

# **TAJIKISTAN: ON THE ROAD TO FAILURE**

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## TAJIKISTAN: ON THE ROAD TO FAILURE

### EXECUTIVE SUMMARY AND RECOMMENDATIONS

Far from being a bulwark against the spread of extremism and violence from Afghanistan, Tajikistan is looking increasingly like its southern neighbour – a weak state that is suffering from a failure of leadership. Energy infrastructure is near total breakdown for the second winter running, and it is likely migrant labourer remittances, the driver of the country's economy in recent years, will fall dramatically as a result of the world economic crisis. President Emomali Rakhmon may be facing his greatest challenge since the civil war of 1992-97. At the very least the government will be confronted with serious economic problems, and the desperately poor population will be condemned to yet more deprivation. At worst the government runs the risk of social unrest. There are few indications that the Rakhmon administration is up to this challenge. To address the situation, the international community – both at the level of international organisations and governments – should ensure any assistance reaches those who truly need it, place issues of governance and corruption at the centre of all contacts with the Tajik government, and initiate an energetic dialogue with President Rakhmon on democratisation.

Since the civil war, government advisers and international donors have repeatedly called for sweeping reforms to address food security, diversify the economy, dismantle opaquely run state monopolies and stop the looting of state coffers. Nothing has happened. Significant improvement is highly unlikely under President Rakhmon's leadership, and may well take a generation. Whether Tajikistan can last that long is an open question. Donors need to address corruption in a coherent and unified way if they want to avoid seeing the country slip back into failure. A new framework for aid, based on strict conditionality, is urgently needed.

The government pays little, if any, attention to these problems. Ministries and state bodies that are of direct political or financial interest to the top leaders and their allies function well, notably the security bloc, along with the highly profitable state-owned aluminium smelter and several other state firms. Other sectors, particularly social welfare, health and education, are ignored and underfunded.

Some 70 per cent of the population lives in abject poverty in the countryside, and hunger is now spreading to the cities, particularly Khujand, once one of the most prosperous and politically influential parts of the country. In the past few years increasing numbers of young Tajiks have left the country to work as seasonal labourers, primarily in Russia and Kazakhstan. In 2008 the number reached a new record, in all likelihood over one million, or at least half of the country's labour force. Their remittances exceeded \$2 billion, almost half of the country's gross domestic product (GDP). The annual departure of Tajikistan's most dynamic and enterprising citizens has up to now provided Rakhmon with an economic lifeline, not to mention a political safety valve by removing those most likely to oppose the regime. With the onset of the world economic crisis, however, labour migration is likely to diminish sharply in 2009, and along with it the remittances that are so vital to the country's economic stability.

Opposition parties have been sidelined or co-opted; potential rivals have been imprisoned or exiled. President Rakhmon, one of the civil war's main actors, projects himself as the guarantor of peace, and even some critics view him as indispensable. Accepted wisdom holds the population is too traumatised by the memory of a horrendous civil war to risk further unrest. Society is changing, however.

The war is rapidly ceasing to be a living memory. The median age is 21; around 35 per cent of the population is under fourteen. A striking demonstration of state impotence in the winter of 2007-8, when the government was unable to provide even the minimum of services to its citizens, shook confidence and may have triggered a further wave of emigration, this time by the middle class. Sweeping power cuts in early 2009 which left much of the country again with little or no electricity and confirmed the degradation of its energy infrastructure will probably deepen disillusionment.

Although there are no indications of either an external threat or any well-organised local insurgency, there are signs of cracks and fissures in the regime. In 2008,

a series of gunfights and violent altercations along with demonstrations, a rarity in Tajikistan, in the autonomous mountain region of Badakhshan provoked questions about the president's hold on power. There is ample proof the president is still able to outmanoeuvre his opponents. But he is at best only treading water.

Since the civil war Rakhmon has pursued an open door foreign policy, establishing better ties with China, Iran and Europe, as well as Russia. He would undoubtedly be happy to have his country be part of the Central Asia transport line that the U.S. military is creating to resupply its growing military presence in Afghanistan. This would probably bring more of the international funding that is already crucial to his regime's survival. But the fragility of his country's transport and energy infrastructure raises questions about Tajikistan's ability to play a role in this planned logistical supply line.

Substantial amounts of money are presently being provided from donors – international institutions, the U.S., EU, Switzerland and Britain among others. Yet most of this is believed to be lost to corruption before it gets anywhere near its intended recipients. A scandal at the National Bank of Tajikistan, where it was revealed in late 2007 that the authorities had failed to disclose that \$310 million in reserves were used to guarantee a private financial institution financing cotton investors, mostly destroyed the Rakhmon administration's remaining credibility with donors. An external audit into the National Bank and two other major state enterprises may well deepen the president's embarrassment. Donor countries are aware of the problems, frustrated – in some cases outraged – but are in a quandary.

Rakhmon is not performing his expected role, the creation of a modern, functioning state that could be a firewall against the spread of extremism from Afghanistan and other parts of South Asia. But with crude but effective processes of co-option or punishment, he has emptied the political space, leaving neither domestic nor international critics with a viable alternative.

## RECOMMENDATIONS

### To International Donors:

1. Institute a totally new framework for the provision of aid to Tajikistan:
  - (a) establish a common position on the future provision of aid, with appropriate incentives and sanctions for improved behaviour or non-compliance, and create a joint oversight group to monitor aid and any budget support;
  - (b) declare publicly and officially, as a group, great concern at the profound and all-pervasive nature of corruption in Tajikistan, including at the very top of the political pyramid, and emphasise, in all consultations with President Rakhmon, the imminent threat to the Tajik state presented by corruption at all levels;
  - (c) introduce a policy of strict conditionality, apportion aid in small, verifiable tranches and specify that further resources will not be provided without satisfactory, externally verified proof that funds have been spent properly; and
  - (d) provide detailed and frank public reports to the international community and the Tajik population on the government's implementation of aid programs and name officials who obstruct reforms or attempt to benefit from them for personal gain.
2. Reassess the utility of providing budgetary support and, if still deemed appropriate, provide it only on the basis of complete transparency and verifiability; promptly publish any accounting by the Tajik government wherever possible, in local as well as central media, as a paid advertisement if necessary.
3. Adjust aid priorities by channelling more money to local authorities, who may be more accountable and accessible, limiting funding of state entities to the absolute minimum, and shifting funding wherever possible to humanitarian assistance.
4. Take steps to encourage the emergence of a viable and dynamic civil society which could eventually play a role in the monitoring of government use of budgetary funds and foreign aid; encourage independent media to cover the issue of state corruption and the flow of international funds; provide training where necessary; and be prepared to speak out in support of independent media in the event of state harassment.
5. Consider visa bans for senior officials who are found to be stealing from aid programs, budgetary support or state-owned enterprises.
6. If the government refuses to accept aid on these terms:
  - (a) cease direct budgetary support;
  - (b) maintain funding for humanitarian relief, including for operations of the World Food Programme (WFP); and
  - (c) continue to provide candid and detailed public reports on corruption, abuses of aid funding and individual responsibility, and emphasise the risks

to the Tajik state, as set out in recommendations 1(a) and (d) above.

**To the Government of Tajikistan:**

7. Institute a policy of complete transparency in the economic sector, including a full, public accounting of all income from state-owned enterprises including the Tajikistan Aluminium Company, Talco (both onshore and offshore).
8. Dismiss and if necessary take legal action against officials implicated in corruption scandals and investigate any allegations regarding capital illegally transferred abroad.
9. Prepare emergency measures that address the possibility that a large number of Tajiks will not be able to travel abroad to work in 2009, including both long-term steps such as job creation and short-term measures such as, if necessary, feeding and similar support programs to lessen the impact of a further major growth of joblessness.
10. Address urgently the disastrous state of the educational and health sector, which threatens to create a new wave of social problems in coming generations.

**To the International Community, in particular the European Union:**

11. State publicly that support for Tajikistan is based on certain principles, foremost among them political pluralism and institutional reform, not on a specific regime or leader.
12. Warn the government of Tajikistan that its current behavior threatens to further undermine security in the region, not enhance it.
13. Call on the government and President Rakhmon to open up the political landscape and encourage the development of truly independent opposition parties that commit themselves to peaceful change.
14. Be prepared to discuss and support appropriate security guarantees for the current leadership and their families in the event of defeat in free and fair elections.

**To Tajikistan, Uzbekistan and the other republics of Central Asia:**

15. Initiate urgently region-wide consultations on the rational use of energy resources.

**Dushanbe/Brussels, 12 February 2009**

## TAJIKISTAN: ON THE ROAD TO FAILURE

### I. INTRODUCTION

Remote and destitute, Tajikistan stands at the intersection of most political leaders' nightmares.<sup>1</sup> Its southern neighbour Afghanistan is racked by crime and a worsening insurgency. Drugs and weapons cross its territory to China, Russia and beyond. The Tajik-Afghan frontier is 1,200km long and largely unpoliced. More ethnic Tajiks live in Afghanistan than Tajikistan itself, and during the Afghan wars of the eighties and nineties, the country offered a discreet haven to leaders of warring factions.

Tajikistan's President Emomali Rakhmon claims to be providing a bulwark against the spread of radicalism and narcotics. He is in fact barely able to control his own territory, and shows little interest in providing for the basic needs of its people. His state is moreover located in a region of potential instability. Three of four neighbouring states are vulnerable to any internal unrest that could seize Tajikistan, or are capable themselves of producing tremors that could destabilise it. Uzbekistan, a hostile and, in the view of most Tajiks, vindictive neighbour, is living out the last chapter of the rule of Islam Karimov, an early patron turned enemy of the Tajik leadership. Kyrgyzstan is in the throes of its own economic and energy crisis. Perhaps the only reason that the Afghan border has remained quiet is because the Taliban have not reached the Panj river.

Tajikistan was the poorest of the Soviet republics, with 40 per cent of its budget coming from subsidies. With independence came a civil war that pushed it further into the ranks of the world's least developed states.<sup>2</sup> Today most of its people are living hand to mouth: the

substantial Western assistance provided since independence has had little effect. Corruption has absorbed much of that money, and the elite have benefited from control over the main export commodities, aluminium and cotton. Most Tajiks survive on remittances and foreign aid.

The state is barely stronger now than it was a decade ago; indeed it is showing disturbing signs of fraying again. Its regions are increasingly disconnected from the central government, isolated by geography, poor roads and a failure to build any coherent government structures. Rakhmon has centralised power in his own hands, jailing or co-opting rivals and promoting the idea that any dissent risks restarting the civil war. Its leaders feel that the country is too cowed and war-weary to protest at even the most blatant neglect and government abuse. As the country slides closer towards collapse, this thesis will be increasingly tested.<sup>3</sup>

Interviews and research for this report were carried out in Tajikistan in July, September and October 2008, in Gorno-Badakhshan, Garm, Kulyab, Gissar and elsewhere, as well as Dushanbe. Interviews were conducted with Tajik officials, political analysts, journalists and academics, worshippers at several mosques in the Dushanbe area and members of the international donor community. Government officials were reluctant to speak and would only do so under conditions of strict anonymity. A foreign ministry official who refused to give his name said in a telephone conversation that no senior representatives were available to address issues of state corruption, but dismissed all such allegations as "garbage".<sup>4</sup> Other senior officials are, however, deeply concerned by the issue. "Corruption here", said one, "is endemic".<sup>5</sup>

<sup>1</sup> Previous Crisis Group reporting on Tajikistan includes Asia Report N°30, *Tajikistan: An Uncertain Peace*, 24 December 2001; Asia Report N°51, *Tajikistan: A Roadmap for Development*, 24 April 2003; and Asia Briefing N°33, *Tajikistan's Politics: Confrontation or Consolidation?*, 19 May 2004.

<sup>2</sup> Between 60,000 and 100,000 people are thought to have been killed in the civil war. GDP shrank by 60 per cent, and damage to the economy was estimated at \$7 billion. In 1997 a peace agreement was negotiated between the government and the United Tajik Opposition (UTO).

<sup>3</sup> The current population is 7.2 million. See CIA World Factbook (July 2008 estimate). Though the country experienced significant waves of migration due to the civil war and deteriorating economic conditions, it has added 1.7 million since acquiring independence in 1991. The annual growth of 1.4 per cent can be attributed to the high fertility rate that presently stands at 3.5 children per woman. The majority live in rural areas, working in agriculture. The share of urban residents has fallen by 5 per cent between 1991 and 2007. As a result, there was a precipitous decline of employment in the industrial sector.

