

TAJIKISTAN'S ECONOMIC RELATIONS WITH RUSSIA IN THE POST-SOVIET ERA

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Abstract

The history of economic relations between Tajikistan and Russia is as old as Tajikistan's long association with the Tsarist empire and latter with the Soviet Union. Both are strongly and inseparably associated with each other by numerous economic ties even after the disintegration of the USSR. Tajikistan's geo-strategic importance has attracted Russia to establish close and cordial economic relations with the region. Russia regards economic cooperation with Tajikistan as the best way to counter the influence of the United States and other outside powers in the region. Trade and economic ties between the two countries are based on inter-governmental agreements on trade and economic cooperation as well as on commercial contracts despite of several challenges to Tajik economy. Thus the economic deal sends a powerful signal of the existence of specific ties between Tajikistan and Russia.

Key – words

- Ethnicity : State of belonging to a social group that has a common national or cultural tradition.
- Unabated : Without any reduction in intensity or strength.
- Indigenous : Originating or occurring naturally in particular place, native.
- CRHFP : Centre for Reproductive Health and Family Planning.
- UNFPA : United Nations Fund for Population Activities.
- Custom Duties : It is a type of indirect tax levied on goods imported into India as well as on goods exported from India.
- Foreign direct Investment : is an investment in a business by an investor from another country.
- ECO : Economic Cooperation Organization.
- EBRD : European Bank for Reconstruction and Development
- CIS : Common wealth of Independent states.
- Market Economy : an economic system in which production and Prices are determined by unrestricted competition between privately owned businesses.
- EAEC : Eurasian Economic Community.

The Republic of Tajikistan has historically had strong economic ties with Russia. The history of economic relations between the two countries is as old as Tajikistan's long association with the Tsarist empire and latter with the Soviet Union. They are strongly and inseparably associated with each other by numerous economic ties even after the disintegration of the USSR.

When the Soviet Union was dissolved in 1991, Tajikistan was the poorest and least economically developed of the republics. The country experienced many dislocations, which are common to all the states struggling to make the transition from central planning to market economics.¹ Again, following the collapse of the USSR, the country was adversely affected by the widespread disruptions in the former Soviet trading system, resulting in shortfalls of urgently needed raw-materials other supplies essential to the economy.² As power of the central authorities collapsed, so did structure of inter-republic trade. Shortage of food, consumer goods and fuel spread. The effects of fuel and raw material shortages, transport and distribution breakdowns were in the form of strikes and ethnic disturbances.³

The downward slide continued unabated after the breakup of the Soviet Union. Recession, unemployment and price rise resulted in a dramatic fall in people's living standard.⁴ Privatization has been slow, yet pressure on agriculture has seen more migration of rural youth looking for jobs in the cities.⁵

The Tajik economy was further hampered by the bloody civil war that broke out in 1992 which slowed down the economic development in the region. Move towards a market economy, economics recession and drive for privatization resulted in mass growth of unemployment in Tajikistan. There were in 1992, more than 22,800 unemployed in Tajikistan, while at the same time, the economy needed at least 6,000 qualified workers. This could be due to the emigration of skilled Russian workers and non-availability of workers with same skill level from among the Tajik population.⁶ Faced with the unemployment situation, the indigenous people of Tajikistan started protest campaign against the non-Tajiks.

Apart from the devastating human cost (an estimated 50,000 people were killed, and 500,000 persons were displaced within Tajikistan, while a further 70,000 were made refugees), the war was estimated to have cost more than 30,000 million roubles in economic losses.⁷ According to Tajik President Rakhmonov, the economic loss inflicted by the civil war was close to \$7 bln. 150,000 houses were burned and 15,000 looted. In the south of the country almost 80% of the industrial potential was destroyed. The volume of national income reduced by 31 % in 1992 compared to 1991. Industrial production had fallen by 72 % by 1997.⁸ As a result of the civil war, the economic situation which had left much to be desired in the first place, had greatly deteriorated. The economy has virtually collapsed-not just industry, but also-agriculture, the Tajik's traditional occupation.

