

Theory and practice of preventive socio-economic policy: experience of the Republic of Tajikistan

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ORIGINAL ARTICLE

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Abstract. This article examines the theoretical foundations and practical implementation of preventive socio-economic policy within the context of a transforming open economy, using the Republic of Tajikistan as a case study. The study argues that contemporary global economic instability necessitates a shift from reactive anti-crisis measures toward proactive, preventive approaches embedded in national development strategies. Drawing on evolutionary economic theory and the concept of transformational open economic systems, the paper conceptualizes preventive policy as a mechanism of managed evolution aimed at mitigating systemic risks, reducing transaction and fiduciary costs, and aligning the behavior of economic agents with long-term development goals. The analysis highlights the critical role of institutional compromise between the state and market actors in ensuring macroeconomic stability and competitiveness. Particular attention is given to Tajikistan's experience in overcoming post-Soviet transformation challenges, including civil conflict, economic collapse, and structural imbalances, followed by the successful implementation of strategic development programs. Empirical evidence demonstrates that preventive measures – such as macroeconomic monitoring, diversification, support for entrepreneurship, and social protection – have contributed to sustained economic growth and resilience to external shocks. The paper concludes that preventive socio-economic policy represents an essential paradigm for developing economies, enabling them to enhance adaptive capacity, ensure sustainable development, and effectively respond to global uncertainties.

Keywords: preventive socio-economic policy; transformational economy; open economy; economic security; macroeconomic stability; institutional development; crisis management; Tajikistan; sustainable development; economic reforms

JEL codes: E61; O11; P27

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Introduction

In recent years, the scientific community has been actively discussing how the modern globalizing world is exposed to serious economic risks that do not always fit into the general theory of evolutionary and cyclical development. Combating the symptoms of the global crisis is extremely important and deserves the attention of the scientific community. However, such a struggle and its methods depend primarily on a conceptual and theoretical approach to the essential characteristics of crisis phenomena and the readiness of national economic systems to confront them. Therefore, we can agree with the existing view in the economic literature that the main task of economic science today is to formalize a new logic and change the economic paradigm, which can help economic science itself to overcome its crisis [1; 2].

The enormous social and economic losses, as well as the marginal transactional and fiduciary costs incurred by the national economic systems of the post-Soviet countries during the transformation process, are the result of a number of gaps not only in the theory of modern economic mainstream, evolutionary, and institutional economics, but also in the emerging and developing theory of transformational open economic systems. In our opinion, the main reason for the above-mentioned losses is that the economic scientific community and, to a large extent, decision-makers have not yet fully understood and accepted the place of the theory of transformational open economic systems in the methodology of the evolutionary approach [3].

Thus, one of the tasks of the theory of the transformational economy, in the context of its projection onto the theory of the open economy, is to substantiate the principles and mechanism of implementing the so-called "preventive socioeconomic policy". In general, the importance of the principle of preventativeness

in the theory of an open economy consists, first of all, in studying the causes, factors and patterns of deviant behavior of economic agents from the market vector of development [4-8]. Preventive socio-economic policy is, first of all, a policy of managed evolution, which consists in finding alternatives to institutional changes and corrections in the context of changing development conditions [9].

From the perspective of evolutionary economic theory and the theory of an open economy, the goal of the public administration system should be to implement the principles of strategic development that are incorporated into national strategies and development programs. In this aspect, the historical experience of the Republic of Tajikistan during the transition to market relations shows that in a transforming open economy, it is necessary to find a compromise between the state and economic entities aimed at increasing the competitiveness of the national economy and reducing the level of transactional and fiduciary costs. Consequently, in our opinion, compromise is the initial economic relationship in the mechanism of implementing preventive socio-economic policy in a transforming and open economic system [10]. In this compromise, priority should always be given to the goal that, at any given time, may be in jeopardy and failure to achieve which poses a risk to the national economic system as it moves towards a market-oriented economy.

Therefore, the strategy of transformational changes in an open economy must, first of all, reflect the content of the real historical process, so as not to turn into a general declaration of intentions. The modern understanding of such a strategy cannot and should not be limited to purely economic issues at the level of methods and mechanisms typical of developed countries, but should be supplemented by issues of development in the broad sense of the word [11].

Thus, based on the theoretical assumption that preventive socio-economic policies cannot be purely market-based, the most challenging theoretical and practical task is to identify the principles of future development that are incorporated into the strategies and development programs of various countries. The Republic of Tajikistan's limited historical experience demonstrates how the goals, objectives, and principles of the country's future development can be achieved under these conditions.

Main part

The Republic of Tajikistan is on the verge of a great historical holiday – the 35th anniversary of national independence. As emphasized by the Founder of Peace and National Unity, Leader of the Nation, President of the Republic of Tajikistan, His Excellency Emomali Rahmon, “the day of Tajikistan's independence is considered the greatest and most significant political and historical date for the ancient and noble Tajik people. For us, the Tajik people, this date represents the realization of the age-old cherished aspirations of our ancestors and stands as the result of the efforts and dedication of our ancient nation in attaining statehood and achieving freedom”¹⁴.

The first years of independent development were extraordinarily difficult for the Republic, as the civil war imposed upon the Tajik people placed in jeopardy the very existence of Tajik statehood. Speaking at the solemn meeting dedicated to the sixth anniversary of the Republic's independence, His Excellency Emomali Rahmon noted at the time: “I fully understand that at present the majority of the Republic's residents are facing very difficult living conditions. However, I am firmly confident that soon all these hardships will be left behind, and better times and a peaceful life will prevail”¹⁵.