<sup>4</sup> Crisis Group interview, Dushanbe, 22 October 2008.

<sup>5</sup> Crisis Group interview, Dushanbe, 19 July 2008.

## II. EMOMALI RAKHMOM

### A. PRESIDENT FOR LIFE

The regime will stand or fall with President Emomali Rakhmon. He created it, controls it and devised the secretive structures by which it functions. He shows no signs of wanting to give up. The system revolves around him: his presidential administration is the source of all power in the country, while most ministers are little more than channels of communication to the president, or implementers of his will. Consistently throughout his career he has removed anyone who posed a threat to him.

What he has not done is create a succession strategy, lest it encourage rivals to accelerate his departure. Rakhmon<sup>6</sup> usually projects the image of a bland, bluff patriarch: opening schools, admonishing ministers, handing out tractors or calling on restaurants to serve less bread<sup>7</sup> – a slightly updated version of a benign Soviet-era ruler. Some critics in fact describe him half-affectionately as a Tajik version of the Soviet stagnation-era leader Leonid Brezhnev, “basically a good guy, a former collective farm chairman who is now a king but whose suite is playing him like an instrument”.<sup>8</sup>

Yet he is also viewed as a cunning infighter who has outlived most powerful enemies and influential backers, and imprisoned most of the rest. He runs the country with a small coterie of aides and ministers, most connected to him by family ties, geographic origins or shared civil war experience. While his oratorical skills are modest, one former adviser and supporter described him as “a genius at using one faction to destroy another”.<sup>9</sup>

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<sup>6</sup> He changed his name from Rakhmonov, removing the Slavic suffix, in 2007.

<sup>7</sup> “In restaurants, tea houses and canteens in many foreign countries, bread is not served. If you ask for some, they bring it – but only a little”. Tajikistan should follow this example, he added. “Послание Президента Республики Таджикистан Эмомали Рахмона Маджлиси Оли Республики Таджикистан” [“Message of the President of the Republic of Tajikistan, Emomali Rakhmon, to the Supreme Assembly [both houses of parliament]”, Dushanbe, 25 April 2008, at [www.president.tj/rus/novostee\\_250408.html](http://www.president.tj/rus/novostee_250408.html).

<sup>8</sup> “Вроде не бездельники... Репортаж из Таджикистана” [“They don’t look like layabouts ... Reports from Tajikistan”], *Profile Magazine*, 1 July 2008. Rakhmon was in fact the chair of a state farm, not a collective farm.

<sup>9</sup> Crisis Group interview, Tajik historian, Dushanbe, 24 July 2008.

### 1. Early life

Rakhmon, born in October 1952 in the small town of Dangara, in Kulyab region, was a mid-level local official until November 1992, when the civil war swept him from a state farm to his country’s leadership. An electrician by trade, he became director of the Lenin State Farm in Dangara in 1988, and a member of the republic’s rubber-stamp, Soviet-era legislature two years later. He played no role in the ferment of Mikhail Gorbachev’s perestroika, or in Tajikistan’s declaration of independence in September 1991. In the chaos that followed, however, he quickly aligned himself with other former Soviet-era officials who were violently opposed to the loose coalition of Islamic and vaguely Westernising politicians who by mid-1992 had taken power in Dushanbe.

### 2. Civil war

The region of Kulyab was one of the pillars of Soviet Tajikistan, along with the northern region of Leninabad.<sup>10</sup> While Leninabad provided Communist Party and government functionaries, Kulyab contributed many senior police and security officials. After independence Kulyab became the incubator of the civil war and the centre of resistance to the new non-communist government. By mid-1992 the region had largely seceded from the central government and had created its own militia, under the command of Sangak Safarov, a barman who had spent 23 years in prison for murder and other offences, including organising a prison revolt. Initially described in media reports as “the Safarov gang” or “the Kulyab brigade”, the militia received heavy backing from Russia, Uzbekistan and the republic’s former Soviet establishment.

By the fall of 1992 Safarov’s fighters were a large, heavily armed though poorly disciplined military force known as Popular Front (Народный фронт), famous as much for their looting and atrocities as their combat skills. Their main adversary – whom they denounced as “pseudo-democrats and spiritual reactionaries” – was the United Tajik Opposition (UTO), which increasingly looked to Afghanistan for support. Rakhmon rapidly became a key political leader of the front, and in November 1992 was unexpectedly elected chairman of the Supreme Soviet, the country’s top leader. Sources in Kulyab say Safarov pushed Rakhmon forward as a compromise figure between the Kulyab and Leninabad political elites. Though from the Kulyab area, Rakhmon was not quite of it. His home town of Dangara is

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<sup>10</sup> The province has been renamed Sogd, and the main city, also formerly Leninabad, Khujand.

86km from the much more sophisticated regional capital, and even today is an unprepossessing backwater.

Two weeks before the Supreme Soviet leadership vote, Rakhmon's stature was boosted by his appointment as head of the Kulyab region, a major position in the state hierarchy. This followed the murder a few days earlier of the previous incumbent, in front of numerous witnesses, by Safarov.<sup>11</sup> By year's end the Popular Front forces had pushed UTO out of the capital, and Rakhmon was installed as the country's leader, though the war continued for four and a half more years.

In the early years, those who knew him recall, Rakhmon was not certain of his hold on power. One former associate recalls that Popular Front commanders were at times barely under control: one had a habit of kicking the door open when he visited a senior minister.<sup>12</sup> Rakhmon shored up his position by forming alliances and gaining patrons at both home and abroad. During the war he reached out to all parts of the country. An adviser at the time recalled: "He realised the need, the life and death necessity" of forming a united national front to resist the supporters of an Islamic state.<sup>13</sup> The Russians provided generous military assistance in both weaponry and on occasion troops. Uzbekistan gave weapons, food, air support and ground forces for the war. Rakhmon's first defence minister was a Russian seconded from Uzbekistan, and specialists in the civil war say that the president was escorted into the capital by Uzbek special forces (*spetsnaz*) in December 1992, after his forces had taken control of the city.<sup>14</sup>

In return Rakhmon was lavish in his praise for Uzbekistan's President Islam Karimov, referring to him in public as his "father" – unusually generous words for the head of a state that is generally resented by Tajiks for its absorption of the historically and ethnically Tajik cities of Bokhara and Samarkand. Safarov, Rakhmon's first domestic patron, quickly disappeared from the scene, shot dead in March 1993 during an exchange

of fire with another senior Popular Front commander in circumstances that have never been clarified.<sup>15</sup>

By the time the civil war was ending, Rakhmon was a dynamic and tough leader. During fractious and drawn-out negotiations with the UTO in the lead-up to the June 1997 peace agreement, the former adviser recalled him "living on tension: he was powerful, independent, capable of convincing his commanders to back him when things got tough".<sup>16</sup> He did deals with both sides. Under the terms of the 1997 peace agreement, UTO political leaders were promised 30 per cent of posts at all levels of government, while thousands of UTO fighters were absorbed into police and military units.<sup>17</sup>

### 3. Consolidating power

After the peace agreement, the adviser recalled, Rakhmon changed. "His adrenalin drained, and he was a different man".<sup>18</sup> The emphasis became personal trust, not national unity. He slowly abandoned the broad political front and gathered round him a small group of people from Kulyab and Dangara, some reputed to be relatives as well as long time acquaintances. In the years to come the UTO's political and military commanders were gradually sidelined: some killed in clashes, others forced into exile or imprisoned.<sup>19</sup>

The same fate came sooner or later to most of his own warlords. A Tajik analyst said the president laid down clear ground rules for his comrades in arms: "Do what you like ... but no politics. Do not set up political parties, do not go into parliament".<sup>20</sup> Many became prominent government officials and military commanders,

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<sup>11</sup> A semi-official chronology of the war gives the following account of the murder: "26 October 1992 ... in the second part of the day, in the village of Minidjoron, town of Kalininabad, one of the leaders of the Kulyab militarised formations, Sangak Safarov, in the presence of resistance leaders Yakub Salimov, Faizali Saidov, and also chiefs of the law enforcement bodies of Kulyab region, shot dead the chairman of the Kulyab regional executive committee, Djakhonkhon Rizoyev". *Республика Таджикистана: история независимости том 2* [*The Republic of Tajikistan, A History in Independence*, vol. 2 ] (Dushanbe, 2005), p. 433.

<sup>12</sup> Crisis Group interview, Dushanbe, 6 October 2008.

<sup>13</sup> Crisis Group interview, Dushanbe, 24 July 2008.

<sup>14</sup> Crisis Group interview, Dushanbe, 19 September 2008.

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<sup>15</sup> A lengthy summary of the events along with the details of Safarov's career can be found in *The Republic of Tajikistan, History of Independence*, vol. 3 (Dushanbe, 2006), p. 169 et seq. The other commander was Faizali Saidov, who had witnessed the murder of Djakhonkhon Rizoyev six months earlier, see footnote 9. A statue was put up in Safarov's honour, and a major military training school in Dushanbe named after him. The name has now been removed and the statue demolished.

<sup>16</sup> Crisis Group interview, Dushanbe, 5 July 2008.

<sup>17</sup> For more detail on the peace agreement see Crisis Group Report, *Tajikistan: An Uncertain Peace*, op. cit. Several senior diplomats interviewed for this report remarked that Rakhmon still recalls the way that he brought the war to an end by buying off the opposition leaders.

<sup>18</sup> Crisis Group interview, Dushanbe, 25 July 2008.

<sup>19</sup> Defence Minister Sherali Khayrulloev says that only seventeen to eighteen former members of the opposition remain under his ministry's jurisdiction. At one point after the civil war, he recalled, there were some 3,000. Crisis Group interview, Dushanbe, 31 October 2008.

<sup>20</sup> Crisis Group interview, Dushanbe, 19 September 2008.



yet nearly all were eventually removed. Some were imprisoned for drug dealing and other offences. The accusations were probably well grounded, Western diplomats noted at the time.<sup>21</sup> But the decision to prosecute was perceived as political and unconnected to the offences in question. Two of the most important commanders were imprisoned in recent years: General Gafar Mirzoyev, arrested in 2004 and sentenced to 28 years in prison, and Yakub Salimov, arrested in Russia in 2003 then extradited, and tried and sentenced in 2005 to fifteen years for crimes against the state.<sup>22</sup> “He modulated the arrests beautifully”, said a long time observer of Rakhmon. “He did not move on them until he thought it was safe. He has superb intuition in this field”.<sup>23</sup>

Though the Popular Front warlords are out of the picture, Rakhmon still relies on people who have been with him since the civil war, and who in many cases are either related to him or come from Dangara. Thus Defence Minister Sherali Khayrulloev, from Rakhmon’s home region, has been in office since 1995, and prior to that was deputy interior minister. Makhmadnazar Salikhov, interior minister until January 2009, worked in Kulyab in the late 1980s, became chief prosecutor in Rakhmon’s first government, and rotated between the interior ministry and the presidential administration before returning to head the former in 2006. The chairman of the State Committee for National Security, Khayruddin Abdurakhimov, was security chief for Khatlon region, which adjoins Kulyab, in the latter part of the war before becoming head of the national security structure almost ten years ago.

Rakhmon seems now to be aiming to remain president for life. A change to the constitution in 2003 extended the presidential term from five to seven years, with the provision that the president could serve two consecutive terms. Rakhmon stood for election under the new rules in November 2006. Both government officials and opposition activists believe he plans to run again in 2013, and will find a way to extend his rule after that date if his health permits. The 2003 constitutional

referendum and the 2006 presidential election were both denounced by diplomats and international observers for flagrant violations of democratic practice.