Again, the fear of religious fundamentalism and civil war led to mass exodus of the Russians from Tajikistan. As a result of the mass emigration, both by physical ejection and by force of circumstance, of the country's Russian-speaking and indigenous population, virtually all skilled specialists, as well as a large number of cultural figures left the country. Major regions of Tajikistan, such as, Badakshan and Leninabad provinces, became economically and politically isolated, which made it possible to talk about an incipient process of the collapse of the Tajik state.⁹

Population Explosion Threatens Tajik Economy

The most important factor that threatens the Tajik economy is population explosion. Tajikistan is wrestling with a population explosion that threatens to devastate the already impoverished country. According to Shamsiddin Kurbanov, director of the Centre for Reproductive Health and Family Planning (CRHFP), “until citizens of Tajikistan can consciously practice birth control, there will be no economic prosperity”.¹⁰ He was speaking at a July 11, 2002. Press conference held by the local office of the United Nations Fund of Population Activities (UNFPA) to mark International Population Day.

Faced by the bloody civil conflict and the acute economic situation, the new leadership of the republic of Tajikistan obviously appeared bewildered and overwhelmed by the sudden realization of their responsibilities to avoid the economic crisis in the region without any central support. They are searching for avenues of expeditious and comprehensive economic growth. They need considerable economic support and cooperation from outside powers including Russia to resolve the acute financial crisis and rebuild the war-devastated Tajikistan. The Civil war provided golden opportunity for the outside powers to involve in Tajikistan’s political and economic scenes. Instead of helping Tajikistan to solve its financial problems; they exploited the republic’s natural resources for their own interests. Thus, the civil war adversely affected the country’s economy. Hence, any economic recovery in Tajikistan is expected to take many years, and will depend on the government’s success in curbing an expected resurgence of the civil conflict.

Economic Reforms of Tajik Government

The Government of Tajikistan adopted an economic reform programme in early 1992. A liberal law on foreign investment was enacted. Many incentives were announced, particularly for all small-scale business and hydro-electric power sector.¹¹ But most of these plans existed only on paper. After many years of inaction, the Government now seems to be pushing and moving ahead with serious reforms.

In 1992, in connection with the proposed transition to a market economy system, the Tajik Government established an Employment Fund (EF) to provide unemployment benefits, which was to be almost entirely financed by employer’s levies on salaries. Two further extra budgetary funds, the Pension Fund (PF) and the Social Insurance Fund (SIF), were also in operation in 1992. In addition to the activities of the three extra budgetary funds state budget expenditure on social and cultural services in 1993 was 103,428 m. Russian roubles (31.7% of total expenditure).¹² In November 1992. The Tajik Government announced special welfare measure to help victims of the country’s civil war. In 1996, a public social protection fund was established by the Government to address the problem of pension arrears. In May 1998, new benefits were introduced for students. Pensioners and disabled people to enable them to meet rising living costs. The World Bank agreed in June 1997 to allocate a US \$ 5mln. loan for health-care reform, as part of a \$ 50m. credit to assist structural adjustment programmes, including the payment of pension arrears.¹³

In June 1999, a credit of \$ 32 mln was allocated to Tajikistan by the World Bank. According to Mustafa Ruiz, the permanent representative of the bank in Tajikistan. \$ 20 mln of that credit was given to support and develop private farms. 5 mln to improve the education service and \$ 6.7 mln for structural adjustments within the economy. The total amount of the World Bank credits to Tajikistan is \$ 180.4 mln, a half of which has been already spent.¹⁴

The IMF also granted only \$ 22 mln for the implementation of the government programme of economic reforms. It laid conditions for granting additional finance: liberalization of bread prices, changes in the procedures for compensation payments, increases in the salaries of employees of budget organisation and enterprises, increases in pensions and scholarships, reform of the taxation system. revision of the terms of repayment of state debt, and regulation of customs duties.¹⁵