In the mid-1990s, the country's GDP was 40% of its 1991 level, gross agricultural output decreased by 52.8%, industrial production declined by 65.8%, inflation reached four digit figures, and the national poverty rate exceeded 80%. The losses from the imposed civil war amounted to more than 10 billion USD. Only 42% of national roads and 20% of local roads were asphalt-paved, while 73% of roads were in poor condition, and the republic as a whole was in a transport and communications deadlock. It was only in the second half of the 1990s, owing to the foresight and wisdom of our people and the President of the Republic, that the civil war was brought to an end and the reconstruction of the devastated national economy could begin.

¹⁴ Emomali Rahmon. (2013). *Address at the Solemn Meeting on the Occasion of the 22nd Anniversary of the State Independence of the Republic of Tajikistan*. 9 September 2013 (in Tajik)

¹⁵ Emomali Rahmon. (1997). *Speech at the Meeting with Representatives of the Intelligentsia*. 19 March 1997 (in Tajik).

Accordingly, the peculiarities of the initial stage of economic transformation in independent Tajikistan should be assessed not only from the standpoint of the transition from a planned to a market-based system, but above all from the perspective of overcoming the profound political and economic crisis that emerged in the early years of independence. During this period, priority was given to restoring fundamental constitutional rights of economic actors as protection of property, the right to own property, housing and work, choice of profession, etc. Only thereafter were conditions established for economic and entrepreneurial freedom, the effective use of state property in the interests of the people, guarantees for the social protection system, the formation of a national financial system, and the stability of the national currency.

In 1993, addressing the 48th United Nations General Assembly, the President of the country, His Excellency Emomali Rahmon, outlined the main priority for the future development of the national economy and noted that “while operating under extraordinary political and socio-economic pressure, within a relatively short period we succeeded in lifting the economic blockade from all regions of the republic, initiating the restoration of the destroyed national economy, and launching economic reforms aimed at the gradual introduction of market relations”¹⁶.

In 1997, the economy of the republic recorded, for the first time since the crisis, showed positive growth rate of 1.2% and in the same year, at a meeting with representatives of the national intelligentsia, the President clearly outlined the directions for practical action in the economic sphere, emphasizing that, taking into account contemporary global realities and the specific features of the national mindset, it was necessary to concentrate on analyzing “the directions and advancement of the economic process and explaining the mechanisms for the introduction of a market economy”¹⁷.

Despite considerable challenges at the initial stage of economic reforms, the country adopted the “Programme of Economic Reforms of the Republic of Tajikistan for 1995-2000” and the “Programme of Economic Development of the Republic of Tajikistan for the Period 2000-2015” which, taking into account the specifics of the current situation, were based on a phased approach and resolution of issues related to the establishment of market mechanisms. However, the gradual achievement of sustainable socio-economic development was not feasible in a context marked by the lingering effects of economic crisis – namely, acute energy shortages, high levels of food dependency, communications deadlock, and transport fragmentation of the regions. Strategic and priority decisions were required to enable the effective implementation of reforms. In this regard, in his 2005 Address to Parliament, His Excellency Emomali Rahmon, President of the Republic, emphasized that the strategic and vital tasks for the next five years would be to ensure energy independence, overcome transport and communications isolation, and ensure food security. Subsequently, in pursuit of the Millennium Development Goals (MDGs) for 2015, these priorities were transformed into strategic development goals for the country, and a number of strategic documents were developed and adopted to create favorable conditions for sustainable development, including the the National Development Strategy of the Republic of Tajikistan for the period up to 2015, as well as Poverty Reduction and Welfare Enhancement Strategies for the Tajikistan Population.

As a result of the implementation of national strategies and programs, by 2015, the state budget revenue increased from 300 million somoni to 18 billion somoni. Household income increased 25 times, and bank deposits increased more than 85 times. The poverty rate in the country decreased almost threefold, from 89% to 31%. The number of industrial enterprises increased from 358 in 1991 to 2,100 in 2015. To improve the living standards of the population and supply the consumer market with agricultural products, the President issued decrees allocating 75,000 hectares of land to the population, which made it possible to meet domestic demand for most essential food products. By 2015, within the framework of more than a thousand investment projects, more than 63 billion somoni (8.1 billion USD) of foreign investment had been attracted to the economy, including 27.5 billion somoni (3.5 billion USD) of direct investment, which was mainly directed to the energy, transport, healthcare, education, agriculture, irrigation, and other infrastructure.

As a result, by 2015, more than 2,000 km of roads, 190 km of railways, 240 bridges, and more than 30

¹⁶ Emomali Rahmon. (1993). *Speech at the 48th Session of the United Nations General Assembly, 29 September 1993 (in Tajik)*.

¹⁷ Emomali Rahmon. (1997). *Speech at the Meeting with Representatives of the Intelligentsia, 19 March 1997 (in Tajik)*.

km of road tunnels had been constructed and commissioned, at a total cost of more than 11.4 billion somoni. Tajikistan achieved one of its strategic goals – breaking out of the transport and communications deadlock. Also, by 2015, more than 36 billion somoni were attracted to ensure energy independence for the construction and commissioning of important small and large facilities for the generating and transmission of electricity. A unified energy system was created for the country, and more than 1,300 MW of new generating capacity was commissioned.