“The election campaign was calm, peaceful and largely invisible”, an OSCE final report on the 2006 elections noted. “Candidates did not hold individual rallies and relied on joint meetings with voters organised by the election administration. The candidates mostly refrained from engaging in any real debate. The incumbent President Emomali Rakhmonov chose not to campaign at all”. It added that the other candidates sometimes praised the president, rather than criticising him, and described widespread apathy, with some polling stations closing early. All this, it concluded, made the government’s claim of a 90.89 per cent turnout somewhat dubious.<sup>24</sup>

## B. POLITICAL VACUUM AND THE PARADOX OF LIBERAL DEMOCRATIC SUPPORT

By narrowing and consolidating his power base, Rakhmon has created, no doubt consciously, a political vacuum in Tajik society. Not only does he have no rivals: there are no popular, active or independent politicians in his team. Members of his inner circle remain there by being faceless; only the most foolhardy politician or minister would signal any serious ambition, presidential or otherwise. A subservient media builds his image as the father of the country while deflecting responsibility for failure or disaster onto the classic “bad ministers”, whom he occasionally berates publicly for corruption or incompetence – a tactic he rolled out again during the January 2009 energy cuts. This careful policy of depoliticisation, coupled with tight control over the electronic media, means that Rakhmon would, at least until recently, probably have received a large vote in any free election. Quite simply, said a prominent social scientist, “people only know one name”.<sup>25</sup> In this Tajikistan is little different from most of the other Central Asian states.

This political vacuum influences the thinking of some of Rakhmon’s strongest Tajik critics. Secular, Western-oriented intellectuals frequently say that they want Rakhmon to stay. One commented: “We all want to see a Tajik state emerging from this chaos. So we support him because we cannot see anyone who would be better. The Islamists could overthrow him if they set

<sup>21</sup> Communication to Crisis Group analyst in a former capacity.

<sup>22</sup> See U.S. Department of State, Country Report on Human Rights Practices in Tajikistan, 2007, at [www.state.gov/g/drl/rls/hrrpt/2007/100621.htm](http://www.state.gov/g/drl/rls/hrrpt/2007/100621.htm). Until a few months before his arrest, General Mirzoyev was commander of the Presidential Guard. He was dismissed from that position in January 2004, briefly appointed head of the state anti-narcotics agency, and then arrested in August. Prior to these events he was said to maintain a tight hold over the state-owned aluminium smelting plant outside Dushanbe (see discussion of Talco, Section IV.C below). It was only with his arrest that the president was able to consolidate his control over the highly valuable plant.

<sup>23</sup> Crisis Group interview, Dushanbe, 2 October 2008.

<sup>24</sup> “Republic of Tajikistan, Presidential Election, 6 November 2006”, OSCE/ODIHR Election Observation Mission Report, Warsaw, 18 April 2007, at [www.osce.org/documents/odihr/2007/04/24067\\_en.pdf](http://www.osce.org/documents/odihr/2007/04/24067_en.pdf).

<sup>25</sup> Crisis Group interview, Dushanbe, 22 July 2008.

their mind to it. So could the Uzbeks. An inside coup would be even worse. We have made a compromise. He is vital if Tajik statehood is to survive”.<sup>26</sup> Senior officials, not all of whom are in government for personal gain, feel the same way. “He is a transitional figure”, said one of them, a strong supporter of the president although scathingly critical in private of systemic corruption. “I can see no one else”.<sup>27</sup> The leader of one of the country’s largest parties, when asked, in conversation with a Western ambassador, what he would do if one day he magically found himself holding power, replied that he would immediately look for a way to give it back.<sup>28</sup>

The flaw in the idea of Rakhmon as a transitional figure is that he has no plans for a transition. Like most Central Asian leaders, including his now bitter enemy Karimov, Rakhmon views staying in power as the sine qua non of survival. It is perhaps because of this that a series of events in the first half of 2008, some bloody and all highly unusual in modern Tajikistan, gave rise to intense speculation about the president’s hold on power.

### III. SIGNS OF TROUBLE

#### A. THE WINTER CRISES OF 2008 AND 2009

The winter of 2007-2008 was the harshest in 44 years.<sup>29</sup> Temperatures plummeted and the poorly maintained energy system virtually collapsed. Even in the best of times many parts of the country have only erratic and spasmodic energy supplies. This time, however, most areas had electricity no more than one to three hours a day.<sup>30</sup> Passes and roads were cut, food and fuel prices jumped. Uzbekistan cut off deliveries of gas due to non-payment.<sup>31</sup> Livestock was killed by the cold or sold by peasants to make ends meet. Seed stocks were destroyed by the frost or eaten as a food of last resort. The government was “disgracefully silent, totally passive”, said a Tajik intellectual, echoing the conclusion of many foreign observers.<sup>32</sup> Small demonstrations – mostly efforts to obtain information or help rather than to protest – were quickly dispersed by the police.<sup>33</sup>

In response, the government announced a number of changes, including a substantial increase in the budget for the agricultural sector. International agencies remain deeply sceptical that the policy announcements will ever go beyond mere words. An emergency food assessment conducted by the World Food Programme (WFP) and other groups in the summer of 2008 noted pointedly that the budget increase would bring substantial new funds “if it materialises”, and went on to note that “it is not clear” whether other announced policy changes are being implemented.<sup>34</sup> The energy situation barely improved with the end of winter. A spring drought and a plague of locusts added to the distress. The main source of power, the Nurek reservoir, remained well below normal, and by September deep

<sup>26</sup> Crisis Group interview, Dushanbe, 25 July 2008.

<sup>27</sup> Crisis Group interview, Dushanbe, 19 July 2008.

<sup>28</sup> Crisis Group interview, Dushanbe, 18 September 2008.

<sup>29</sup> Tajik Hydro-Meteorological Agency, cited in the UN Humanitarian Food Security Appeal 2008-2009, at <http://ochaonline.un.org/cap2005/webpage.asp?Page=1699>.

<sup>30</sup> Emergency World Bank project paper on a proposed grant to the Republic of Tajikistan, 18 April 2008, p. 1, at [www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/04/25/000334955\\_20080425050355/Rendered/IND/EX/433330PJPR0P1117362B01off0use0only1.txt](http://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/04/25/000334955_20080425050355/Rendered/IND/EX/433330PJPR0P1117362B01off0use0only1.txt).

<sup>31</sup> Ibid, p. 2.

<sup>32</sup> Crisis Group interview, Dushanbe, 12 September 2008.

<sup>33</sup> Crisis Group interview, Tajik journalist, Dushanbe, 23 September 2008.

<sup>34</sup> “Rural Tajikistan Emergency Food Security Assessment: a Joint Food, Security, Livelihoods, Agriculture and Nutrition Assessment”, WFP, Food and Agriculture Organization (FAO), UNICEF, Government of Tajikistan, April/May 2008.

power cuts were being reported in northern Tajikistan.<sup>35</sup> Speaking at the UN General Assembly in late September 2008, Rakhmon warned that the coming winter and following summer would be even harder.<sup>36</sup>

His prediction proved uncannily accurate. A flurry of government activity in January 2009 signalled a growing if somewhat belated concern about the energy situation. On January 15 Rakhmon fired the heads of the main energy utilities for their failure to solve energy shortages. Tajiks who had power that day could watch the firing live on state TV. Two weeks later sweeping power cuts were announced: most of the country would receive two to three hours a day, while Dushanbe would be subject to an eight hour cut. The government had earlier promised that Dushanbe would be spared any cuts that winter. By January, however, the Nurek reservoir was reported to be just 7m above dead level.<sup>37</sup> The cuts were in fact deeper than announced. Tajik media noted in late January that several regions had been completely without electricity for ten days, while “twenty minutes outside the capital, in Gissar, people are getting light for a maximum of one hour a day”.<sup>38</sup>

As the energy situation deteriorated still further, Tajik officials placed much of the blame on Uzbekistan, which had cut gas supplies to their country at the end of 2008.<sup>39</sup> It had done the same during previous winter, on both occasions citing unpaid bills.<sup>40</sup> Officials in Dushanbe however warned that as a result of the crisis they might restrict their water supplies to Uzbekistan.<sup>41</sup> Angry exchanges on energy issues have become a regular part of political life in Central Asia since the break-up of the Soviet Union. With a deepening energy and economic crisis, and the serious deterioration of

infrastructure, however, the conflicts could intensify. Region-wide consultations should be initiated as soon as possible with the aim of reaching an agreement on the rational use of energy resources.

## B. GUNFIRE IN GARM

On 2 February 2008, one of Tajikistan’s most decorated officers, Colonel Oleg Zakharchenko, commander of the paramilitary Police Special Purpose Unit (OMON, in its Russian acronym), was shot dead in a firefight involving the OMON and members of another police unit in Garm, a civil war stronghold of the UTO, some 185km from the capital. The other unit, the Regional Directorate for the Fight against Organised Crime, usually known by its Russian acronym RUBOP, was led by Colonel Mirzokhudja Akhmadov, a former mid-level opposition commander during the civil war.

The central government’s control over the area has been tenuous since the end of the civil war. When the prime minister visited earlier in 2008, Akhmadov reportedly specified to him the number of people he would be allowed in his delegation.<sup>42</sup> In an interview with Crisis Group, Akhmadov blamed the shooting incident and Zakharchenko’s subsequent death on the interior ministry and other ill-wishers in Dushanbe. He claimed that Zakharchenko’s military convoy had arrived without warning and opened fire as he was giving his annual report to a senior police officer from Dushanbe. His men fought back, and only after the masked attackers had withdrawn, he claimed, did he learn that Zakharchenko was dead and four other policemen injured. His men suffered no casualties. “I did not even know that Zakharchenko was in the group”, Akhmadov said. “I knew him well, we had worked together, but I did not even see his face here”.<sup>43</sup>

The official explanation from the interior ministry was that Zakharchenko and the others were in Garm for a meeting regarding the local police. The ministry claimed they came under fire from Akhmadov’s men as they approached the local RUBOP building.<sup>44</sup> A commission of enquiry briefly visited Garm a few days after the shooting, took depositions and left. Akhmadov sat tight, well armed, and continued to draw a salary till the autumn, occasionally depicting himself as the pro-

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<sup>35</sup> A 25 September 2008 report from the Asia-Plus news agency noted that “inhabitants of Northern Tajikistan are currently receiving seven hours of electricity a day”.

<sup>36</sup> Asia-Plus News Agency, 29 September 2008.

<sup>37</sup> “Лимит на потребление электроэнергии введен в Таджикистане” [“Limits on the use of energy introduced in Tajikistan”], RIA-Novosti Russian News and Information Agency, 27 January 2009, at [www.rian.ru/economy/20090127/160217288.html](http://www.rian.ru/economy/20090127/160217288.html).

<sup>38</sup> “Блэкаут: перезагрузка” [“Blackout, Overload”], Asia-Plus News Agency, 29 January 2009, [www.asiaplus.tj/articles/96/2993.html](http://www.asiaplus.tj/articles/96/2993.html).

<sup>39</sup> “Uzbekistan cuts gas supply to Tajikistan”, *Times of Central Asia*, 30 December 2008.

<sup>40</sup> “Tajik energy crisis deepens as Uzbekistan cuts down natural gas supplies”, *International Herald Tribune*, 24 January 2008, at [www.iht.com/articles/ap/2008/01/24/asia/AS-GEN-Tajikistan-Energy-Crisis.php](http://www.iht.com/articles/ap/2008/01/24/asia/AS-GEN-Tajikistan-Energy-Crisis.php).

<sup>41</sup> “Tajikistan: Dushanbe threatens Uzbekistan with water cut-off”, EurasiaNet.org, 27 January 2009, at [www.eurasianet.org/departments/briefs/eav012709a.shtml](http://www.eurasianet.org/departments/briefs/eav012709a.shtml).

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<sup>42</sup> Crisis Group interview, senior Western diplomat, Dushanbe, 19 September 2008. “The central government is not in charge” in the area, the diplomat added.

<sup>43</sup> Crisis Group interview, Colonel Akhmadov, Garm, 24 July 2008.

<sup>44</sup> “Murder Invokes Ghosts of Tajikistan’s Past”, Institute for War and Peace Reporting (IWPR), 20 February 2008.

tector of former opposition fighters who, he said, were being oppressed by the authorities and had turned to him for help.

