

## Economic and Social Monitoring from Listening to Tajikistan

### Results for 2022

Tajikistan economy's post -Covid recovery has continued apace, experiencing strong growth in 2022 with minimal disruption from the war in Ukraine as strong financial inflows supported domestic demand and liquidity. Gross domestic product (GDP) grew 7.4 per cent year on year in the first half of 2022, with strong gains in all sectors. The impact of the war on Ukraine on the economy has been limited, as Russian demand for migrant workers and remittances peaked in the second quarter of 2022, and the country has also improved its external resilience by building up significant international reserves. With inflation at 5.7 per cent in September 2022, Tajikistan is the only regional economy to keep inflation within the central bank's target corridor.

The Listening to Tajikistan survey 2022, concluded the following main highlights:

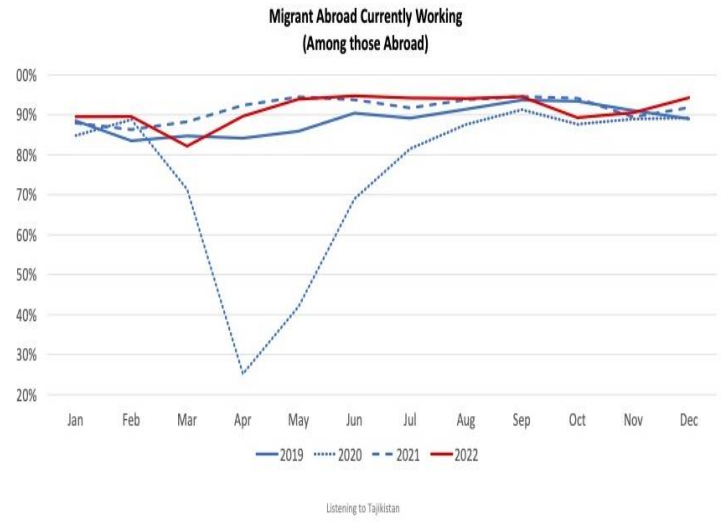
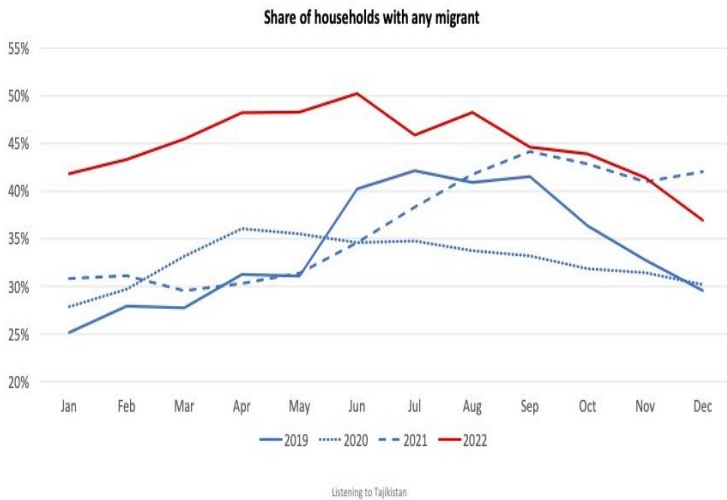
- *Migration increased significantly in 2022, though it declined after Russia announced mobilization in September.*
- *Remittances were generally high, and households were optimistic about them in 2022. Households had also more opportunities to make savings.*
- *Food Security was resilient in the first half of 2022 but worsened in the second half of the year. Poorest households were more concerned that prices were rising fast in 2022.*
- *People's expectations about the negative indirect impact of Russia-Ukraine War on their families and the country generally were elevated during June-October 2022, but concern levels declined significantly afterwards.*

### **Migration and Remittances**

**Labour migration increased significantly in 2022, reaching levels not seen before.** As of April, the share of households with any migrant abroad was recorded at 48 percent, reaching the highest record for the year, above 50 percent in June. However, deceleration had been observed from September towards the end of the year. During the month of September, the percentage of share of households decreased to 44, similar to that of 2020 for the same period. The lowest level of 37 percent was confirmed by respondents for December 2022, less than the records of 2020 for the same period which was reported as 43 percent.