The introduction of the Tajik rouble in 1995 has given the country effective control over monetary policy. Under IMF pressure, the Government is pressing forward with a light monetary policy. In September 1995, the Tajik government announced an ambitious Five Year Programme of economic reform, including privatization, a reformed taxation system, new legislation to encourage investment, the liberalisation of foreign trade, and land reform.¹⁶ The plan stated that the governments goal is to create a socially oriented market policy, which ensures an upturn in the republic's economy in the prosperity of the people". It outlined a five-year programme spanning three stages. In the first stage, between 1995 and 1997, the aim was to reform agriculture, complete the privatization of small business, start the privatization of medium and large enterprises, attract foreign investment, and develop a legal base for the market economy.¹⁷ In the second stage, from 1998 to 1999, the aim was be to complete privatisation of large enterprises, implement fundamental structural reforms, boost living standards, and create effective monetary. credit and taxation system.¹⁸ The third stage, which was to start in the year 2000, was interned to complete the structure of the market. It was hoped that the economy would by then be growing.¹⁹

Tajikistan's call for Foreign Investment attracted several western countries towards the region. There were almost 200 registered joint ventures in Tajikistan in 1996, a minority of which is currently operational. Seventy Percent of existing joint venture are involved in production, and the remainder are mostly in trading and services. The two largest joint ventures are with British mining companies. Zarafshan and Darvoz. There is one Italian joint venture, Giavoni, with Carrere jeans which started in 1995, and one South Korean cotton processing joint venture, Koobal.²⁰ There were six registered Tajik-American joint ventures and four American representative offices, Interfur and Karakum Oil Ltd, being the most active. Due to finical and bureaucratic problems, 229 joint ventures and foreign companies closed in 1996. Among these, 19 involved some level of American capital : 13 Tajik-American joint ventures, 2 American companies and 4 Tajik-American joint ventures with British, Russian and Ukrainian capital. Most joint ventures are located where the raw-materials are found, and therefore, many are in the northern part of the country.²¹

Tajikistan-Russia Economic Relations

In 1992, Tajikistan joined the Economic Cooperation Organization (ECO) and the European Bank for Reconstruction and Development (EBRD). It became a member of the International Monetary Fund and the World Bank in 1993. In May 1995, Tajikistan became the last country of the CIS to attain monetary independence from Russia by introducing its own currency the Tajik Rouble (TR).²²

Tajikistan has sought to promote closer economic integration among the member states of the Commonwealth of Independent States (CIS), especially with Russia. After independence, the new leadership of the Republic of Tajikistan needed considerable economic support and cooperation from Russia. In 1993, the Tajik Prime Minister emphasized that "reconstruction in Tajikistan depends largely on financial unification with Russia". Tajikistan is also dependent on supplies of new Russian currency and in greater need of Russian aid and assistance. From Russian point of view, Tajikistan is of great strategic importance too, which produces

commodities and goods of vital interests to Russia. Russia has interest in gas, oil and hydro power resources of Tajikistan and supply of the country's cotton, grain, fruits and vegetables to Russia on a stable and long-term basis.

Tajikistan has continued close ties with Russia, which remains the main commercial partner. Trade turnover between the two countries amounted to more than \$ 360 million in 2002, which was 32 percent of Tajikistan's total foreign trade. Tajikistan would not like anything to affect the economic relations that is so vital for its post civil war recovery and reconstruction.²³

