

Tax security in the economic resilience system of the Republic of Tajikistan: theory, methodology, and practice

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ORIGINAL ARTICLE

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Abstract. The article examines the role of tax security in the state's economic resilience system on the example of the Republic of Tajikistan. The relevance of the research is due to the increasing external and internal economic challenges, the digital transformation of the fiscal system, and the need to ensure the sustainability of budget revenues in terms of global economic instability. The purpose of the research is a comprehensive scientific substantiation of tax security and development of methodological and practical approaches it in the context of modern institutional and economic transformations. Statistical data from government agencies of the Republic of Tajikistan and from international financial organisations is the empirical basis of the research. Tax security is a dynamic state of the tax system. It ensures the stability of budget revenues, the effectiveness of tax administration, and the protection of the economy from fiscal risks. The research identifies key threats to tax security, including a high level of the shadow economy, a significant amount of tax benefits, and the dependence of domestic consumption on external factors such as remittances from migrant workers. Despite the positive dynamics of macroeconomic indicators and the growth of tax revenues, these factors significantly limit the fiscal potential of the state. Moreover, digitalisation of tax administration is an important tool for increasing transparency and efficiency of tax control. As a result, an intensive budget filling model expands the tax base and reduces inefficient tax benefits and institutional integration of the shadow sector into the legal economy. It will increase the stability of the tax system and strengthen state economic security.

Keywords: economic resilience; financial security; tax security; shadow economy of the Republic of Tajikistan; fiscal policy of the Republic of Tajikistan

JEL codes: H21, H26, H20, O23, E62

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Introduction

In the modern structure of the national security, the financial component occupies a dominant position. The Republic of Tajikistan is at the stage of active institutional transformation and integration into global economic processes. Therefore, issues of financial stability are of existential importance. The core of the financial security system is tax security. It prevents the tax system security from internal and external threats, ensures budget sufficiency, performs government functions, and maintains socio-economic stability in a volatile environment.

The concept of tax security combines economic, legal, and geopolitical determinants in terms of a common national security system. The founder of a systematic approach to this problem is D.N. Tikhonov. He proposed to consider security in terms of strategic tax planning and minimising fiscal risks [10]. To develop the approach, K.V. Maslov substantiated the concept of tax security as a legal institution, focusing on legal mechanisms for protecting the interests of the state and society [6]. E.A. Zakharova identifies specific indicators of the system's sustainability, such as the tax burden and the share of revenue in GDP [5]. I.K. Shishkina considers fiscal security as the foundation of financial stability, ensuring the protection of state interests via effective management of income and expenses [11]. A number of modern scientists consider tax security as a dynamic management system. E.I. Minakova defines it as a modern institutional mechanism aimed at preventing tax evasion [8]. According to E.L. Gulkova et al., security is a protecting an organisation

from unjustified additional charges and preserving its business reputation in an aggressive fiscal environment [4]. A comprehensive view of the problem is presented in the research of A.A. Bazhenova and S.Z. Mehdiyev. They consider tax system protection as a prerequisite for the existence of a sovereign state [2]. M.V. Galazov studies industry specifics in detail (using the example of small business). Moreover, he offers a legitimate optimisation tools for business [3]. The concept of A.I. Ponomareva defines tax security as an 'institutional filter'. According to the author, the system is designed to block destructive phenomena (corruption, shadow capital) at the stage of forming budget flows [9]. However, A.V. Minakov considers fiscal sustainability as a basis of country economics [7]. The foreign scientists study its in terms of the human factor. Indeed, according to the classical model by M. Allingham and A. Sandmo, taxpayers behaviour is of great attention [12]. J. Alma and B. Torgler introduced the concept of 'tax morality'. They proved that the security level of the system is directly dependent on the degree of trust between the government and society: the smaller the social distance, the higher the voluntary discipline of taxpayers [13].

Therefore, tax security has transformed from a highly technical fundraising task into a complex interdisciplinary system. It combines strict control, institutional design, and strengthening of the social contract.