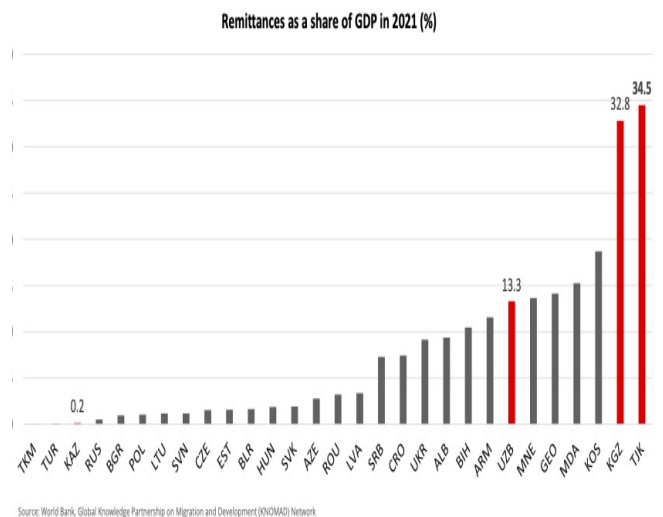
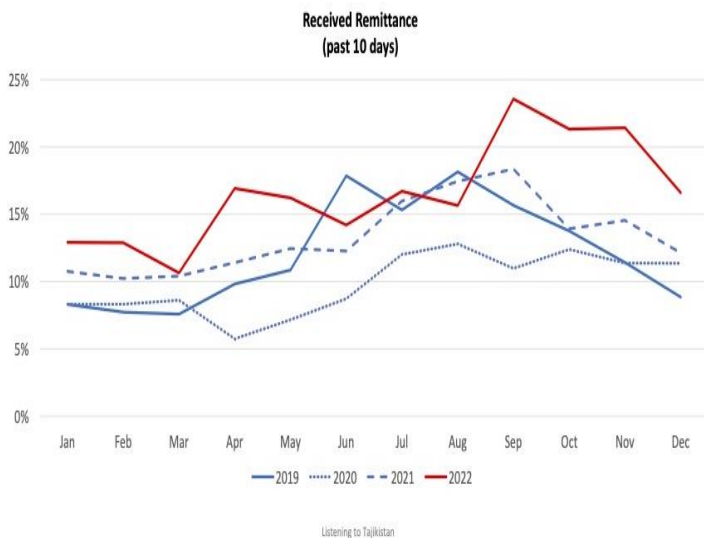
**Employment situation among migrants was relatively stable in 2022,** keeping it at 90 percent and above throughout the year, except observed fell to 82 percent in March 2022.

However, the international sanctions are causing high unemployment rates and depressing the demand for goods and services in the Russian Federation, reducing work opportunities also for migrants. If this situation continues, most likely to expect negative impact on the food security situation of households that are highly dependent on remittances.



