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THE INFLUENCE OF THE RUSSIAN EMPIRE ON THE ECONOMY OF AFGHANISTAN AND ITS CONSEQUENCES

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Abstract

This article examines the significant role Russian Empire on the economy of Afghanistan. In the second half of the nineteenth century and the early twentieth century, Afghanistan’s economy became a region where the interests of major powers, primarily the Russian Empire and Great Britain. The strengthening of the Russian Empire’s military and political position in Central Asia led to a gradual expansion of its economic relations with Afghanistan. This process had both direct and indirect impacts on Afghanistan’s economic structure, bringing about notable changes in the country’s foreign trade orientation, market relations, and forms of production.

Keywords: Russian Empire, Afghanistan economy, “soft power”, V. N. Zvonko, I. S. Grebenshchikov, Habibullah Rafi, Angus Hamilton, T. Hakimov, Fayz Muhammad Katib, “geo-economic diplomacy”.

Introduction

From the second half of the nineteenth century onward, economic interests in Afghanistan began to play an increasingly important role in the foreign policy of the Russian Empire. These interests were not limited to strategic and geopolitical

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considerations but were also linked to access to economic resources, control over trade routes, and the desire to establish new economic platforms in competition with Great Britain. Especially from the late 1880s, the Russian Empire sought to integrate its “soft power” policy toward Afghanistan with economic measures. Russia’s economic influence manifested itself in several directions, including the establishment of regional trade posts, ensuring the security of caravan routes, developing infrastructure in border areas, and, most notably, a strategy aimed at introducing Russian goods into Afghan markets on a wide scale.

Main Part

The Russian Empire did not view Afghanistan as a colony but rather as a neighboring territory to be incorporated into its sphere of economic influence. Accordingly, its economic policy was directed not toward direct occupation but toward exerting influence through trade, credit, and diplomatic means. As noted by the Russian scholar V. N. Zvonko, by the end of the nineteenth century Russia had adopted a “cautious but consistent form of economic penetration” into Afghanistan¹.

One of the most significant aspects of Russia’s influence on Afghanistan’s economy was the expansion of trade relations. Trade conducted through the Amu Darya basin and the Turkestan Governor-Generalship led to the widespread distribution of Russian goods in Afghanistan’s northern provinces. According to I. S. Grebenshchikov, by the late nineteenth century Russian textiles, metal goods, tea, sugar, and industrial products had begun to dominate Afghan markets. This situation exerted serious pressure on local handicraft production, leading to the decline of certain sectors².

The Afghan historian Habibullah Rafi emphasizes that the intensification of trade relations with Russia reinforced an imbalance in Afghanistan’s economy, in

¹ Звонко В. Н. Афганистан и сопредельные с ним страны. СПб., 1909. – С. 64-82.

² Grebenshchikov I.S. Русская торговля в Афганистане в конце XIX века // *Восток*. — 1902. — В. 48–55.

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which the country became primarily a supplier of raw materials and a consumer of finished goods. According to him, Afghanistan mainly exported wool, hides, karakul pelts, and agricultural products, while being compelled to import finished industrial goods from Russia. This laid the foundation for elements of economic dependency³.

The Russian Empire also exerted indirect influence in the fields of transport and communication. The development of cargo transportation via the Amu Darya brought Afghanistan's northern regions closer to Russian markets. The British researcher Angus Hamilton wrote that the activation of Russian trade routes in northern Afghanistan was perceived as a serious economic and strategic threat to British India. This, in turn, led Great Britain to intensify its own economic policy toward Afghanistan⁴.

Russia's economic influence was not limited to trade alone but was also implemented through financial and diplomatic means. Some sources indicate that Russia provided financial assistance, gifts, and trade privileges to Afghan officials. According to T. Hakimov, such measures fostered a certain level of economic interest in Russia among Afghanistan's ruling circles⁵.

However, Russia's economic influence failed to ensure stable and systematic development. This was due to the weakness of Afghanistan's internal market, the underdevelopment of transport infrastructure, and competition with Great Britain, which hindered the deepening of economic ties. As Seymour Becker notes, Afghanistan became an arena of rivalry between two empires, a situation that prevented the country from pursuing an independent path of economic development⁶.