There is no definitive account of what happened in Garm or who is responsible. Yet the responses to the shooting among officials and observers vividly illustrated the anxieties and suspicions bubbling away under the surface in general in Tajikistan. “There is something dirty in all this”, said a senior presidential adviser. It looks, he said, like a feud between two police officers who “did not share” (не делились, a common expression with undertones of organised crime) the proceedings from drugs or other income.<sup>45</sup> Others saw an arrest operation, part of the “quiet mopping-up” of the few remaining mid-level opposition commanders still in positions of authority, that had gone wrong. Still others saw in the perceived incompetence of the operation a desire at the highest levels of the president’s own inner circle to undermine his position. “This was done with such uncharacteristic clumsiness that people who are far from wild men are wondering if it was not staged in such a way to embarrass the president”, said one well-regarded political analyst.<sup>46</sup>

Whatever the case, Rakhmon did not respond publicly to the incident for eight months. He finally visited Garm in early October. He handed out gifts, addressed assembled dignitaries, and also found time to talk to Akhmadov. Soon afterwards, it was announced that Akhmadov had resigned his position and the Garm RUBOP had been disbanded.<sup>47</sup>

### C. SIEGE IN KULYAB

In a magazine interview after the Garm firefight, Akhmadov issued a thinly disguised warning to the regime. During the civil war we fought against the Kulyabis, he said, “But now they are our brothers. We are in constant contact with them, and if anything happens, we will act together”.<sup>48</sup> This may help explain another

raid, in Kulyab in late May. After a siege that lasted a whole night and most of the following day, Suhrob Langariyev, younger brother of one of the Popular Front’s best-known commanders, was taken into custody with a group of others,<sup>49</sup> and charged with being the leader of a “transnational narcotics network”. Special forces brought in from Dushanbe were used in the attack.<sup>50</sup> The Langariyev house was destroyed beyond repair, while a special forces officer and several bystanders were killed.

Once again there were more questions than answers. The authorities claimed that there had been a warrant out for Langariyev’s arrest since 2002. Yet witnesses said he moved openly around Kulyab and Dushanbe. Police claimed to have found 40 “extremist” Islamic books in the house – surprising, given the Popular Front’s militantly secular orientation. The father of the family indignantly dismissed the authorities’ claim they had found a grenade launcher and other heavy weapons in the wreckage. If he had such weapons, he told a newspaper, “I would certainly have used them”.<sup>51</sup> A state security official in Kulyab effectively blocked Crisis Group attempts during a subsequent visit to talk to local observers of the political scene. He declared that the arrest was due solely to drugs, that Langariyev had “come off the wanted list but then came back on again”. He then made a brief statement about the opposition of all Tajiks to any manifestation of regionalism.<sup>52</sup>

### D. DEMONSTRATIONS IN KHOROG

Large demonstrations have become rarities since the civil war. In Khorog, the capital of the autonomous region of Gorno-Badakhshan, high in the Pamir mountains to the south east of Dushanbe, unrest had been brewing throughout the spring of 2008. Discontent increased in April, when the central government transferred parcels of border territory to China without consulting local people, an opposition leader claimed.<sup>53</sup> Then in June news began to circulate that paramilitary police units and other special forces had been deployed in the region to arrest former opposition military commanders, some of whom were suspected of involve-

<sup>45</sup> Crisis Group interview, Dushanbe, 19 July 2008.

<sup>46</sup> Crisis Group interview, Tajik intellectual, Dushanbe, 17 September 2008.

<sup>47</sup> “Генпрокуратура Таджикистана раскрыла убийство командира ОМОН О.Захарченко, но... пока никто по данному факту не задержан” [“The office of the General Prosecutor of Tajikistan has solved the murder of OMON commander O. Zakharchenko, but so far no-one has been detained in connection with this”], Asia-Plus News Agency 14 October 2008, at [www.centrasia.ru/newsA.php?st=1223928720](http://www.centrasia.ru/newsA.php?st=1223928720). An official investigation was launched, which was still ongoing at the time Colonel Akhmadov’s department was disbanded in October 2008.

<sup>48</sup> *Profile Magazine*, op. cit.

<sup>49</sup> One of the arrested men was the son of Sangak Safarov.

<sup>50</sup> “Таджикистан отстреливается от президента” [“Tajikistan fires back at the president”], *Kommersant*, 25 May 2008, at [www.kommersant.ru/doc.aspx?DocsID=896874](http://www.kommersant.ru/doc.aspx?DocsID=896874).

<sup>51</sup> “С.Лангариев: ‘Я категорически протестую’” [“S Langariyev: ‘I categorically protest’”], Asia-Plus News Agency, 6 June 2008, at [www.asiaplus.tj/articles/11/2021.html](http://www.asiaplus.tj/articles/11/2021.html).

<sup>52</sup> Crisis Group interview, Kulyab, 11 October 2008.

<sup>53</sup> Crisis Group interview, Ali Sherzamonov, Khorog, 16 July 2008.

ment in narcotics. People came out onto the street, around 500 according to press estimates, to demand the forces' withdrawal. Both government and opposition sources agree that the demonstration was backed by local drug kingpins, known in Russian as "authorities" (авторитеты). "Perhaps in another part of the country the people would not have supported the 'authorities', but here people do not trust the state's intentions", said one of the protest leaders. "We did not think that the reinforcements were coming here to ensure our security".<sup>54</sup>

The decision to organise a demonstration was more important than the demands, said one of the organisers. Afterwards a member of the regional administration suggested the demonstrations were in essence a trial of strength by drug dealers based in the region, which borders Afghanistan and China.<sup>55</sup> "The weaker the government, the easier it is for them", he said.<sup>56</sup> The opposition Social Democratic leaders in the region promised that there would be further demonstrations in Badakhshan in the autumn, and that protests would spread to other regions. "First Dushanbe and other regions, then we will definitely come out on the streets again", said the local Social Democratic leader Ali Sherzamonov.<sup>57</sup> In late July the president visited Khorog, reportedly meeting with officials and activists.<sup>58</sup> The autumn demonstrations did not happen.

In retrospect the flurry of unrest seems less significant than it did at the time. The quite sophisticated opposition leaders in Khorog were unable to mobilise their people again in the autumn. Colonel Akhmadov, a redoubtable fighter but no great political strategist, was contained. When Suhrob Langariyev's house was attacked, no one interceded for him. Rakhmon seems to have defused any threats from the three problem areas.

## E. INFIGHTING WITHIN THE FAMILY?

The other event in the season of unrest, however, was more bizarre, enigmatic and undoubtedly more significant. In early May rumours spread through the capital that the president's son Rustam had shot Rakhmon's

brother-in-law Hassan Sadullayev.<sup>59</sup> Widely viewed as one of the most powerful members of the president's inner circle, Sadullayev heads Orient Bank, one of the country's biggest financial institutions. The shooting reports were studiously ignored by the Tajik press – a fact attributed by some Tajik commentators to an official government ban on the story, and by some well-placed Tajik journalists to deeply ingrained self-censorship.<sup>60</sup>

As is so often the case in such situations, official silence left the stage open to the most dramatic version of the rumours: that Sadullayev had been shot in the neck during an altercation with Rustam on 2 May, had been flown to Germany for treatment but died several days later and had been secretly buried in Tajikistan.<sup>61</sup> The cause of the conflict, according to these accounts, was an argument over Orient Bank. Younger members of the ruling family, especially one of Rustam's ambitious sisters, had supposedly become increasingly resentful of Sadullayev's near monopoly on key areas of the Tajik economy, and had demanded a share of the bank.

Official Dushanbe for months stuck to the line that Sadullayev was on a long business trip, and denied that any incident had taken place. In the middle of the year Sadullayev began to appear in public again. In October counsel for Talco confirmed he was present before the High Court in London. Senior diplomats and international officials who worked with him in the past say that the resurrected Sadullayev is the genuine article, more subdued but apparently in good health. Yet it is still unclear, including among Western diplomats and international observers in Dushanbe, what if anything transpired and whether there was a shooting or violent incident at all.<sup>62</sup>

<sup>54</sup> Ibid.

<sup>55</sup> One large residence perched on a hill above the regional administration offices is said locally to be the home of a prominent drug dealer. When asked who owned the house, a policeman on duty outside the administration building answered "someone with a head on his shoulders". Conversation with Crisis Group, 16 July 2008.

<sup>56</sup> Crisis Group interview, Khorog, 16 July 2008.

<sup>57</sup> Crisis Group interview, Khorog, 16 July 2008.

<sup>58</sup> Crisis Group interview, Dushanbe, 1 October 2008.

<sup>59</sup> Sadullayev's name is also sometimes spelt Sadulloev or Saduloev, and, in the post-Slav form, Asadullozoda. Rumoured shootouts within presidential families seem to have become a leitmotif of Central Asian politics: for another example, also denied, see Crisis Group Asia Briefing N°79, *Kyrgyzstan: A Deceptive Calm*, 14 August 2008, p. 9.

<sup>60</sup> Crisis Group interviews, Dushanbe, September 2008. One respected journalist, commenting on the news blackout, remarked "there are certain events you do not need an official instruction to ignore: even without that we know that covering them would be bad for our health".

<sup>61</sup> See for example, "Таджикистан отстреливается от президента" ["Tajikistan fires back at the president"], *Kommersant*, 25 May 2008, at [www.kommersant.ru/doc.aspx?DocsID=896874](http://www.kommersant.ru/doc.aspx?DocsID=896874); and "Tajikistan: a ruling family feud appears to turn bloody", *Eurasia Insight*, 9 May 2008, at [www.eurasianet.org/departments/insight/articles/eav050908a.shtml](http://www.eurasianet.org/departments/insight/articles/eav050908a.shtml).

<sup>62</sup> Crisis Group interview, Dushanbe, 14 October 2008.

The aftershocks generated by these events took months to dissipate. The final reviews for the president were mixed. He had moved to defuse protests and neutralise potential threats. Ultimately, however, he had achieved little more than restoring the status quo ante. Yet it was also widely perceived that he took no firm position in response to the alleged conflict between his son and brother-in-law. This incident reinforced the impression among observers in all political camps, including the president's, that the real problems for Rakhmon's rule may eventually come from within the ruling circle, and perhaps from within the family. A senior diplomat summed up the prevailing view: "This does not augur well for the future. The president's large family is now of the age when they will all want their share".<sup>63</sup>

#### IV. THE ECONOMIC UNDERPINNINGS

Tajik specialists and international officials agree government statistics are so inaccurate as to be useless. As one government official put it, "our statistics lie".<sup>64</sup> Referring to one major recent international aid and development program in Tajikistan, a senior international official said "[official] data is so unreliable, because it has been doctored so many times, that we did not even bother to ask for it".<sup>65</sup> Statistics reflect a "Soviet mentality: they are intended to please the leadership by proving government bodies have achieved their assigned targets".<sup>66</sup>

##### A. MIGRANT LABOUR

Official estimates state that in early 2008, at least 800,000 Tajiks left their country to work abroad. Most will return in early 2009 to rest and spend time with families before, they hope, leaving again to earn their living. The majority of migrants are in their twenties and almost all – 92 per cent – are men, according to government estimates. Until the onset of the world financial crisis the number of migrants grew each year. The 2008 figure, for example, was 200,000 more than 2007.<sup>67</sup> Asked what proportion of the male working population this exodus constitutes, a leading demographer replied, "in the countryside, nearly all of them".<sup>68</sup>

The true numbers of migrant workers are almost certainly much higher. The official figures cited above coincide with the quota granted to Tajikistan by Russia for 2008.<sup>69</sup> Estimates from international and other organisations put labour migration at closer to 1.5 million. The vast majority work as manual labourers on building sites, even though almost half of them may have had some higher education. Not all leave because they are unemployed. Some have jobs at home that are so poorly paid that they leave either permanently

<sup>64</sup> Crisis Group interview, Dushanbe, 13 October 2008.

<sup>65</sup> Crisis Group interview, Dushanbe, 16 October 2008.

<sup>66</sup> Crisis Group interview, state-employed social scientist, Dushanbe, 25 September 2008. The leadership does not believe the figures either, the official added. "They just want to have something that shows we are making progress on all fronts".

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> See Rakhmon speech to the Tajik diaspora and students, Moscow, 21 February 2008, at [www.president.tj/rus/novostee\\_210208a.html](http://www.president.tj/rus/novostee_210208a.html).