Nowadays, tax security development theory is the transition to digital control paradigms. Preliminary, our research focused on the transformation of digital economy and tax security into a system of predictive analysis and technological monitoring. Indeed, the key factor is the cyber stability of fiscal institutions and electronic transactions [1].

The relevance of this research is provided by a need to develop tax mechanisms ensuring the sovereignty of the Republic of Tajikistan, 2026-2030. This time period had unprecedented overlap of factors: post-pandemic recovery, geopolitical turbulence in the region, changes in logistics chains, and internal reform of fiscal legislation, including the introduction of a new Tax Code in 2022, and a strategic reduction in the VAT rate to 14% in 2024.

The purpose of the research is to provide a comprehensive justification of tax security role in state economic resilience (on the example of the Republic of Tajikistan). Moreover, the research develops scientific and methodological approaches to improve the integration of theoretical concepts, methodological tools, and practical digital solutions.

Methods

The methodological basis of the research includes the main principles of economic resilience. The research methods used are analysis and synthesis, induction and deduction, abstraction and generalisation, and logical-structural and comparative analysis. Above provide a holistic understanding of the processes of tax security ensuring. We analyse the impact of formal and informal institutions on ensuring tax security via an institutional analysis.

The research based on the latest empirical data from the Tax Committee under the Government of the Republic of Tajikistan, reports from international financial institutions (IMF, World Bank), and macroeconomic statistics, 2023-2025.

Results

Tax security is an integral subsystem of the financial and economic resilience of the state. In theory, the tax security of the Republic of Tajikistan has dynamic state of the fiscal system. It ensures the guaranteed receipt of tax revenues in sufficient amounts to cover legally established budget expenditures, while maintaining incentives for the development of entrepreneurial activity.

The Tajik economic model has a high proportion of external factors (remittances, energy imports, and exports of raw materials). It provides an expanded interpretation of tax security. Moreover, it includes fiscal efficiency, institutional resilience – the ability of the tax administration to withstand corruption risks and adapt to digital challenges.

The Republic of Tajikistan economy is at the stage of active modernisation and integration into the global economy. Therefore, tax security is of critical importance. On the one hand, the state strives to ensure

the stability of budget revenues needed to finance social programs, the construction of strategic facilities, and infrastructure projects. On the other hand, the business community is in conditions of a high tax burden historically been assessed by international experts as one of the most significant in the region.

Tax security in the context of the digitalisation of the economy is as an indicator of the balance of interests between the state and business: the ability of the state to collect taxes and the ability of businesses to pay them while maintaining the potential for development.

A fundamental element of ensuring tax security is the continuous assessment of tax risks and cyber attacks from external and internal threats. In the modern economic theory of Tajikistan, tax risk includes financial losses caused by adverse changes in tax legislation, errors in tax planning, and misinterpretation of regulations by both the taxpayer and the fiscal authorities. In 2025 the dynamics of legislative changes has reached a peak. Therefore, the management of these risks becomes an integral part of the economic security system of any organisation.

The Law of the Republic of Tajikistan 'On Security' contains the following concept: economic security is the state of protection of the national economy from internal and external conditions, processes, and factors that endanger its sustainable development and economic independence; security is the implementation of a unified state policy in terms of security via a system of economic, political, organisational measures threaten to the vital interests of citizen, society, and the state¹.

According to Article 82 of the Tax Code of the Republic of Tajikistan, tax risk is interpreted as 'a risk management system is a set of rules, documents, and measures to identify, assess, respond to risks, monitor, and control their level. It is implemented in accordance with this Code by tax authorities to identify and prevent the risk of violations, tax legislation, and encouragement of responsible taxpayers. Based on the results of the risk assessment, the tax authorities apply the appropriate form of tax control'².

The key criteria for tax security in terms of theoretical discourse are:

1. Fiscal self-sufficiency is the ability of the tax system to finance current and capital expenditures without a critical increase of public debt. On World Bank's forecast of maintaining a high risk of a debt crisis until the repayment of Eurobonds on the Rogun HPP in 2025-2027, this criterion is dominant one³.

