## Central Asia Policy Brief

No. 9

**May 2013** 

Volker Jacoby works as Guest Lecturer and Independent Expert, based in Washington, DC. He has more than twenty years of research and working experience with the OSCE, GIZ, and most recently the United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA) in Ashgabat.

The opinions expressed here are those of the author only and do not represent the Central Asia Program.

## Elliott School of International Affairs

THE GEORGE WASHINGTON UNIVERSITY



# If Only It Was Only Water... The Strained Relationship between Tajikistan and Uzbekistan

## Volker Jacoby

## **Overcoming the threat narrative**

News about yet another exchange of bitter words between Tajikistan and Uzbekistan hits the headlines with regularity. Observers describe the relationship between the two neighbors in Central Asia as "acrimonious," "a feud," or even as an "undeclared cold war."

While a violent escalation of the tensions between Tajikistan and Uzbekistan is improbable in the foreseeable future, embitterment prevents the rivals from finding solutions to problems that take into account the interests and needs of both sides.

The strained relationship between Uzbekistan and Tajikistan finds its expression in a number of issues—all of them intertwined, but none of

## **Kev Points**

In spite of ongoing brinkmanship from the two presidents, tensions between Tajikistan and Uzbekistan are unlikely to escalate into largescale violence.

External intervention to help overcome the manifold and intertwined problems between both countries can only yield limited results.

The threat narrative needs to be overcome through an opening in the political space. This will also contribute to addressing serious long-term destabilizing factors such as domestic disenfranchisement, marginalization, and human rights violations.

insurmountable. What connects them is the fabric of a narrative of threat and competition.

In both countries, threat narratives have their roots in the time of their respective nation-building, which was informed by the Soviet nationalities policy of the 1920s and "national delimitation." They were magnified in the period of state-building after the breakup of the Soviet Union under conditions of instability and turmoil—and even civil war in the case of Tajikistan. In the quest for identity during this period, emerging authoritarian leaders in both countries effectively made bogeymen out of their neighbors, which were used as a tool to aid the integration of their societies at home.

This finds its expression, for instance, in the Bukhara/Samarkand question. In 2009, Tajik President Emomali Rahmon and Uzbek President Islam Karimov clashed on the issue, in the course of which Rahmon told Karimov that "in any case we will take Samarkand and Bukhara" (Samarkand i Bukharu my vse ravno voz'mem).¹ While the Bukhara and Samarkand issue is not officially on the political agenda of Tajikistan or Uzbekistan, Rahmon's not so veiled threat does characterize the hostile political atmosphere.

A constituency for constructive bilateral cooperation can only develop once both sides enter a process of overcoming the threat narrative in opening a space for political dialogue. While the potential for constructive external involvement in the form of mediation or mitigation is very limited, supporting a holistic view on the conflict issues can help.

## The water/energy nexus

The end of the Soviet system brought about the de facto dissolution of the water/energy nexus in Central Asia, leaving some of the countries with an abundance of water but few fossil energy resources, and others with less water but more fossil fuels. Nevertheless, all were left without an efficient mechanism to organize a mutually beneficial exchange of water and energy throughout the region.

Previously, upstream countries such as Tajikistan and Kyrgyzstan would release water during the

summer from their hydropower reservoirs, allowing downstream countries such as Kazakhstan, Uzbekistan, and Turkmenistan to irrigate their crops, as well as producing energy for themselves. In turn, during the winter, downstream countries would provide gas, coal, or electricity to their upstream neighbors. With the end of the Soviet Union, however, downstream countries began to sell fossil fuels to the world market at a significantly higher price than to their former corepublics.

Sale of water from upstream to downstream countries could, in theory, resolve the matter. However, this is not a feasible option at the moment, as downstream countries do not consider water a commodity that can be sold or purchased.

Mostly for reasons of non-payment, gas supply from Uzbekistan to Tajikistan during the winter has been repeatedly interrupted in recent years. Massive shortages of electricity have forced hospitals and schools to close, and private households not only in rural Tajikistan have also suffered from acute shortages. Major industrial companies have had to reduce production and, in some cases, not been able to pay their employees' wages.<sup>2</sup>

To produce energy for its own consumption and exports, in the mid-1990s Tajikistan revived a Soviet plan to construct the Rogun hydropower station (HPS). Located on the Vakhsh River, a tributary of the Amu-Darya, the dam, if constructed according to plan, would be the highest in the world (335 meters or 1,100 ft). It would form part of a cascade which includes the Nurek dam, currently the tallest man-made dam in the world (300 meters or 980 ft).