Owing to the strong political will of the President of the country, His Excellency Emomali Rahmon, the country's economic development has taken on a completely new qualitative dimension. Following the adoption and implementation of the National Development Strategy of Tajikistan for the period up to 2015, the republic has achieved significant success in building a sovereign, democratic, legal, secular, unitary, and social state. During the implementation of this Strategy, stable economic growth averaging 7% was secured, macroeconomic stabilization was achieved, and inflation was reduced to single digits. Household incomes increased significantly and budgetary maneuvering opportunities expanded, allowing more resources to be directed toward the development of human potential as a fundamental resource for further socio-economic development.

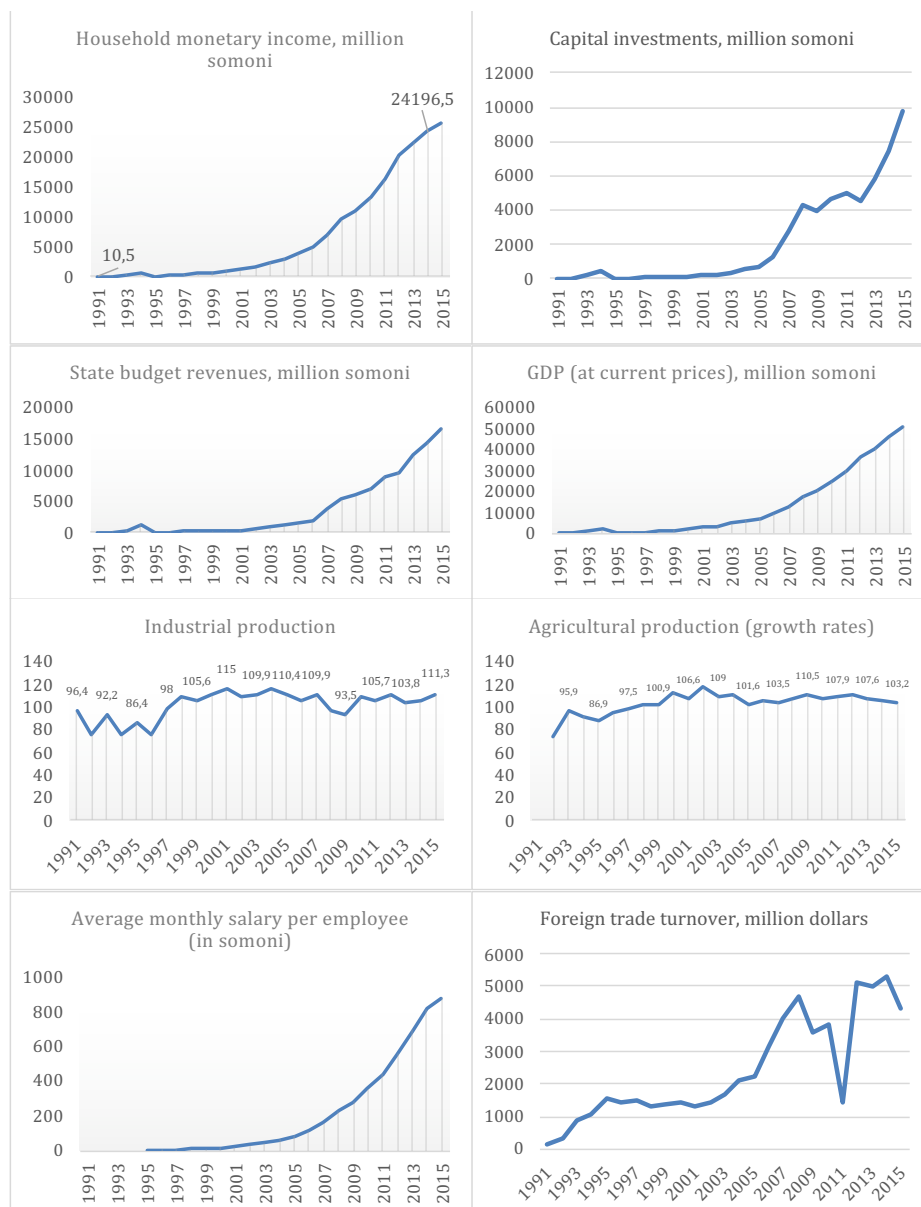


Figure 1. Economic Development Profile of the Republic of Tajikistan for the period up to 2015

Source: Author

In 2016, the Republic of Tajikistan entered a new stage of development.

With the view to further strengthening the foundations of steady economic development in the long term and improving the living standards of the country's population, Tajikistan developed and adopted the "National Development Strategy of the Republic of Tajikistan for the period up to 2030" in 2016 (with its phased implementation through five-year medium-term development programs), which defined three principles of sustainable development- preventiveness, industrialization, and innovation-which define the specific trajectory of the country's development amid an intensively changing geopolitical, geo-economic, and technological context of the modern world.

The need to develop systemic preventive measures to ensure the country's economic security first arose during the global financial and economic crisis of 2007-2009. In 2008, in his address to the Majlisi Oli (Parliament), the President set a very important objective: to incorporate into the system of state governance elements of continuous monitoring and assessment of the macroeconomic situation in crisis conditions. This represented a crucial management decision for an open economy that is constantly exposed to external shocks. The Republic of Tajikistan adopted an Action Plan to prevent the consequences of the financial crisis and established an Intergovernmental Anti-Crisis Commission.

