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AUTHOR: SHAHRBANOU TADJBakhsh, Colombia University

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PROJECT INFORMATION:

CONTRACTOR: Columbia University

PRINCIPAL INVESTIGATOR: Shahrbanou Tadjbakhs h

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Executive Summary

Despite the introduction of the national currency, known as the Tajik Rubl in May 1995, economic relations between different regions of Tajikistan is increasingly falling apart. Figures released by the Government Center for National Statistics show a sharp decline in all spheres of the economy between the first nine months of 1995 and the period between January and September 1994. Production has fallen, inflation has risen, and the value of the national currency has decreased considerably for lack of proper backing. The Government is reluctant to liberate prices at a time when wages cannot be paid in full; the Ministry of Bread, the only one of its kind in the CIS, is still regulating the price of bread and bread products.

The post-Soviet economy of Tajikistan is characterized by a breakdown of responsibilities, decentralization at all levels, and increased individual activity for subsistence. In an atmosphere where the formal wheels of market economy, including privatization and reforms, are not set fully in motion as desired by the IMF and the World Bank. Whereas national industries do not function sufficiently for the State to assure workers' income, and whereas the Sovkhoz (state farms) and Kolkhozes (collective farms) suffer from a lack of fuel, equipment, spare parts and resources, individuals are left to find ways to increase their subsistence agriculture and to barter for consumer goods using creative markets. Yet, the geographical isolation of the different regions, fuel and transportation problems, and political insecurity have hampered efforts to trade between the regions and with the Center. Trade with outside the republic, on the individual, small scale level, however, has increased because, and in spite of, difficulties.

Three trends are distinguished in the economy of Tajikistan today: 1) the breakdown of central control, 2) search for new, alternative markets and 3) political mistrust at the national level leading to "economic regionalism". The breakdown of the economy has been caused by internal conditions, including war and the exodus of specialists, as well as external ones where trade relations have been disrupted between the former republics of the USSR, on which Tajikistan heavily depended. Because the Soviet system had ensured this dependency by building industries in one republic and extracting raw materials from another, the economy of Tajikistan has become crippled in the post-Soviet independence. Deprived of incentives, the new "center" to which power has been transferred from Moscow, cannot provide goods to its regional governments, which are increasingly searching directly for new markets. At the individual level, a decrease in government support has also meant relying more on family or village trade with other regions of Tajikistan or outside the republic, an activity facilitated by the new phenomenon of "economic refugees."
"Economic Regionalism", the tendency for individuals and institutions to take up direct care of the economy of the regions instead of the national economy, is a trend that is increasingly visible, but is in fact a legacy of seventy years of Soviet rule. In the Soviet period, industries were built in certain regions, whereas others were not developed sufficiently. Poor infrastructure, specifically the lack of connecting roads, prevented the creation of the basis for a harmonious national economy, whereas the forced migration of mountain people to cotton fields led to discontent and competition between different communities living in specific regions.

For now, the opening of new markets, the search for alternative modes of subsistence, the hand-over of responsibilities from the center to the regions and from institutions to individuals are all positive steps toward market economy. In Tajikistan, however, given the lack of incentives to hold the country together, economic regionalism can destroy what remains of the national economy.
ECONOMIC REGIONALISM IN TAJIKISTAN

Shahrbanou Tadjbakhsh

As a member of the Soviet family, the Soviet Socialist Republic of Tajikistan depended on subsidies from the Center for up to 80% of its economy. Although it was a source of raw materials such as cotton, aluminum and uranium, the production of these resources depended heavily on the supply of fertilizers, fuel and spare parts provided by other republics, mainly Russia. If Tajikistan ran the highest trade deficit in the USSR, it also enjoyed credit allocation on a regular level. With the break-up of the Soviet Union, and the interruption of input into the country, competition over shrinking resources led to political, ethnic and religious fragmentation that culminated in a civil war at the end of 1992 with up to 40,000 casualties, the exodus of 50,000 refugees and the internal displacement of up to 500,000 people. Three years later, the republic has undergone presidential elections, the ratification of a new Constitution, the return of thousands of refugees, five rounds of a UN sponsored negotiations for a political resolution of the conflict between the Government of Tajikistan and the Opposition in exile, and the introduction of a national currency, the Tajik Rubl. The socio-economic situation, however, remains in such a critical state as not to dismiss the possibility of another internal break-up along regional lines.