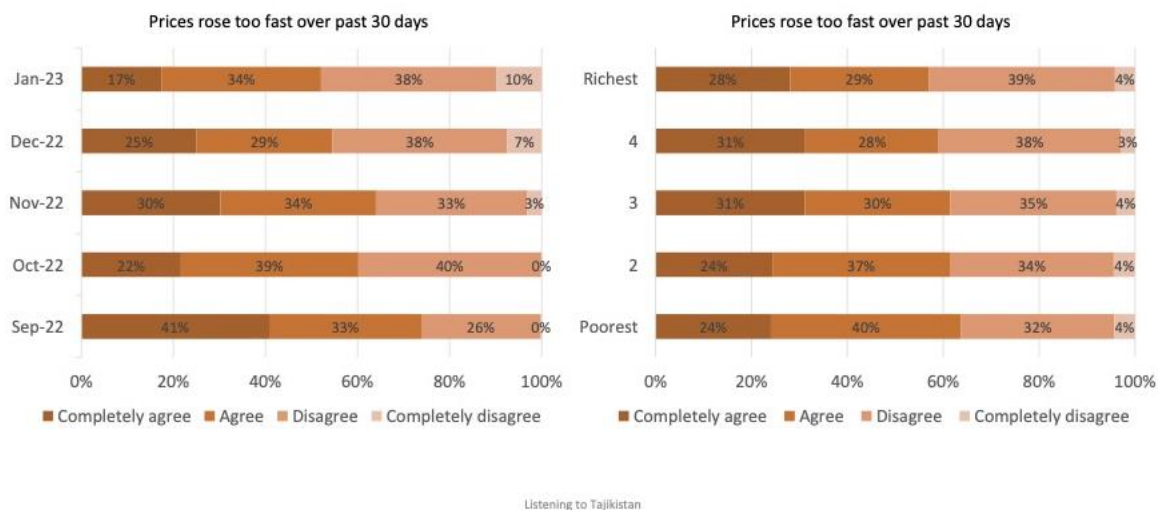
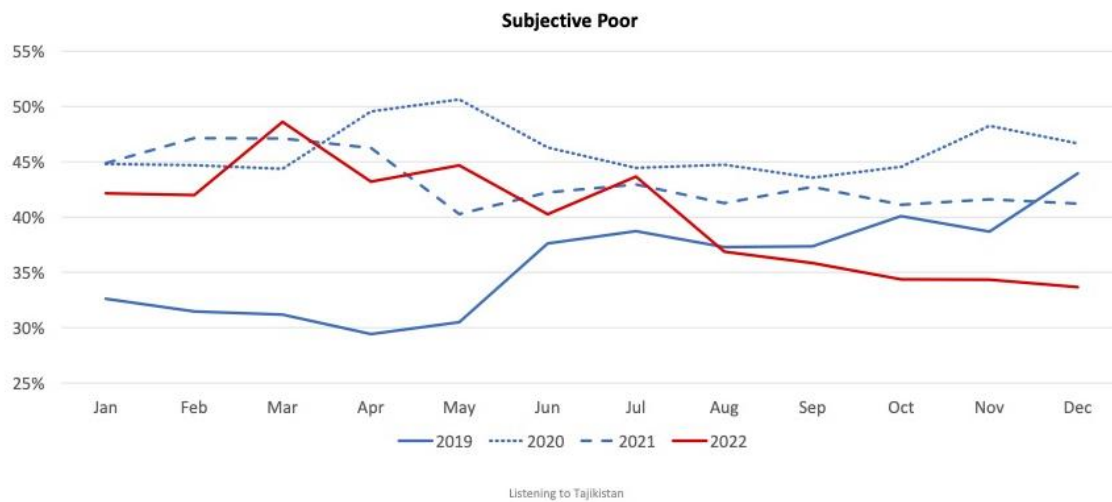
The results of the survey confirmed that **remittances in 2022 were generally higher compare to 2021**. The lowest percentage of households with received remittances observed in March which reached 10 percent only equivalent to the data of 2021 for the same corresponding period. However, the situation has improved towards the end of the year and the peak level of above 20 percent was confirmed for September – November 2022.

As a share of GDP, remittance receipts in Tajikistan lead the Central Asia regional economy at 34.5 percent in 2021, while in Kyrgyzstan it has been recorded as 32.8 percent and 13.3 percent in Uzbekistan.