An analysis of this Plan's implementation and the Commission's activities reveals that even at that time, the need to establish a flexible economic system in the Republic capable of adapting to changing global conditions and external shocks had already been raised [12, p. 97]. There was even an attempt to create a computer monitoring program – the “Early Warning System for Economic and Financial Crises”, which was designed to enable real-time monitoring of economic processes; track the reaction of the environment in which they occur; identify their development trends at an early stage; determine various options for intervening in these processes; and, finally, respond in a timely manner to deviations and delays in the implementation of previously adopted decisions [13, p. 167].

In 2009, a Short-Term Additional Anti-Crisis Measures Plan was adopted, which set the important objective of implementing a range of preventive measures across socio-economic, monetary, and fiscal-policy spheres.

In the field of socio-economic policy, alongside short-term anti-crisis measures, preventive (fundamental) directions included ensuring the stability of the real sector, promoting the development of the private sector (particularly small and medium-sized enterprises), creating favorable conditions for investment, and ensuring stable employment. In monetary policy, preventive measures focused on monitoring and assessing the balance of payments and the national currency exchange rate. In fiscal policy, preventive measures were designed to ensure the efficient use of external public borrowings for the development of priority economic sectors, and to improve and monitor the system of tax incentives.

Since that time, the strategic management system of the Republic of Tajikistan has accumulated considerable experience in applying preventive measures aimed at ensuring economic security under external shocks.

The elements of preventive socio-economic policy in the country were most clearly implemented during the period of instability in global financial markets in 2014-2016. Thus, in early 2015, the Government of the Republic of Tajikistan developed and approved the “Action Plan to Prevent the Impact of Potential Risks on the National Economy,” which covered five main areas of preventive action.

Given that the national economy is continuously exposed to external shocks, the primary objective – macroeconomic stabilization – was identified as being at significant risk. Accordingly, the Action Plan established measures aimed primarily at (1) ensuring the stability of macroeconomic indicators and (2) implementing a balanced monetary policy, which included steps to mitigate the risks of imported inflationary pressures. Recognizing the importance, within the preventive socio-economic policy framework, of reducing the “potential conflicts” of interest among economic agents, as well as the need to correct deviant behavior of actors within the national economic system relative to the predetermined development trajectory, the aforementioned Action Plan also included, alongside numerous anti-crisis measures, fundamental actions designed to (3) ensure the efficiency and transparency of the public sector; (4) strengthen social protection

and employment; and (5) improve the investment climate and promote entrepreneurial development.

During the global financial market instability of 2016-2017, the Government of the Republic of Tajikistan implemented specific anti-crisis measures of a fundamentally preventive nature, including: 1) the rehabilitation of troubled banks; 2) exploring avenues for diversification of migration flows; 3) stabilizing the national currency; 4) improving the condition of arable land and ensuring food security; 5) revitalizing investment in the real sector of the economy; 6) diversifying exports; and 7) reducing informal employment.

To enhance the national forecasting system, amendments were introduced to the Law of the Republic of Tajikistan “On State Forecasts, Concepts, Strategies, and Programmes of Socio-Economic Development” in 2009, 2011, and 2017. Pursuant to this law, the Government of the Republic of Tajikistan, by Resolution No. 649 of 30 December 2007, approved the “Procedure for the Development of Short-Term, Medium-Term, and Long-Term State Forecasts of Socio-Economic Development of the Republic of Tajikistan”. Since 2016, econometric models have been introduced into the national forecasting system based on the study of experiences from other countries.

Continuing the reform process, in 2018 the Law “On State Forecasts, Concepts, Strategies, and Programmes of Socio-Economic Development” was adopted in a new edition. This legislation clarified the short-term, medium-term, and long-term stages of socio-economic development and systematized the strategic documents of the country.

In 2018, in response to the negative impact of external shocks, the Government’s preventive measures focused on strengthening coordination among ministries and agencies in ensuring economic security. A resolution was adopted on the “Action Plan for Coordinating the Implementation of Macroeconomic Policy and Preventing the Impact of Potential Risks on the National Economy,” which specified the main directions of preventive socio-economic policy: 1) maintaining stability in key macroeconomic indicators; 2) ensuring the sustainable operation of state-owned enterprises and troubled banks; and 3) enhancing efforts to improve the investment climate and promote entrepreneurship¹⁸.

Finally, in the same year, in order to continuously monitor issues of financial stability, as well as to identify and overcome the negative impact of potential risks and global financial crises on the national economy, a permanent interdepartmental advisory body was established in the republic – the National Council for Financial Stability, which, based on monitoring of crisis situations or unforeseen destabilizing circumstances, including natural disasters, was authorized to submit to the Government of the Republic of Tajikistan an emergency plan to prevent possible consequences, with the aim of managing the situation and solving problems in conditions of instability.