According to figures released by the Government Center for Statistics of the Republic of Tajikistan for the first nine months of 1995 (January-September), lack of food, resources, specialists, loss in value of the national currency and the liberation of prices have led to an economic decline compared to the same period last year.\(^2\) There was less agricultural production, less investment and less food for people in the first nine months of 1995 than in 1994. Production decreased by 14% from the same period last year; Between January and September 1995, the production of food fell by 22%, of non-food by 42% and of light industry by 52%. The report gives the example that only 40 refrigerators were produced in this nine month period in Tajikistan, as opposed to 3,150 during the same time last year. The minimum wage in August was 779 Rubles, but the real wages, which would take the high inflation into account were 36.8% less than the rate as it stood in December 1994.

The national currency, known as the Tajik Rubl, which was valued at 100 Russian Rubles at its introduction in May 1995, was supposed to speed up the privatization process, the liberation of prices, the liquidation of the budget deficit and help foreign trade activity. Backed neither backed by the IMF nor by sufficient Gold reserves within the country, however, the Tajik Rubl was soon on its way to devaluation. Three months after the introduction of the national currency, the Dollar rose against the Tajik Rubl by 16%. In September, the rate was 2.3 times more than its initial value, and by December, a Dollar which had cost 50 Tajik Rubles in May, cost as much as 290 Tajik Rubles. The introduction of the national currency, although it meant that wages were paid for the first time in almost a year, was not as successful with traders and people with savings accounts. As it had happened once before when the Soviet Ruble was transformed into a Russian one, depositors lost most of their money in the bank. The exchange rate of 1 Tajik Rubl for 100 Russian ones in May did not apply to the savings deposited in Tajik banks, which set their rate at 1 to 2400. As a result, people lost their confidence in the banking system: The little money they had, they circulated in kind or in foreign currency. Increasingly, the "New Tajiks", businessmen making enormous profits from selling cotton and other resources privately, learned to keep inflating bank accounts in Switzerland. Furthermore, if the Tajik Rubl were to be considered a national currency, it would have to circulate on the national level according to the law; in the absence of any kind of control, however, Russian Rubles continued as the preferred currency in circulation in bazaars outside of Dushanbe, especially in the northern province of Leninobod and in western Khatlon where private traders brought their goods from Russia, Uzbekistan, Iran, Turkey and the Arab Emirates. In cities and towns close to the border of Uzbekistan, such as Buston and Asht in Leninobod, not only do traders in the bazaar but also the uncanny policeman demanding penalty from a speedy driver ask to be paid in the Uzbek Som. In Dushanbe, newspapers advertise the price of houses and goods either in Dollars or in Russian Rubles. Constant rumors that the Russian Ruble will soon replace the discredited Tajik one do little to help people's confidence in their national currency.

For the Rubl to have any value, the government must liberate prices, begin large scale privatization and free foreign and domestic trade. Yet, for prices to be freed, people have to be paid normal wages. For the wages to be paid, factories have to be set in motion. For factories to produce, they need spare parts, fuel and raw materials. For the government to produce these necessities, foreign currency is needed. And to obtain the latter, the Government must either produce enough goods to sell abroad, or show enough initiatives for the international community to give it loans and grants. However, none of these mechanisms are set in motion to correct the problems at the present time.
The international community would like to see political and economic changes in Tajikistan, a viable banking system, taxation reforms and a legal status for privatization. In the summer of 1995, the World Bank did the preparatory work to give a credit for $35 million for rehabilitation to the Government of Tajikistan, a loan that would be used for trade, industry, agriculture, fiscal policy and the development of the private sector. But for the Government to receive this amount from the World Bank, it would have to adhere to the policy changes advocated by the IMF, and privatization is one of the most important priorities. The World Bank estimates that by August 1995, only 1,200 enterprises out of the 18,000 existing ones were privatized, that the State Property Committee was not authorized to privatize and there was no ministry directly responsible for the development of the private sector.