Although the Republic of Tajikistan is trying to diversify trade links and has become member of the Economic Cooperation Organization (ECO), the country is increasingly realizing the political and economic importance of Russia, both as an input supplier and as a market. The prospect of a return of growth in Russia have also generated new interest in improved regional and economic ties. The Russian Federation is concerned with preserving historical and cultural ties with Tajikistan, with protecting the position of the Russians there, with containing the instabilities associated with regional and clan rivalries and with putting up a barrier to religious extremism and terrorism.²⁴ In January 1994, Russia agreed to provide large amounts of cash in roubles to Tajikistan, alone among the republics of the CIS up to that time to receive such direct financial aid, but with stringent provisions.²⁵ Special circumstances cited to justify such extraordinary financial aid included the collapse of the Tajik economy, the continuing war on Tajikistan's southern boundary, and deep Russian interest in maintaining stability, prosperity and Russian influence in the area. Russia's main task is to protect its southern borders, and in its policy on Tajikistan is to preserve and strengthen its influence in central Asia by preventing it from becoming involved in the sphere of influence of other States and Security the CIS Southern borders.

After Tajikistan achieved independence, it maintained extensive economic relations with other former soviet republics individually and with the CIS. Relations with the CIS and the Russian Federation preserved some characteristics of Tajikistan's relationship with the Soviet central authorities. Until 1995, Tajikistan remained in the ruble zone rather than establishing its own national currency, as the other four Central Asia republics had done. In the mean time, Russia retained the dominant position in the CIS and hence, in commerce with Tajikistan that the Moscow Government had enjoyed in the Soviet period. Russia and Tajikistan undertook to maintain their bilateral exchange of goods at existing levels as the republics made the transition to a market economy. In 1992, some 36 percent of Tajikistan's imports came from Russia, and 21 percent of its exports went to Russia, about 60 percent of total external trade was with the CIS countries and 45 percent of exports went to those countries.²⁶

The relationship between Tajikistan and Russia appears to have entered a new era with the establishment of a commercial alliance and the signing of the agreement on economic cooperation. In October 1991, Tajikistan signed with other seven republics of the former Soviet Union, a treaty to establish an economic community, and subsequently demonstrated its willingness to join the proposed union of sovereign state.²⁷ When a Commonwealth of Independent States (CIS) was suggested in December, initially by the three slav Republics (Russia, Ukraine and Belarus), Tajikistan expressed its desire to become a co-founder, along with the other Central Asian Republics. Tajikistan always has tried to maintain economic relations with Russia by concluding numerous treaties, because Russia is the guarantor of economic stability in this region.

Further Tajikistan depends on Russia and CIS for economic needs. During 1991-1996, owing to conflict conditions, Tajikistan's trade with Russia declined. The status has been restored after the development of the peace process.²⁸ Today, the main objects of export-import operations are strategic commodities. Tajikistan exports cotton and aluminum and imports grain, gas, oil and oil products.²⁹ Owing to financial crisis in Russia, huge credits could not be given to Tajikistan (500 million roubles were sanctioned in the budget of 1999). Notwithstanding the difficulties, the economic relations with Russia have improved. According to Tajik State Statics Agency (TSSA), the share of Russia in Tajikistan's foreign trade was 12 percent in 1997 as against 10.6 percent in 1996.³⁰

Russia is helping Tajikistan in revamping its educational system. The Agreement of 1995 provided for establishment of a Russian-Tajik-Slav University in Dushanbe. It is financed partly by Russia and partly by Tajikistan.³¹

In May 1996, a number of important agreements were adopted by the two countries by a joint commission on trade and economic cooperation and development.³² However, almost none has been implemented in practice. Work on mutual relations slackened during the Russian presidential election campaign of June-July 1996.³³ However, immediately after his inauguration, president Yeltsin met the President of Tajikistan, Imomali Rakhmonov, and confirmed the solid support of the Russian political leadership for Tajikistan to establish peace to get out of its serious socio-economic crisis and to carry out democratic and economic reforms.³⁴

In April 1998, Tajikistan was admitted to the CIS customs union, already comprising Russia, Kyrgyzstan, Kazakhstan and Belarus. Again in 1998, of the same month, at Dushanbe the prospects for the bilateral Tajik-Russian economic cooperation were discussed during the meeting between the president of Tajikistan, Emomali Rakhmonov and Russian Ambassador in Tajikistan Yevgeny Belov. During this meeting, the Russian Ambassador confirmed the readiness of the Russian leadership in improving economic situation in Tajikistan.

