Russia-Tajikistan: Bilateral Cooperation

After supporting Emomali Rahmon on the presidential elections of November 2013, Russia seems to be rather determined to provide economical assistance to Tajikistan. One can name it a timely decision since the socio-economic situation in the Republic is deteriorating rapidly, which can result in a period of internal political instability. To assess the situation on the ground and forecast possible developments Russia's First Deputy Prime Minister Igor Shuvalov arrived to Dushanbe on January 22, accompanied by a government delegation. The delegation that was going to contribute to the work of the intergovernmental commission. The same flight brought a number of prominent businessmen that would eye every opportunity for local investments.

For the first time in three years an intergovernmental commission of Russia and Tajikistan was assembled in Dushanbe (Jan. 22-24), which became possible due to the exchange of ratification instruments of the agreements on the extending lease of the Russia's 201st Military Base, on the duty-free oil supplies from Russia to Tajikistan, on the migration issues. All three were signed by the Presidents of the respective countries back in the Autumn of 2012.

The reboot of economic cooperation between the two countries could have been started earlier, if the Tajikistan parliament hadn't been refusing to ratify the agreement on the 201st Base for a considerable period of time. One can assume that this delay wouldn't be possible without a silent approval of Emomali Rahmon. Dushanbe had been trying to force Moscow into providing Tajik migrants with certain privileges along with suspending fees on the supplies of petroleum products to Tajikistan, even though they could have been redistributed to Afghanistan later on. At the same time Tajikistan was negotiating the possible military cooperation with the United States, which could mean US financial investments in the Tajik economy.

However, Russia couldn't afford losing Tajikistan for a number of good reasons. The first and foremost - security issues. Russian space tracking station "OKNO" (window) has been deployed in Nurek, Tajikistan. Being the most powerful modern tracking complex which must be able to alert the entire central and Siberian parts of Russia should they be attacked from the Southern, South - Eastern and Western direction. This station, in contrast with the one in Gabala in Azerbaijan, is absolutely critical for Russia's security.

The second reason is that should Russia have lost Tajikistan, it could wave Uzbekistan and Kyrgyzstan goodbye. Therefore, Moscow expected a clear answer: "Where are your friends, Mr. Rahmon - in Moscow or in Washington?" According to the leader of the Social Democratic Party of Tajikistan Rahmatillo Zoiyrov, the public image of Tajikistan at the international stage has suffered a number of rather sensible blows over the last seven years by the virtue of weathercock foreign policy and a number of domestic issues, thus Tajikistan to get the benefit it expected to gain. Rather it has recently become an instrument of geopolitical manipulations of the different Western and Eastern countries. According Zoiyrov, the U.S. and Europe are in no hurry to invest in Tajikistan.

"Tajikistan is presented to the international community as a 100% corrupted unreliable partner - said Zoiyrov. - With the exception of Russia, many players, including the United States and the European Union are tired of waiting for a better investment climate in Tajikistan, so they refuse to support strategic projects of Tajikistan by maintaining relationships on a "limited" level". China has recently taken advantage of the situation, it conquered the local market in no time, so today the PRC is the main creditor of Tajikistan.
Some experts believe that Tajik authorities are focusing on the development of the new branch of economy - labor migration, which can be regarded as deliberate driving of the population out of the country. According to head of the economy department of the CIS Institute Aza Mihranyan this direction has no official status. “In view of the scarcity of natural resources and economic potential of labor, it remains a major export resource of many countries. Authorities in countries such as Tajikistan should make some programs that would not only shape the outflow of the population, but also the flow of money that are sent back home by the people that has already left,” she said. According to her, the government should recognize that the people that went abroad are investing in the country, so the migration should be consider as a vivid investment opportunity.

Against this background, the Russian - Tajik intergovernmental commission had something to chew on, on top of all the previous meeting was held a long while ago. So the agenda was pretty extensive, a total of 18 questions in the fields of electricity, transport, communications, information technologies and mass communications, agriculture, water resources, education and science, civil defense, environmental protection, labor migration was thoroughly discussed. But the most pressing topic of all was the problems that the Russian enterprises face in Tajikistan. At present there’s a total of 125 joint ventures operating in the Republic, and the most problematic of them all is Sangtuda 1.

Sangtuda 1 Hydroelectric Power Plant has been in operation for four full years now. On July 31, 2009 in the presence of the former Russian President Dmitry Medvedev and his Tajik counterpart Emomali Rahmon, a plant consisting of four hydraulic units with total capacity of 670 MW was officially opened. Current Tajikistan's bid in this project is 25% plus one share. The remaining shares of "Sangtuda -1" are distributed as follows: the state corporation "Rosatom" - 60.13% minus one share, "RAO UES" - 14.87%. Annual electricity production is 2.7 billion kWh. For the time of exploitation the Power Corporation of Tajikistan “Barki Tdzhik” has accumulated a debt to Sangtuda-1 that amounts to 89 million. The issue has been discussed on a number of international meetings, but the debt of Barki Tojik continues to grow with each passing month.

Experts believe that the situation around Sangtuda 1 can not only scare off foreign and Russian investors from investing in the energy sector of Tajikistan. Today "Sangtuda -1" is the only major Russian - Tajik project in Tajikistan, thus it requires particular attention. It can serve as a kind of indicator for investors who wish to invest in the energy sector of the country.

Tajikistan, by the way, has not buried the project of the Rogun Dam just yet, the one that has become a bone of contention between Tajikistan and Uzbekistan. Dushanbe has recently turned to Moscow once again, asking for assistance in the construction of the largest hydroelectric power station in the region. - the Extraordinary and Plenipotentiary Ambassador of the Republic of Tajikistan Abdumadzhid Dostiev met with Russian Deputy Foreign Minister Grigory Karasin, during the meeting they discussed the "reasonable use of water resources in Central Asia"; for the most part the meeting was devoted to Rogun problem. Tajik diplomat explained his country's position on the construction of the Rogun hydroelectric power station and asked to support the position of Tajikistan at a meeting of the World Bank.

Despite all the troubles, Russia remains the main investment partner of Tajikistan with a total volume of accumulated foreign direct investment of more than 1.2 billion dollars, which amounts to 50% of all foreign direct investment in the economy of Tajikistan. “Gazprom” alone, being a leading explorer of gas and oil fields in Tajikistan, has been investing 30 million dollars annually. For the last seven years Russia secured the title of the main trading partner of Tajikistan. In 2011 and 2012 between the two countries exceeded U.S. $1 billion. In 2012, it amounted to 1.1 billion U.S. dollars, an increase compared to 2011 by 2.7%. Russia's share in the total turnover of Tajikistan in 2012 was 20.8%.

Given all this, it becomes clear why the visit of the Russian delegation, headed by Igor Shuvalov in Tajikistan is highly regarded not only in Dushanbe, but also in Moscow.

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