Tajikistan argues it needs the electricity generated by Rogun to revive its economy and job market. This claim is countered by Uzbekistan, which argues that the dam would constitute tremendous economic and environmental risks. Construction of a lower dam or the formation of a consortium with Uzbekistan would appear to be a logical compromise, but for this the parties would need to engage with each other and be willing to at least consider a compromise. Neither would appear to be feasible at the present moment.

In response to a request by the government of Tajikistan and with the initial agreement of Uzbekistan, the World Bank commissioned two studies to evaluate the viability of the proposed Rogun project in accordance with international standards.<sup>4</sup> The results will be made public later in 2013, probably after the presidential election in Tajikistan scheduled for November.

However, Tashkent has already revoked its consent to the studies mainly because financing of the World Bank-led process is channeled through Tajikistan's government, calling into question the objectivity of the entire process. In the eyes of Tashkent, this shortcoming found its most recent expression in February 2013 when, in the course of a regular informational meeting with stakeholders and riparian states, the World Bank presented a number of preliminary conclusions, according to which the parameters of the construction of the Rogun HPS were deemed correct and appropriate. Tashkent countered by saying that the World Bank's statement was "premature and testifies to a preconceived position." 5

In Tajikistan, Rogun has been exalted as a project of national pride. The government has even compelled the population to "voluntarily" purchase vouchers to finance the project. Moreover, the Tajik government has made it clear in public statements that it will not waiver in its commitment to completing the project. Indeed, there is no political force in Tajikistan that would speak out against Rogun.

This is not so in Uzbekistan, where, in September 2012, President Islam Karimov stated that Central Asia might even go to war over water in the future. This scenario is unlikely; moreover, it is also true that Tajikistan is probably not in the position to finalize the construction of the Rogun HPS without massive financial support—an unviable option as no major donor organizations or interested party (the U.S., EU, Russia, China, or Iran) would be willing to commit to supporting one side in this conflict. This is all the more so given the relative strategic importance and size of Uzbekistan compared to Tajikistan.

The reason why the World Bank got involved reflects a dilemma of international cooperation.

At the time of its engagement, there was no holistic view of the narrative subtext of the conflict encompassing its historical, economic, social, political, and personal dimensions. Thus, the results of the World Bank's studies are unlikely to serve as a basis for the two parties to move closer to each other, let alone abandon their entrenched positions.

The reason why the World Bank got involved reflects a dilemma of international cooperation. At the time of its engagement, there was no holistic view of the narrative subtext of the conflict encompassing its historical, economic, social, political, and personal dimensions.

To fill this gap to some degree, and to bring about a political solution, cooperation between the World Bank and the UN has intensified. The UN Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA), together with the UN Food and Agriculture Organization (FAO) and the Executive Committee of the International Fund for Saving the Aral Sea (EC IFAS), are engaging the two sides (as well as other actors) in a project called "scenario approach." 8 This approach constitutes an attempt to overcome the perception that the water-energy-agriculture-ecology nexus can be conceptualized as a zero-sum game. However, even this approach is yet to develop traction as Uzbekistan's engagement in this undertaking is non-committal, and further endangered since Uzbekistan recently took over the Chairpersonship of the EC IFAS. The government of Uzbekistan is notorious for its preference of engaging only in bilateral negotiations and its opposition to any multilateral engagement. Notwithstanding, no substantial bilateral negotiations with Tajikistan are taking place.

Recently, in additional efforts to stabilize the basis for a negotiated settlement of the conflict, UNRCCA commissioned a *Proposal for Modernizing the Legal Framework for Transboundary Water Management in the Aral Sea Basin.* The structure of this legal framework resembles the UN conventions on water, but is translated into the specific context of Central Asia. It remains to be

seen whether this undertaking will bear fruit, as it still only provides a legal mechanism. In any case, tradeoffs will have to be made— which is the job of politicians, not engineers or lawyers.

Uzbekistan's adamant rejection of the Rogun project is explained in Tashkent on account of its causing a lack of water for irrigation, which, or so it is argued, will endanger its crop yields. There is, however, reason to believe that this is not as dramatic as the government claims, given that the River Vakhsh supplies only roughly 35 percent of water to the Amu-Darya. If Uzbekistan improved its irrigation system, a decreased flow of water from Tajikistan would hardly have a significant impact on its crop. David Trilling of Eurasianet quoted a water engineer from the Asian Development Bank as saying: "If Tashkent would spend its energies patching up its leaky canals and pipe networks, it would save 60 percent of its water."

The same is true regarding Tajikistan. The latter's energy problems largely stem from extremely weak governance in this sector, paired with ubiquitous corruption and a dramatic waste of energy due to bad insulation and a dilapidated energy grid. If these issues were addressed properly, at least Dushanbe's argument that its population is on the verge of humanitarian catastrophe and that Rogun constitutes a panacea would be put into perspective somewhat.