³ Rafi, Habibullo. *Afg'oniston so'nggi besh asrda*. — Kobul, 1998. — B. 312–318.

⁴ Becker S. — *Russia's Protectorates in Central Asia: Bukhara and Khiva, 1865–1924*. — London-New York: Routledge, 2004. — pp. 87-105.

⁵ Хакимов Т. Афганистан в системе международных отношений XIX – начала XX вв. — Ташкент, 1974. — С. 96-114.

⁶ Сборник географических, топографических и статистических материалов по Азии. - Санкт-Петербург : Военно-ученый ком. Главного штаба, 1882-1914. - 21 см. Вып. 80. - 1907. - XI, 129 с., 4 л. карт., план.

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As a result, although the Russian Empire's influence introduced some elements of modernization, it ultimately led to a restriction of Afghanistan's economic independence, an increase in dependence on external powers, and a deepening of internal economic imbalances. These factors later contributed to political instability and increased vulnerability to foreign influence.

Grebenshchikov I. S. characterizes this period as a "strategic phase of Russia's economic expansion, carried out alongside military and diplomatic directions." Similarly, in his 1906 work *Afghanistan*, Angus Hamilton notes that the underdeveloped internal economy of Afghanistan strengthened Russia's economic influence, enabling it to implement its interests through economic means⁷. On the one hand, trade in border regions was revitalized; on the other hand, dependence on Russian goods increased. T. Hakimov writes: "Russia's economic influence on Afghanistan was not limited to commodity exchange but aimed at strengthening political neighborly relations through economic means⁸." In the late nineteenth and early twentieth centuries, economic factors began to play a leading role in Russia's foreign policy toward Afghanistan. Russia's interest in Afghanistan was not only geopolitical but also based on trade relations, access to raw materials, export-import potential, and the pursuit of regional economic dominance.

Results and Discussions

Afghanistan's strategic location between Central Asia and India made it economically advantageous for the Russian Empire. This prompted Russia to

Скрыть Ост-Индия (Афганистан). Договор, заключенный между британским правительством и эмиром афганским от 21 марта 1905 года, с относящимися к нему приложениями.

⁷ Becker S. – *Russia's Protectorates in Central Asia: Bukhara and Khiva, 1865–1924*. – London-New York: Routledge, 2004. –pp. 87-105.

⁸ Хакимов Т. *Афганистан в системе международных отношений XIX – начала XX вв.* – Ташкент, 1974. – С. 96-114.

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pursue economic expansion through elements of “soft power,” which in turn reinforced its military and political activities in the region⁹.

The deepening of Russian-Afghan economic relations became particularly evident after 1882, when the Russian Empire advanced southward through Turkmenistan, Bukhara, and Karakul toward Afghanistan’s borders. Historian V. N. Zvonko writes: “At the end of the nineteenth century, the Russian Empire sought to expand its southern economic routes through its actions in Central Asia, and Afghanistan was regarded as the main gateway in this regard¹⁰.”

Although Afghanistan was formally independent at the time, its economic structure was weak. Local production met only internal needs, and export-import volumes were limited. As a result, Russian goods quickly gained a foothold in Afghan markets. Products such as cotton, textiles, tea, sugar, and metal goods brought through the Fergana Valley became widespread. According to T. Hakimov, “Russia’s entry into Afghanistan was based not only on military strategy but also on a desire to engage in direct economic competition with India¹¹.”

Trade posts and caravan routes along the Russian-Afghan border, especially near the Amu Darya, intensified economic ties. From the 1890s onward, Russia supported Afghan intermediaries and entrepreneurs. Habibullah Rafi explains: “Russia’s economic influence began to penetrate deeply into Afghan social strata, paving the way for the introduction not only of goods but also of ideas and political influence¹².”

