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Turkmenistan: Recent Developments and U.S. Interests

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Summary

This report examines the political and economic policies of Turkmenistan's authoritarian President Saparmurad Niyazov. It discusses U.S. policy and assistance and provides basic facts and biographical information. This report may be updated. Related products include CRS Report RL33458, *Central Asia: Regional Developments and Implications for U.S. Interests*, updated regularly.

U.S. Policy¹

According to the Bush Administration, the United States has “strategic and economic interests” in Turkmenistan and “must remain engaged” with the country to gain its “critical cooperation” in reducing threats to regional stability, including terrorism and illegal trafficking in drugs, weapons of mass destruction, and persons. Turkmenistan borders countries of security concern, such as Afghanistan and Iran, and the country “serves as a valuable assistance corridor to Afghanistan.” U.S. aid aims to help Turkmenistan “achieve political stability, independence, and integration into the global economy.” U.S. assistance is limited, however, by the authoritarian government of Turkmenistan, but some U.S. aid is used to promote security cooperation “in the interests of both countries” (State Department, *Congressional Budget Justification for Foreign Operations, FY2007*; and *U.S. Government Assistance to and Cooperative Activities with Eurasia: FY2005 Annual Report*, January 2006).



Source: Map Resources. Adapted by CRS. (08/02 M.Chin)

¹ Sources include Foreign Broadcast Information Service, *Daily Report: Central Eurasia; RFE/RL Newline; Eurasia Insight*; Economist Intelligence Unit (EIU); the State Department's *Washington File*; and Reuters and Associated Press (AP) newswires.

Cumulative U.S. aid budgeted for Turkmenistan in FY1992-FY2005 was \$255.4 million (FREEDOM Support Act and other agency funding), most involving food aid and training and exchanges. About 1,300 Turkmen students and professionals have traveled to the United States during FY2003-FY2005 on U.S.-sponsored exchange programs. By comparison, EU grants and loans have amounted to about \$119 million. Turkmenistan's lack of progress in economic and political reforms has been cited by successive Administrations as a reason why only limited U.S. aid is provided (compared with other Central Asian states). The Administration budgeted \$7.65 million for Turkmenistan for FY2006 (FREEDOM Support Act and other foreign assistance, excluding Defense and Energy Department funds), and requested \$7.68 million for FY2007, including \$250,000 for Foreign Military Financing (FMF; for communications equipment), \$395,000 for International Military Education and Training (IMET; for bringing officers to the United States for language and rule of law training), and \$1.73 million for Peace Corps activities. The State Department proposes to provide \$300,000 for Non-proliferation, Anti-terrorism, De-mining, and Related Programs, and Export Control and Related Border Security Assistance (NADR-EXBS), to help Turkmenistan combat the proliferation of weapons of mass destruction and other illicit trafficking. U.S. aid to the U.N. Office on Drugs and Crime aims to increase border security along the Turkmen-Afghan and Turkmen-Kazakh borders and to reduce demand for drugs within Turkmenistan.

Basic Facts

Area and Population: Land area is 188,457 sq. mi.; slightly larger than California. The Kara Kum desert covers about 80% of land area. Population is 5.0 million (*CIA World Factbook*, mid-2006 est.).

Ethnicity: 85% are Turkmen, 5% are Uzbek, 4% are Russian, and others (*CIA World Factbook*, 2003 est.). Turkmen clans include the Tekke, Ersary, and Yomud. About 150,000 ethnic Turkmen reside elsewhere in the former Soviet Union, and 3 million or more in Iran and Afghanistan.

Gross Domestic Product: \$39.5 billion; per capita GDP is about \$8,000 (*CIA World Factbook*, 2005 est. purchasing power parity).

Political Leaders: *President, Prime Minister, and Chairman of the Halk Maslahaty (executive and legislative body):* Saparmurat Niyazov (also spelled Saparmyrat Nyazov); *Chairman of the Mejlis (legislature):* Owezgeldi Atayew; *Foreign Minister:* Rashid Meredov; *Minister of Defense:* Agageldi Mammetgeldiyew.

Biography: Niyazov, born in 1940, became the first secretary of the Turkmen Communist Party (TCP) in 1985. In 1990 and 1992, he won uncontested presidential elections, and a referendum in January 1994 extended his term until 2002. In 1999, he was named president for life. He has created a "cult of personality," under which he is termed "the Eternally Great Turkmenbashi," leader of all Turkmen. The national oath includes the phrase "[if] I betray ... Turkmenbashi, may my breath stop." He claims to have authored a 3-volume moral guide, the *Ruhnama*, that is required reading in secondary, medical, and military schools and in mosques.