In light of the negative impact of the COVID-19 pandemic, in March 2020, the government adopted the “Action Plan of the Government of the Republic of Tajikistan to Prevent the Impact of Potential Risks of the Coronavirus Pandemic on the National Economy,” which comprised 23 provisions, including the following anti-crisis measures: actions to significantly increase import-substituting production and ensure consumer markets with essential products, including flour, oil, meat, sugar, eggs, vegetables, and other food products; increasing their production and stocks and preventing price increases; attracting foreign investment and financing from the International Monetary Fund and international donor organizations; measures to ensure the timely fulfillment of the state's social obligations, including support for vulnerable segments of the population; as well as measures aimed at supporting entrepreneurs, including tax breaks for small and medium-sized businesses and the postponement of non-tax audits. At the same time, the principle of prevention was used to protect the food market and ensure that the country's markets were supplied with domestically produced goods. By decision of the Republican Headquarters for the Prevention of the Spread of Coronavirus, Tajikistan introduced a temporary ban on the export of domestic agricultural products and the creation of opportunities for surplus production, which could be used to build up reserves. In particular, a temporary ban has been imposed on the export of all types of grains, legumes, flour and wheat, rice, eggs,

¹⁸ President of the Republic of Tajikistan. (2018). Resolution of the Government of the Republic of Tajikistan «On the Action Plan for Coordinating the Implementation of Macroeconomic Policy and Preventing the Impact of Potential Risks on the National Economy» 30 November 2018, № 557.

potatoes, and all types of meat. Under the President's guidance, regional authorities were advised to expand the area of agricultural crops to provide the country's residents with domestically produced goods; specifically, the sowing area for potatoes was to be increased by 40-50%. VAT exemptions were introduced on imported staple foods such as sugar, vegetable oil, wheat, and rice in order to influence market prices. The National Bank of Tajikistan temporarily reduced the reserve requirement ratio for credit institutions on savings and other similar liabilities from April 1 to December 31, 2020 – from 9% to 5% in dollars and from 3% to 1% in somoni, which contributed to an increase in the liquidity of the banking system, and also reduced the discount rate from 12.75% to 11.75% to support business.

During the pandemic, the President of the Republic of Tajikistan issued a decree “On Preventing the Impact of the COVID-19 Infectious Disease on the Socio-Economic Spheres of the Republic of Tajikistan” which, taking into account the current situation with the spread of the new infectious disease, set specific short- and medium-term tasks aimed at reducing the negative impact of COVID-19.

It should be noted that the high level of social and economic costs associated with combating COVID-19 makes this crisis comparable in impact to external shocks experienced during the global financial and economic crisis of 2007-2009. However, these costs significantly distinguish this situation from classic financial and economic crises, primarily in terms of the level of uncertainty and dependence on non-economic (medical, humanitarian, political) factors. At the same time, the main focus of the country's preventive socio-economic policy, namely ensuring macroeconomic stability, remained the center of attention for the government.

In the Address of the President of the Republic of Tajikistan, the Leader of the Nation, His Excellency Emomali Rahmon, to the Majlisi Oli of the Republic of Tajikistan “On the Main Directions of the Republic's Domestic and Foreign Policy” dated January 21, 2021, it is noted that “the consequences of the pandemic continue to have a negative impact on the economies of countries around the world, including the development of our national economy, the state budget, external trade, the national currency exchange rate, as well as the activities of industrial enterprises and service institutions... In 2020, we carried out our activities in the context of an acute global financial and economic situation, and despite the problems that arose, we took a number of operational measures to prevent the consequences of the crisis and protect the country's economic security. Despite the negative impact of these factors, the government's urgent measures ensured the stability of macroeconomic indicators and maintained positive tendencies in terms of improving the standard of living and quality of life”¹⁹. As a result, economic growth remained positive at 4.5% at the end of 2020.

The experience of many countries around the world in combating the pandemic has shown that tough non-economic measures to contain the spread of COVID-19, such as widespread quarantine and social distancing, are certainly justified from the point of view of saving human lives and are linked to the fact that the capabilities of each country's healthcare system are significantly limited at a given moment in time. In such circumstances, “flattening the curve” and achieving a plateau of stability and certainty allows the country's healthcare system to cope with the burden. However, the downside of such measures is the social and economic costs associated with the reduction in economic activity. The interdependence between them is obvious and understandable: the more restrictive the measures to contain the spread of the virus, the higher the social and economic costs. Therefore, it can already be acknowledged today that the actions of the Government of the Republic of Tajikistan, under the existing restrictions, which were not aimed at declaring a total quarantine but focused on the introduction of more lenient self-isolation and social distancing measures, were generally justified, as they were based on the fundamental idea of the principle of prevention – ensuring long-term dynamic stability and sustainable development of the country in the face of external shocks.

In 2022, the Government of the Republic of Tajikistan adopted a new resolution on the “Action Plan to Prevent the Impact of Potential Risks on the National Economy”²⁰. The country's anti-crisis action plan under this resolution, along with previous measures (2018, No. 577), included issues of supplying consumer

¹⁹ President of the Republic of Tajikistan. (2021). Address by the President of the Republic of Tajikistan, Leader of the Nation, His Excellency Emomali Rahmon, to the Majlisi Oli of the Republic of Tajikistan “On the Main Directions of the Republic's Domestic and Foreign Policy.” January 26, 2021. Retrieved from www.prezident.tj (in Tajik).

²⁰ President of the Republic of Tajikistan. (2022). Law of the Republic of Tajikistan “On Strategic Planning and State Forecasting” July 2022, № 1894.

markets with raw materials, preventing unreasonable price increases, supporting vulnerable segments of the population, migrant workers and entrepreneurs, ensuring the timely fulfillment of the state's social obligations, preventing potential risks to the banking system, reducing exchange rate pressure, providing low-interest loans to industrial entrepreneurs, improving the investment climate, postponing non-tax audits, attracting additional financial assistance, and other measures.

