

**"LAND REFORMS CENTER, EFFICIENT USE OF LAND RESOURCES
PROJECT." LEADING SPECIALIST**

Aydarbekova Aruana Yerbol qizi

Abstract

Water scarcity in Uzbekistan is a critical challenge that affects agriculture, economic stability, and sustainable development. With approximately 90% of the country's freshwater withdrawals used for irrigation, the growing demand for water, combined with outdated infrastructure and environmental crises like the Aral Sea disaster, exacerbates the situation. This paper investigates the economic impacts of water scarcity, focusing on agriculture and industry. It examines water management reforms, including the introduction of water-saving technologies, new water tariffs, and future projections for water use efficiency. The analysis emphasizes the need for continued investment in infrastructure, adoption of sustainable agricultural practices, and regional cooperation to address the water crisis. While progress has been made, further reforms are necessary to ensure long-term economic resilience and food security in Uzbekistan.

Key words: water scarcity, Uzbekistan, agriculture, irrigation, water stress, Aral Sea, water management, climate change, water conservation, Central Asia, water sustainability.

Introduction

Water scarcity is a significant challenge faced by many countries, and Uzbekistan is no exception. As a landlocked nation in Central Asia, Uzbekistan's economy is heavily reliant on water resources, particularly for its agricultural sector, which consumes approximately 90% of the country's freshwater withdrawals. However, the growing demand for water, coupled with diminishing supplies and inefficient infrastructure, is straining the country's water resources. The situation is further exacerbated by the ongoing environmental crisis surrounding the Aral Sea, a disaster that has contributed to severe regional water stress and worsened the already fragile water balance.

Uzbekistan's water resources are primarily sourced from transboundary rivers, making the country reliant on neighboring nations for a steady water supply. This

geographic vulnerability, combined with outdated irrigation infrastructure and inefficient water management practices, has led to unsustainable water consumption. As a result, Uzbekistan has experienced rising levels of water stress—an indicator of the growing gap between water availability and demand.

This paper explores the relationship between water scarcity and the economic impacts in Uzbekistan, focusing on agriculture, industry, and overall economic productivity. It also examines the country's ongoing water management reforms, including the introduction of water-saving technologies, tariff adjustments, and future projections for water use efficiency. By analyzing key indicators such as freshwater withdrawal patterns, water productivity, and levels of water stress, this paper provides a comprehensive understanding of Uzbekistan's water crisis and its broader socio-economic consequences. The findings aim to inform strategies for sustainable water management and economic resilience in the face of growing water shortages.

Literature Review

Water scarcity has emerged as a critical issue for countries across the world, with profound implications for economic development, agricultural productivity, and social well-being. The literature on water scarcity and its economic impacts has grown substantially, focusing on both the causes of water stress and the effects of water scarcity on various sectors. This review summarizes key studies related to the economic consequences of water scarcity, particularly in the context of Uzbekistan and Central Asia.

One of the foundational studies in this area is **Molle et al. (2009)**, who argue that water scarcity in Central Asia is primarily driven by inefficient water management systems, unsustainable irrigation practices, and environmental degradation, particularly the desiccation of the Aral Sea. Their analysis emphasizes the role of water-intensive agriculture, which dominates water use in the region, and the growing competition for water resources, especially between agriculture, industry, and households. Similarly, **Bauer (2012)** highlights the importance of sustainable water management practices, stressing the need for reforms that focus on improving water use efficiency and promoting alternative technologies such as drip irrigation.

A significant body of literature has also examined the impact of water scarcity on agriculture. **Gleick (1993)** and **Lund (2011)** stress that water scarcity directly affects agricultural output, with reduced water availability leading to lower crop yields and increasing irrigation costs. In Uzbekistan, where agriculture is a major sector, the impact of water scarcity is particularly pronounced. **Allan (2001)** argues that the rise of water scarcity in agricultural economies can result in decreased productivity and profitability, contributing to food insecurity and reduced economic growth. Furthermore, **Bakker (2010)** discusses how water scarcity can lead to changes in agricultural practices, including the shift from water-intensive crops to those that require less water, though such adaptations may have mixed results depending on the region's specific context.