Despite two attempts in August and in December, the Government has still not been able to free the price of flour, wheat, bread and bread products. Yet, even with continued regulation by the Government, the price of bread increased 6 times in two months, leading to high inflation in other goods at the same time. Tajikistan is the only country in the CIS at present which has a Ministry of Grain responsible to partly regulate the price of bread. By the estimates of the Minister, the country has to import 600 thousand tons of wheat from abroad, yet it lacks enough resources to sell or to exchange for wheat. When bread is occasionally in serious shortage, private businessmen provide flour for buyers nationally and regionally, bypassing formal structures such as the Ministry of Grain. Needs are often taken care of locally and the middlemen are enriching themselves despite the slow and regulated government hand. Where flour is sold by the middlemen, one sack (50 kilos) which was supposed to cost 750 Rubles according to government prices in late September, would not be sold at less than 4,000 Rubles.

The price of all food products rose 4.1 times between January and September 1995. According to the Government report cited above, the prices of animal oil, meat, potatoes and vegetables, and cheese rose 10-11 times, vegetable oil, macaroni, sugar products and salt rose four to four and a half times. The price of non-food goods had risen by 93.4% in September. An informal market survey conducted for UNHCR in the summer of 1995 showed that the prices of goods, both food and non-food, were less if paid in Russian Rubles, and that in general, the prices were lower in the capital than in other provinces, especially Leninobod and Badakhshan, in the latter province due to the lack of access to transportation to markets through mountainous roads. Throughout the country, according to the international NGOs which carry out regular surveys of the bazaars in Tajikistan, such as German Aga Action and Save the Children US, wages, even if paid in full do not cover the average family consumption basket which includes meat, bread, eggs, milk, onions, carrots, potatoes and green tea.
The post-Soviet economy of Tajikistan is characterized by a breakdown of responsibilities, decentralization at all levels, and increased individual activity for subsistence, all in an atmosphere where the formal wheels of market economy, including privatization and reforms, are not set fully in motion as desired by the IMF and the World Bank. Since national industries do not function sufficiently for the State to assure workers’ income, and since the Sovkhoz (state farms) and Kolkhozes (collective farms) suffer from a lack of fuel, equipments, spare parts and resources, individuals are left to find ways to increase their subsistence agriculture and to barter for consumer goods using creative markets. The geographical isolation of the different regions, fuel and transportation problems, and political insecurity have hampered efforts to trade between the regions and the Center. However, trade with outside the republic, on the individual, small scale level, has increased because and in spite of difficulties.

Three trends are distinguished in the economy of Tajikistan today: 1) the breakdown of central control, 2) a search for new, alternative markets and, 3) political mistrust of the national level leading to "economic regionalism".

1) Breakdown of Central Control

The current economic stagnation has both internal and external causes. Socio-political difficulties since Perestroika, culminating in the 1992-1993 civil war, led to the exodus of thousands of specialists and capital, causing the break-down of industries. According to figures released by the Minister of Economy and Finance, by mid-1993, the civil war had added a cost of 200 billion Russian Rubles to the already drained economy of Tajikistan. The majority of skilled specialists left the country, major industrial factories, especially the aluminum plant in Regar, did not function at full capacity, and fuel problems continued to hamper the collection of cotton harvests. Following the war, the government had to use most if not all of its state resources for the restoration of the economy, including advancing emergency measures such as state monopoly over cotton and aluminum exports and state control of resources.

The measures that the government sought to take were a major departure from the former Prime Minister Abdulmalik Abdullojonov’s initial plan for economic recovery in Tajikistan, in the fall of 1992, which sought to introduce a "softer transition model to market economy" on the models of China, Singapore and Turkey, and to draft laws on privatization of large enterprises. He talked of attracting scientists from other countries and universities to draw up an anti-crisis economic program, to develop private entrepreneurship and small and medium sized businesses. Immediately following the war, economic reforms slowed and gave way to a centralized planning method. The production of aluminum and cotton, which
constituted the bulk of the republic's foreign currency income and were considered "strategic benefits," shrank.

At the same time, the break-up of the Soviet Union disrupted the economic relations between the republics, on which Tajikistan heavily depended. In the aftermath, import/export rules for trade between these countries have not been clearly defined and systems of payment have not been made fully compatible. Tajikistan continues to depend on trade with the CIS countries. In the first nine months of 1995, 59% of its foreign trade activity was conducted with the countries of the CIS, where the volume of imports was five times more than that of exports. To access provisions it needs, including up to 80% of the flour it consumes, Tajikistan needs foreign currency or enough goods to barter. It is seeking at present to enter the Customs Union together with Belorus, Kazakhstan and Russia.