An Interagency Headquarters was established to coordinate the implementation of macroeconomic policy and prevent the effects of potential risks on the national economy. At its sessions, issues are considered such as maintaining macroeconomic and banking system stability, increasing production of high value-added export-oriented industrial products, ensuring the stable operation of state-owned enterprises, improving the investment climate, supporting entrepreneurship and internet access, providing the population with essential goods, preventing price increases, protecting vulnerable population groups, supporting labor migrants, and promoting tourism, with corresponding decisions adopted.

Modeling of economic processes in the economy of the Republic of Tajikistan has shown [14] that under conditions of significant external shocks, export diversification, rather than raw-material specialization, is most consistent with the country's economic model and creates conditions for developing higher value-added sectors. These measures are specifically outlined in the State Program for the Development of Exports of the Republic of Tajikistan for 2021-2025²¹. Therefore, one of the central objectives in the development of preventive measures in the National Development Strategy of the Republic of Tajikistan for the period up to 2030 is to increase the competitiveness of the national economy and create conditions for attracting productive capital to the country. In this case, the country's preventive policy is aimed at implementing measures to reduce the overall tax burden and the administrative burden on business; ensuring the low cost of doing business, including reducing the transaction costs of doing business; a policy of stable electricity prices; intensification of Research & Development carried out by small businesses; improving the efficiency of transport infrastructure; upgrading the skills of the workforce; and raising corporate governance standards.

Continuing the reforms in the country to improve the strategic planning system and the development of documents in this area, in 2022, a new Law of the Republic of Tajikistan "On Strategic Planning and State Forecasting"²² was adopted, which defines the list of strategic documents and their interdependence at the national, sectoral, and regional levels, ensures the integration of strategic planning with the budget process, introduces a quality control system, develops results-oriented monitoring, reporting, and evaluation systems, and addresses other issues related to strategic planning and development forecasting.

The second principle of development outlined in the National Development Strategy of the Republic of Tajikistan for the period up to 2030 is the principle of industrialization, which involves increasing the efficient use of national resources and aims to enhance the competitiveness of the national economy, primarily through the transition from an agrarian-industrial to an industrial-agrarian model of economic development. This principle is directly linked to the principle of prevention and reflects the characteristics of socio-economic policy, taking into account the specific features of the country's development. For example, in the initial period of independent development, more than 215,000 people, or 13% of the population employed in the economy, worked in industrial enterprises in Tajikistan, and the share of industry in the GDP structure was 25.4%. In the early stages of implementation of the National Development Strategy for the period up to 2030, about 85,500 people, or 3.5% of the population employed in the economy, were employed in industry, and the share of the industry in the GDP structure was about 16%. For this reason, the principle of industrialization specified in the Strategy was reinforced at the initiative of the President of the republic, His Excellency Emomali Rahmon, when he, along with three national goals – ensuring energy independence and the efficient use of electricity; ensuring food security and access to quality nutrition for the population; breaking the communication deadlock and transforming the country into a transit country – announced accelerated industrialization of the country as the fourth national goal. The task was set to bring the share of

²¹ *President of the Republic of Tajikistan. (2021). Resolution of the Government of the Republic of Tajikistan "On the State Export Development Program of the Republic of Tajikistan for 2021-2025."* 30 April 2021, № 169.

²² *President of the Republic of Tajikistan. (2022). Law of the Republic of Tajikistan "On Strategic Planning and State Forecasting"* July 2022, № 1894.

industry in the GDP structure to 30%.

“In the context of Tajikistan,” notes President Emomali Rahmon, “without the establishment of a highly developed industry, the transition from an agrarian-industrial model of development to an industrial-agrarian one, ensuring economic independence and social security is impossible”²³. Overall, achieving the fourth national goal-accelerated industrialization-is based on Tajikistan’s favorable conditions for its implementation. The country experiences an annual 2% growth in its main productive force-its population-of which more than 58% are of working age. Despite its small territory, the country has significant potential in terms of water and hydropower resources and is rich in natural resources for the development of mining and processing industries, such as non-ferrous and ferrous metallurgy, the construction materials industry, and the pharmaceutical industry. Currently, more than 600 mineral deposits and 800 mineral manifestations have been explored and partially developed in Tajikistan, creating a solid resource base for the development of the country’s industry. The natural and climatic conditions of the valley regions are favorable for the production of agricultural products for traditional light and food processing industries, in particular, export-oriented products.

In this regard, the Leader of the Nation, President of the Republic of Tajikistan, His Excellency Emomali Rahmon, clearly identified the problem that “in order to achieve the fourth national goal, it is necessary to change the principle of development and the mechanism of implementation of the country’s industrial policy”²⁴. It is now important to implement a new structural policy in industry by gradually shifting to the preferential development of sectors that produce end products. These objectives are reflected in the Program for the Accelerated Industrialization of the Republic of Tajikistan for 2020-2025, as well as in other sectoral strategic planning documents in the field of industry. The accelerated modernization of industry with new means of production involves both a focus on borrowing advanced technology from developed countries and the rapid development of traditional industrial production and enterprises for the complete processing of cotton fiber, leather, wool, cocoons, fruits, vegetables, and other domestic raw materials, that is, in essence, the expansion of the country’s industrial space. And finally, the implementation of measures to stimulate export-oriented economic growth by increasing the production of finished goods at enterprises in the non-ferrous metallurgy, light, food, and pharmaceutical industries.