2. Social justice is an equal distribution of the tax burden to prevent a social tension. The high level of poverty (although decreasing from 83% in 2000 to 19% in 2025)⁴ requires a cautious approach to indirect taxation.

3. The competitiveness of a jurisdiction provides the conditions preventing an outflow of capital and labour resources.

The theory of fiscal and public finance emphasises the direct correlation between tax potential and debt sustainability. In Tajikistan the public debt is an important instrument for financing strategic projects (energy, infrastructure). Indeed, a tax security acts as a guarantor of solvency.

However, 'ensuring tax security is a new concept in the system of financial and national security to increase the process of the digital economy globalisation. In this process, tax systems are increasingly relying on information technology. It leads to the emergence of new threats and external and internal attacks. Therefore, the tax system should be protected from all types of threats and cyber attacks' [2].

In the Republic of Tajikistan, the quantitative and qualitative indicators objectively assess the level of tax security. The methodological framework of the research is based on the standards of public finance

¹ The Law of the Republic of Tajikistan «On Security» No. 721 of 28.06. 2011. Akhbori Majlisi Oli of the Republic of Tajikistan, 2011, No. 6, Article 434; 2014, No. 11, Article 646; Law of the Republic of Tajikistan on 03.03.2016, No. 1283; on 08/03/2018, No. 1540. President of the Republic of Tajikistan Emomali Rahmon. Dushanbe.

² The Tax Code of the Republic of Tajikistan. (2022). Dushanbe: Nashrietimuosir.

³ International Monetary Fund. (2025). Republic of Tajikistan: First Review Under the Policy Coordination Instrument and Request for Modification of a Quantitative Target and a Reform Target. Source: <https://www.imf.org/-/media/files/publications/cr/2025/english/tjkea2025001-print-pdf> (accessed on 11.02.2026).

⁴ President of the Republic of Tajikistan. (2025). The message of the President of the Republic of Tajikistan Emomali Rahmon, on the main directions of the Republic's domestic and foreign policy on 16.12.2025, Dushanbe. Source: <https://president.tj/event/news/54185> (accessed on 10.02.2026).

statistics. Its implementation is apart of the country’s obligations to the IMF⁵.

Table 1 – Key assessment indicators

A group of indicators	Indicator	Economic sense
Macroeconomic	The share of tax revenues in GDP	Reflects the level of redistribution of national income through the budget. In Tajikistan, this indicator has historically fluctuated between 18-20%. It is typical for emerging markets.
Administrative	Collection rate	The ratio of the taxes actually received to the planned indicators.
Structural	Tax expenses	The amount of lost income due to benefits and preferences. In 2022, this indicator reached a critical level of 11% of GDP.
Risks	The level of tax debt	The ratio of accumulated arrears to annual receipts.

Source: Author

A special place in the methodology is occupied by the assessment of the tax gap – the difference between theoretically possible tax revenues (with full compliance with legislation) and actual fees.

Tax security plays an important role in the economic security system. Therefore, the main threats and attacks affecting the level of economic security come are fiscal and financial in nature.

