Cross-border trade and migration in the context of Tajikistan's international economic cooperation with neighboring countries

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Abstract—Tajikistan is the country with the most difficult access, the most isolated, with limited transport links to other countries in the region and far abroad. In such cramped conditions for Tajikistan, an important role is played by international relations, which make it possible to develop the economy and raise the level of social development. Taking into account the geographical position of the country, the interaction of Tajikistan with its neighbors countries plays an important role in the sphere of international relations. This article analyzes foreign trade relations between Tajikistan and neighboring countries: Afghanistan, China, Kyrgyzstan and Uzbekistan. The relevance of the study of Tajikistan's border trade with its neighbors is the importance of analyzing the impact of this aspect on the socio-economic development of the country. But Frontier trade, but defined as but the flow of goods and but services across but international land borders within but up to thirty kilometers, plays an important role in maintaining the means but life for the population living along the border, and the most, but is a pillar but the welfare of the republic. But more than that, but strengthening trade but ties, promoting mutual understanding between different but different communities, but cross-border trade, but it helps maintain friendly relations between neighbors.

Keywords—foreign trade, cross-border trade, socio-economic development

I. INTRODUCTION

The Republic of Tajikistan is the smallest state in Central Asia, located in the foothills of the Pamirs, which has no access to the sea. It borders with Uzbekistan in the west and north-west (1332 km), with the Kyrgyz Republic - in the north (970 km), with China - in the east (519 km), and with Afghanistan - in the south (1356 km).

Tajikistan, like most post-Soviet states, almost immediately after declaring its sovereignty, began to actively build its relations with the outside world on the basis of the multi-vector principle [1–5].

This was facilitated by the deliberate choice of the ruling political structures of the country on the implementation of this principle, political readiness to work in the relevant direction, as well as the readiness, if not of the whole society, then, in any case, but its active part, to support but similar aspiration and actions of the ruling elites but their countries. In the conditions, but when the Republic of Tajikistan was faced with the need but to solve the most acute but political tasks, including but ensuring security but on the Tajik-Afghan border, and solving many social and economic problems, but it is needed to cooperate with the major powers of the world. In addition to that, being clearly expressed but mountainous territory and not possessing significant
reserves of hydrocarbons, Tajikistan is a leader in the region in terms of fresh but fresh water and owner of a rare mineral but raw material base, competing for development many neighbors in the region [6].

In Tajikistan, the role of foreign trade and foreign investment is constantly increasing as important factors for the development of the national economy. By increasing the level of industrialization and integration of the country’s economy into the world economy, it is possible to go on a par with the global scientific, technical and economic processes, only countries with an open economy can timely perceive positive impulses from the world economy.

Taking into account the geographical position of the country, the interaction of Tajikistan with its neighbors countries plays an important role in the sphere of international relations.

Republic of Tajikistan, taking into account its geographical and geopolitical location, common roots and historically established relations between nations, as well as prospects for its economic development, pays attention to the further development and deepening of a wide range of mutually beneficial cooperation with the Republic of Uzbekistan. The trade turnover between Tajikistan and Uzbekistan in 2010 amounted to about $ 72 million, and by 2017 increased to $ 126.4 million. Trade with Uzbekistan fell sharply after the crisis in 2009, however, by 2017, there was again a growth trend, despite the decline in the share of foreign trade turnover of Uzbekistan in the total trade turnover of Tajikistan. In early 2018, the President of Uzbekistan paid an official visit to Dushanbe for the first time in 25 years of independence. During the meeting, the presidents of Uzbekistan and Tajikistan discussed the prospects for the development of relations between the countries, and also concluded 27 important agreements. The presidents of the two countries signed an interstate Treaty on separate sections of the state border of Tajikistan and Uzbekistan. Agreements were signed between the governments of Tajikistan and Uzbekistan on international road transport, air traffic, cooperation in ensuring the activities of the Farhad dam, and mutual visa-free travel for citizens. Diplomatic relations between the Republic of Tajikistan and the Kyrgyz Republic were established on January 14, 1993 [7].

The priorities of political contacts between the two countries are reviewed in the context of such common tasks as strengthening security and stability in the region, and promoting the further development of integration processes. In the Tajik-Kyrgyz relations in conditions of independent development, there is a mutual desire to establish mutually beneficial relations on various aspects of cooperation, they have a spirit of mutual trust, good-neighborliness and a friendly attitude towards each other. Tajikistan and the Kyrgyz Republic have seen a significant increase in turnover. Tajikistan’s exports to Kyrgyzstan in 2017 amounted to $ 11 million, while imports from Kyrgyzstan to Tajikistan - $ 38 million. The increase in trade with Kyrgyzstan is associated with an increase in imports of energy resources and other consumer goods.