The accelerated development of the ferrous and non-ferrous metallurgy, machine building, and chemical industries will be crucial for reducing the country’s dependence on imported products, providing various industries with the necessary equipment, increasing export potential, and diversifying industrial production. The new challenge facing the country, triggered by the COVID-19 pandemic, has once again highlighted the need to expand export-oriented and import-substituting development of the basic sectors of the national economy, where the accelerated industrialization of the country and its regions should play a central role. Special attention is given to the creation of agro-industrial and other sectoral clusters to improve industrial efficiency, enhance product competitiveness, and integrate into global value chains with foreign investment. Several strategic planning documents have been developed and adopted in this area, including the Concept for the Creation and Development of Agro-Industrial Clusters in the Republic of Tajikistan up to 2040²⁵.

The implementation of the principle of industrialization in the country’s development is becoming an important basis for the implementation of the third principle – the principle of innovation, which is specified in the National Development Strategy of the Republic of Tajikistan for the period up to 2030. At the same time, achieving the country’s fourth national goal – accelerated industrialization – is not possible without science, information and communication technologies, and the fostering of technical thinking among young

²³ *President of the Republic of Tajikistan. (2018). Resolution of the Government of the Republic of Tajikistan «On the Action Plan for Coordinating the Implementation of Macroeconomic Policy and Preventing the Impact of Potential Risks on the National Economy» 30 November 2018, № 557.*

²⁴ *President of the Republic of Tajikistan. (2018). Resolution of the Government of the Republic of Tajikistan «On the Action Plan for Coordinating the Implementation of Macroeconomic Policy and Preventing the Impact of Potential Risks on the National Economy» 30 November 2018, № 557.*

²⁵ *President of the Republic of Tajikistan. (2020). Resolution of the Government of the Republic of Tajikistan “Concept for the Creation and Development of Agro-Industrial Clusters in the Republic of Tajikistan up to 2040.” 28 October 2020, № 566.*

people. In this regard, the President of the country, His Excellency Emomali Rahmon, has declared 2020-2040 a period of intensive development of the exact and natural sciences, providing a powerful impetus for the formation of a modern scientific and technical worldview in society and the creation of a knowledge-based economy. The new technological cycle that we're seeing today in the global economy is a new global challenge that requires the advanced development of the education system and the large-scale introduction of international educational standards into the vocational education system.

As early as 2011, in order to improve the existing situation in the field of innovation, the Government of the Republic of Tajikistan adopted two fundamental documents: the Strategy of the Republic of Tajikistan in the Field of Science and Technology for 2011-2015 and the Program of Innovative Development of the Republic of Tajikistan for 2011-2020, which defined the main objectives of the state innovation policy such as creating favorable socio-economic, organizational, and legal conditions to increase production efficiency by utilizing innovative potential, and introducing energy-saving and environmentally friendly technologies that contribute to the production of competitive products.

Within the framework of the implementation of the innovation principle, the "Strategy for Innovative Development of the Republic of Tajikistan for the Period up to 2020" was adopted in 2015, with the aim of developing human resources in the fields of science, education, technology, innovation, and intellectual property; increasing the innovative activity of businesses and accelerating the emergence of new innovative companies; the broadest possible introduction of modern innovative technologies into the activities of state authorities; the formation of a balanced and sustainably developing research and development sector; ensuring the openness of the national innovation system and economy, as well as the integration of the Republic of Tajikistan into global processes of creating and applying innovations. In 2023, following the instructions of the President of the Republic of Tajikistan, the State Program for Scientific and Innovative Development in the Republic of Tajikistan for 2023-2027 was adopted.

In 2012, Tajikistan became a full participant in the Agreement on the Creation of an Information Infrastructure for Innovative Activity among CIS Member States, establishing a distributed information system and CIS portal "Information for Innovative Activity of the CIS Member States". In 2013, Tajikistan joined the Agreement on Scientific and Technical Cooperation among the Governments of the Shanghai Cooperation Organization Member States.

To further expand the principle of innovative development, in 2019, the Government of the Republic of Tajikistan adopted the Concept of the Digital Economy in the Republic of Tajikistan, and in 2021, the Medium-Term Program for the Development of the Digital Economy in the Republic of Tajikistan for 2021-2025, which define the main trend of innovation – transitioning the economy to digital rails, which will give impetus to the transformation of existing and development of new types of production, as well as obtain digital dividends in areas such as GDP growth, creation of new jobs, services, and improved living standards. In the medium term, the digital transformation process is planned to focus on the digitalization of the energy industry, the agro-industrial complex, and the telecommunications sector, in accordance with their strategic importance for the country's development. Given the current challenges in the field of digitalisation, the goal has been set to lay the foundations for non-digital (strengthening the regulatory and legislative framework and cyber security regulation) and digital (broadband Internet access throughout the country and optimisation of the entire process of service delivery using digital technologies) transformation in the country. In this regard, 2025-2030 have been declared the "Years of Development of the Digital Economy and Innovation" in the Republic of Tajikistan²⁶.

²⁶ President of the Republic of Tajikistan. (2018). Resolution of the Government of the Republic of Tajikistan «On the Action Plan for Coordinating the Implementation of Macroeconomic Policy and Preventing the Impact of Potential Risks on the National Economy» 30 November 2018, № 557.