In October 2000, the presidents of Russia, Tajikistan, Kazakhstan, Kyrgyzstan and Belarus issued a joint statement after signing the treaty establishing the "Eurasian Economic Community will (EAEC)". The document stresses that the Eurasian Economic Community will seek to launch the free trade regime, introduce the uniform customs tariffs and non tariff control system.³⁵ On July 6, 2002, at the informal meeting in Aktau, President of Tajikistan, Emomali Rakhmonov, proposed to extend cooperation with Russia on the oil and gas production and transportation and also in the sphere of electric power engineering. On July 23, 2002, at Dushanbe, Jamoliddin Karayev, senior expert of the Central Asian Republic's Ministry, of Economy Trade stated that "Russia is Tajikistan's main commercial partner."³⁶

Over 13 years (1992-2004), the two countries signed about 150 inter state, inter-governmental and inter-departmental documents, regulating trade and economic cooperation between Tajikistan and Russia, karayerremorked. In 2000, Russia's share of Tajikistan's exports was about 30 percent and its share of Tajikistan's imports about 27 percent.³⁷ President Rakhmonov from time to time expressed Tajikistan's expectations of a more active Russian engagement with its economic development. At a meeting with president Putin in March 2002, he repeated his complains that, while political and military-technical cooperation between the two countries was developing, cooperation in the economic sphere was lagging behind.³⁸ Thus, when in early 2002, Russian Minister for Emergency situations, Sergei Shoigu, a close ally of Putin, was appointed co-

chairman of the Russian Tajik Inter-Governmental Commission, this was interpreted as a sign that Russia was to give greater priority to its economic relations with Tajikistan.³⁹ In March 2002, Shoigu went to Dushanbe as the head of a sizeable government delegation. Although more than 30 agreements were signed at the meeting, no breakthroughs were reported.

In an article in the Tajik newspaper 'Asia Plus', Rakhmonov's adviser, Shukhrob Sharipov, expressed both disillusionment and expectation before president Putin's visit to Dushanbe in late April 2003. According to Sharipov, hundreds of documents on various aspects of cooperation had been signed, but implementation remained the main problem. His explanation was that Russia's interests in Central Asia were first and foremost geopolitical, while Tajikistan was interested primarily in Russia's participation in the rehabilitation and development of its economy and in joint investment projects.⁴⁰

According to unofficial statistics about 650.000 Tajiks go to Russia every year as guest workers.⁴¹ Other Central Asian countries also send guest workers to Russia, but for Tajikistan, with its post-war economy, this contribution to the national income and to the incomes of many households is crucial. Labour migration has not helped the Tajik economy to progress, but it has helped the population to survive. The presence of migrant workers in Russia also constitutes a vital link in relations between Russia and Tajikistan. However, since the majority of them are in Russia illegally, they also contribute to tensions in bilateral relations. Russia's revision of its regulations on labour migrants in 2002 hit the Tajik workers in Russia hard. The conflict deepened when the Russian authorities started to deport Tajiks who did not have the necessary documentation to allow them to stay and work in Russia. What complicated the issue, as the Tajik media pointed out, was that Russia and Tajikistan had agreements on the free movement of labour. In November 2002, President Rakhmonov stated that Russia's deportation of Tajiks was 'a major violation of their rights, including their financial rights.'⁴²

As part of Russia's increased overall interest in energy issue in 2002, Tajikistan's hydro-energy also received attention. Tajikistan is among the most richly endowed countries in the world as regards water resources. The large scale investment and construction by the Soviet Union of hydro-energy complexes came to an end when the Soviet Union broke up. Construction works were left unfinished and, during the war, hydroelectric stations were not repaired.