For seven decades, Soviet policy allocated industries in one republic, while the raw materials were in another, ensuring thus a strong connection between the republics. It also meant, however, that by themselves, the national industries were crippled. Tajikistan, like the other Central Asian republics, was primarily an agrarian society, providing raw materials for enterprises located elsewhere. Cotton, for example, was sent to be processed in Russia. The few industries that did exist within the territory of Tajikistan, such as the aluminum and uranium plants, were related to the defense industry of the Soviet Union: Specialists were brought in from Russia, Belorussia and the Ukraine to work exclusively in them. When workers of these factories left the republic beginning in 1990, they left few trained cadres to take over after them. Immediately following the break-up of the Soviet Union, leaders of Tajikistan failed to nationalize the large industries located on its territory; much of what the plants produce today has already been "promised" to Russia.

During the Soviet period, the cities were the seat of light industries, mainly managed by the Russian speaking population, while the Central Asians lived an agrarian existence in the rural areas. Dushanbe was, for example, before Glasnost, considered to be a "Russian" city: the population of Russian speakers was considerably more than that of Tajiks in 1959, and only slightly less in 1989, even after the in-migration from rural to urban areas by the native population which had taken place since the 1970s. The Russian minorities were mostly industrial workers, health-care professionals, teachers in higher education institutions and administrators. Their exodus from the republic was seen as a heavy loss to the economy. Out of 500,000, an estimated 320,000 had already left by the end of 1994. The exodus of cadres is one side of the problem. Spare parts for the industries, fuel, fertilizers and other primary products necessary to set the economy in motion are also located in other CIS countries. While the USSR sought an integrated economy of the entire union, the independent post-Soviet
countries, especially Tajikistan, are not fit to take advantage of their share of the dismembered parts.

Lack of contributions from the Center have also affected the relationship between the central Government in Tajikistan and the regions. The state budget is shrinking at the same time that regional governments and their subordinates increasingly seek to lobby for economic incentives at the level of their own administrative units. Devoid of an operational system of transfer and allocation of resources, the Hukumats (Executive Committees) at the Oblast (Nohtia) level seek their own contacts within the central Government as well as with outside the Republic. Jamiats (Council of Villages), subordinate to the local governments, and responsible for large inputs into the Oblast budget from the production of the Kolkhoz and Sovkhozes on their territories, complain of the imbalance between their input and the local governments’ output into their needs.

The extend of the cooperation between the central government, the Hukumats and the Jamiats will be tested after February 1st, 1996, when, according to a Presidential Decree, 50 thousand hectors of lands will be distributed to households for their personal cultivation. The Ministry of Agriculture of Tajikistan, together with the provincial governments, councils of villages, heads of households, heads of brigades and council of elders will decide on the distribution of these lands in each region.

The Central Government, in the meantime, remains responsible for the allocation of aid, both structural and humanitarian, received from international organizations, which corresponds to 10% of the flour used in the republic, as well as for foreign investments in different regions, regulated by national laws. Humanitarian aid distributed by NGOs and International Agencies such as the Agha Khan Foundation, German Agro Action and World Food Program is dispersed directly to the vulnerable population, which happens to be located in the war damaged areas of Qurghon Teppa, in the geographically isolated Badakhshan and in politically segregated Gharm regions. But structural aid, a much larger amount of flour donated by the United States and by the European Community, goes through the channel of the Central Government, namely the Ministry of Grain in Dushanbe and its branches in Khojand and in Khatlon. The structural aid must be sold through state shops in the center and in the regions. While our team conducted a Women’s Economic Survey throughout the country in the summer of 1995, we did not hear of any state store, either in Dushanbe, nor in any of the regions, which actually sold flour. The regional governments complained of the limited amount of flour they received from the government, which in some regions was much less than the vulnerable population was receiving in terms of humanitarian aid.
2) Search for market alternatives

With a central government unable to answer to local and regional needs, local governments (Hukumat) and their subordinate Council of Villages (Jamiat) are increasingly looking into establishing direct links with suppliers of food. At the same time, individuals are increasingly relying on the network created by their extended families, and people of the same geographical origins, to survive. Although there is no doubt that during the Soviet period, a parallel economy allowed everyone to tap into unofficial markets, the recently booming activity has been characterized ironically by a number of negative factors following the 1992 civil war.