Contributions to the Campaign Against Terrorism

Immediately after the terrorist attacks on the United States on September 11, 2001, the Turkmen foreign ministry stated that Turkmenistan's policy of neutrality and its friendship with the Taliban precluded cooperation in a U.S.-led military campaign. After Russia's President Vladimir Putin acceded to an expanded U.S. military presence in Central Asia, however, Turkmen President Niyazov on September 24, 2001, gave his consent for ground transport and overflights to deliver humanitarian aid to support U.S.-led anti-terrorism efforts in Afghanistan because "evil must be punished." Turkmenistan also permitted refueling privileges for humanitarian flights. Nonetheless, the foreign ministry still argued that Turkmenistan was "neutral" because it was not permitting military basing or the "transport of arms" through Turkmenistan. During a July 2004 visit, U.S. Central Command head John Abizaid thanked Niyazov for permitting up to

40% of humanitarian aid sent to Afghanistan since September 11, 2001, to transit the country, but he also urged Turkmenistan to democratize. During his visit in August 2005, Gen. Abizaid called for greater cooperation on terrorism, drug trafficking, and border protection, and praised Turkmenistan's increasing ties with Afghanistan, including its proposals for a trans-Afghanistan gas pipeline. Before the U.S.-led coalition launched actions in Iraq, Niyazov made contradictory statements, but in April 2003, he endorsed Saddam's removal and called for establishing "democracy" in Iraq to safeguard the interests of ethnic Turks living there.

Foreign Policy and Defense

Turkmenistan's "neutral" foreign policy is enshrined in its constitution. Niyazov has declared that Turkmenistan's "permanent neutrality" policy precludes joining political or military alliances and that its "open door" policy entails good relations with East and West. The U.N. General Assembly in 1995 recognized Turkmenistan's neutrality. Turkmenistan has pursued close ties with both Iran and Turkey. In addition to trade ties with Iran, Turkmenistan is also interested in cultural ties with the approximately one million Turkmen residing in Iran. Turkmenistan supports some of Russia's policies in the region while endeavoring, where possible, to reduce Russian influence. In 1992, the two states signed a Friendship and Cooperation Treaty containing security provisions. Although Turkmenistan joined the post-Soviet Commonwealth of Independent States (CIS), it did not sign the Collective Security Treaty and Niyazov has refused to sign other CIS agreements viewed as violating Turkmen sovereignty and neutrality. Relations with Uzbekistan have been volatile. Both states vie for regional influence and argue over water sharing. After a November 2002 coup attempt against Niyazov, he accused Russia and Uzbekistan of colluding with the plotters, and both Turkmenistan and Uzbekistan mobilized troops along their borders (see CRS Report RS21384, *Turkmenistan's Attempted Coup*). Russia, however, has pursued close ties with Turkmenistan (see below, *Energy*). Relations with Azerbaijan are contentious, particularly regarding ownership of offshore oil fields. In June 2006, Turkmen officials accused French diplomats, the Organization for Security and Cooperation in Europe (OSCE), a Radio Liberty correspondent, and the Warsaw Helsinki Foundation for Human Rights of colluding with Turkmen oppositionists in exile to subvert the government.

Turkmenistan's armed forces number about 26,000, including 21,000 ground, 4,300 air, and about 700 naval/coast guard forces (*The Military Balance 2005-2006*). Other forces include police and security troops, a presidential guard, and border troops. Niyazov regularly purges the military, police, and security agencies, ostensibly to ensure their docility. Turkmenistan inherited a sizable arsenal from the Soviet Union, but many air and ground craft may be inoperable. Ukraine and Georgia have upgraded and repaired some aircraft and vehicles as part of their payments for Turkmen gas. Troops are expected to grow their own food, earn money by picking cotton, and otherwise work twenty or more days of each month on economic projects. Large-scale conscription not only fills military needs but also provides "labor armies" that work with no pay in the energy or agriculture sectors. In late 1999, Russia's 1,000 border troops in Turkmenistan pulled out at Turkmenistan's request (some "special border troops" reportedly remain), and by 2002, Turkmenistan had replaced its officer corps with ethnic Turkmen. In 1994, Turkmenistan became the first Central Asian state to join NATO's Partnership for Peace (PFP). Turkmen officers have participated in or observed several PFP exercises.