The rapid and massive penetration of China into the economy of Tajikistan is a relatively new phenomenon. Meanwhile, geographical proximity, the presence of a common border and, in general, Beijing’s growing economic interest in developing ties with the Central Asian region make inevitable the strengthening of interaction between the two countries [8, 9]. In 2013, it was raised to the level of a strategic partnership, which was recorded in the relevant Declaration, signed by the leaders of the Republic of Tajikistan and the PRC during the next official visit of the President of Tajikistan to the PRC. It states that one should “fully take advantage of the geographical neighborhood and economic complementarity” in order to “promote the sustainable and intensive development of economic cooperation between the two countries through active promotion and implementation of relevant projects.”

China is the largest investor and the largest trading partner of the Republic of Tajikistan. Relations between Tajikistan and China in the economic sphere are due to the country's neighborhood, as well as a certain natural-resource and transit potential. There are real examples of cooperation in the energy, mining, agricultural and educational fields. In recent years, according to agreements between the governments of Tajikistan and the PRC, China’s economic contribution to various spheres of production and the national economy of Tajikistan is increasing. In particular, China has allocated $ 720 million to improve transport communications in Tajikistan. As a result, the tunnels of Shahristan, Chormagazak and Istiklol were built.

The economic penetration of the PRC into Tajikistan is a relatively recent phenomenon. Until the middle of the first decade of the 2000s, the Chinese presence in the republic was felt very weakly, and not least because of the lack of transport communications connecting the two countries. And only after the opening of a highway between Tajikistan and the PRC, did bilateral trade begin to grow rapidly. Another factor that influenced the growth of China’s economic activity in the country was the availability of free financial resources and the willingness to invest them even in those market segments that were not of much interest to other investors. None of the world and regional powers showed willingness to invest in infrastructure vital for Tajikistan, and China not only gave loans, but also attracted its companies to participate in these projects [10].

China is actively involved in the construction of roads, through which Tajikistan seeks to increase its transport and communications capabilities and reduce its dependence on Uzbekistan, through which most of the road transport is currently carried out. Tajikistan and China are full members of international and response organizations and actively cooperate within
these organizations, in particular the Shanghai Cooperation Organization [11].

In 2015, the construction of the first industrial zone “Tajikistan-China” was launched. It will produce zinc, lead and copper. The volume of investments is about 500 million US dollars. In addition, together with Chinese companies, Tajikistan intends to increase the volume of gold production to 5-7 tons per year by 2020. Investors from China also work in the fields of coal, phosphorus, tin, iron, antimony, and rare earth metals. According to the Statistics Agency under the President of the Republic of Tajikistan, in 2017 foreign trade turnover with China amounted to 591.6 million dollars, decreased by 293.6 million dollars compared with 2016. Of the total amount of trade, exports to China amounted to $ 35.4 million, declining to the amount of $ 8.7 million, imports from China - to $ 556.2 million, declining to the amount of $ 284.9 million [2-5].

The successes achieved by Tajikistan in Soviet and post-Soviet times attract the attention of the peoples of neighboring countries, among which Afghanistan occupies a special place [8, 9]. The two countries have similar climatic conditions, common water and energy resources that were not used in the pre-Soviet and Soviet times. After the collapse of the USSR, relations between Tajikistan and Afghanistan underwent major changes and began to actively develop.

Border trade is the most important factor in strengthening economic relations between Tajikistan and Afghanistan. Tajikistan has always supported and continues to support the position of neighboring Afghanistan in the development and strengthening of trade and economic cooperation and attaches particular importance to expanding mutually beneficial relations with countries that have cultural and linguistic community [2-4]. Tajikistan has been gaining momentum in foreign trade with Afghanistan in recent years, made possible by construction bridge the Pyanj river. They opened landlocked Tajikistan access to transport corridors that connect the country with the sea trading ports in Karachi and Bandar Abbas. The greatest positive effect on the socio-economic development of Tajikistan and Afghanistan was the discovery in the border areas of Ishkashim, Ishkashim district, Themes in the city of Khorog, Rovzai in Darvaz district, which ended the long-term isolation of the border regions of Tajikistan and Afghanistan. According to the Statistics Agency under the President of the Republic of Tajikistan in 2017, foreign trade turnover with the Islamic Republic of Afghanistan amounted to $ 100.2 million. Of this share, exports of goods to Afghanistan amounted to $ 99.6 million, or 99% of the total bilateral trade. Afghanistan imports from the total amount amounted to $ 0.6 million.