First and foremost is the necessity to survive, a reality that usually leads to the opening of all sorts of creative, hitherto unexplored, paths. The second factor is the preponderance of international relief organizations that distribute aid both through the government and directly to the vulnerable population in different regions. Third is the displacement of the population, both within the country and especially within the CIS, for political and economic reasons following the war. And fourth is a peculiar phenomenon of the creation of new patron-client relationships born out of political and regional monopoly of specific institutions, especially the power ministries.

To illustrate these points, let us take the example of provision of flour, since bread is a staple food in Tajikistan, very important for the daily diet, both from a nutritional and psychological point of view. If the table is set with an abundance of food but lacks bread, it is said not to be a complete meal in Tajikistan. Even though the government is buying flour from Kazakhstan and Russia, and receiving in grant or in loan large quantities of wheat flour from the European Union and the American government, flour continues to be in serious shortage. In the summer and fall 1995, people were making bread out of corn and bran, what many considered to be flour of inferior quality. Of all regions targeted by the international community, humanitarian aid was most effectively distributed in Badakhshan primarily, where the Agha Khan Foundation’s Programme for Relief and Development of Pamir made sure that every single household in the Mountainous Province of Badakhshan received flour, tea, dried milk and salt. But nowhere else in Tajikistan could humanitarian aid be so evenly and systematically distributed; and in Badakhshan, the closure of roads in the winter cannot ensure the proper continuation of this life saving allocation of resources. Returnees from Afghanistan who had resettled in Qurghon Teppa in the province of Khatlon had begun planting wheat in the small garden plots next to their houses (Howli), or on any piece of land that they could rent from the Kolkhoz. The population of those regions close to the Uzbek or Kyrgyz border was sending its dried or fresh fruits and vegetables to markets abroad in exchange for flour and some consumer goods. In the northern province of Leninobod, high quality dried apricots were
sent to Uzbekistan, and in the central province of Gharm, potatoes would make their way up as far as Russia to be sold or traded. These transactions, either in the form of cash or barter, would be carried out by a selected number of private entrepreneurs on behalf of their community such as in Badakhshan. In the latter region, a number of able men would buy leather and wool from the local population which they would take to sell in Russia via Osh in Kyrgyzstan, and buy flour which they either distributed for free or sold back to their communities. More typically, however, economic activity was the responsibility of a network of the extended family, such as in Gharm, where a large number of men had fled the region for fear of political persecution following the civil war, to take refuge and work in Russia and other countries of the CIS. Many Gharmis, known for their entrepreneurial skills, however, were not always considered “political refugees”, and many actually returned to their towns and villages on a regular basis. Extended families could thus send back their potatoes to be traded or sold for flour. Gharm, however, presented a peculiar problem for the transportation of goods both within the country and across the border. Because politically, most of the region was considered oppositionist, the government had sent a large force of the Ministry of the Interior to guard the region. The numerous checkpoints, tended by a force often hostile to the local population, created inevitable problems for the transportation of goods. If, on the one hand, goods were confiscated by the forces at the checkpoints as local merchants traveled to Dushanbe from Gharm, there was also evidence that some of these forces, representing other regional groups such as Kulob or Hissor, brought flour themselves to the region to trade for potatoes. The client-patron relationships, as well as that of buyers and sellers have many layers in post-civil war Tajikistan.

3) Economic Regionalism

Such links as outlined above, however, tend to occur on the individual, family and informal levels. The lack of a substantial official relationship and economic cooperation between regions today is in part a legacy of a Soviet policy of control which not only divided people along largely arbitrary lines, but especially applied differential treatment to different regions within one country and different special interest groups within one region. Three factors are responsible for today's trend of "economic regionalism", that is, the tendency for producers and demanders to focus on the economy of a particular region, instead of building a national economy: Favorite regionalism, geographical impenetrability and community incompatibility and competition.