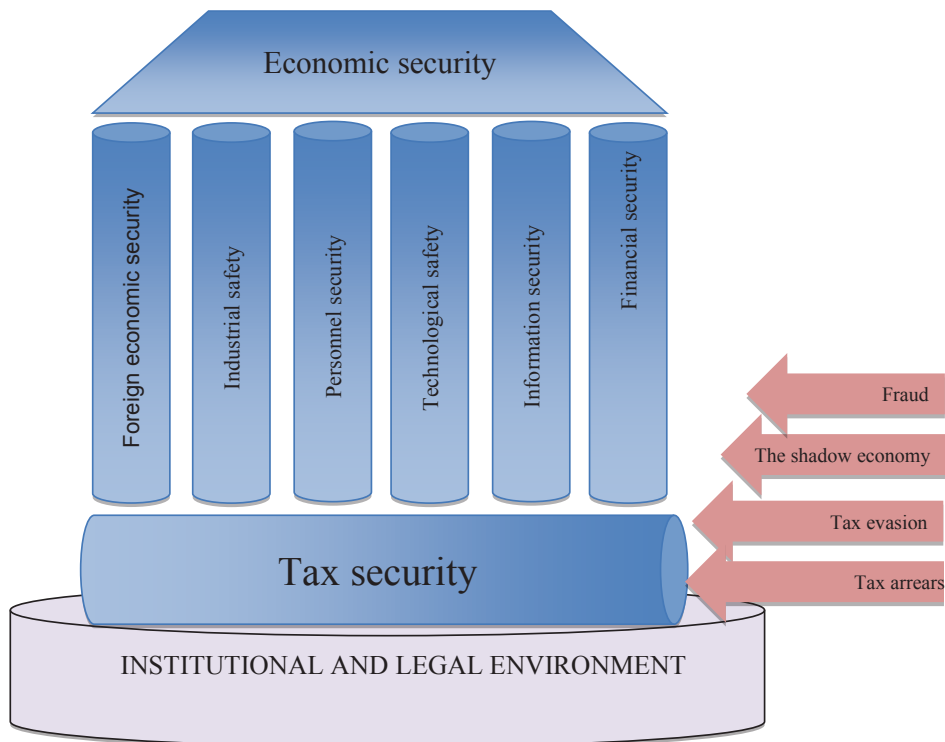


Figure 1. The role of tax security in the economic security system

Source: Author

In Tajikistan, the tax gap is formed under the influence of two main factors: The first is the shadow economy – a sector is completely hidden from taxation. The share of the shadow economy range from 30%

⁵ President of the Republic of Tajikistan. (2025). The message of the President of the Republic of Tajikistan Emomali Rahmon, on the main directions of the Republic’s domestic and foreign policy on 16.12.2025, Dushanbe. Source: <https://president.tj/event/news/54185> (accessed on 10.02.2026). President of the Republic of Tajikistan. (2025). The message of the President of the Republic of Tajikistan Emomali Rahmon, on the main directions of the Republic’s domestic and foreign policy on 16.12.2025, Dushanbe. Source: <https://president.tj/event/news/54185> (accessed on 10.02.2026).

to 50% of GDP. It significantly distorts the basis for calculating tax potential. The second is political benefits: the legal narrowing of the tax base through the provision of individual preferences. According to the IMF methodology, is also a form of loss of budgetary resources.

Discussion

Tax security is derived from the state of the real economy. An analysis of the macroeconomic environment in 2023-2025 demonstrates that Tajikistan's economy, despite external shocks, has shown high adaptability, forming a basis for fiscal withdrawals.

Tajikistan's economy showed high growth rates. It directly influenced the expansion of the tax base. In 2023, real GDP growth was 8.3%. The main drivers were gold exports, an increase in private consumption supported by an influx of remittances, and large-scale government investments in infrastructure. This indicator remained at 8.4% in the first quarter of 2024. The World Bank forecast for 2024 suggested a slowdown to 6.5-7.2% due to regional uncertainty. However, the actual dynamics turned out to be higher than expected⁶. According to preliminary data, in 2025, GDP grew by 8.4%, reaching 176.9 billion somoni (over \$19 bn USD) in nominal terms⁷.

Over the past 25 years, Tajikistan's economy has demonstrated impressive growth in monetary terms, increasing 15-fold (see Figure 2).