In 2017, the main products for export from Tajikistan to Afghanistan are electricity, cement, fruits and vegetables (especially tomatoes, onions, grapes), fruit and vegetable juices, walnuts, wheat flour products, steel and iron and other items. More than 85% of the total volume of goods and products falls to electricity (51%) and cement (33%). Such goods as onions, mineral water and gas, mechanical equipment, plastic construction materials, etc. are imported from Afghanistan to Tajikistan.

Tajikistan actively cooperates with border countries on trade, economic cooperation, strengthening security, stability and promoting the further development of integration processes in the region [12]. The country acts in accordance with the principles of good neighborliness and tries to develop areas of cooperation between countries to improve the socio-economic situation of all countries in the region.

II. FORMS OF CROSS-BORDER TRADE

Cross-border trade occupies a special place among various forms of trade, since it is designed to solve some specific tasks. Among them are: involvement of additional goods into foreign trade at the expense of local regional resources and small commodity lots unused in “big” trade, promoting social and economic development in remote areas of the country by giving them the right to independently manage all foreign exchange earnings from cross-border exports, strengthening friendly relations with neighboring areas of neighboring countries.

Nearly half of the perimeter of the border between Tajikistan and Kyrgyzstan are populated areas, whose residents use common roads, water sources, and pastures. Until some time, Tajiks and Kyrgyz went to the same markets to sell and acquire. In short, they traded together and with each other.

Even the proclamation of independence by both countries in the early 1990s, due to the presence of transparent borders and similar economic policies of the two republics, could not destroy the traditional way of life between Tajiks and Kyrgyz. However, a series of conflicts of 2013-2014 on the border of Isfara and Batken districts for some time violated the usual rhythm of life in some border clusters. Many communities were forced to curtail trade relations, which led to a drop in incomes, hence the standard of living and the quality of life of communities located along the border.

In 2015-2016, the governments of both countries made a lot of efforts to restore confidence and cooperation. International organizations have actively joined in the matter of stabilizing the situation. Projects aimed at the development of cross-border trade have confirmed that people are nevertheless closer to economic interests. Betting on the development of inter-community trade has played a crucial role in restoring trust. However, the existing trade potential, which allows to achieve a higher standard of living, is not sufficiently used by villagers.

In one of the markets, located in the Darvaz district, there is a lively trade every Saturday from 9 am to two in the afternoon. If the Afghan border is
restless, then the market is not opened - this is traced by the border guards of both countries.

Citizens of Afghanistan who live in border areas do not need a visa. They are given a special pass, which gives them the right to trade in the market, which serves as a source of income for many families on both sides of the border.

Before crossing the Tajik border and entering the market, the Afghans undergo a thorough border control. On the bridge over the river are built Afghans living in the surrounding areas: border and customs control, verification of documents, verification by agents of the Drug Control Agency. Passing through all the points, people can easily trade or buy everything that is necessary, and businessmen of the two neighboring countries can diversify their products and expand business connections. Access for Tajiks is more simplified - they are on their territory. The trade process is observed by the powermen of both countries.

In the market they trade both food products and non-food products. Afghans buy vegetables and fruits here and then resell them on their territory. Goods can be both domestic and imported, for example, for re-export in the process of cross-border trade. For example, in addition to local products, Tajik traders also sell clothing, shoes and electronic equipment made in China to their Afghan partners. Similarly, Afghans trade national crafts and textiles, jewelry for women, antimony, crockery — cauldrons, as well as imported medical goods. At the entrance to the market there is an exchange office where you can change the Afghan currency to the Tajik somoni.

Some buyers from neighboring Afghanistan say that they look forward to trading day, that is, Saturday, to skim on this border market, as the nearest market is far away in their territory.

The speech of the people of Afghanistan is no different from the speech of the Tajik Darvazians. Tajiks only occasionally use Russian words, while Afghans resort to English, but nonetheless they understand each other.

In general, the number of participants in border trade is growing from year to year. On the days of operation, the border market from both sides is visited by 600 to 800 people, the border market by Ishkashim is from 800 to 1000 people, the border market of Razvai is more than 500 people and Dusti of Isfara is more than 500 people. Goods turnover on these markets is not taken into account by anyone, since trade is not taxed here and the customs duty is not withdrawn. Nevertheless, the study of the issue showed that in the cross-border market Razvai the turnover is approximately more than 30 thousand somoni (200 thousand rubles), in the summer market but up to 100 thousand somoni (600 thousand rubles), in Ishashim market - more 150 thousand somoni (1 million rubles) and in Dusti more than 50 thousand somoni (350 thousand rubles).