The share of respondents classifying themselves as poor fell to a new level in **2022** reaching 34 percent as of December 2022 compare to 42 percent and above for the corresponding month in 2021, 2020 and 2019 years. Additionally, the poorest households felt faster price increases in 2022. The survey confirmed that as of

September 2022, 41 percent of poorest strongly agreed that prices rose too fast for the precedent month with only 26 percent completely disagreeing with this statement, while among the richest only 24 percent strongly agreed and 4 percent completely disagreed.

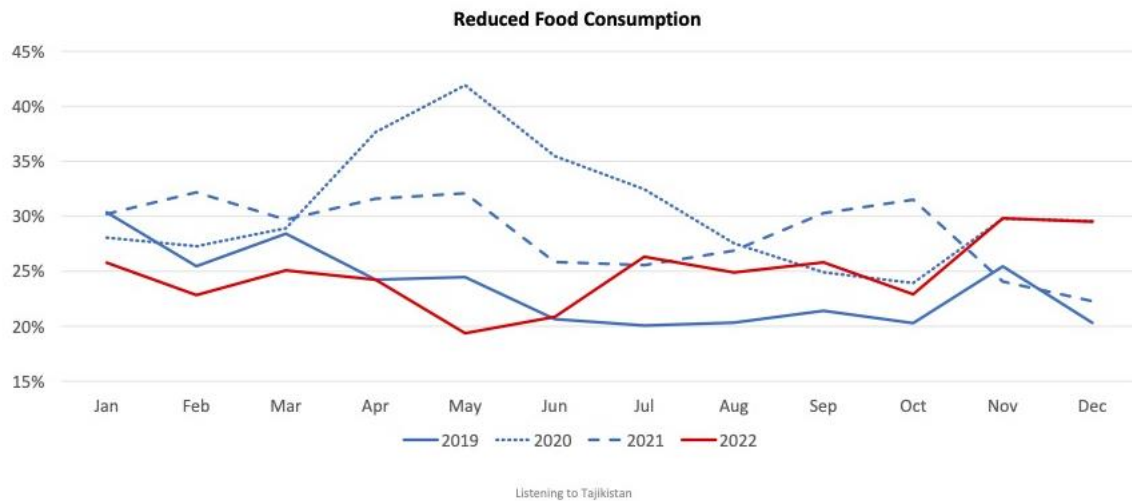


## Food security and spending

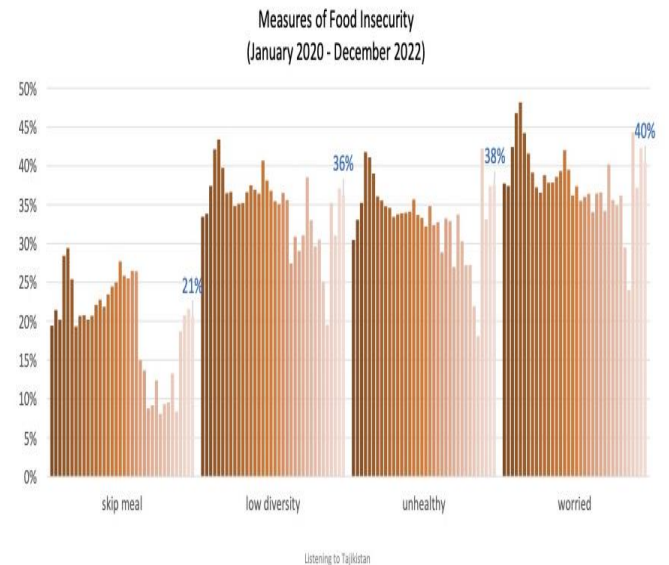
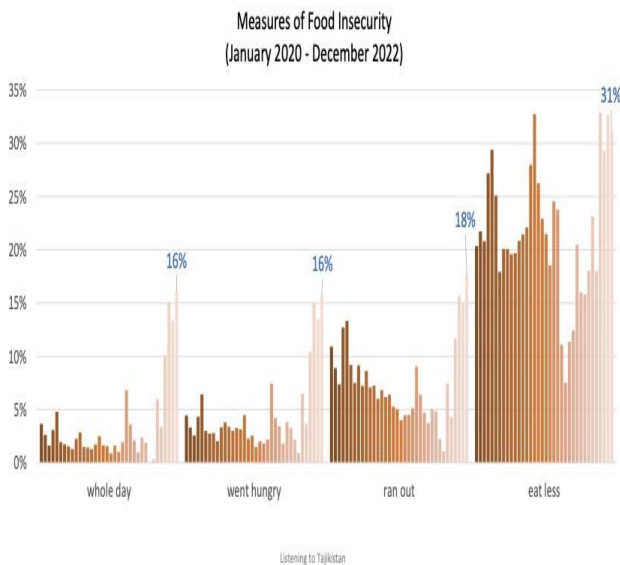
**Food security was resilient in the first few months of 2022, but worsened in the second half of the year.** The spillover effects of the war in Ukraine, coupled with lingering adverse effects of the COVID-19 pandemic, have increased the risks of food and nutrition insecurity in Tajikistan, especially threatening the health and wellbeing of the rural population, including young children.