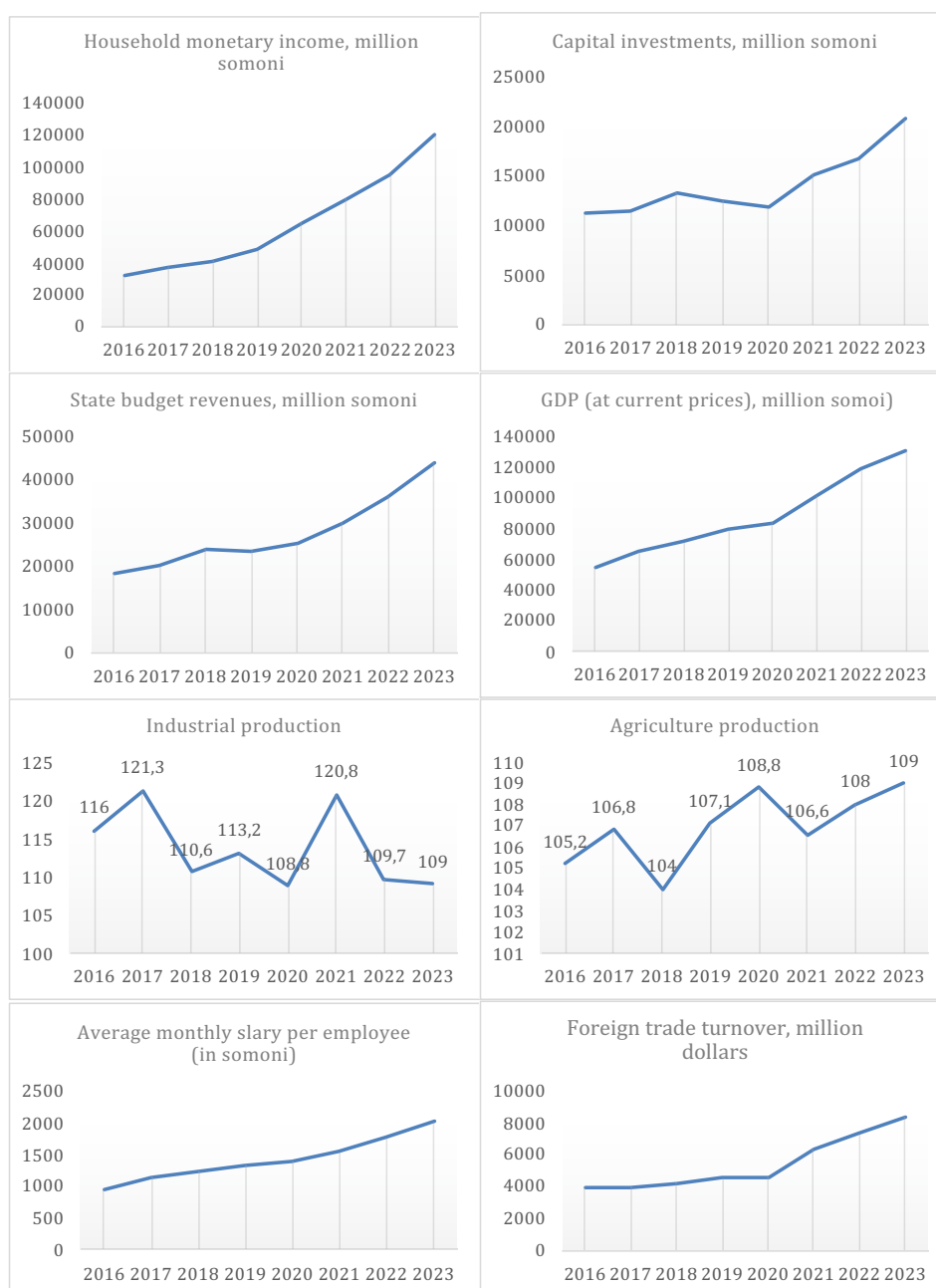


Figure 2. Economic Development Profile of the Republic of Tajikistan for the period 2016 to 2023

Source: Author

Conclusion

The Republic of Tajikistan possesses tangible natural resources that provide a solid foundation for a transition to a “green” economy. Greenhouse gas emissions in Tajikistan amount to less than one ton per capita per year, while the country’s share of total emissions within the Central Asian region is approximately 5%. This is primarily attributable to the extensive utilization of hydropower resources, which generate environmentally clean electricity and account for more than 98% of the energy balance. Accordingly, the concept of a “green” economy directly aligns with the national interests of the Republic of Tajikistan, and its broad implementation may create the necessary conditions for the country to secure its own niche within global innovation processes aimed at the efficient use of natural capital. These and other objectives of Tajikistan’s green transformation are reflected in the Green Economy Development Strategy of the Republic of Tajikistan for 2023-2037, which is currently being implemented at an accelerated pace. As noted by the

President of the Republic of Tajikistan Emomali Rahmon, in his Address to the Parliament of the country on December 28, 2023, “Tajikistan, as a leading country in the world in the development of the green economy in 2037, will in fact become a green country”¹⁴.

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CONFLICT OF INTEREST

The author declares no conflict of interest.

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¹⁴ President of the Republic of Tajikistan. (2023). Address by the President of the Republic of Tajikistan, His Excellency Emomali Rahmon, “On the Main Directions of the Republic’s Domestic and Foreign Policy” (28 December 2023). Retrieved from <https://www.president.tj/event/missives/36374>