⁹ Сборник географических, топографических и статистических материалов по Азии. - Санкт-Петербург : Военно-ученый ком. Главного штаба, 1882-1914. - 21 см. Сведения о Персии и Афганистане. - [19--]. - 93 с., [5] л. ил., карт.; 29 см. Всеподданнейший отчет генерала-лейтенанта Куропаткина о поездке в Тегеран в 1895 году.

¹⁰ Zvonko V.N. *Афганистан и соперничество великих держав в конце XIX – начале XX вв.* — СПб., 1910. — С. 74–76.

¹¹ Хакимов Т. *Афганистан в системе международных отношений XIX – начала XX вв.* — Ташкент, 1974. — С. 96-114.

¹² Хакимов Т. *Афганистан в системе международных отношений XIX – начала XX вв.* — Ташкент, 1974. — С. 96-114.

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A key aspect of Russia's economic policy was strengthening cross-border trade and expanding geo-economic positions, supported by diplomatic means. Seymour Becker describes this as "geo-economic diplomacy," stating that Afghanistan was strategically important to Russia both as a geopolitical and an economic buffer zone¹³.

The main Russian exports to Afghanistan included textiles, tobacco, tea, confectionery, construction materials, tools, and small machinery. Afghanistan exported karakul pelts, carpets, medicinal plants, wool, and oil-based products. However, these relations were largely one-sided, as Russian exports exceeded imports, increasing Afghanistan's dependence on Russia and undermining its internal market.

By the early twentieth century, Russia sought to reinforce its economic presence through infrastructure development. Trade was conducted primarily via Bukhara, Karakul, Termez, and Chardzhou, reaching Mazar-i-Sharif, Herat, Balkh, and Kunduz. Zvonko notes that these routes also served intelligence purposes, as traders often acted as carriers of political information¹⁴. Russia developed infrastructure along the Amu Darya, including ports, caravanserais, warehouses, trade offices, and consulates.

According to Fayz Muhammad Katib's *Siraj al-Tawarikh*, between 1905 and 1910 over 60% of the Balkh market was dominated by Russian textiles. Russian products often received customs exemptions, while Afghan attempts to impose tariffs were met with diplomatic pressure, weakening Afghanistan's fiscal independence¹⁵. Rossiya's influence had mixed consequences. On one hand, market relations expanded, trade increased, and some artisans improved their

¹³ Rafi, Habibullo. *Afg'oniston so'nggi besh asrda*. — Kobul, 1998. — C. 312–318.

¹⁴ Zvonko V.N. *Афганистан и соперничество великих держав в конце XIX – начале XX вв.* — СПб., 1910. — С. 74–76.

¹⁵ Gregorian, Vartan. *The Emergence of Modern Afghanistan*. Stanford: Stanford University Press, 1969. — pp. 200–235.

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competitiveness. On the other hand, dependence on Russian goods deepened, local industries declined, and price controls shifted externally.

Russian military-statistical publications such as “Collection of Geographical, Topographical, and Statistical Materials on Asia” portrayed Afghanistan as economically underdeveloped, decentralized, and dependent on external trade. Agriculture and livestock dominated the economy, while industry and transport infrastructure remained weak.

Afghanistan failed to become an equal economic partner to Russia. Many Russian merchants were exempt from customs duties, reducing Afghan state revenues. Local resistance emerged among traders and craftsmen, sometimes resulting in unrest in regions such as Herat and Kunduz.

Great Britain closely monitored Russia’s activities, viewing them as a threat to its interests in India. This intensified economic competition between the two empires.

Afghan rulers attempted to preserve economic independence through customs control and trade regulation, but Russian diplomatic and economic pressure limited their success. As Habibullah Rafi notes, Afghan resistance remained constrained to avoid diplomatic crises¹⁶.

Conclusion

In conclusion, the Russian Empire’s economic policy in Afghanistan was complex and multifaceted. While it stimulated certain aspects of economic activity, it ultimately weakened Afghanistan’s financial and market independence, increasing its vulnerability to external pressure.

¹⁶ Kakar, M. Hassan. *A Political and Diplomatic History of Afghanistan, 1863–1901*. Leiden: Brill, 2006. – pp. 275–300.

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