The economic implications of water scarcity also extend to industry and the broader economy. **Cai et al. (2015)** explore how industrial water use, particularly in manufacturing sectors, can exacerbate water stress and increase the economic cost of water scarcity. **Mishra (2019)** emphasizes that in countries like Uzbekistan, where industrial output is growing, water scarcity not only affects agricultural productivity but also hampers industrial development, potentially slowing down GDP growth. The increasing water demands of industries add further pressure on already scarce water resources, requiring careful management to avoid over-exploitation.

In recent years, water pricing and tariffs have become a central theme in discussions about water management reforms. **Zhang et al. (2015)** argue that appropriate pricing mechanisms can incentivize water conservation and promote more efficient water use. In Uzbekistan, the introduction of new water tariffs has been seen as a step toward improving water management. **Narain and Gupta (2014)** note that the implementation of water pricing reforms can lead to more equitable water distribution and reduced waste, although they also caution that pricing alone is not sufficient to address the root causes of water scarcity. The importance of institutional reforms, improved governance, and the adoption of advanced irrigation technologies are also emphasized in the literature.

While much of the research has focused on the general impacts of water scarcity, fewer studies have specifically addressed the broader socio-economic

consequences of water shortages in Uzbekistan. **Suleimenov and Lee (2020)** provide an in-depth analysis of Uzbekistan's water crisis, discussing the impact of water scarcity on rural communities, peasant households, and agriculture-dependent populations. Their study highlights the increasing vulnerability of rural areas, where water scarcity exacerbates poverty and limits access to clean water, sanitation, and healthcare. **Khamraev and Karabekov (2021)** discuss the role of regional cooperation in addressing transboundary water issues, stressing the need for greater collaboration between Uzbekistan and its neighbors, such as Kyrgyzstan and Tajikistan, to ensure sustainable water management in the region.

The literature also suggests that Uzbekistan's water management reforms, including investments in water-saving technologies and changes in agricultural practices, may help mitigate some of the impacts of water scarcity. However, as noted by **Zeynali (2018)**, these efforts are still in the early stages and require further support from both local and international stakeholders.

In summary, the literature highlights the multifaceted nature of water scarcity and its economic consequences, with particular attention to the agricultural sector and the role of water management reforms. While there is a growing body of research on water scarcity in Central Asia, more specific studies on Uzbekistan's water challenges, particularly the link between water scarcity and economic performance, are needed to better inform policy decisions and sustainable development strategies.

UN-Water (2014) has been a key resource for understanding global water challenges. The United Nations' annual reports on water scarcity provide an overview of the state of water resources worldwide, emphasizing the importance of integrated water resource management (IWRM) and regional cooperation in addressing water scarcity. The organization's work on the Sustainable Development Goals (SDGs) has placed a strong focus on ensuring access to water and sanitation, calling attention to countries like Uzbekistan, where water management is particularly strained.

Water scarcity is a growing concern globally, and Central Asia is one of the most affected regions. According to the United Nations Organization to Combat Desertification and Drought, by 2050, droughts are expected to affect more than three-quarters of the world's population, with Uzbekistan among the countries facing

significant water shortages by 2040. Studies by the World Resources Institute and the Economist Intelligence Unit have projected that the region will experience severe water scarcity due to climate change, population growth, and unsustainable water use practices.

The Aral Sea basin, which provides the majority of Uzbekistan's water supply, has been subject to severe depletion, with a significant decrease in snow and rainfall contributing to a 53% decline in per capita water supply over the past 30 years. Despite this, Uzbekistan remains one of the largest users of irrigation water in Central Asia, with agriculture accounting for the vast majority of water consumption.

Measurement and Monitoring of Water Scarcity

Water scarcity is typically measured using several key indicators, such as **freshwater withdrawal as a percentage of available resources**, **water stress indices**, and **per capita water availability**. Different countries use these indicators to assess their water stress levels and manage resources effectively:

- **Water Stress Index:** Many countries use this index, which is the ratio of freshwater withdrawals to available renewable freshwater resources. A value above 20% is often seen as an indication of high water stress. Countries like **Uzbekistan**, **Egypt**, and **Pakistan** are frequently cited as examples of nations facing high water stress due to their heavy reliance on irrigation for agriculture.
- **Per Capita Water Availability:** This indicator measures the total volume of freshwater available per person, often expressed in cubic meters per capita. Countries with low per capita water availability, such as **Uzbekistan** and **Jordan**, are considered water-scarce or water-stressed. These countries employ this measure to assess their water management needs and make policy adjustments.
- **Water Productivity:** Countries like **Israel** and **Australia** have implemented advanced water management techniques and measure water productivity (GDP per unit of water used) to ensure efficient water use in agriculture and industry. These countries, with limited water resources, have invested heavily in technologies such as drip irrigation and desalination to increase water-use efficiency.