In March 2002, the Russia-Tajik Inter-Governmental Commission discussed the issue in Dushanbe. The Russian representatives were interested in investing in Tajik hydro-energy in order to build an electricity capacity, which would also allow the export of electricity to Afghanistan. Much publicity was given to the grand plans for reconstructing and completing the Tajik hydroelectric power stations with the help of Russian expertise, although it was stated that international money would be needed for the project. The Sangtuda hydroelectric power station was of major interest, but Shoigu, Russian Minister for Emergency situation, stressed that a third partner had to be found for financing. He spoke of developing a model of international cooperation by which Tajikistan would offer the object of cooperation, Russia would provide the finance. If the Sangtuda project worked, Shoigu said, the model could be used to complete construction of the Rogun hydroelectric power station in Central Tajikistan as well, but that would only be workable if the international community became involved in Afghan affairs.⁴³

On 29 October 2002, Russia and Tajikistan struck a deal on the Rogun power station. When it goes into operation. It will have the capacity to provide the whole of Tajikistan with electricity and also allow it to export to other countries.⁴⁴ Work on the project was intended to continue until 2007. If completed, the plan will be the

second-largest hydroelectric power station in the world and its construction will have a significant impact on the economy of the whole of Central Asia. Experts predicted that US\$ 1.3 billion would be needed to complete it. In March 2003, UES (Unified Energy System of Russia) the Russian partner, declared its interest in creating an electricity market and buying electric power generated by Tajik hydro-energy facilities.⁴⁵ In April 2003, documents were signed at the EEC summit meeting on a joint project to complete the construction of Sangtuda, with Russia and Kazakhstan as large investors.⁴⁶

On March 11, 2003, at Dushanbe, Tajikistan welcomed the decision of the presidents of Belarus, Kazakhstan, Russia and Ukraine to setup the Regional Integration Organisation. This is evidence of the beginning of a new stage of economic integration within the CIS framework “with the ultimate aim of forming single economic space”, president of Tajikistan Emomali Rakhmonov stated at a meeting with the CIS executive Secretary Yuri Yarov in Dushanbe. The head of Tajikistan reaffirmed the Tajik side’s readiness to search for optimal forms of cooperation within the CIS. “The questions of the activity of the CIS and insurance of its vital capacity are constantly in the centre of attention of the government of Tajikistan,” the Tajik stated.⁴⁷

Again, President of Russia and Tajikistan shared a high opinion of the result attained at the Russian-Tajik talks on 26 April 2003. Speaking at a press conference, Russian President Vladimir Putin pointed out that the economic cooperation between Russia and Tajikistan has vast and hitherto untapped potential, especially in trade and investment sectors. On his part, Tajik president Emomali Rakhmonov noted that the current status of the two countries trade and economic relations “comes from short of the real potential of the Russian-Tajik cooperation.”⁴⁸ He added that Tajikistan is also keenly interested in fostering a uniform cultural and information environment for the two countries.⁴⁹

An economic agreement was signed between Russian President Vladimir Putin and his Tajik counterpart, Imomali Rakhmonov on October 28, 2004. According to the framework of the documents, Putin said that Russia will invest \$2 billion in Tajikistan in the next five years. He said that Russia-state-owned structures and private companies intend to invest in the economy of Tajikistan over the coming five years.⁵⁰ To him, “we settled our debt issues in a form that suited Tajikistan and Russia alike. Moreover, Russia joined an international consortium to construction of the Sangtuda hydroelectric power station in Tajikistan.” Stability in Tajikistan and relationship of trust that has been established between Moscow and Dushanbe will make this possible, the President said. Tajik President Imomali Rakhmonov said that a package of economic documents were signed by Russia and Tajikistan during the summit in Dushanbe on October 16, 2004 would see Russian train more than 50,000 specialists for the republic. The documents will create more than 10,000 jobs in Tajikistan, Rakhmonov said.⁵¹

