WORLD RANK: **155**

REGIONAL RANK: **37**

ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

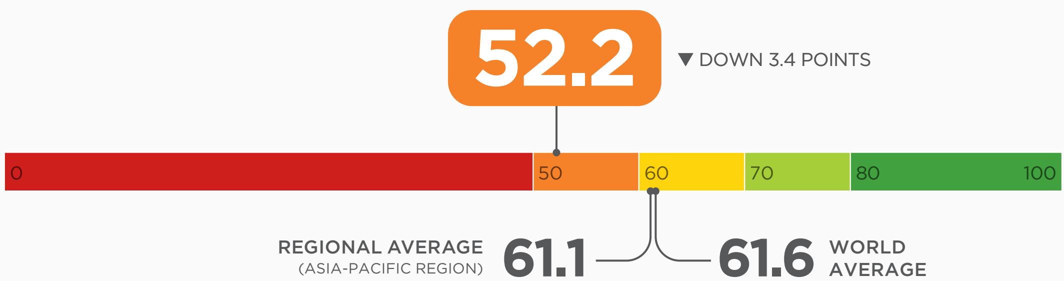
TAJIKISTAN

Tajikistan's economic freedom score is 52.2, making its economy the 155th freest in the 2020 *Index*. Its overall score has decreased by 3.4 points due to a lower score for **fiscal health**. Tajikistan is ranked 37th among 42 countries in the Asia–Pacific region, and its overall score is well below the regional and world averages.

The economy of Tajikistan has been ranked mostly unfree for 16 years. GDP growth has risen, however, driven by higher household spending of increased remittances from Russia, investment, and exports of minerals such as gold, lead, and zinc.

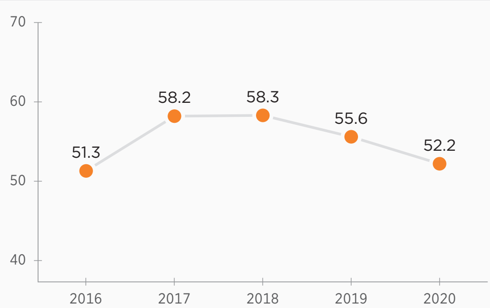
Economic freedom in Tajikistan remains shackled by an authoritarian post-Soviet regime. The result has been poverty, unemployment, austerity, power shortages, and political oppression. To put Tajikistan on the road to greater freedom, a more liberal and democratic government would have to make radical reforms to strengthen the rule of law, reform the labor market, and create a more welcoming investment climate.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +11.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
9.1 million

GDP (PPP):
$31.1 billion
7.0% growth in 2018
5-year compound annual growth 6.7%
$3,416 per capita

UNEMPLOYMENT:
10.9%

INFLATION (CPI):
3.8%

FDI INFLOW:
$316.7 million

PUBLIC DEBT:
47.9% of GDP

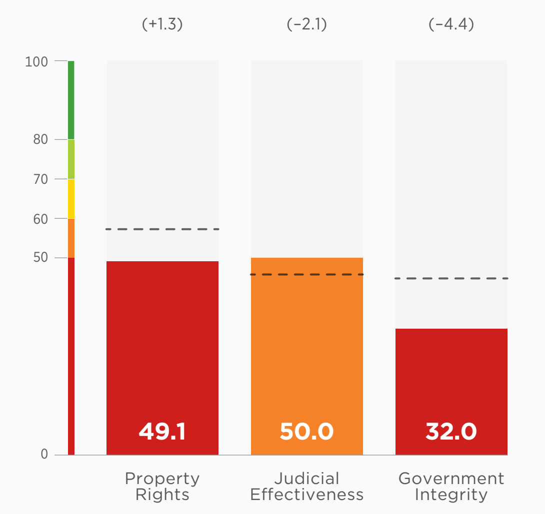
2018 data unless otherwise noted. Data compiled as of September 2019

BACKGROUND: The land of the Tajiks, a mountainous landlocked region north of Afghanistan in Central Asia, was buffeted and absorbed within ancient empires and, in the 20th century, by the Soviet Union. Modern Tajikistan gained full sovereign independence in 1991. Autocratic President Emomali Rahmon has been in power since 1994, and abuse of human rights is widespread. His ruling party's parliamentary election victory in 2015 was criticized by international monitors. Tajikistan relies heavily on revenues from exports of aluminum, gold, and cotton. With less than 10 percent of its land arable, and given high state-mandated cotton production, the country must import much of its food. The economy is growing but remains one of Asia's poorest, partly dependent on remittances and narco-trafficking.