Favorite regionalism:
During the Soviet period, industries were mainly concentrated in the northern province of Leninobod and in and around Dushanbe. Mahalgaroi (regionalism), during the Soviet period, had translated in local politics into the distribution of power and privilege based on regional loyalties. It was a form of nepotism where the kin, in this case formed around a geographic location, played an important role in the placement of cadres, and in lobbying for the allocation of resources. The region to benefit economically was chosen as Leninobod because of its proximity to Uzbekistan, its large urban population, the lack of high mountains on its territory, and the preponderance of its educated cadre loyal to Moscow and to the ideals of Communism. Economic privilege went hand in hand with a political one: Most of the recent Secretaries of the Communist Party were appointed from this region.

If the Dushanbe region, including Tursunzade (now known as Regar) became home to a large aluminum factory, and the cotton fields of Qurghon Teppa were cultivated using migrant workers and good technology, some of the more mountainous regions, such as Garm, Badakhshan and eastern Kulob received almost no allocations for industrial development. Hence, it is not surprising that during the 1992 civil war, it was mostly representatives of these three poor regions that played out their hostilities. Competition for trickled down resources between these three groups that was created under the Soviet regime also played out in the armed forces and the KGB, in the markets and among Mafia groups controlling parts of the capital, Dushanbe.

If today, the province of Leninobod, with its capital Khujand is striving to develop its industries and agriculture by seeking investment in the form of western capital and technology, Kulob, Garm and Badakhshan remain very much in need of the construction of an infrastructure. As a point of departure from Soviet times where the ruling nomenklatura from Leninobod favored its own region of origin, the present government, even though it is mostly made up of former Kolkhoz chairmen of the Kulob and Kulobi administration of Qurghon Teppa, does not have a systematic policy of allocating resources to its province of origin. During the war, a number of Kulobis, formerly of the para-military formation called the Popular Front, managed to gather a lot of wealth and positions in the capital. Riches accumulated in Dushanbe, however, are not necessarily taken to Kulob by the Kulobis. In fact, the eastern part of the province, today called Khatlon, which makes up part of the territory of Kulob, is one of the worse off regions in Tajikistan today.

Community Competition:

Competition over resources in Tajikistan has not only been caused by poverty, but also by the forced creation of economic communities. According to IMF estimates, in the 1980s, Tajikistan produced 11 percent of the cotton of the Soviet Union although its population was
less than 2% of the Union’s. To be able to squeeze so much cotton out of a primarily mountainous territory, the Soviet regime displaced large numbers of the population from the mountains of Gharm and Zarafshon to settle in the cotton plantations of the Vakhsh in Qurghon Teppa and New Mascho in Leninobod.

The Qurghon Teppa region in Khatlon oblast presents a typical case of communities where local competition for resources has led to the impossibility of coexistence. The present province of Khatlon was created in early 1993 out of the former provinces of Kulob, home of the main victorious groups, and that of Qurghon Teppa, where most of the battles took place. Regional affiliation and ethnicity are mixed in this oblast, and reconciliation between communities is very difficult. What created and will continue to create animosity among the local population is not ideological preferences of "democracy" or "communism", but competition for resources. Uzbeks, and what is known as Arabs, see themselves as the local people (Russian: mestnye liudi) as opposed to the Gharmis who were settled later, and who, in the former's eyes, had become rich by confiscating the best lands and positions. The Gharmis were in fact settled by force in the Vakhsh valley of Qurghon Teppa in the 1960s in order to cultivate the Egyptian cotton in the fertile lands. That the Gharmis had indeed managed to have good living standards after an initial period of maladjustment, is attributed among the Gharmi population to the fact that they are a people who like to work (Tajik: mehnatdust).

Today, however, having lost their lives and their homes during the 1992 civil war, they are among the most vulnerable and needy populations of the south. As a result, international NGOs and UN agencies pay special attention to these groups, rendering relief as well as income generation assistance. Here again, exclusive attention on one group, i.e., the vulnerable Gharmi population, tends to create feelings of resentment. As the Gharmis return from Afghanistan and once again work on the land, renewed competition mixes with revenge and resentment, creating a potentially explosive situation. The task of building peacefully coexisting mixed ethnic communities in the former Qurghon Teppa province is very difficult indeed.