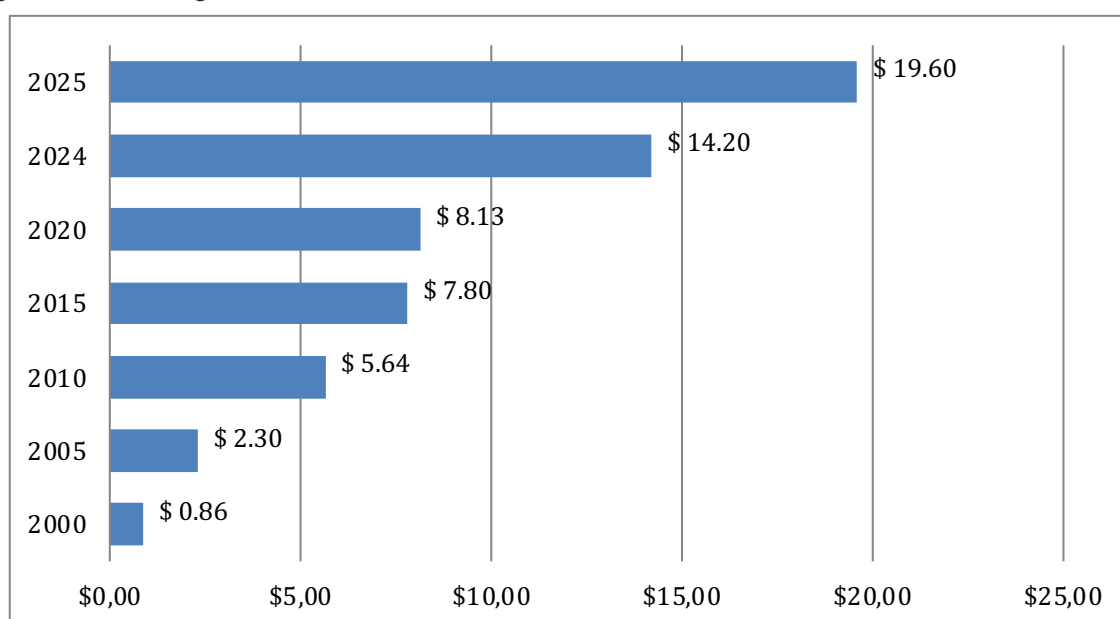


Figure 2. Dynamics of the GDP of the Republic of Tajikistan, 2000-2025 (bn USD)

Source: Agency for Statistics under the President of the Republic of Tajikistan, 2026⁸

Steady GDP growth ensured favourable conditions for the implementation of tax collection plans, since an increase in trade and production turnover automatically generates an increase in VAT and income tax receipts.

Despite the positive dynamics of GDP, the macroeconomic environment has tax security risks. Firstly, the economy's dependence on migrant remittances – a key source of financing for domestic consumption. Fluctuations in the Russian economy and migration policy (stricter entry rules, devaluation of the ruble, etc.) decrease the purchasing power of Tajikistan population. It also affects VAT collections – the main source of tax revenues for the state budget. Secondly, inflation is projected at the level of the average inflation rate in Tajikistan in different periods (see Fig. 3) has a twofold effect. On the one hand, it nominally increases the tax base. On the other hand, it devalues real budget revenues and increases the cost of public procurement.

⁶ World Bank. (2025). Report on the economy of Tajikistan 2025. Source: <https://www.vsemirnyjbank.org/ext/ru/home> (accessed on 10.02.2026).

⁷ Agency for Statistics under the President of the Republic of Tajikistan. (2026). Source: <https://www.stat.tj> (accessed on 10.02.2026).

⁸ Agency for Statistics under the President of the Republic of Tajikistan. (2026). Source: <https://www.stat.tj> (accessed on 10.02.2026).