- **Water Withdrawal by Sector:** This metric helps distinguish between how water is utilized in different sectors (agriculture, industry, and domestic use). Countries with high agricultural water usage, such as **Uzbekistan**, where over 90% of freshwater withdrawals are used for irrigation, face unique challenges in balancing water use for food production with the need to conserve water for other uses.

Regional and Country-Specific Research on Water Scarcity

Research focused on Central Asia, particularly **Uzbekistan**, has shown the impact of water scarcity on both the environment and the economy. Studies by **Micklin (2007)** and **Khamzina (2011)** have explored the environmental consequences of water scarcity in the region, especially in the context of the Aral Sea disaster. The Aral Sea crisis has highlighted the dangers of excessive water withdrawal for irrigation and its long-term environmental and economic consequences. In Uzbekistan, significant research has been conducted on the country's water management challenges. **Khalilov et al. (2013)** analyzed Uzbekistan's water usage patterns, noting that the country has one of the highest rates of freshwater withdrawal for agriculture in the world. Their findings underscore the need for comprehensive water management reforms to ensure sustainable water use in the face of increasing demand. Research on water scarcity in Uzbekistan highlights the importance of efficient water management practices in mitigating the economic impacts of water shortages. While there is progress, the country still faces considerable challenges in balancing its water needs with sustainable development goals.

Economic Impacts of Water Scarcity in Uzbekistan

Water scarcity in Uzbekistan poses a significant challenge to the nation's economic development. As a largely arid country dependent on irrigation for agriculture, the availability and efficient management of water resources are critical to sustaining economic growth, particularly in key sectors such as agriculture, industry, and the broader economy. This section explores the economic consequences of water scarcity, focusing on its effects on the agricultural sector, water tariffs, and overall economic productivity.

A key solution proposed is the formulation of a comprehensive water policy that brings together both society and the state to cooperate effectively. This policy would aim to ensure the rational use of water and the establishment of cooperative agreements with neighboring countries to manage water resources. One of the most critical areas for improvement is the legal and regulatory framework surrounding water use. Effective governance will help ensure that water resources are utilized equitably and sustainably.

Cultural and moral shifts are also essential in fostering water conservation. The need for ecological awareness and responsible water use should be instilled in the public, especially among the younger generation. During recent discussions in the Senate of Uzbekistan, the “Hydrotechnical Structures Safety Law” was introduced to address the state of the nation’s water infrastructure, which includes 73 reservoirs, 1688 pump stations, 49 hydropower plants, and other facilities. Many of these assets are over 40 years old and require extensive repairs and modern equipment to ensure their safety and efficiency.

1. Impact on Agriculture

Agriculture is the backbone of Uzbekistan’s economy, with a substantial portion of the country’s population engaged in farming activities. However, the country’s irrigation-dependent agricultural system faces significant challenges due to water scarcity. The limited availability of water resources, exacerbated by inefficient irrigation infrastructure and water management practices, leads to reduced agricultural output, particularly in rural areas. Crop yields, especially for water-intensive crops such as cotton and wheat, are vulnerable to fluctuations in water supply.

Recent data highlights a direct correlation between water availability and agricultural productivity. For instance, when water shortages occur, the agricultural sector experiences lower output, affecting rural livelihoods and contributing to a decrease in agricultural exports. Furthermore, the increasing costs of water for irrigation, driven by rising tariffs and decreasing subsidies, add financial strain on farmers, impacting their profitability and long-term sustainability.

2. *Water Tariffs and Industrial Implications*

Uzbekistan's population and economy depend heavily on agriculture, particularly irrigation, which requires substantial water resources. The government's ambitious goals for expanding irrigated land have brought to light the looming water deficit. By 2030, the country plans to expand irrigated arable land to 4.6 million hectares, but the available water supply is expected to fall short by 7 billion cubic meters, necessitating the adoption of water-saving technologies and improved irrigation infrastructure.

In response, Uzbekistan has made notable progress in introducing water-saving technologies, which have been implemented on more than 1 million hectares of land, with a goal to cover 2 million hectares by 2025. These efforts have significantly improved water-use efficiency, and the government has provided substantial financial incentives to agricultural enterprises that adopt these technologies.