<sup>63</sup> Crisis Group interview, Dushanbe, 18 September 2008.

or temporarily.<sup>70</sup> Specialists say 85 per cent go to Russia, 6 per cent to Kazakhstan and smaller numbers to Belarus, Ukraine, Kyrgyzstan, Uzbekistan and elsewhere.<sup>71</sup> Given Tajikistan's estimated population of 7.2 million, over 10 per cent of the country's population, and quite possibly half of the country's labour force of around 2 million, has to leave to find reasonably paid work.<sup>72</sup>

The Tajik leadership has rarely missed a chance to lobby Russia to take more workers. During a courtesy call by Moscow Mayor Yuri Luzhkov, Rakhmon gave special attention to the migrant worker question. "Emomali Rakhmon asked me to increase the quota for migrant labourers in Moscow, and I promised that we will try to influence the resolution of this question", Luzhkov later told the press.<sup>73</sup>

Rakhmon's enthusiasm for labour migration is easy to understand. The annual departure of a large proportion of the country's young males was immensely beneficial to the state and ruling elite. Migrant labour has been both a political safety valve and an economic lifeline for the government. End of year International Monetary Fund (IMF) projections for labourers' remittances in 2008 put the figure at \$2.3 billion.<sup>74</sup> This is about 40 per cent of the country's GDP according to IMF projections.<sup>75</sup> The real figure may well be 20 to 25 per cent greater, as the IMF only registers those amounts that go through banks. Most specialists believe that migrant money has in recent years provided for the basic needs of 40 to 60 per cent of the population, though some economists put the figure even higher. Given the minimal amount budgeted for items such as

health and education, this amounts to a migrant-funded welfare system.

Remittances have been enough to pull a significant part of the population out of poverty and provide a reasonably good standard of living for a luckier minority. They are in fact probably the main guarantee of social stability. The exodus has removed each year from a depressed economy – and thus potentially volatile social environment – the most dynamic and enterprising of the work force. This includes those most likely to join opposition demonstrations. "The social group that could have changed things here has left the country", said Alim Sherzamonov, the opposition Social Democratic party leader in Badakhshan. Migrants constitute "the most capable and, given the working conditions they face there, the most daring. The less active have remained behind", he continued. "And in that category", he added, "I include myself".<sup>76</sup> He was thinking about leaving the following year, he added. "We cannot base our strategies on migrant labourers", said the leader of another major political party. "They are birds of passage".<sup>77</sup>

Most remittances go straight to families, through banks or informal transfers, and stay there. Specialists who have researched the subject say very little of the money sent back is invested in small businesses or other parts of the economy. This is, one leading social scientist noted, an eloquent illustration of the deep gulf between the state and ordinary citizens: "There is no intersection between state and the population".<sup>78</sup> But the money generates revenue for the elite in other ways. Migrant labourers fly to Russia on state-owned Tajik Airlines or on the private Somoni Air. Money sent back goes through banks run by the elite.<sup>79</sup>

But the improvement in living conditions that migrant labour brings has also exacted a high social price. Migrants "do not leave for the good life", said one specialist who tracks the issue closely. It is a gesture of desperation: "Tajiks have traditionally been considered sedentary. Labour migration took off only after

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<sup>70</sup> These include medical personnel and teachers; the latter often take off part of the school year to earn money abroad. Crisis Group interview, international financial institution specialist in education, Dushanbe, 25 September 2008.

<sup>71</sup> Crisis Group interview, Dushanbe, 8 October 2008.

<sup>72</sup> The population figure is from IMF World Economic Database, October 2008. Tajik officials were unable to provide an up-to-date labour force figure. The CIA World Factbook puts the number at 2.1 million in 2007. An extrapolation from figures given in Rakhmon's 2008 message to parliament indicates an estimated overall Tajik labor force of 2 million. "Послание Президента Республики Таджикистан Эмомали Рахмона Маджлиси Оли Республики Таджикистан" ["Message from the President of the Republic of Tajikistan Emomali Rakhmon to the Majlisi Oli [Lower House]"], Dushanbe, 25 April 2008, at [www.president.tj/rus/novostee\\_250408.html](http://www.president.tj/rus/novostee_250408.html).

<sup>73</sup> Asia-Plus News Agency, 30 June 2008.

<sup>74</sup> "First Assessment Under the 2008 Staff-Monitored Program", IMF, 10 December 2008, p. 19, at [www.imf.org/external/pubs/ft/scr/2008/cr08382.pdf](http://www.imf.org/external/pubs/ft/scr/2008/cr08382.pdf).

<sup>75</sup> Based on an IMF projection of a 2008 GDP of just over \$5 billion. Ibid, p. 14.

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<sup>76</sup> Crisis Group interview, Khorog, 16 July 2008.

<sup>77</sup> Crisis Group interview, Dushanbe, 3 October 2008.

<sup>78</sup> Crisis Group interview, Dushanbe, 22 July 2008.

<sup>79</sup> Tajik Air and "the private Somoni Air" carry 15,600 passengers a week from Tajikistan to Russia. Rakhmon speech, Moscow, op. cit. The average cost of a round-trip ticket is between \$900-\$1200, depending on the season. Orien Bank reported at the end of 2008 that foreign remittances worth \$566.7 million had passed through the bank in 2008, an increase of over \$188 million. "Доходы «Ориенбанка» за последний год увеличились почти на 20%" ["Orienbank income increased by almost 20 per cent last year"], Asia-Plus News Agency, 26 January 2009, <http://asiaplus.tj/articles/54/3012.html>.

the collapse of the economy”,<sup>80</sup> in the wake of independence and civil war. After the winter of 2007-8, foreign aid agencies noticed a new surge of migration.<sup>81</sup> Working conditions in the host countries are often poor, and the workers enjoy little protection. They have been subject to harassment from the police and some fall victim to attacks from racist groups. Around 1,800 migrant workers have died in Russia since 2003, Rakhmon told the Tajik diaspora in Moscow.<sup>82</sup> In 2007, 69 were murdered, 106 killed in “emergency situations”, 32 in car accidents, 139 from illness and ten due to unknown reasons, he added.

Families left behind also suffer. Relatives have often gone into debt to pay the travel of a migrant labourer to Russia or elsewhere. Many women take on their husbands’ agricultural labour. It is common to see almost only women, with a scattering of old men, in the cotton fields. The children of migrants are also affected.<sup>83</sup> Discipline often breaks down in traditionally patriarchal families once the father leaves; children tend to start working earlier and work more, often to make up for their father’s absence, though sometimes because of the irregular delivery of remittances. They are often more likely to skip classes.<sup>84</sup>

For other migrant families the situation is even more dire: about 20 per cent of the migrants reportedly do not send money home on a regular basis.<sup>85</sup> Others stop sending remittances entirely, a disaster for those waiting at home. The money usually goes to basics, from food to medicine to school books, and often supports several generations of family members. Without the financial infusion, these families will plummet back into the ranks of the poor or extremely poor. “Migrant families always live under the threat of poverty”, a survey quotes one migrant’s wife as saying. “If for some reason [migrants] stop sending money, the migrant family becomes the most miserable; sometimes people cannot even find money to buy bread”.<sup>86</sup>

The UN estimates unemployment in Tajikistan at 48.2 per cent,<sup>87</sup> and believes that 53 per cent of the population lives below the poverty line.<sup>88</sup> 17 per cent of those below the line, the UN notes, are making less than 85 cents a day. If in earlier years there had been a mass outflow of specialists, academics and white collar workers, the bulk of migrant labourers in the past few years has come from the very poor.

Some migrants no longer return at the end of the year. An increasing number are taking Russian citizenship, encouraged by legislation introduced two years ago that simplifies the process. Authoritative figures are not yet available, but experts in Dushanbe say the numbers are significant. “The Russians are singling out the strongest, healthiest and brightest young migrants and encouraging them to stay”, said one senior social scientist, reflecting a frequently voiced view. Others are simply staying on, setting up second families, gradually severing links and cutting off funds to their families.

Migration has long stripped the country of specialists and skilled labourers, and complaints at the lack of such personnel are part of daily life in Dushanbe.<sup>89</sup> But the 2007-2008 winter crisis may also have triggered a new category of migrants – those with a comfortable standard of living and a good job. Anecdotal but persistent reports suggest migration by the employed and relatively well-heeled middle class was given a powerful boost by the clear indications that the government is unable to solve the fundamental energy problems in the next few years. Tajik and foreign residents cite a growing number of departures or planned departures by well-educated members of the middle class who have good jobs but no confidence in its future. “Everyone I know seems to be planning to leave”, said one senior Western diplomat. “People said ‘even in the civil war we had electricity’. That and the conspicu-

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<sup>80</sup> Crisis Group interview, Dushanbe, 8 October 2008.

<sup>81</sup> “Rural Tajikistan Emergency Food Security Assessment”, op. cit.

<sup>82</sup> Rakhmon speech, Moscow, op. cit. An International Labour Organization (ILO) study on migrants notes that “over 5 per cent of migrants come back home with serious illnesses and traumas”. “Families of Migrants in Tajikistan: Problems and Ways of their Solution”, ILO, Irfon, Dushanbe, 2007.

<sup>83</sup> “Families of Migrants”, op. cit., p. 7.

<sup>84</sup> “Families of Migrants”, op. cit., p. 89 et seq.

<sup>85</sup> “Rural Tajikistan Emergency Food Security Assessment”, op. cit.

<sup>86</sup> “Families of Migrants”, op. cit., p. 55.

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<sup>87</sup> UNESCO 2008 National Report on Adult Education, cited in Tajikistan Humanitarian Food Security Appeal, OCHA, September 2008. Though the CIA World Factbook cites the official unemployment rate at 2.4 per cent, Rakhmon implied a much higher figure in a speech in Moscow, 21 February 2008. There he noted that “in order to resolve the problem of unemployment in Tajikistan we need to create 1 million new jobs”. Rakhmon speech, Moscow, op. cit. This implies a 50 per cent unemployment rate.

<sup>88</sup> While the Tajik government puts this line at earnings of \$2.15 a day or under, the UN figure sets the limit at \$1.33 a day. Tajikistan Living Standards Survey 2007.

<sup>89</sup> When the building where the Crisis Group Dushanbe office was located developed a gas leak, staff contacted the state gas company. The company said that it had lots of reported leaks in the city, and had one repairman for the whole capital.



ous consumption of the president and his family have led to demoralisation”.<sup>90</sup>

There are strong indications, however, that labour migration will be seriously affected by the world financial crisis, with enormous economic implications for thousands of ordinary Tajiks. The changes will also provide a challenge to the Tajik government, which may well find itself facing a significant drop in foreign remittances, a major increase in unemployment and possible social discontent. With increasingly grim predictions coming of recession and high unemployment in Russia, and an equally painful downturn in Kazakhstan, there is every likelihood that labour migration will be drastically reduced, and migrants who try to remain in Russia will be pressured to leave.

The vast majority of Tajik migrants have been working in the building sector – at least 70 to 80 per cent according to most estimates. There are, for example, an estimated 50,000 Tajiks working on building sites in the Black Sea coastal city of Sochi in preparations for the 2014 Winter Olympics.<sup>91</sup> But construction in Russia and Kazakhstan was the first to be hit by the economic downturn.<sup>92</sup> Any hopes migrants may have of switching to other work are being rapidly eroded by predictions that the whole of the Russian economy will experience zero growth in 2009 at the very least. In one clear sign of the times, early in 2009 the governor of one of major Russian province, Sverdlovsk, announced that he would need no “gastarbeiter” in 2009.<sup>93</sup> The world economic crisis had an immediate impact on remittances. Until autumn 2008 they were booming, up by 70 per cent over the preceding year.<sup>94</sup> But in January the IMF noted a sharp drop in flows starting in November 2008.<sup>95</sup>

Moreover economic anxiety in Russia has been accompanied by nationalist agitation. Alarmist reports began to surface in the Russian media in the autumn of 2008 about the dangers of unemployed migrant workers turning to violent crime. One commentator, citing figures of 6.5 million “illegals” from all countries working on building sites, predicted that most could find themselves out of work in mid-winter and might turn to crime. “This will be cruel crime”, he warned, “because these will be people fighting for physical survival”.<sup>96</sup> In November Molodaya Gvardiya (Young Guard), the youth wing of the Russia’s ruling party United Russia, launched a campaign entitled “our money for our people”. They called for the expulsion of foreign workers, and for jobs in the building sector to be given to Russian workers. Molodaya Gvardiya has also offered to help with patrols to track down and detain illegal migrant workers.<sup>97</sup>

Tajikistan’s policy of encouraging as many people as possible to leave, rather than taking measures that would keep the people at home – creating jobs, alleviating poverty, reforming agriculture or improving basic services – has created a potential time bomb. Migrant labour remittances have been keeping the Tajik economy afloat. A surge in remittances in the first part of 2008, for example, made a major contribution to a balance of payments surplus, allowed the National Bank of Tajikistan to accumulate foreign reserves faster than projected and led to higher than expected economic growth.<sup>98</sup>

A sharp reduction in remittances will have a serious impact on the economy, while the sudden return home of hundreds of thousands of laid-off migrant workers could prove the most immediate and dangerous threat that the regime has faced since the civil war. The government says it is exploring the possibility of sending migrant labourers to Middle East and Gulf nations, but there is little indication that they will be able to place large numbers of migrants, at least in the short run. Emergency measures such as feeding and similar support programs should be implemented to lessen

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<sup>90</sup> Crisis Group interview, Dushanbe, 19 September 2008.