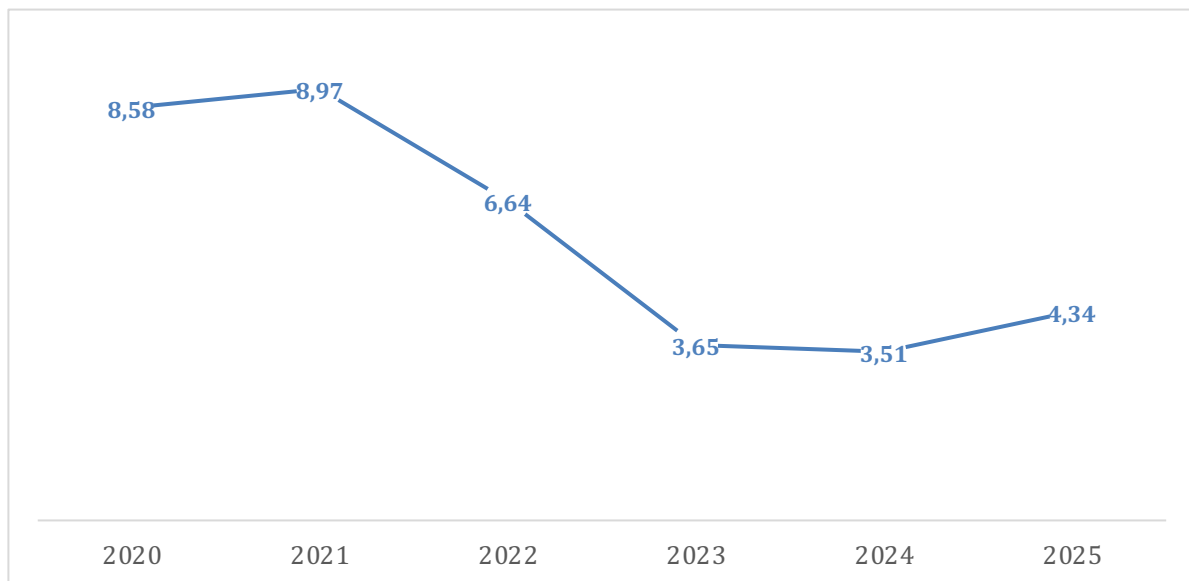


Figure 3. The average inflation rate in Tajikistan, 2020-2025

Source: National Bank of the Republic of Tatarstan, 2026⁹

The practical implementation of tax policy in the period under review is characterised by a combination of fiscal liberalisation (reduction of rates) and administrative tightening (digitalisation, enforcement, etc.). The balanced budget system requires the uniform fulfilment of obligations by all regions. The central element of the tax strategy was to reduce the tax burden to bring the economy out of the shadows.

Theoretically, a reduction in the rate leads to a temporary drop in budget revenues. However, the 2024 data (revenue growth) confirms the effect of the Laffer curve: the reduction in the rate is compensated by an expansion of the base and an improvement in collection (see Figure 4). Reducing VAT to 14% makes evasion less cost-effective compared to the risks of fines. It strengthens tax security.

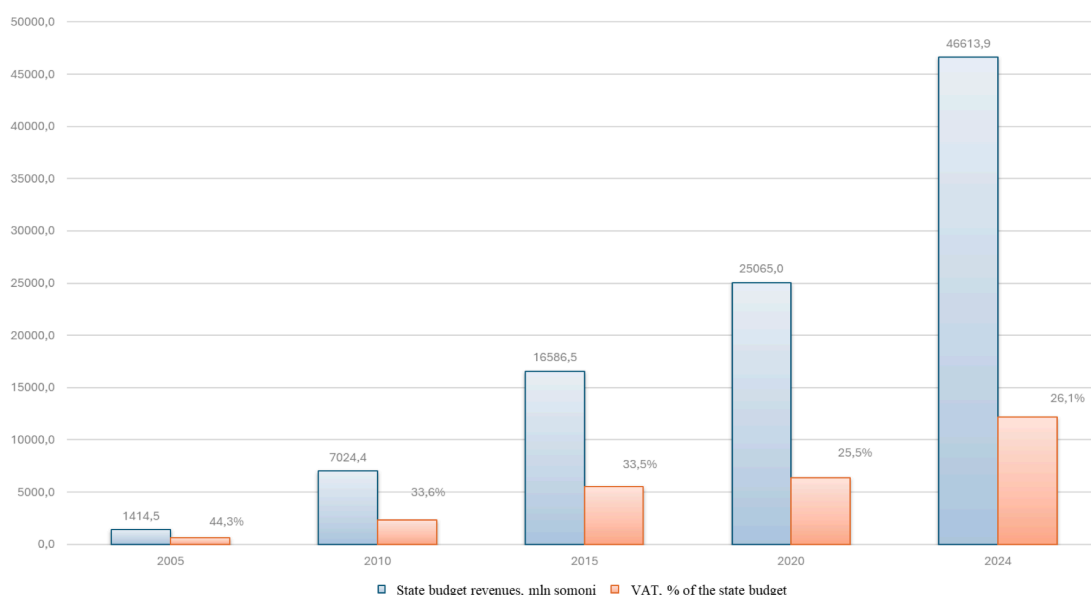


Figure 4. Comparison of VAT receipts to state budget revenue, 2000-2024

Source: Agency for Statistics under the President of the Republic of Tajikistan, 2026¹⁰