In response to water scarcity, the government of Uzbekistan has implemented reforms in water tariffs, which have significant economic implications. The increase in water tariffs has placed a greater burden on industries that rely heavily on water, such as agriculture, energy production, and food processing. Industries face higher operational costs due to the rising price of water, which, in turn, affects their competitiveness and profitability.

The rising tariffs also create challenges for households, particularly in rural areas, where access to affordable water is critical for daily living. In urban areas, the impact of higher water costs is also felt in the form of increased living expenses, which can lead to social unrest and reduced consumption in other areas of the economy. The increased pressure on households and industries exacerbates economic inequality, as poorer communities struggle to meet basic water needs.

3. *Broader Economic Consequences*

Water scarcity in Uzbekistan also has wider economic consequences, including the disruption of economic activities and reductions in GDP growth. The country's reliance on water-intensive sectors such as agriculture and industry makes it particularly vulnerable to fluctuations in water availability. Moreover, inefficient water usage and infrastructure waste contribute to significant economic losses, as

large amounts of water are lost through outdated irrigation systems and inefficient distribution networks.

In addition to the direct economic costs, water scarcity can also impede foreign investment and industrial development. Investors are often wary of regions facing water stress, as it poses risks to long-term profitability and sustainability. The failure to modernize water management systems and address inefficiencies could further discourage investment in key sectors such as manufacturing and services, limiting Uzbekistan's economic diversification.

4. Regional Cooperation and Economic Resilience

The economic impact of water scarcity is not confined to Uzbekistan alone. The country shares critical water sources with neighboring nations, including Kazakhstan, Kyrgyzstan, and Tajikistan. Therefore, regional cooperation in managing water resources is essential to mitigating the economic risks of water scarcity. Collaborative efforts to improve water management, promote the efficient use of water, and invest in modern infrastructure could enhance Uzbekistan's economic resilience to water stress.

Moreover, regional agreements that ensure equitable distribution of water resources could help reduce tensions and foster long-term stability in the region. Effective water-sharing agreements could also support economic growth by ensuring a steady supply of water to critical sectors, such as agriculture and industry, which are vital for the economic development of Uzbekistan and its neighbors.

The agricultural sector, in particular, is highly dependent on effective water management. Currently, 86% of Uzbekistan's water is used in agriculture, with 80% of the water sourced from external bodies, primarily from the Amu Darya and Syrdarya rivers. Without careful planning and innovation in water-saving technologies, Uzbekistan risks facing severe water shortages, which could adversely affect crop production, economic growth, and the livelihoods of millions of people.

The current state of water use in agriculture shows the significant losses that are occurring. The irrigation systems in place are outdated and inefficient, causing extensive water wastage. For instance, 23% of the irrigation network consists of outdated, concrete-lined canals, and 98% of farmland relies on traditional flood

irrigation methods. This has led to significant losses in water usage and reduced agricultural yields. The government has recognized these inefficiencies and is pushing for the adoption of new water-saving irrigation technologies, such as closed irrigation systems and laser leveling of agricultural fields, which can save millions of cubic meters of water each year.

The introduction of smart water management systems and the transition to energy-efficient irrigation technologies are pivotal steps toward improving water use in agriculture. Uzbekistan is already taking steps to implement these changes, including the introduction of solar-powered water pumps and more efficient irrigation methods. The use of laser leveling technologies has the potential to save up to 900 million cubic meters of water annually and improve crop yields on over 200,000 hectares of farmland.

Implications for Water Management in Uzbekistan

Given the critical state of water scarcity in Uzbekistan, it is essential for the government and relevant stakeholders to prioritize sustainable water management practices to secure the future of agriculture, industry, and overall economic stability. The widespread use of outdated irrigation infrastructure, combined with climate change and transboundary water issues, calls for a comprehensive approach to water governance.

1. **Water Use Efficiency:** The adoption of modern irrigation systems, such as drip irrigation and precision irrigation, is crucial for reducing water waste. Additionally, promoting water-saving technologies and practices among farmers will enhance water productivity and sustainability. These efforts should be accompanied by the implementation of training programs to educate rural communities about efficient water use.
2. **Infrastructure Upgrades:** A significant portion of the irrigation infrastructure in Uzbekistan is old and inefficient, contributing to substantial water loss. Upgrading the infrastructure, including canal lining, the replacement of outdated pipes, and the introduction of automated systems, could reduce water wastage and improve distribution efficiency.

