergency funds it requested, i.e., 7.8 million Euros out of the 16 million deemed necessary to confront the crisis situation.

One proof of the gravity of the situation was the arrival in Dushanbe on April 14 of the Secretary General of the Organisation of the Treaty of Collective Security (OTCS), Nikolai Bordyuzha. This treaty was signed in 1992 and was symbolic of the commitment of the Community of Independent States (CIS) to fight especially against terrorism and the mafia. With the decline of the CIS, this organisation nonetheless remains very active in Central Asia and now appears to be a political and military supplement to the Eurasian Economic Community (EAEC) which includes Belarus, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Russia.

Officially, the agenda of discussions in that body include the problems of regional security (the fight against trafficking of all kinds - arms and drugs -coming from Afghanistan), the strengthening of links within the organisation and the preparation of the next military exercise of the organisation, Rubezh 2008, which should take place in Armenia in May. Deservers will be sure to notice that the talks between the Secretary General of the OTCS and the Tajik authorities – the President of the Republic, the Minister of Defence and the President of the Emergency Committee – also dealt with the humanitarian consequences of the dramatic winter that just ended. The security situation at the periphery of the OTCDS, in particular in Afghanistan, in indeed sufficiently disturbing for Nikola Bordyuzha to have come in person to satisfy himself that the Tajik authorities are in control of things.

Just as misfortune never comes one at a time, besides all the problems in which the country is engaged, a new catastrophe is taking shape on the horizon: an invasion of grasshoppers.<sup>22</sup> On April 3, President Emomali Rakhmon convened an emergency meeting of a special council of ministers to decide on what measures to take faced with this forthcoming invasion. The return of very high temperatures ahead of the usual calendar period prompted an important shift in the date of the appearance of these insects and nearly 50,000 hectares have already been infested.

Accustomed, if not resigned, for decades to a precarious and impoverished state, crushed and deeply traumatised by five years of civil war, the Tajiks, like other peoples of Central Asia, still thirst for freedom. But right now they are starving. Simply but dramatically starving. An empty belly, it would seem, has no ears. One can wonder how long they will tolerate in silence what they are enduring? It is difficult to say. What is certain is that the day when they decide, like the Parisians in 1789, that shortages of bread and privations of all kinds have lasted long enough, several Central Asian Bastilles will disappear.

<sup>19</sup> http://www.eurasianet.org/resource/tajikistan/hypermail/news/0005.shtml

<sup>20</sup> http://www.reliefweb.int/rw/rwb.nsf/db90osid/MMAH-

<sup>7</sup>DS5PB?OpenDocument&query=tajikistan

<sup>&</sup>lt;sup>21</sup> http://www.jamestown.org/edm/article.php?article\_id=2372992

<sup>&</sup>lt;sup>22</sup> http://www.eurasianet.org/resource/tajikistan/hypermail/news/0000.shtml

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