During the beginning of the year, 26 percent of households confirmed reduced food consumption. Slight reduction among households with reduced food consumption was observed in the second quarter of the year where it reached to 19 percent. However,

from July onward the situation worsened and as of November and December 2022, 30 percent of households reduced their food consumption.



The deteriorating food security situation in the second half of 2022 have been further confirmed by **measures of food insecurity**, whereby 16 percent of households confirmed that remained hungry whole day, 18 percent ran out of food, 31 percent ate less, 21 percent skipped meal, 36 percent confirmed low diversity, 38 percent unhealthy food consumption and 40 percent feeling worried about obtaining enough food.

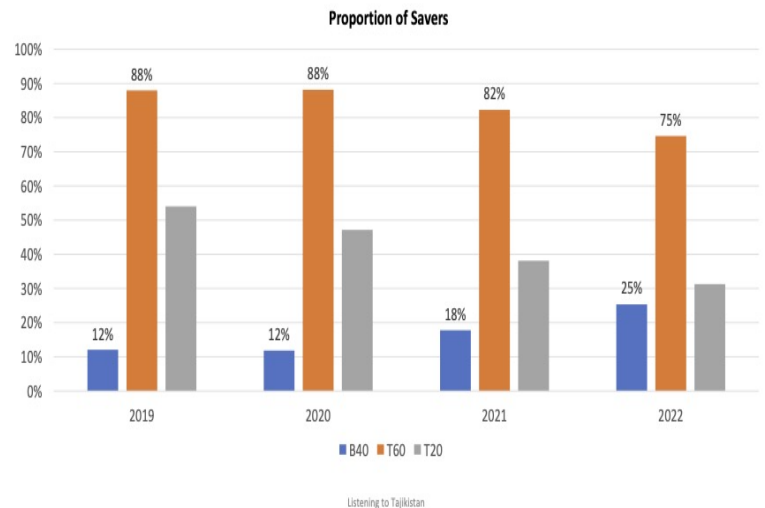
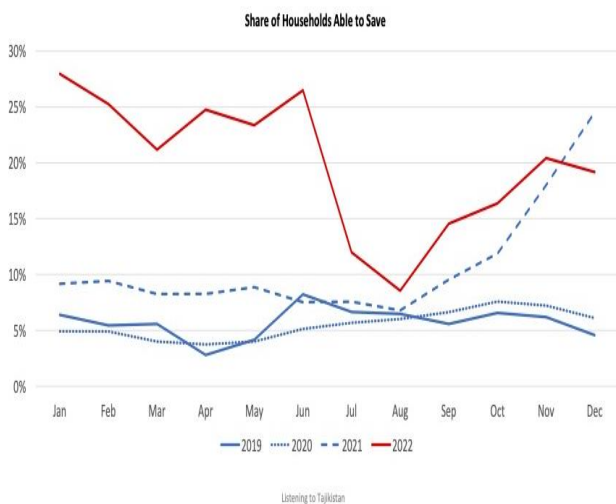


Though, to date, remittance inflows have remained steady, but the negative economic outlook in Russia will most likely lead to more migrants returning home and weakening remittances. About a third of overall households, and 40 percent of the poorest, rely heavily on these remittance inflows to fund their food consumption.