3. **Transboundary Water Cooperation:** As Uzbekistan relies heavily on water from transboundary rivers such as the Amu Darya and Syr Darya, regional cooperation with neighboring countries is vital. Collaborative agreements on water sharing, coordinated management of river basins, and joint investment in infrastructure projects could help mitigate water shortages and prevent conflicts over water resources.
4. **Policy and Legal Framework:** Strengthening water governance through the development of policies that ensure equitable distribution and the enforcement of water usage regulations is necessary. The government should also work on improving water pricing policies to reflect the true value of water and incentivize more responsible consumption patterns.
5. **Public Awareness and Education:** Raising awareness about the importance of water conservation and sustainable practices is essential for fostering a culture of water stewardship. Public education campaigns, especially in rural and agricultural communities, can encourage individuals to adopt water-saving technologies and practices.

Strategic Developments and Government Initiatives

Uzbekistan's government has recognized the need for transformative water management policies and has initiated several strategic actions to improve water use efficiency and address the growing challenges of water scarcity.

1. **Government Strategy on Water Resources (2022-2026):** According to the Ministry of Water Resources, by 2030, Uzbekistan plans to implement 2,000 units of water-saving, low-cost technologies per thousand hectares and introduce 600 units of drip irrigation systems. As a result, the country expects to save 10 billion cubic meters of water, which will also improve water supply to 370,000 hectares of land.

Furthermore, the Presidential Decree No. UP-60 “On the New Strategy for the Development of Uzbekistan for 2022-2026,” signed on January 28, 2022, outlines key goals for improving land reclamation and water management. These objectives include:

- Saving at least 7 billion cubic meters of water through the effective use of water resources.
- Reducing electricity consumption at water management facilities.
- Implementing the management of water resources based on public-private partnerships to enhance operational efficiency.

2. **Strategy for Agricultural Development (2022-2030):** In alignment with these water-saving objectives, the “Strategy for the Development of Agriculture in New Uzbekistan until 2030” emphasizes the necessity of water conservation as an essential requirement. This document highlights the critical need for adopting modern farming practices and advanced water management technologies to ensure sustainable agricultural output while conserving water resources.

As part of the strategic objectives, Uzbekistan aims to improve water-use efficiency in agriculture, where the majority of water consumption takes place, by encouraging the adoption of water-saving technologies such as drip irrigation and automation in irrigation systems. This effort is in line with the broader goal of reducing the environmental and economic impacts of water scarcity.

Recommendations

1. **Diversification of Water Sources:** Uzbekistan should explore alternative sources of water, such as the use of wastewater for irrigation and the development of desalination technologies. This diversification will reduce the country’s dependency on dwindling freshwater resources.
2. **Investment in Water-Saving Technologies:** The government and private sector should prioritize investment in innovative technologies that increase water-use efficiency. Solar-powered irrigation systems, automated water management systems, and improved irrigation equipment can significantly reduce water consumption in agriculture and industry.
3. **Strengthening Regional Cooperation:** Uzbekistan should continue its efforts to foster regional cooperation with its neighboring countries. Collaborative initiatives focused on joint water resource management and equitable sharing

of transboundary water will help reduce water scarcity risks and promote regional stability.

4. **Sustainable Agricultural Practices:** Given the heavy reliance on agriculture, transitioning to more sustainable agricultural practices is essential. This includes crop selection that requires less water, improving soil quality to enhance water retention, and the use of conservation tillage to reduce water runoff and soil erosion.
5. **Research and Data Collection:** The government should invest in improving data collection and monitoring systems to track water availability, consumption, and efficiency across sectors. This will facilitate better decision-making and the development of targeted interventions.

Conclusion

Water scarcity in Uzbekistan presents a significant challenge to the country's economic and social development. The agricultural sector, in particular, is highly vulnerable to the impacts of water shortages, and the country's outdated water management infrastructure exacerbates the issue. However, there are opportunities for improvement through investment in modern irrigation technologies, regional cooperation, and policy reforms. Addressing water scarcity requires a holistic approach that involves all stakeholders, including government institutions, private sector actors, and local communities. By adopting sustainable water management practices and aligning with strategic initiatives outlined by the government, Uzbekistan can mitigate the impacts of water scarcity, ensuring a stable and prosperous future for its economy and people.

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