One of the Afghan entrepreneurs buys goods from the market and then resells them in the Afghan markets. Most often, he buys vegetables and fruits that are not grown on their territory. And residents buy them, despite the fact that prices are relatively high. Only one thing pleases, at the border products are not subject to customs duties. Entrepreneurs on the border will check that they are imported and exported, but they do not take money from them.

Markets in Khorog and Ishkashim are currently closed due to the Taliban. The Taliban are the people's militia, the ideological basis of which is the arbitrary and rather rough interpretation of Islam, which has spread widely in most of Afghanistan since 1996.

There are practically no Taliban borders, but getting to the markets in Khorog and Ishkashim can be faced with them several times, restricting the population of those border areas of Afghanistan to visit the market, which would help them improve their well-being.

III. THE ROLE OF CROSS-BORDER TRADE IN THE SOCIO-ECONOMIC DEVELOPMENT OF AREAS AND SETTLEMENTS OF TAJIKISTAN

Cross-border trade is the flow of goods and services across international land borders up to thirty kilometers. It plays an important role in maintaining the living conditions of the population living along the border, thereby ensuring the social and social stability of the local communities in the border areas. Moreover, by strengthening trade ties, promoting mutual understanding between different communities, cross-border trade helps to maintain friendly relations between neighboring countries.

A distinctive feature of cross-border trade is that the geographical proximity of border areas makes transport costs practically insignificant, which allows traders to take advantage of the difference in supply, demand and prices for various goods and services that are available on both sides of the border. Cross-border trade has a beneficial effect on the lives and incomes of merchants, it also strengthens local production and contributes to the development of the services sector (warehousing services, transportation of goods, support services in local bazaars).

Cross-border trade contributes to the growth of incomes of people working directly in the bazaars, as well as those who, by the nature of their activities, are associated with bazaars and trade. Cross-border trade greatly stimulates employment, increases household income, and contributes to poverty reduction at the local level. In remote areas characterized by a shortage of jobs and low wages, cross-border trade, if you simplify the conditions for it, creates a source of income for all households and is more profitable than most other possible economic activities. Finally, cross-border trade reduces the prices of imported goods for consumers in border areas (in the absence of cross-border flows, prices and price differentials
would be even higher) and allow exporters to benefit from higher value added.

First of all, the construction of the market is much cheaper than the construction of a large shopping complex, while the bazaars provide similar opportunities for meeting broad groups of buyers and sellers. First, due to the concentration of traders and the mediation of the market administration, relations with state bodies became more predictable, while their predatory impulses were weakened. Traditions also play an important role, as markets have existed in two regions for centuries.

Secondly, markets help reduce poverty by offering products at lower prices and creating opportunities for earnings not only in the markets themselves and far beyond them. The effect on employment extends across a wide range of services that are needed to transport goods and passengers to and from the markets.

Local manufacturers have the opportunity to present their products to potential local and foreign customers without travel costs. The role of markets in creating marketing opportunities for producers who want to expand markets is especially important because of the high prices of marketing abroad. Potential buyers themselves come to manufacturers, and not vice versa.

IV. PROBLEMS IN THE DEVELOPMENT OF CROSS-BORDER TRADE
The main reason for the abstinence of progress in this direction is the lack and lack of financial resources to complete the construction work of border trade points.

Other problems in the development of cross-border trade in the republic are due to the following reasons:
- the absence of a simplified procedure for entry / exit of foreign citizens to / from the territory of the Republic of Tajikistan, a simplified procedure for border and customs control at checkpoints, as well as a simplified procedure for the movement of goods and vehicles for residents of border areas with a view to cross-border trade;
- the closure of the points of pre-trade in unilaterally by the Republic of Uzbekistan.

In Tajikistan, a government decree dated June 1, 2016 for No. 238, determining the procedure for the implementation of cross-border trade. It, in particular, provides for the volume of non-taxable goods. Many entrepreneurs do not know this and therefore become vulnerable when crossing checkpoints (checkpoints). In order for these rules to work at the checkpoints of both states, a similar rule must exist in the neighboring country. And, of course, there must be a treaty between the countries. However, paragraph 23 of the document referred to, in particular, states: “At the points of cross-border trade, the total value of goods, works and services transported by individuals across the customs border of the Republic of Tajikistan is set in accordance with the current legislation and should not exceed equivalent to $ 1,000 per trading day per participant.”

Currently, Tajikistan is taking active steps to intensify trade and international relations between it and the neighboring countries, which can have a positive impact on the future socio-economic development of the country.