<sup>91</sup> Rakhmon speech, Moscow, op. cit.

<sup>92</sup> See for example “Россия не строится” [“Russia is not being built”], *Vedomosti*, 15 October 2008, at [www.vedomosti.ru/newspaper/article.shtml?2008/10/15/164787](http://www.vedomosti.ru/newspaper/article.shtml?2008/10/15/164787); and “Другая жизнь” [“A Different Life”], *Vedomosti*, 2 October 2008, at [www.vedomosti.ru/newspaper/article.shtml?2008/10/02/163295](http://www.vedomosti.ru/newspaper/article.shtml?2008/10/02/163295).

<sup>93</sup> “Губернатор Свердловской области Эдуард Россель: в 2009 году гастарбайтеры нам не нужны” [“The Governor of Sverdlovsk Oblast Eduard Rossel: in 2009 we do not need gastarbeiter”], Asia-Plus News Agency, 29 January 2009 at [www.asiaplus.tj/news/19/46147.html](http://www.asiaplus.tj/news/19/46147.html).

<sup>94</sup> “First Assessment Under the 2008 Staff-Monitored Program”, IMF, op. cit., p. 4. The IMF noted that some of this increase was due to remitters’ shift to using official channels.

<sup>95</sup> “The Macroeconomic Impact of the Global Crisis on Tajikistan”, IMF Resident Representative Presentation for Principals Meeting and JCSS Meeting, 27 January 2009, at [www.imf.org/external/country/tjk/tr/](http://www.imf.org/external/country/tjk/tr/).

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<sup>96</sup> Mikhail Delyagin, cited in: “Кризис может превратить гастарбайтеров в жестоких преступников” [“The crisis could transform gastarbeiter into cruel criminals”], *newsru.com*, 10 October 2008, at [www.newsru.com/russia/10oct2008/guests.html](http://www.newsru.com/russia/10oct2008/guests.html).

<sup>97</sup> “Нетерпение и труд” [“Impatience and labour”], *Kommersant*, 31 October 2008, at <http://kommersant.ru/doc.aspx?DocsID=1050113>; and “Выселительная программа праздника” [“The holiday’s expulsion program”], *Kommersant*, 5 November 2008, at [www.kommersant.ru/doc.aspx?DocsID=1051988](http://www.kommersant.ru/doc.aspx?DocsID=1051988).

<sup>98</sup> “First Assessment Under the 2008 Staff-Monitored Program”, IMF, op. cit., p. 20.

the impact of a further major growth of joblessness. However, the Rakhmon regime argues that it does not have the funds to improve conditions at home, and shows no sign of forward planning to absorb the workers. Tajik and international observers are convinced the money is available: they argue the problem is that the country's leaders spend it on themselves. Recent episodes have shed light on alleged corruption.

## B. THE NATIONAL BANK

In late 2007, officials of the National Bank of Tajikistan (NBT) informed the IMF and other international financial institutions that since 2001 the NBT had been using its reserves to guarantee foreign bank loans to a private financial institution that had been financing the cotton sector.<sup>99</sup> This use of the reserves had not previously been disclosed.<sup>100</sup> The total sum involved was about \$310 million, of which \$240 million had been transferred as collateral to banks reportedly in Kazakhstan and Germany.<sup>101</sup> The money had gone to cover debts contracted by a private non-bank financial institution, Kreditinvest. This had been created in 2003 to manage bad assets incurred by Agroinvestbank since 2001. Kreditinvest was hived off from Agroinvestbank, and was supposed to concentrate exclusively on distressed assets, acting as a so-called "bad bank", while Agroinvest continued regular banking operations.

The transactions violated established practice in several ways. Central banks should not engage in such operations; they had not been reported; and in any case a bad bank should not be taking on new loans. The IMF subsequently noted that the Central Bank had provided them "inaccurate" data in order to obtain the disbursement of IMF funds. The subterfuge allowed

Tajikistan to receive substantial loans plus debt relief from the IMF under false pretences.<sup>102</sup>

This created a serious problem for the country's foreign exchange reserves, alleviated only by the surge in remittances in the first part of 2008. When the misreporting was revealed, gross strategic reserves (available for the emergency purchase of food, fuel and similar items in case commercial banks are not able to provide sufficient foreign exchange) were only enough to cover two weeks of imports.<sup>103</sup>

In January 2008, the NBT Chairman Murodali Alimardon was removed from his post and made deputy prime minister in charge of agriculture. Rakhmon did not mention the crisis when he dismissed Alimardon, and the former NBT chairman remains a highly influential member of the administration.<sup>104</sup> The new NBT chief has promised not to engage in such activities. Meeting in March, the IMF Executive Board agreed that the affair had "seriously undermined the credibility of the authorities with the IFIs [international financial institutions] and other donors".<sup>105</sup> The IMF also expressed concern about the "autonomy and governance" of the NBT, specifically noting conflicts of interest and failure to disclose beneficial ownership of companies as areas of concern.<sup>106</sup>

In mid-2008 Rakhmon agreed to a tightly controlled IMF Staff-Monitored Program aimed at "restoring macroeconomic stability and reestablishing the credibility" of reforms. The government also agreed to a special audit of the National Bank by the international accountants Ernst & Young, along with audits of the 2007 financial statements of the Tajikistan Aluminium Company and the energy monopoly, Barki Tajik.<sup>107</sup> (See below.)

In a letter of agreement with IMF on the Staff-Monitored Program, Rakhmon expressed "regret for the recent misreporting incident".<sup>108</sup> (There were in fact multiple misreporting incidents stretching back to 2001.)<sup>109</sup> Even before the misreporting came to light, the NBT was

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<sup>99</sup> Cotton is produced in a closed economic system that brings wealth to the small group of "investors" who control it and keep the vast mass of cotton farmers in debt bondage and abject poverty. Working as monopolists, the investors provide inputs and other basic equipment for cotton production, usually at above market prices, and buy cotton at rates well below world prices. It is not uncommon for farmers to make no profit at season's end and instead find themselves deeper in debt to the investors. For further details see Crisis Group Asia Report N°93, *The Curse of Cotton: Central Asia's Destructive Monoculture*, 8 February 2005. Legislation aimed at liberalising the situation has so far had little impact.

<sup>100</sup> Crisis Group interview, Dushanbe, 14 October 2008.

<sup>101</sup> The figures can be found in "Republic of Tajikistan: Staff-Monitored Program", IMF Country Report 08/197, June 2008, p. 5, at [www.imf.org/external/pubs/cat/longres.cfm?sk=22097.0](http://www.imf.org/external/pubs/cat/longres.cfm?sk=22097.0). Nationalities of the banks: Crisis Group interview, senior diplomat, Dushanbe, 14 October 2008.

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<sup>102</sup> Crisis Group interview, Dushanbe, 14 October 2008.

<sup>103</sup> "Republic of Tajikistan: Staff-Monitored Program", op. cit., p. 5.

<sup>104</sup> Crisis Group interviews, senior Western diplomats and international officials, Dushanbe, September-October 2008. He also attended, on the government's behalf, the high-profile Talco trial in London in November 2008.

<sup>105</sup> "Republic of Tajikistan: Staff-Monitored Program", op. cit., p. 4.

<sup>106</sup> Ibid, p. 6.

<sup>107</sup> Ibid, p. 10.

<sup>108</sup> The letter, dated 10 June 2008, can be found in "Republic of Tajikistan: Staff-Monitored Program", op. cit.

<sup>109</sup> Crisis Group interview, Dushanbe, 14 October 2008.

insolvent, the IMF staff report noted, due to its “quasi-fiscal obligations” – in other words lending to the cotton sector and state-owned enterprises in the 1990s.<sup>110</sup> Donor nations believe, or at least hope, that the outrage caused by the NBT scandal will prove a salutary lesson for the Rakhmon administration. “It makes them realise that they cannot expect IFI support while using economic assistance as a private fund to support the elite”, said a senior diplomat from a major donor country.<sup>111</sup>

### C. TALCO

The country’s state-owned enterprises – an airline, railways, the electricity monopoly and others – have long been alleged to provide substantial cash flow to the ruling elite.<sup>112</sup> The biggest of these is the Tajikistan Aluminium Company, Talco. One of the world’s largest aluminium smelters, converting imported alumina into primary aluminium, Talco is the single greatest source of Tajikistan’s export revenues.<sup>113</sup>

Given its enormous financial clout, control over the smelter is the key to control of the country. With Rakhmon’s support, the government was only able finally to wrest complete control of it in 2004.<sup>114</sup> The government ousted the former management, accusing them of corruption and implicating General Mirzoyev, former chief of the presidential guard. This led to domestic criminal prosecutions and protracted litigation initiated by Talco against the former director and others before the High Court in London, allegedly to seek redress for losses suffered. That case was finally settled, under confidential terms, in late November 2008, but only after highly publicised claims and counterclaims involving corruption.<sup>115</sup> Both sides denied the

allegations and neither admitted liability as part of the settlement.

In the wake of the National Bank scandal, international financial institutions are trying to lay bare the inner workings of Talco and Barki Tajik. The IMF called for the creation of a special monitoring unit at the ministry of finance, adding dryly that the operations of two state-owned enterprises “could be both a major untapped source of tax revenues and hitherto hidden contingent liabilities”.<sup>116</sup> The audit will be no easy task: the IMF has said Talco financial operations are completely non-transparent and the company’s main figures are reportedly classified.<sup>117</sup> Talco is also the country’s largest consumer of electricity and maintains that it supports the country by buying significant hydroelectric power; it also claims it is now better able to pay those and other costs than previously. Yet outside specialists strongly suspect that Talco’s unofficial profit margin is boosted by its access to electricity at a steep discount.<sup>118</sup>

Another problem with the audit is that those conducting it need access to the smelter’s offshore operations, in particular two companies that are registered in the British Virgin Islands, Talco Management Ltd and CDH Investments. A page on the company’s website describes Talco Management as the company’s “most important” partner, and says that Talco Management won an “open tender” to supply the smelter with “the basic technological raw materials and necessary com-

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<sup>110</sup>“Republic of Tajikistan: Staff-Monitored Program”, op. cit., p. 6.

<sup>111</sup> Crisis Group interview, Dushanbe, 19 September 2008.

<sup>112</sup> Crisis Group interview, Dushanbe, 15 September 2008.

<sup>113</sup> Aluminium accounted for 74.6 per cent of the country’s exports in the first half of 2008, according to the Tajik state customs service. The service put the value at of this at \$571.5 million. “Три четверти таджикского экспорта приходится на алюминий” [“Three quarters of Tajik exports come from aluminium”], CA-News, 18 July 2008. Until 2007, the company was known as Tadaz, an acronym for Tajik Aluminium Factory.

<sup>114</sup> Talco is owned by the state. However, Rakhmon has been actively involved in its management and oversight.

<sup>115</sup>“Tajik president accused in £90m aluminium fraud case”, *The Times*, 30 October 2008, at <http://business.timesonline.co.uk/tol/business/law/article5049335.ece>. Talco responded: “The defendants’ allegations of fraud involving the President are a smokescreen and utterly false”. Before the case settled

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in November 2008, legal fees reportedly reached £78 million, making it one of the most expensive in English legal history. “Murk comes to surface in Tajik smelter case”, *Financial Times*, 1 November 2008, at [www.ft.com/cms/s/0/d6b4e6b6-a7a5-11dd-865e-000077b07658.html?nckick\\_check=1](http://www.ft.com/cms/s/0/d6b4e6b6-a7a5-11dd-865e-000077b07658.html?nckick_check=1).

<sup>116</sup>“Republic of Tajikistan: Staff-Monitored Program”, op. cit., p. 10. Talco asserts that it presently pays \$9.5 million per month to the government. Written communication from Talco to Crisis Group, 2 February 2009.