⁹ National Bank of the Republic of Tatarstan. The inflation rate in Tajikistan. (2026). Source: https://nbt.tj/ru/monetary_policy/inflation.php (accessed on 10.02.2026).

¹⁰ Agency for Statistics under the President of the Republic of Tajikistan. (2026). Source: <https://www.stat.tj> (accessed on 10.02.2026).

The most critical aspect in Tajikistan's economy is the developing of shadow economy – the antagonist of tax security. According to expert assessment, the share of shadow economy in Tajikistan ranges from 30% to 50% of GDP. In 2022, the country's official GDP was about \$ 11.4 bn USD. However, according analysis by the Eurasian Development Bank, the real volume of the economy could be larger twice due to unaccounted incomes. Therefore, \$ 5-6 bn USD are in the shadows¹¹.

Moreover, the shadow sector forms unfair competition. Legal businesses bear the full tax burden, while 'gray' enterprises dump due to non-payment of VAT and social contributions and benefits.

Indeed, the one of the most serious threats is the enormous amount of tax benefits. According to the IMF report (2025), tax expenditures in 2022 were estimated at 11% of GDP [13]. hence, the state voluntarily renounces revenues equivalent to almost half of the taxes actually collected. Benefits are often individual in nature, provided to large industrial enterprises or investors without a transparent performance analysis. The IMF strongly recommends to rationalise a benefits system, as its reduction is the most efficient way to raise income without raising rates for the population.

According to our research, Tajikistan's tax system has transformed from a fiscal instrument of withdrawal to a modern mechanism for regulating the economy. The adoption of the 2022 Tax Code and the consistent reduction of the VAT rate to 14% indicate a paradigm shift towards partnerships with businesses. However, strategic security remains under threat due to the huge volume of the shadow economy (up to 50% of GDP) and excessive tax benefits (11% of GDP). These two factors significantly decrease the fiscal space and make the budget dependent on large taxpayers and the external economic environment.

Conclusion

On the example of the Republic of Tajikistan, the research provides a comprehensive scientific substantiation of the role of tax security in the general system of state economic security. During the conceptual and institutional analysis, a wide range of determinants was comprehensively studied.

Therefore, there is an efficient development of tax security of the Republic of Tajikistan. The analysis shows critical and systemic vulnerabilities that, in the medium term, could completely eliminate all the tactical successes achieved and jeopardize the country's financial sovereignty. The fundamental focus of government policy should immediately shift from futile increased administrative pressure on the remaining legal businesses to ensuring insurmountable economic and technological barriers to the shadow sector.

Nowadays, transfer of the business into the legal field becomes unprofitable activity with unacceptably high risk. Therefore, via the formation of digital controls, the total institutionalisation of the shadow economy is necessary. Indeed, the state should focus on strengthening the concept of 'tax literacy' based on 'tax morality.' It will contribute to the steady growth of voluntary tax discipline in civil society.

During the implementation, ensuring the long-term tax security of the Republic of Tajikistan requires a transition from extensive to intensive budget filling. It is an expansion of the tax base due to the systemic integration of the shadow sector into the legal field and a strict revision of inefficient tax expenditures. This approach establishes a financial foundation that is resilient to global challenges and capable of ensuring the sovereign development of the national economy.

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CONFLICT OF INTEREST

The author declares no conflict of interest.

¹¹ *President of the Republic of Tajikistan. (2025). The message of the President of the Republic of Tajikistan Emomali Rahmon, on the main directions of the Republic's domestic and foreign policy on 16.12.2025, Dushanbe. Source: <https://president.tj/event/news/54185> (accessed on 10.02.2026).*

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