If Uzbekistan improved its irrigation system, a decreased flow of water from Tajikistan would hardly have a significant impact on its crop. The same is true regarding Tajikistan. The latter's energy problems largely stem from extremely weak governance in this sector, paired with ubiquitous corruption and a dramatic waste of energy due to bad insulation and a dilapidated energy grid.

The core of the matter is political. Uzbekistan fears that Tajikistan could become a major exporter of energy in the region. CASA-1000,<sup>10</sup> a project connecting power-lines from Kyrgyzstan and Tajikistan with Afghanistan and Pakistan—which is designed to supply a seasonal energy surplus from the north to the south—would be-

come a footnote in the local energy market in comparison to what would be possible in case Rogun becomes a reality.

Moreover, while possessing substantial hydropower potential, it is estimated that Tajikistan may have up to 27.5 billion barrels of oil equivalent (BOE), mainly in gas resources, 11 which may also serve as a driver of economic development and shift emphasis away from conflict over water resources.

## If only it was only water—other elements of conflict

#### Border delimitation

The complexity of the water-energy nexus is magnified by a number of related contentious issues, among them the Farhad water reservoir on the Syr-Darya. The Tajik-Uzbek border runs along the dam: the reservoir is on the Tajik side, while the adjacent HPS is on Uzbek territory. Both sides of the border are mainly inhabited by ethnic Uzbeks. The electricity generated is used by Uzbekistan exclusively. Tashkent claims that in 1944 both Republics signed an agreement according to which the Tajik SSR ceded the territory to the Uzbek SSR. This agreement is nowhere to be found, however.

Allegedly, after achieving independence from the Soviet Union, Uzbekistan tried to change the border line by moving the boundary posts, but in 2002, a Tajik militia "liberated" the territory and de facto moved the border to the dam. 12 In 2012, Uzbekistan raised claims of ownership of the reservoir and, according to Dushanbe, proposed that should Tajikistan cede the territory, other controversial issues—including Rogun—would be handled by Uzbekistan in a more favorable spirit. This issue hasn't been pursued further, however, and the status quo provides further cause for a possible escalation of tensions.

In fact, the Farhad reservoir forms part of a broader problem concerning the border between the two countries: 20 percent of their 1,000 kmlong border remains non-delineated. While talks between the two sides have taken place, they have been largely fruitless; instead they have

been used to reiterate irreconcilable positions without any intention of reaching a compromise. Meanwhile, clashes between border officials are a regular occurrence, with casualties on both sides.

#### **TALCO**

The Tajik Aluminum Company (TALCO) runs the largest aluminum manufacturing plant in Central Asia. Located in Tursunzade, close to the border with Uzbekistan, it is Tajikistan's chief industrial asset—one that also consumes 40 percent of the country's electrical power. TALCO pays a lot less for its energy consumption than the local market price. As Tajikistan has almost no raw materials at its disposal, the government keeps the price of aluminum produced by the plant low by subsidizing the company's energy bill. Thus the price for Tajik aluminum is competitive on the world market; the substantial profits generated, however, have been moved offshore to the British Virgin Islands and therefore do not benefit the population.

On another note, TALCO is also said to be responsible for significant air and water pollution in the region as well as causing other serious ecological problems. Uzbekistan has requested that Tajikistan set up a joint working group to initiate an independent assessment of trans-border contamination. This group has never been formed and, given the strained relationship between Dushanbe and Tashkent, the UN has refrained from engaging in such an assessment. Meanwhile, TALCO will continue to poison the atmosphere between the two countries, in both senses of the term.

### Severed railroad connections

At the same time as construction material and technical equipment for the Rogun HPS was being transported through Uzbek territory, railroad connections between both countries have been largely severed and tracks in part dismantled on the Uzbek side. Officially, though, Rogun was never stated as the reason for this. The international community, namely the OSCE and UN, have been involved in unsuccessful attempts to mediate between both sides and to re-open railroad connections.

## Leadership issues

Personal animosity between the two presidents makes direct talks at a high level extremely difficult. It is conceivable that should one of the incumbent presidents depart from the scene, there would at least stand a chance of things improving under new leadership. However, it should also be observed that both presidents manage the brinkmanship that characterizes relations between the countries quite skillfully.

Personal animosity between the two presidents makes direct talks at a high level extremely difficult. Both manage the brinkmanship that characterizes relations between the countries quite skillfully.

### **Conclusions**

The threat narrative and the countries' focus on hard security, including the overstated scenario of spillover from Afghanistan, are flip sides of the same coin. Notwithstanding this, the biggest threat to stability in both countries stems from how their governments are dealing with domestic challenges. Addressing those would enable Tajikistan and Uzbekistan to consolidate and integrate their respective societies and to embrace cross-border cooperation as a win-win game.