On November 27, 2004, Russia and Tajikistan formed business forum in Dushanbe, which was a bold step for the economic cooperation between the two countries. Businessmen from the two countries, members of the Russian state Duma, vice-mayors, heads of some territorial and regional units, chief executives of enterprises, and major companies’ from 15 Russian regions took part in the forum.⁵²

The major success of Tajik-Russian economic cooperation was in concluding the long-sought intergovernmental agreement with Russia on migrant labour and legal and social protection of either country’s citizens of the other’s territory. During the visit of Russian President Vladimir Putin’s visit to Tajikistan on October 16-17, 2004, this historical agreement was signed between the two countries. Under the labour agreement, citizens of Tajikistan will be able to apply for legal residence and work permits in Russia. They are

to receive the same wages and benefits as local workers, equal access to public health services and education, and the same rights to old-age pensions for the time worked in Russia. By the same token, they will have to pay Russian taxes. The agreement covers only legal workers, a minority among Tajik guest workers in Russia. This fact, along with the Russian authorities' notoriously negative attitude towards Tajik workers, will probably ensure that a majority among them will continue working illegally, thus failing to qualify for legal protection and providing as before an easy target for extortion by police and other authorities.⁵³

Russia delivered over 56 tons of humanitarian aid to Tajikistan in December 2004. According to Alexander Toristsin, "Russian sent 20 tons of multi-bed tents, several power plants, 11 tons of medicines, 15 tons of baby food, and other kinds of foods." The humanitarian aid from Russia came just in time, Tajik Deputy Emergencies Minister Abdurakhim Radzhabov said. Land slides and floods affected over 1,000 residents of Tajikistan. Several dozens of families were resettled, and the economic damage exceeded US\$ 40 million.⁵⁴

Russian president Vladimir Putin praised humanitarian cooperation with Tajikistan during a meeting with his Tajik counterpart on August 6, 2005. The two leaders were attending the opening ceremony of Tajik cultural Days in the Russian capital. Putin said, humanitarian cooperation ensured progress in political and economic relation and that the declaration and agreement on humanitarian cooperation signed by the CIS leaders "would boost public and business initiative and promote information cultural and youth exchanges."

Speaking is about the Tajik leader's policy, Putin said, he managed to restore order and muster all resources for the countries development and build good and friendly relations with Russia.⁵⁵

Tajikistan is highly dependent on the remittances coming from Russia. In 2012, it received US\$ 3.595 billion in migrant remittances, equaling some 48 % of its GDP. Some 1.5 million Tajiks work abroad, mostly in Russia.⁵⁶ (<https://en.wikipedia.org/wiki/Russia-Tajikistan-relations>).

In Sept 2006, prospects of further expansion of economic cooperation between Tajikistan and the Russian federation were in the centre of discussions of president Emomali Rakhmonov with Russian Prime Minister Mikhail Fradkov in Dushanbe, Tajikistan. Both sides discussed a progress of the implementation of projects being of mutual interest. "We have good potentials and intend to expand trade cooperation between our countries, because this region is of interest for Russian companies," Fradkov said.⁵⁷

(www.asiaplus.tj/en/news/Tajikistan/20060918/Tajik-president-russian-relations)

In Sept 2016, the representation of the Russian Export Centre (REC) was officially registered in Tajikistan. According to the Representative of REC in the Republic of Tajikistan, Dmitry Prokhorenko, Tajikistan was selected for opening foreign representative officers of REC, because, it is one of the strategic priorities of trade and economic relations of Russia with other countries. Chemical, machinery and technical products, foodstuffs, wood etc., come from Russia to Tajikistan. (Russian export centre started to work in Tajikistan, Asia plus, Sept 2, 2016.)⁵⁸

Russia is always prepared for closer economic cooperation with the Republic of Tajikistan, as an influential and authoritative member in the association of states of the Central Asian region, and Tajik inclination towards Russia for economic development is also very strong and consistent. Thus, the economic deal sends a powerful signal of the existence of specific ties between Tajikistan and Russia.

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