Political and Economic Developments

Turkmenistan is the most authoritarian of the Central Asian states and has made little or no democratization progress, according to the State Department. Corruption and nepotism are rife, and the largest clan, President Niyazov's Tekke clan, dominates cultural and political life. Turkmenistan's May 1992 constitution set up a "secular democracy" embracing a presidential system of rule, and granted Niyazov overwhelming powers to rule by decree as head of state and government, although other provisions called for a balance of powers between executive, legislative, and judicial branches. The constitution includes an impressive list of individual rights (though not freedom of the press), but emphasizes that the exercise of rights must not violate public order or damage national security. It created a 2,500-member People's Council (Halk Maslahaty) with mixed executive and legislative powers, consisting of the president, ministers, the fifty legislators of the Supreme Council (Mejlis), "people's representatives," and others. The Halk Maslahaty serves as an occasional forum and rubber stamp for the president's policy initiatives. Resurrecting pre-Soviet customs, a Council of Elders, hand-picked by Niyazov, was also created to advise the president and choose presidential candidates. The Mejlis routinely supports presidential decrees and has little legislative initiative. The court system retains its basic Soviet-era form.

In December 1999, members of the Mejlis, the Halk Maslahaty, and Niyazov's National Revival Movement (a civic group) met in a joint session to approve changes to the Constitution, including naming Niyazov president for life. The State Department termed the life term "a further step backward on the path toward democracy." Niyazov has proclaimed that no one over 70 years of age should be president, so he will step down and a "democratic" presidential election will be held at the end of the decade.

The most recent election of the 50-member Mejlis was held on December 19, 2004. All candidates were pre-screened members of the Democratic Party. The OSCE offered to send an assessment team but was refused. Whereas the Central Electoral Commission reported a Soviet-era 99.8% turnout in 1999, it reported a 76.9% turnout in 2004. The State Department reported that diplomats found polling stations mostly empty and that the use of mobile ballot boxes and family voting was prevalent. Similarly, a 99.8% turnout was reported for elections of people's representatives to the Halk Maslahaty in April 2003, but diplomats reported few signs of voters at the polls. In August 2003, the Halk Maslahaty unanimously elected Niyazov its "lifetime chairman," perhaps signifying that he will rule from this post after "retiring" as president. At the same time, the Halk Maslahaty approved constitutional changes making it the supreme legislative and executive body and greatly expanding its size. Niyazov explained that it would be harder for coup plotters to take over such a large body.

There are increasing reports of demonstrations and other popular unrest in Turkmenistan. Exile opposition groups are being joined by more and more former officials who flee Turkmenistan. Such groups include the United Democratic Opposition, headed by former foreign minister Avdy Kulyyev (Awdy Kulyyew), the People's Democratic Movement, headed by former foreign minister Boris Shikhmuradov (Boris Orazowic Syhmyradow), the Republican Party, headed by former ambassador to Turkey Muhammad Khanamov (Nurmuhamet Hanamow), and the Fatherland movement, founded by former prime minister Khudayberdy Orazov (Hudayberdi Orazow). The latter three leaders have received life sentences in absentia (except for Shikhmuradov, who was

apprehended) on charges of instigating the 2002 coup attempt. Some oppositionists have warned that the United States should be careful in associating with Niyazov that it is not perceived by the people as propping up the regime.

According to most observers, Turkmenistan's human rights record is extremely poor. The State Department has averred in its *Country Reports on Human Rights Practices for 2005* that numerous, systematic violations of due process, including arbitrary arrest and torture, took place with impunity during 2005. Some prisoners died due to overcrowding and untreated illnesses. The International Committee of the Red Cross continued to be denied full access to prisoners. The government severely restricted freedom of speech and assembly. It completely controlled radio and television and access to the Internet, and censored all newspapers. The law characterizes any opposition as treason and 50-60 people were convicted under this law in 2005. Some political opponents were sent to psychiatric hospitals. Some political opponents were forcibly resettled in rural areas (so-called "internal exiles"). Ethnic Russians, Uzbeks, and others faced discrimination that led over half to leave within the past few years. Religious practice is closely monitored, including by forbidding religious publishing, requiring that the *Ruhnama* be displayed in mosques, banning the building of new mosques, and only permitting one madrasa to operate. Some minority religious groups reported government harassment. Because of these problems, the U.S. Commission on International Religious Freedom in May 2006 designated Turkmenistan a "country of particular concern" where possible aid penalties might be considered.