<sup>117</sup> Crisis Group interview, Dushanbe, 13 October 2008. “Most worrisome is that the financial operations of the aluminium company (Talco), the largest SOE in Tajikistan, remain non-transparent”. “Republic of Tajikistan: Staff-Monitored Program”, op. cit., p. 7. Talco claims this is no longer the case today and that it regularly publishes trading and financial data on its website. Written communication from Talco to Crisis Group, 2 February 2009.

<sup>118</sup> Talco says it consumes 36 per cent of electricity, but that its payments to Barki Tajik, the state energy monopoly, make up 70 per cent of the monopoly’s profits. (Talco report for the first half of 2008, available on their website [www.talco.tj](http://www.talco.tj)). One senior diplomat says Talco pays “next to nothing”. Crisis Group interview, Dushanbe, 20 October 2008.

ponents for the production of primary aluminium".<sup>119</sup> Talco also claims that Talco Management is 70 per cent Tajik state-owned and run from Tajikistan by Tajiks, and that all proceeds from aluminium sales are deposited with Orient Bank.<sup>120</sup>

If the audit is thorough, said a senior European diplomat, "I think they will find that across the years the funding had been going to the government without the payment of tax. Originally this was to fund the civil war. Now ...".<sup>121</sup> There is reasonable optimism that the National Bank audit will be thorough. There is less certainty about Talco. The audit will cover only one year, 2007, and doubts remain that auditors will gain full access to the offshore accounts. Given the intense struggle he has waged over Talco, Rakhmon is unlikely to give it up without another. Yet aluminium, like the regime's other economic pillars – migrant labour and cotton prices – has been badly hit. Energy supplies to Talco were cut by 30 per cent in early January, according to Russian reports.<sup>122</sup> By late January aluminium prices were at their lowest since 2003, with analysts predicting that the fall would continue.<sup>123</sup>

## V. THE HOLLOW STATE

### A. VIRTUAL GOVERNMENT

Tajikistan's elite appears driven by one overwhelming motive: self-enrichment. This has led to a chronically weak administration and an executive structure that is deeply vulnerable to even a minor crisis. It is no coincidence that the wealthiest people are almost all in the government: access to state funds, including through the misappropriation of budgetary allocations, is a key source of enrichment. This in turn brings with it an entrenched hostility towards reform, which presents a direct threat to their financial interests.<sup>124</sup> It also means that the top levels of bureaucracy and government concentrate as much as possible on the most profitable sectors of the country, like the state enterprises.

The government claims to be making progress. For instance, the Agency for State Financial Control and the Struggle with Corruption was created by presidential decree on January 10, 2007. Yet despite several well-publicised arrests, it is viewed with scepticism by international observers and specialists in the field.

Economic sectors or geographical regions with little to offer financially are largely left alone. For these areas, the main connecting link to the capital seems to be the security structures. Gorno-Badakhshan functions largely independently – for geographical reasons as much as political. It is easier to reach cities in the Chinese province of Xinjiang than Dushanbe, one official in the regional capital of Khorog remarked.<sup>125</sup> Garm is under tenuous central control at best, though it remains to be seen if this will change with Colonel Akhmadov's removal. The northern region of Sogd, once the industrial powerhouse, is largely neglected. Khujand, the regional capital, the country's second city and once a major industrial hub, was singled out in a 2008 WFP survey on food security as being an area with a high incidence of "severe food insecurity". Over 45 per cent of families there fell into this category, the report noted.<sup>126</sup> Those in this category consume few vegetables or pulses, and no animal products; they eat two or

<sup>119</sup> See <http://tadaz.tj/pages/13.html>. The page, retrieved on 28 October 2008, is from the company's old website, created before it was renamed Talco.

<sup>120</sup> Written communication from Talco to Crisis Group, 2 February 2009.

<sup>121</sup> Crisis Group interview, Dushanbe, 18 September 2008.

<sup>122</sup> "Лимит на потребление электроэнергии введен в Таджикистане" ["Limits on the use of energy introduced in Tajikistan"], RIA- Novosti Russian News and Information Agency, 27 January 2009; at [www.rian.ru/economy/20090127/160217288.html](http://www.rian.ru/economy/20090127/160217288.html).

<sup>123</sup> "Aluminium abundance hits market", *Aluminium Today*, 23 January 2009 at [www.aluminiumtoday.com/shownews.asp?secid=&pubid=19&nav=1&newstype=0&key=Keyword&page=0&newsid=14801](http://www.aluminiumtoday.com/shownews.asp?secid=&pubid=19&nav=1&newstype=0&key=Keyword&page=0&newsid=14801)

<sup>124</sup> Crisis Group interview, Dushanbe, 25 September 2008.

<sup>125</sup> Crisis Group interview, Khorog, 17 July 2008.

<sup>126</sup> "Urban Tajikistan Emergency Food Security Assessment: A Joint Food, Security, Livelihoods, Agriculture and Nutrition Assessment", WFP, April/May 2008, p. 4. See "Rural Tajikistan Emergency Food Security Assessment", op. cit., for the situation in the countryside.

less meals a day, while 40 per cent of this group probably spend “entire days without eating”.<sup>127</sup>

When it comes to basic services like health and education, the population is largely on its own. The amounts of money at issue in the Talco and NBT affairs – not to mention the \$300 million supposedly spent on the Palace of Nations, a massive, usually empty government reception building in the centre of the capital<sup>128</sup> – are enormous in a country whose budget amounts to about \$700 million a year. They are even more striking when viewed against the money allocated to key social sectors – \$203 million for education in 2008, \$75 million for health – especially considering the conditions of infrastructure and services in both areas.

Some of the main donors bluntly say the money they provide is used not to supplement the budget, but to free up budgetary funds for other uses, in most cases personal wealth creation. “You just know they wait each year to see how much we are going to put up before deciding how much of their revenues they will put in”, said one senior international official.<sup>129</sup> Most schools lack adequate sanitation, the government admits, and the educational system is “several hundred thousand places short of need,” according to a government social scientist.<sup>130</sup> Parents who can afford it give gifts to teachers to keep schools going, and they pay bribes to have their children admitted to universities.

Conditions in Tajikistan’s hospitals, including those in the capital, are at best basic. Corruption is widespread within the health system (as it is in other parts of Central Asia and much of the former Soviet Union), with informal payments required for access to qualified specialists and an acceptable level of treatment. Some 70 per cent of all health costs are met by the population, with about 16 per cent coming from the budget, according to the National Development Strategy.<sup>131</sup> A

substantial portion of the budget allocated to schools and hospitals is thought to be lost to corruption, while donors report that follow-up visits to recipients of funding or equipment sometimes reveal diversion of funds or theft of equipment.<sup>132</sup>

Another issue linked to corruption is the physical and intellectual poverty of government administration. Government organisations at most levels are desperately short of trained cadre. In late 2008 the health ministry in Dushanbe numbered 52 people, including support and maintenance staff, and about a third of professional positions in the finance ministry were vacant.<sup>133</sup> Qualified people either leave the country, or leave government service as soon as they can for work in international organisations or non-governmental organisations. The result is paralysis, born largely of lack of training or incompetence, at all levels of the government. Even if the regime wanted to implement change, it does not have the capacity to do so.

When a senior executive closely connected to ruling circles proposed a modest innovation in the country’s external economic relations over a year ago, he had no problem obtaining the president’s signature on the proposal. From that point on, however, he came across a wall of suspicion and pure incompetence. “We might as well have been talking to them in Chinese”, he recalled of his talks with senior financial officials. “They had no idea”.<sup>134</sup> The plan is still stalled. Access to the president and his senior aides is not a problem, said a senior international official. “It’s the lack of understanding about how to run a country”.<sup>135</sup> Senior diplomats say the same thing. “We are not just dealing with selfishness and greed, but incredible incompetence at all levels”, said top European diplomat. “There is no capacity to govern”.<sup>136</sup>

## B. TROUBLE WITHIN

At regular intervals the president or his representatives warn of the danger from Islamic extremism, or the media carries news of a brief clash with alleged gunmen of the Islamic Movement of Uzbekistan, whose fighters are intermittently reported to operate in Tajikistan. Concerns are aired about the influence of salafism,

<sup>127</sup> Ibid, pp. 2-3.

<sup>128</sup> Western ambassadors are unimpressed by the argument that the building is needed to impress potential foreign investors. The ambassador from one potentially major investor, Russia, has been known to observe that the only Russian companies that invest in Tajikistan do so on orders from the Kremlin.

<sup>129</sup> Crisis Group interview, Dushanbe, 16 October 2008.

<sup>130</sup> Crisis Group interview, Dushanbe, 6 October 2008.

<sup>131</sup> According to its preamble the National Development Strategy “defines the priorities and general thrust of government policy, which is focused on achieving sustainable economic growth, expanding the public’s access to basic social services and reducing poverty”. National Development Strategy of the Republic of Tajikistan for the period to 2015, presented 15-17 March 2007 in Dushanbe. Available at <http://undp.tj/>.

<sup>132</sup> Substantial losses: Crisis Group interview, Dushanbe, 4 October 2008. Diversion and theft: Crisis Group interview, senior European diplomat, 22 October 2008.

<sup>133</sup> Crisis Group interview, senior European diplomat, Dushanbe, 22 October 2008.

<sup>134</sup> Crisis Group interview, Dushanbe, 20 October 2008.

<sup>135</sup> Crisis Group interview, Dushanbe, 26 September 2008.

<sup>136</sup> Crisis Group interview, Dushanbe, 23 September 2008.

a puritanical Islamic movement that seeks to emulate the practices of the Prophet Mohammed and his companions. These views are making inroads among young Muslims.

There is little doubt that salafist influence is spreading. Young Muslims guess that about 20 per cent of their contemporaries who attend mosque regularly are attracted by the teachings. Some, however, including those who say they would like to see Tajikistan eventually become an Islamic state, add that aspects of salafist teaching, notably its disapproval of prayers to ancestors, also alienate many.<sup>137</sup> In January 2009 the salafist movement was banned.<sup>138</sup>

Government officials and those who remember the war and its aftermath perceive a different threat in the continuing efforts of Mahmud Khudoyberdiyev to subvert the regime. An ethnic Uzbek and once a senior commander under Rakhmon, Khudoyberdiyev fled to Uzbekistan after an unsuccessful revolt in 1997. He tried again to trigger an insurrection the following year when he invaded the northern province of Sogd. Driven back into Uzbekistan, he is said still to be plotting against the Tajik president, these days with the support of Karimov.<sup>139</sup> Although Rakhmon opponents say that Khudoyberdiyev is in regular contact with sympathisers inside Tajikistan, they do not believe he poses a threat in the near to mid term.

Islamists or Khudoyberdiyev could quickly turn into a major problem for the regime if the power structures begin to fracture. But many along the political spectrum believe the real challenges to Rakhmon's power will originate within his regime. Tajik political analysts usually single out Makhmadsaid Ubaidulloev, chairman of the upper house of parliament and mayor of Dushanbe, as a potential rival or successor. Originally from Kulyab, Ubaidulloev has been close to the top of the hierarchy and for many years was Rakhmon's closest political counsellor. Relations cooled a number of years ago, but Ubaidulloev maintained his highly influential position. Despite the chaos in Dushanbe during the winter of 2007-8, he suffered little more than a few public rebukes, aided probably by his close

relationship with Moscow Mayor Luzhkov.<sup>140</sup> A number of political analysts believe that Ubaidulloev has once again been brought back into the president's inner circle.

Those closer to the regime, however, say the real threat to Rakhmon is not intrinsically political, and does not have a clearly-defined structure. It is a subtle, shifting pattern of manoeuvrings for influence and wealth. "The real opposition is within the elite", said a well-placed figure in the private sector. The president is constantly balancing divergent and sometimes mutually hostile interest groups. They could be members of the family, or "business interests who may just be too strong right now for the president to control completely".<sup>141</sup>

The name that usually crops up in conversations on this subject is Murodali Alimardon. The former National Bank chairman and now deputy premier is far from disgraced; he still enjoys access and clout in the presidential chambers. Interestingly many of the same international officials and ambassadors who are furious over the NBT misreporting now praise him as a man who can be relied on to get things done. One senior diplomat is, however, more interested in another aspect of Alimardon. He has his own financial power base, the diplomat says, more or less independent of the president, despite a long track record of being one of the president's closest associates. "Of all the personalities in the government, he would be the one most likely either to succeed or emerge as an opponent".<sup>142</sup>

Possibly the biggest threat, and certainly the hardest to gauge, comes from the president's family, in particular the younger generation. The president's nine children have grown up with a considerable sense of entitlement, and now seem determined to claim their share. The family's demands are likely to reinforce the regime's aversion to any serious political or economic reforms. The risk is not so much a power grab, but feuds within the ruling elite that further stress the framework of an already brittle regime, thus allowing opportunist opponents from within or outside Tajikistan to make their move.