Although a June 1994 degree gave the refugees the right to work and move freely throughout the country, they returned mostly to their pre-war place of settlement, even though it might not have been their original place of birth. In Qabodion and Qurghon Teppa for example, Gharmi returnees from Afghanistan settled in their completely destroyed villages which had to be reconstructed from scratch, instead of in Gharm. Many no longer had homes

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4 For a history of migrations, refer to Sh. I. Kurbanova, Pereseleniie: Kak Eto Bylo (Dushanbe: Irton, 1993).
or families in their native land since they had been settled in Qurghon Teppa from Gharm in the 1960s as part of a project of economic development. In their new environment, they had been made to work the fertile land, an activity they and UN agencies hope they will once again engage in. But resettlement is not a happy story. Many returned to devastated homes which stood next to an untouched domicile of their "enemies", an Arab or Uzbek. In many cases, the returnees' homes remained occupied by members of the victorious popular front, the Kulobis and the Uzbeks who expropriated the land and the property of the losers, and whom the government sometimes did not have the power to evict. In many cases, the refugees had to work under the management of a new leadership of collective farms and Raions (districts) who were drawn from the winning groups.

The case of the Mascho population of upper Zarafshon valley is another example of dissent created out of displacement of the population. In the 1950s, the Soviet regime forcefully migrated all able bodied people from the Mountains of Mascho to the cotton plantations of Zarafshon valley in northern Leninobod, causing the death of many people. Ever since, the representatives of Mascho have been fierce enemies of the communist regime and were represented in large numbers in the opposition. The dissenting Maschos stand out from among the conservative population of Leninobod, and mutual trust has still not been established. The artificiality of communities, arranged together to fit the demands of the Center (mostly Moscow), has not created any harmony between ethnic or regional groups.

**Geographical Impenetrability:**

The danger in Tajikistan, therefore, is that competition and lack of cooperation between different regions could lead to the federalization of the country, a grave objective, given that most industries are located in the north, while the south is poor. The only way to avoid the fragmentation of Tajikistan would be to build enterprises in various parts which would be inter-linked and interdependent, and to concentrate on the creation of an infrastructure in the south. Since many of the regions are not even linked by road, the first priorities for a national government would be the completion of the Anzob tunnel on the road from Dushanbe to Leninobod (for now, one has to go through Uzbekistan in the winter), and the opening of the road from Khatlon to Badakhshan.

Leninobod can indeed detach itself from the rest of the republic, especially from a physical point of view. The road between Dushanbe and Khujand goes through a mountain pass at Anzob which remains closed from October to May: the only way to reach the northern province of Leninobod is to make a difficult detour via Uzbekistan. The construction of a tunnel at Anzob which began during the Soviet period halted in recent years. With an increasing rate of foreign investment, and with the presence of a leadership interested in
reforms, Leninobod can potentially survive in a separate economic zone; the same cannot be said for a southern Tajikistan deprived of its industrial north. The eastern province of Badakhshan is also an impasse. The region is connected to the western part of Tajikistan through a mountainous road that passes through Kalaikhumb and the Gharm valley. For much of its trajectory, the road follows the Pianj river which borders on Afghanistan: as a result, the road is considered one of the most dangerous ones in the republic. Fighting in Tavildara and frequent shelling of the border regions have closed the road to all but urgent needs. The other way that Badakhshan can be connected to the outside world, while it waits for the construction of a link with Kulob through Shurobod, is through a long detour via Murghab in Eastern Badakhshan and Osh in Kyrgyzstan. This is the primary road through which provisions reach Khorog, the capital of the province. It is, however, a very long road that uses much fuel. Another possible and desirable connection would be the opening of the Wakhan corridor in Afghanistan, which would link Badakhshan to Pakistan, the plans of which are being discussed locally and internationally.

Conclusions

Unless a better infrastructure links the different regions together, further political opening can create ethnic and regional competition among the local populations, who are in turn recruited by politicians in their search for support. Economic incentives, brought about by reforms, in the absence of mechanisms for cooperations, can intensify local feuds, enrich a limited few and widen the gap between the center and the regions. The opening of new markets, the search for alternative modes of subsistence, the hand-over of responsibilities from the center to the regions and from institutions to individuals are all positive steps toward market economy. In Tajikistan, however, given the lack of incentives to hold the country together, economic regionalism can destroy what remains of the national economy.