WORLD AVERAGE | ONE-YEAR SCORE CHANGE IN PARENTHESES

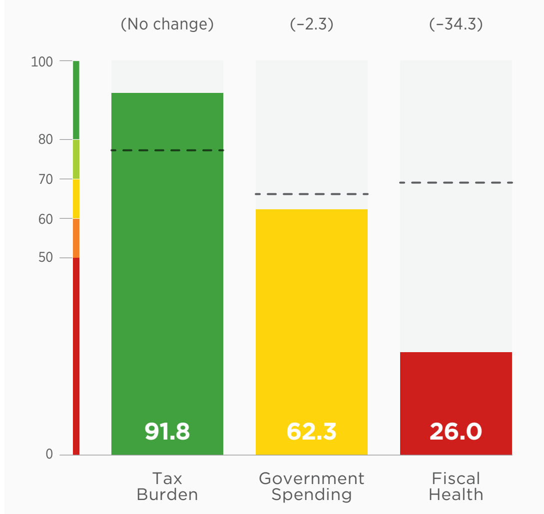
12 ECONOMIC FREEDOMS | TAJIKISTAN

RULE OF LAW



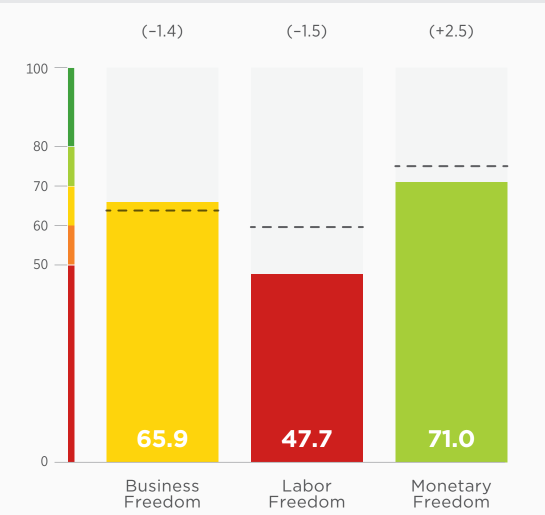
By law, all land belongs to the state. The government uses a cadaster system to record, protect, and facilitate acquisition and disposition of property, but the system needs modernization. The executive branch controls the nominally independent judiciary. Many judges are poorly trained, and bribery is reportedly widespread. Corruption is pervasive and rarely punished. Nepotism, hiring bias, and patronage networks are central features of political life.

GOVERNMENT SIZE



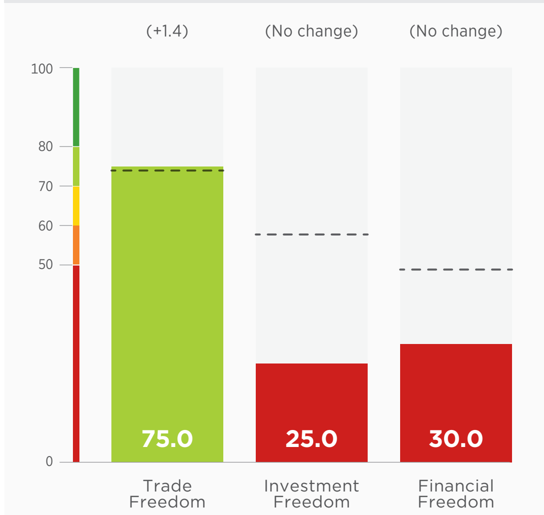
The top individual income tax rate is 13 percent, and the statutory corporate tax rate is 15 percent. Other taxes include a value-added tax. The overall tax burden equals 20.6 percent of total domestic income. Government spending has amounted to 35.4 percent of the country's output (GDP) over the past three years, and budget deficits have averaged 6.6 percent of GDP. Public debt is equivalent to 47.9 percent of GDP.

REGULATORY EFFICIENCY



Half-hearted attempts at business reforms and privatization of the economy have not improved the lukewarm business climate to any significant extent. Remittances from overseas employees account for a large portion of domestic spending. The government influences prices through regulations and large subsidies to numerous state-owned and state-trading enterprises that continue to incur large losses.

OPEN MARKETS



The total value of exports and imports of goods and services equals 56.6 percent of GDP. The average applied tariff rate is 5.0 percent, and the overall trade regime remains costly and time-consuming. Foreign investment is subject to government screening. The financial sector remains underdeveloped and subject to heavy state control that poses serious obstacles to broad-based development of the private sector.