Domestic demand for good governance needs to be fostered in both countries. The international community can promote these principles by applying them in their own dealings with Tajikistan and Uzbekistan. International engagement with authoritarian leaders in Central Asia according to the motto of "he is a son of a bitch, but he is our son of a bitch" (on sukin syn, no on nash sukin syn) stands in the way of initiating domestic political processes. It also comes at the price of long-term instability as, by supporting the countries' leaders for the sake of today's stability, the feeling of disenfranchisement on the parts of the countries' respective populations is nurtured. This, in turn, is understood as a cause for radicalization that can come along with instability in a long-term perspective.

1

<sup>1</sup> This sentence alludes to the early years of the USSR, when the Tajik Autonomous Soviet Socialist Republic was created as a part of the Uzbek SSR. It became a separate constituent republic only in 1929; but the predominantly ethnic Tajik cities of Samarkand and Bukhara remained in the Uzbek SSR. See Nathan Hamm, "Rahmon reminisces about his days in Samarkand with Karimov," *Registan*, November 12, 2009, http://registan.net/2009/12/11/rahmon-reminiscesabout-his-days-in-samarkand-with-karimov/.

<sup>2</sup> In spring 2012, Tajikistan accused Uzbekistan of causing a "humanitarian catastrophe." See James Kilner, "Tajikistan and Uzbekistan row over "economic blockade," *Daily Telegraph*, April 4, 2012,

http://www.telegraph.co.uk/news/worldnews/asia/t ajikistan/9186804/Tajikistan-and-Uzbekistan-row-over-economic-blockade.html.

<sup>3</sup> "The Rogun reservoir in Tajikistan can provoke an earthquake,"

http://www.uzbekistan.be/Aral/10.html.

<sup>4</sup> For details see the section of the World Bank website on this issue, "Assessment Studies for Proposed Rogun Regional Water Reservoir and Hydropower Project in Tajikistan,"

http://web.worldbank.org/WBSITE/EXTERNAL/COU NTRIES/ECAEXT/0,,contentMDK:22743325~pagePK: 146736~piPK:226340~theSitePK:258599,00.html.

<sup>5</sup> See the comments from the Uzbek side to the World Bank intermediary reports:

http://siteresources.worldbank.org/INTECA/Resources/257896-1313431899176/Comments-UZ-Govt-Feb-Mar-2013-en.pdf

<sup>6</sup> Tweet by @ERahmon on November 15, 2012: "We will build Rogun! Whatever it takes! I swear!"

<sup>7</sup> Raushan Nurshayeva, "Uzbek leader sounds warning over Central Asia water disputes," *Reuters*, September 7, 2012,

http://www.reuters.com/article/2012/09/07/central asia-water-idUSL6E8K793I20120907.

 $^{8}$  "Searching for Water Peace," FAO of the UN, April 11, 2013,

http://www.youtube.com/watch?v=rXk40xM\_nZU&fe ature=share.

<sup>9</sup> David Trilling, "Tajikistan & Uzbekistan: World Bank Cautiously Positive on Hydropower Project," *Eurasianet*, February 22, 2013,

http://www.eurasianet.org/node/66589.

<sup>10</sup> "The smart use of mother nature is the objective of the CASA-1000 Project," CASA-1000,

http://www.casa-

1000.org/MainPages/CASAAbout.php#objective.

<sup>11</sup> Eduard Gasmatullin, "Total, CNPC Join Tethys Petroleum in Tajikistan Exploration," *Bloomberg*, December 21, 2012, http://www.bloomberg.com/news/2012-

12-21/total-cnpc-join-tethys-petroleum-in-tajikistan-oil-exploration.html.

<sup>12</sup> Akmal Mannanov, "Kak Tadzhikistan vernul 'Plotinu' i Farkhodskoe vodokhranilische," *Asia-Plus*, August 19, 2011, http://news.tj/ru/news/kak-tadzhikistan-vernul-plotinu-i-farkhodskoe-vodokhranilishche.

<sup>13</sup> Murat Sadykov, "Uzbekistan: New Ferghana Railway Plan Tweaks Tajikistan," *Ferghana.news*, March 13, 2013, http://enews.fergananews.com/articles/2825.

The Central Asia Program at the George Washington University aims to promote high-quality academic research contemporary Central Asia, and to become an interface for the policy, academic, diplomatic, and business communities. It calls for a multidisciplinary approach and provides a platform for different, and even sometimes contradictory, points of view on contemporary Central Asia. The CAP strives to bring together counterparts from the United States, Europe, Russia, Asia, and Central Asia by promoting various forms of interaction and initiating joint projects.

More on www.centralasiaprogram.org

Central Asia Program 2013