Accelerating the creation of border markets in a number of other areas could also relieve tensions on the border with neighboring countries and create favorable conditions for friendship and mutually beneficial cooperation. It is important that local authorities, who are entrusted with control over the activities of these markets, study their condition more deeply and contribute to their creation and improvement of their work. Could more resolutely raise and promote the issue of creating new markets, improving the activities of existing ones, in particular, increasing the days of operation of these markets.

V. REGULATION OF CROSS-BORDER TRADE
In order to create the necessary conditions for the expansion of trade and economic relations on a mutually beneficial basis, the further development and strengthening of good-neighborly and friendly and friendly relations between the Republic of Tajikistan and neighboring states were approved by decrees of the Government of the Republic of Tajikistan:
- “On the organization of border trade with the Islamic State of Afghanistan” (No. 638 of October 20, 1995) provided for the opening of points of cross-border trade in the Khatlon region with the Islamic State of Afghanistan;
- “On the organization of frontier trade with the Islamic State of Afghanistan” (No. 68 of February 21, 1996) provided for the opening of points of frontier trade in the GBAO with the Islamic State of Afghanistan;
- “On the organization of border trade and the acceleration of the development of a road construction project from the People’s Republic of China” (No. 94 of February 12, 1997) provided for the opening of border trade points in the Murgab district of the People’s Republic of China;
- “On the organization of border trade with the Kyrgyz Republic and the Republic of Uzbekistan” (No. 429 of September 26, 2003) the opening of points of cross-border trade in the Sogd oblast and the Tursun-Zadevsky and Dzhirgital districts with the Kyrgyz Republic and the Republic of Uzbekistan;
The Decree of the Government of the Republic of Tajikistan dated 01.06.2016 No. 238 developed and approved the Regulation on the “Procedure for Frontier Trading in the Republic of Tajikistan”, which covers all aspects of regulating the activities of border trading points.

An interdepartmental commission has been created on the organization of cross-border trade from among the workers: the Ministry of Economic Development and Trade; Ministry of Foreign Affairs; Ministry of Health; Ministry of Agriculture; State Committee for National Security; State Committee for Land Management, Geodesy and Cartography; Construction and architecture agencies; Customs Service; Tajikmatlubot.

In accordance with the approved Regulation, the coordinating body in the organization and activities of the border trade point is the Ministry of Economic Development and Trade. Some functions are entrusted to other agencies: security and border control issues - to the State Committee for National Security of the Republic of Tajikistan; customs control - to the Customs Service under the Government of the Republic of Tajikistan; sanitary-epidemiological control, control over imported medical, prophylactic and cosmetic products - to the Ministry of Health of the Republic of Tajikistan; veterinary, phytosanitary and quarantine control issues - to the Ministry of Agriculture of the Republic of Tajikistan; issues of trade and food organization - to the Ministry of Economic Development and Trade of the Republic of Tajikistan and the Republican Union of Consumer Societies “Tajikmatlubot”; issues of quality control and safety of imported consumer products - at the Agency for Standardization, Metrology, Certification and Trade Inspection under the Government of the Republic of Tajikistan; issues of construction and architecture - at the Agency for Construction and Architecture under the Government of the Republic of Tajikistan.

Maximum liberal rules, but tight control - this is the essence of state regulation of border trade, which is a form of economic cooperation between neighboring states and the peoples of Tajikistan and Afghanistan.

It is important that local authorities, who are entrusted with control over the activities of these markets, study their condition more deeply and contribute to their creation and improvement of their work. Could more resolutely raise and promote the issue of creating new markets, improving the activities of existing ones, in particular, increasing the days of operation of these markets.

VI. CONCLUSION

According to statistical data, Tajikistan is a rather poor country, the main indicators of the country’s economy are not showing active growth, but in recent years there has been a tendency to improve external relations between Tajikistan and the countries of the world, especially bordering countries, due to the geographical “closed” position of the country. The difficulties of transition, civil war, the economic crisis, the high growth of the working-age population and the slow pace of economic growth contributed to the fact that a significant inactive labor potential was formed in the country.

Cross-border trade mainly depends on three freedoms - the free movement of people, vehicles and goods, plus a quality infrastructure. The prosperity of cross-border trade is possible only if all these conditions are present: for example, visa-free entry does not mean freedom of cross-border trade, if people cannot move in their cars.

The combination of obstacles limiting the “three freedoms”, exacerbated by inadequate infrastructure, helps create an environment conducive to bribery.

In general, the development of cross-border trade, increasing its level requires from everyone who is interested in this greater attention and participation. It would be appropriate, from among the representatives of the interested state bodies and international organizations, to create a coordinating center for the development of regional border trade.

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