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<sup>137</sup> Crisis Group interviews, main mosque, Dushanbe, 10 and 17 October 2008.

<sup>138</sup> "«Салафия» объявлена в Таджикистане вне закона" ["Salafism declared illegal"], Asia-Plus News Agency, 8 January 2009, at <http://asiaplus.tj/news/47/44944.html>.

<sup>139</sup> Tajik government officials say that Khudoyberdiyev commands a special military unit in Uzbekistan. A Tajik presidential adviser says that the unit played a central role in the suppression of the May 2005 in Andijon, Uzbekistan, when many hundreds of people were killed.

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<sup>140</sup> The influence of Mayor Luzhkov's taste in architecture, massive grotesque modern baroque, is visible in some of the most prominent new buildings in central Dushanbe, many of them joint ventures with the city of Moscow.

<sup>141</sup> Crisis Group interview, private sector source, mid-October 2008.

<sup>142</sup> Crisis Group interview, senior diplomat, Dushanbe, 20 October 2008.

### C. THE AFGHANISTAN FACTOR

Afghanistan preoccupies President Rakhmon, his foreign interlocutors say. He raises it a lot, is well informed about events in both Afghanistan and Pakistan, and is clearly concerned by the current situation. He worries about the Taliban and is keen to see the Western coalition do more to get rid of them.

He has good reason to be concerned. It would be an understatement to call the 1,200km border between the two countries porous. It is thinly policed, inhabited on the Afghan side by ethnic Tajiks – there are more ethnic Tajiks in Afghanistan than there are in Tajikistan<sup>143</sup> – and many areas have long ago drifted from the control of the central government.<sup>144</sup> The border is one of the main routes for drugs coming from Afghanistan on their way to Russia, Europe and increasingly to China and East Asia. An active anti-drug control program has failed either to tighten up control on the border or slow the drug flow. While Tajikistan has a high rate of drugs seizures, specialists and diplomats say that the pattern of drug operations suggests that the couriers are being caught while large shipments slip through the net. Diplomats feel there is high-level government involvement in the drug trade.<sup>145</sup> Sources say that last year counter-narcotics operatives arrested a senior official. The official was eventually released, and the operatives were then imprisoned themselves. The incident was not reported in the press.<sup>146</sup>

Yet despite his concern about the situation there, Afghanistan paradoxically increases Rakhmon's imperiousness to Western pressure. Rakhmon's single most effective tactic since the civil war may well have been his emptying of the political space, thus depriving anxious or angry donor nations of an attractive alternative. He uses his proximity to a dangerous and fragile state that is at war with Islamic extremists to reinforce his implicit argument that only he should be allowed to set the pace of change. But the glacial pace now – if there is any change at all – is undermining

any remaining hope that Tajikistan can fulfil the function that the U.S. and EU see for Tajikistan, as a stable and prosperous bulwark against the spread of extremism, terrorism and drugs from Afghanistan.

Growing concern about Pakistan's ability to provide a reliable supply route for military operations in Afghanistan could lead to an expansion of U.S. or NATO bases in Central Asia, perhaps including Tajikistan.<sup>147</sup> Establishing a major logistics base in a near-failed state, however, would be a risky proposition. Rakhmon would probably welcome the idea, assuming he could persuade Moscow to accept it. But the creation of a base within striking distance of the Afghan border might finally make Tajikistan, with its threadbare security structures, an appealing target for Islamist extremists.

Even without this, the Taliban are slowly moving towards the Afghan-Tajik border, and Tajikistan itself is foundering further into corruption and incompetence. When senior international officials or visiting ministers raise such concerns with the leadership in Dushanbe, they are urged to understand that "these things take time", or that they are part of the culture. Senior members of the regime are masters at handling Western officials, and, says one international civil servant, they know full well that their foreign interlocutors are usually only around for a couple of years. "They know how to talk the talk, but they do not walk the walk", said a private sector figure, who is far from negative about the regime's long-term prospects. "They will only go as far as they have to in order to get the money they need".

The fundamental preconditions to the creation of a real bulwark against the spread of instability from Afghanistan – economic and political reforms and a viable system of government – will not happen for decades. "A few years ago", said an ambassador, "some people in the diplomatic community used to say 'give the country and the leader the benefit of the doubt.' Others were deeply critical. This really changed last winter. The complete lack of response by them to that mess exemplifies what a bankrupt regime this is. We have realised that by going along with it we are being complicit". The obstacles to any policy change are twofold: the absence of a potential successor on the ground; and the absence of interest in Tajikistan in Western capitals.<sup>148</sup>

Political inertia in Western capitals means that some senior diplomats feel that even the unprecedented audits of NBT and Talco will ultimately achieve nothing. A

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<sup>143</sup> About 8.8 million in Afghanistan versus 7.2 million in Tajikistan. See for example figures in CIA Factbook. Neither country has ever carried out a reliable census so all population figures must be treated with caution.

<sup>144</sup> Interviews on the border 2001 and earlier by Crisis Group analyst in a former capacity, and Crisis Group interviews, diplomats and international aid workers, Dushanbe, September-October 2008. During some periods of his war against the Taliban the Afghan resistance leader Ahmad Shah Masoud had a house in Dushanbe.

<sup>145</sup> Crisis Group interviews, Dushanbe, September-October 2008.

<sup>146</sup> Crisis Group interview, Dushanbe, 19 September 2008

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<sup>147</sup> "Convoy attacks trigger race to open new Afghan supply lines", *The Guardian*, 9 December 2008 at [www.guardian.co.uk/world/2008/dec/09/afghanistan-nato-supply-routes](http://www.guardian.co.uk/world/2008/dec/09/afghanistan-nato-supply-routes).

<sup>148</sup> Crisis Group interview, Dushanbe, 20 October 2008.

senior diplomat from a European state said, “we will end up telling the country’s leaders to discipline themselves. I don’t think they will agree”. And the West will have no leverage to push for real change, he continued. “What everyone fears here is more bloodshed. I don’t think the West will risk anything just to the north of Afghanistan”, the diplomat concluded.<sup>149</sup>

## VI. CONCLUSION

The Rakhmon regime could, theoretically speaking, collapse at any moment. This is because the institutional structures which usually support any political regime are missing in the case of Tajikistan. The only reason it has not foundered so far is that it has not been hit by a crisis or catastrophe of sufficient magnitude. With its infrastructure and social systems crumbling by the month, however, the size of crisis needed is getting smaller and the country less resilient. Rakhmon pays little attention to such problems, or perhaps does not believe they exist. He outmanoeuvres his opponents and has stymied Western efforts to promote reform by positioning himself as the only person who can keep the country together. Yet this centralisation of power does not make the country any more stable or viable. Rakhmon governs day by day, crisis by crisis, without protecting or providing for his people.

Tajikistan relies on foreign aid for a good part of its budget. Foreign countries have until now employed half its work force. Migrant labour money keeps a large part of the country out of total destitution – and fills the bank balances of the wealthy. This could change in 2009 as the world economic crisis bites. Moreover the price of its main export, aluminium, has also dropped sharply as a result of the world economic crisis. Meanwhile the regime hopes social passivity born of a nightmarish civil war will inhibit its people from coming out on its potholed streets in protest against the country’s rulers. There are no signs of government contingency plans for any eventuality whatsoever, from a natural disaster to the sudden disappearance of overseas employment for half its workforce. There is in any case very little chance the government could implement them even if they did exist. The Rakhmon regime seems to be using its helplessness as a lever: don’t challenge our methods, keep the money coming in; if not our regime will collapse.

The international community’s position is based on a leap of faith. They know that the regime is not fulfilling the basic role that the West hopes for – an islet of stability on Afghanistan’s northern borders. Western security priorities in the region will not, however, be reliably served by an incompetent, venal state near collapse. Yet, for want of a viable alternative, they feel constrained to work with President Rakhmon. Few senior officials in Western capitals know where Tajikistan is and will only become interested in the country if it becomes another of the obscure states that forces its way onto the world’s consciousness by becoming the epicentre of a major crisis.

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<sup>149</sup> Crisis Group interview, Dushanbe, 23 September 2008.



There may well be no revolt. The regime may just quietly crumble and collapse. The stakes are, however, too high to do nothing. Tajikistan's other neighbours, Kyrgyzstan and Uzbekistan, are fragile states with few structural resources and are deeply vulnerable to shock waves from major unrest or societal collapse. The reverberations of a crisis in Tajikistan would be felt throughout Central Asia.

Donor countries, and particularly their home governments, need to recognise that continuing to fund a regime racked by corruption is no way to alleviate a crisis. Aid flows need to be reconfigured to keep them out of corrupt hands as much as possible. Any aid to the state should be delivered in small, verifiable tranches, with strict conditionality every step of the way. Failure to meet benchmarks should be met with immediate sanctions. These should include well-publicised rebukes of the leadership. Criticism behind closed doors inflicts only short-term pain to autocrats. Public criticism not only impacts leaders' well-fed egos: it damages their standing within a society where they like to be seen as infallible, and thus untouchable. Those who have engaged in large-scale corruption should be the focus of targeted sanctions including visa bans and asset freezes.

Tajikistan is presenting what has become an increasingly common dilemma for suppliers of foreign assistance. Aid entrenches government corruption and incompetence. Giving the money to NGOs further weakens the state and widens the gap between rulers and people.<sup>150</sup> Having what should be state functions such as education and healthcare provided by civil society reduces accountability and leaves a vestigial state as simply a source of violence and corruption, as is the case in Bangladesh and Afghanistan.

Providing budgetary support can in the long run increase state capacity, but only if there is a political willingness to do so. Rakhmon has blocked all efforts at state building and shows no genuine willingness to address the country's many problems. In these circumstances it may be possible to channel more money to local authorities who are more accountable, accessible and less prone to the predations of an increasingly centralised state. Village-run schemes hold promise for delivering benefits.

Sooner or later, the international community will have to engage the Rakhmon administration in a thorough-

going dialogue about the future. Initially this should touch on the role that a dynamic civil society and media can play in Tajikistan, particularly in the monitoring and investigation of state corruption, the use of budgetary funds and foreign aid. Support could include training if necessary, but the key would be assertive support of civil society and media groups in the event of state harassment – either direct, through the courts, or indirect, such as pressure on family members, unwarranted financial audits and the other tactics used in Tajikistan and throughout Central Asia.

In the longer term, however, the discussion will have to shift to political reform. Rakhmon should be urged to open up the political space in Tajikistan, should be made to realise that a transparent political system and free elections could prove the best guarantee of his and his family's long term well-being. If necessary the international community should be willing to discuss security guarantees for top state officials in the event that the present government is defeated in free and fair elections.

Any coordinated response to corruption is likely to run into problems of priorities. The French government stations forces at the airport in Dushanbe in support of its operations in Afghanistan. The U.S. has maintained a close security relationship, and clearly wants to make Tajikistan part of a new logistical route supplying the Afghan war effort. Germany is pursuing what it calls a policy of *realpolitik* throughout Central Asia, maintaining close and essentially uncritical relationships with the governments there. Western countries are also concerned about the influence of Russia and China and are aware that neither Beijing nor Moscow is likely to join any concerted action to press for democratic or economic reforms.

As things stand, a small self-perpetuating inner circle in Dushanbe, intensely fearful that reform will destroy its grip on power, is facing off against a donor community that, despite deep frustration at the Tajik leadership's malfeasance, is incapable of taking a united stand in favour of comprehensive, genuine reform. Unity within the international community has always been a rare commodity, and Tajikistan is a very low priority in most world capitals. Yet unity in their approach to this small country could produce big dividends and avoid even bigger problems.

**Dushanbe/Brussels, 12 February 2009**

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<sup>150</sup> See Ashraf Ghani and Clare Lockhart, *Fixing Failed States: A Framework for Rebuilding a Fractured World* (Oxford, 2008).

## APPENDIX A

### MAP OF TAJIKISTAN