The share of households able to make savings demonstrates that situation was in favor of households during the first half of the year ranging from 22 to 28 percent with a sharp decline in August reaching to 8 percent only. However, slight improvements

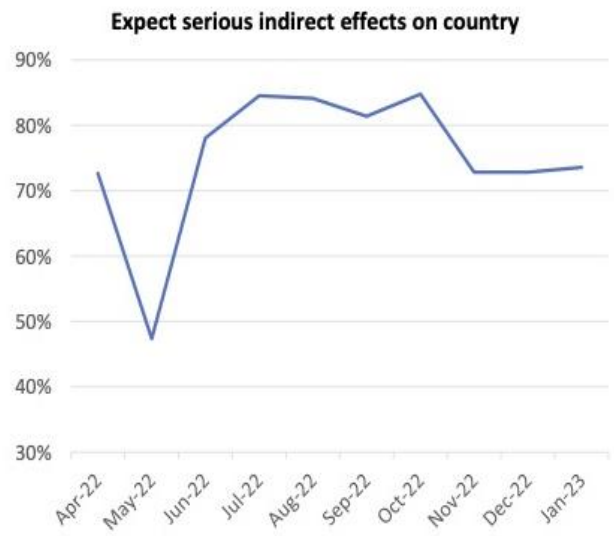
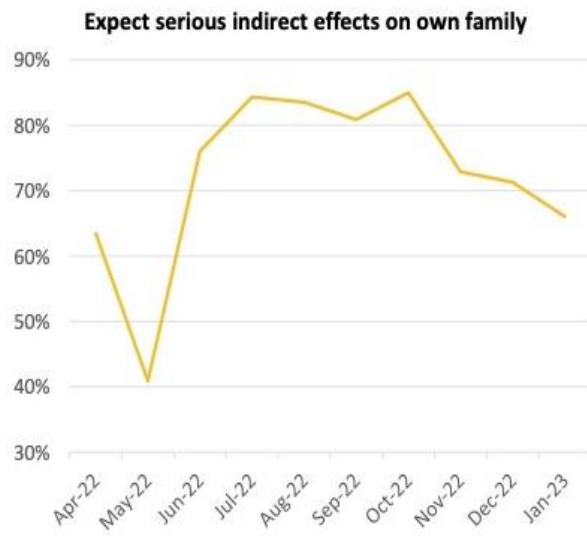
have been observed from September towards the end of the year with 20 and 18 percent records as of November and December 2022.

Steady increase in the share of bottom 40 households able to save during 2019-2022 was confirmed by proportion of savers over the period of 2019 to 2022 that shows increase from 12 percent to 25 percent respectively.



### ***Impact of geopolitical changes in the Region***

The impact of Russia- Ukraine war was measured by perception of households on any expected serious indirect effects of the war on their own family as well as on the country. Both indicators show relatively similar results with more than 60 and 70 percent respectively expectation level among households in April 2022. A decrease to 41 and 48 percent respectively were recorded during May, however expectation level towards the end of the year rose and reached to 65 and 72 percent respectively. **The percentage of households with any migrant member was fluctuating in 2022** keeping it within the range of 40-50 percent during the first two quarters of the year with a decrease observed from September onward when the mobilization began, where it reached to 37 percent as of December 2022. Similar decrease patterns towards the end of 2022 among households with any migrants abroad have been observed in neighboring countries Kyrgyzstan and Uzbekistan after the mobilization began.



Listening to Tajikistan

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