In March 2003, the government reinstated an exit visa requirement for all citizens wishing to travel outside the country. These moves triggered a U.S. presidential report to Congress in August 2003 that Turkmenistan was violating the freedom of emigration provisions of the Trade Act of 1974 (the so-called Jackson-Vanik provisions), but a waiver was issued. In January 2004, Niyazov lifted the exit visa requirement. The State Department's *Country Reports* nonetheless stresses that there remain many restrictions on freedom of travel inside and outside the country. In 2003, 2004, and 2005, the U.N. General Assembly's Third Committee approved resolutions critical of human rights in Turkmenistan. The November 2005 resolution, introduced by the United States, expressed "grave concern" about serious human rights violations. It called for international investigations of torture and abuse, and urged continued international pressure on Turkmenistan to respect human rights. Rejecting criticism of human rights abuses, Niyazov asserted in March 2005 that "there is not a single person held in Turkmen prisons for political motives or ideas." *Country Reports* states that there were some small improvements in human rights conditions in Turkmenistan during 2005, including the legalization of five minority religious groups, release of four prisoners of conscience, the ratification of new child labor laws, and less evidence that child laborers were being used during the cotton harvest.

Turkmenistan's GDP growth was 4% in 2005, declining from 7.5% in 2004, and consumer price inflation was 10% (International Monetary Fund est.; according to the IMF, official Turkmen economic data are problematic). The main sources of GDP growth were oil, gas, and cotton production. Turkmenistan is among the world's top ten in cotton production, and agriculture accounts for over 50% of employment. The public sector accounts for about 75% of GDP. According to the World Bank, Turkmenistan's underlying fiscal position has weakened over the years as public sector deficits have ballooned (including subsidies for consumer goods and industry and agriculture).

Niyazov has boosted wages, but wage arrears are high. Poverty and unemployment are widespread and may be growing, although a few necessities of life are provided free or at low cost. Some observers allege that government corruption is exacerbated by official involvement in drug trafficking. A Development Strategy through the year 2020 was approved by the Halk Maslahaty in 2003 that Niyazov declared would bring Turkmenistan up to the par of Western states in terms of wealth and the quality of life. Appearing to bely Turkmen government assertions that the quality of life is improving, Niyazov in February 2005 ordered the closure of most local libraries and medical facilities, and the opening of nature reserves for grazing. In February 2006, the government instigated a new retirement system where wage contributions constitute the sole source of pensions.

The U.S. Department of Energy in September 2005 reported estimates of 546 million barrels of proven oil reserves and 71 trillion cubic feet (tcf) of proven natural gas reserves in Turkmenistan (which is less than 1% of the proven oil reserves and less than 4% of the proven gas reserves in the Persian Gulf). In the late 1980s, Turkmenistan was the world's fourth largest natural gas producer. It is now largely dependent on Russian export routes, and gas and oil production remain below the levels of the Soviet period, held back by aging infrastructure, inadequate investment, and export disputes. In 1993, Russia had halted Turkmen gas exports to Western markets through its pipelines, diverting Turkmen gas to other Eurasian states that had trouble paying for the gas. In 1997, Russia cut off these shipments because of transit fee arrears and other problems. After this, Turkmenistan was forced to agree to terms offered by Russia's natural gas firm Gazprom (or its subsidiary Gazexport).

Appearing resigned to getting less than the world market price, Niyazov signed a 25-year accord with Russia in 2003 to supply it 200 bcf of gas in 2004 (about 12% of production), rising to 2.8 tcf in 2009. The accord called for Turkmenistan to accept 50% of payments in goods and services. Again seeking a more equitable deal, Niyazov cut off gas shipments to Russia in January 2005. Russia's Gazprom and Turkmenistan agreed in April 2005 that Gazprom would pay the previously agreed upon price of \$44 per 1,000 cubic meters (mcm) for gas, all in cash, until 2007, when the price would be renegotiated and take into account world market prices. However, following Gazprom's hike in charges for gas it sold to Ukraine, Georgia, Armenia, and others at the end of 2005, Turkmenistan decided that it would increase the price it charged for sales to Gazprom to \$65 per mcm. The NGO Global Witness alleged in April 2006 that Niyazov keeps some portion of gas export earnings in his personal bank accounts and that the sector is otherwise rife with corruption, which makes Turkmenistan an unreliable gas supplier to Europe, the NGO warned.

Seeking alternative export routes, Turkmenistan in December 1997 opened the first pipeline from Central Asia to the outside world beyond Russia, a 125-mile pipeline linkage to Iran's pipeline system, but disputes have limited the amount of gas sent to Iran. Some oil is also sent to Iran in a swap arrangement. In November 1999, Turkmenistan, Azerbaijan, Georgia, and Turkey signed a framework accord on a trans-Caspian gas pipeline. Contention between Azerbaijan and Turkmenistan over shipment quotas for this planned pipeline and other problems led Turkmenistan to reject participation. The United States has advocated building such a pipeline since Turkmenistan could transport some of its gas through routes not controlled by Russia and Iran. The United States also endorses Turkmenistan's proposal to build a gas pipeline through Afghanistan to Pakistan and India, but investment remains elusive. Iran urges instead that it be the route.