



Turkmenistan: Recent Developments and U.S. Interests

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Summary

When Turkmenistan gained independence with the dissolution of the Soviet Union at the end of 1991, the former republic's president and head of the Turkmen Communist Party, Saparmurad Niyazov, retained power. He was reelected president in another uncontested race in 1992, and a referendum in 1994 extended his term until 2002. Before facing reelection, however, constitutional amendments approved in 1999 proclaimed him president for life. The country's May 1992 constitution granted Niyazov overwhelming powers to rule by decree as head of state and government. According to several assessments, he was among the world's most authoritarian rulers, and his regime was highly corrupt and responsible for serious human rights abuses. The regime increasingly restricted contacts by citizens with the outside world.

Following the death of President Niyazov in December 2006, Gurbanguly Berdimuhamedow was elected president in early 2007. International observers viewed the election as putting into place some institutional features that might in the future lead to a free and fair election. A new constitution approved in 2008 reaffirmed Turkmenistan as a "secular democracy" with a powerful president able to rule by decree. The constitution included an impressive list of individual rights, but emphasized that the exercise of rights must not violate public order or damage national security. An early legislative election was held in December 2008. International observers assessed the election as not free and fair. According to some observers, the Berdimuhamedow government has retained many authoritarian features of the previous regime, and the human rights situation has deteriorated after an initial improvement at the time of the political succession.

In Congressional testimony on March 10, 2011, Assistant Secretary of State Robert Blake averred that Turkmenistan is a country of growing importance to the United States. He praised Turkmenistan's assistance to Afghanistan and Turkmenistan's efforts to develop diversified export routes for its hydrocarbon resources, including the Turkmenistan-Afghanistan-India-Pakistan pipeline, which he stated could help integrate the Central and South Asian regions. He also called for the Turkmen government to take concrete steps to fulfill its international obligations on human rights. Cumulative U.S. assistance to Turkmenistan has amounted to \$298.5 million over the period FY1992-FY2008 (all agencies and programs). U.S. foreign assistance amounted to \$8.85 million in FY2009, \$16.5 million in FY2010, and a requested \$13.3 million in FY2011 (country totals for foreign assistance for FY2011 under the continuing resolution, H.R. 1473; P.L. 112-10, signed into law on April 15, 2011, are being finalized). The Administration has requested \$10.275 million for FY2012 (these latter amounts include foreign assistance provided under the Assistance to Europe, Eurasia, and Central Asia Account and other "Function 150" programs). The boost in FY2010 was planned to support Turkmenistan as a frontline state in counter-terrorism operations in Afghanistan.

Related products include CRS Report RL33458, *Central Asia: Regional Developments and Implications for U.S. Interests*.

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Political Background

When Turkmenistan gained independence with the dissolution of the Soviet Union at the end of 1991, the former republic's president and head of the Turkmen Communist Party, Saparamurad Niyazov, retained power. He was reelected president in another uncontested race in 1992, and a referendum in 1994 extended his term until 2002. Before facing reelection, however, constitutional amendments approved in 1999 proclaimed him president for life. The country's May 1992 constitution granted Niyazov overwhelming powers to rule by decree as head of state and government. According to several assessments, he was among the world's most authoritarian rulers, and his regime was highly corrupt and responsible for serious human rights abuses. The regime increasingly restricted contacts by citizens with the outside world.

Following the death of President Niyazov in December 2006, Gurbanguly Berdimuhamedow was elected president in early 2007. Since then, Turkmenistan has "remain[ed] a mostly closed society, and progress toward reform has been sporadic," according to the State Department.¹ The Economist Intelligence Unit, a private organization, ranked Turkmenistan 165th out of 167 countries in 2010 in democratization, above only Chad and North Korea.

Exile groups opposed to the regime have included those formed by former officials who have fled the country. Such groups include the United Democratic Opposition, headed by former Foreign Minister Awdy Kulyyew (Kuliyev); the Watan Social-Political Movement, headed by former Deputy Chairman of the Central Bank Annadurdy Hajjyew (Khadzhiyev); the Republican Party, headed by former Ambassador to Turkey Nurmuhammet Hanamow (Khanamov); and the Fatherland movement, founded by former Prime Minister Hudayberdi Orazow (Orazov). The latter three leaders received life sentences in absentia on charges of instigating an alleged coup attempt in 2002. Another alleged coup plotter, former Foreign Minister Boris Orazowic Syhmyradow (Shikhmuradov), supposedly remains imprisoned.

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 (*The World Factbook*, mid-2011 est.).

Ethnicity: 85% are Turkmen, 5% are Uzbek, 4% are Russian, and others (*The World Factbook*, 2003 est.). Turkmen clans include the Tekke, Ersary, and Yomud. About 150,000 ethnic Turkmen reside elsewhere in the former Soviet Union, approximately 1.3 million in Iran, and over 900,000 in Afghanistan.

Gross Domestic Product: \$36.64 billion; per capita GDP is about \$7,400 (*The World Factbook*, 2010 est., purchasing power parity).

Political Leaders: *President and Prime Minister:* Gurbanguly Berdimuhamedow (also spelled Berdimukhamedov); *Chairman of the Mejlis (legislature):* Akja Nurberdiyewa; *Foreign Minister (and deputy prime minister):* Rasit Meredow; *Minister of Defense:* Yaylym Berdiyew.

Biography: Berdimuhamedow was born in 1957 in the Ashkhabad Region. He graduated from the Turkmen Medical Institute in 1979 and undertook graduate work in Moscow. Until 1995, he was a junior member of the dentistry department, an associate professor, and the dean of the dentistry faculty of the Turkmen Medical Institute. In 1995-1997, he was an official in the Turkmen Ministry of Health and was minister 1997-2006. In 2001-2006, he also was a deputy prime minister. He was named acting president on December 21, 2006, and was elected president on February 11, 2007.

¹ *Congressional Budget Justification.*

The morning of Niyazov's reported death from a heart attack on December 21, 2006, the government proclaimed that Berdimuhamedow, then the deputy prime minister and health minister, would serve as acting president (the existing constitution had called for the speaker to fill this role, but he had been quickly arrested). A 2,500-member People's Council (*Halk Maslahaty* or HM), a constitutional body with supreme executive and legislative powers (consisting of the president, ministers, *Mejlis* legislators, and others) convened on December 26 and changed the constitution to legitimize Berdimuhamedow's position as acting president. It quickly approved an electoral law and announced that the next presidential election would be held on February 11, 2007. The HM designated six candidates for the presidential election, one from each region, all of whom were government officials. Exiled politicians were banned from participation. Reportedly, nearly 99% of 2.6 million voters turned out, and 89.23% endorsed acting President Berdimuhamedow.

An OSCE needs assessment mission visited during the campaign. It praised some provisions of a new presidential election law, such as those permitting multiple candidacies and access by electoral observers, but criticized others, including those permitting only citizens approved by the legislature and who had served as state officials to run. A small OSCE delegation on election day reportedly was not allowed to view vote-counting. According to the U.S. State Department, the election "represent[ed] a modest step toward political electoral change that could help create the conditions in the future for free, fair, open and truly competitive elections."²

In his inaugural address on February 14, 2007, Berdimuhamedow pledged to continue to provide free natural gas, salt, water, and electricity and subsidized bread, gasoline, and housing to the populace, and to uphold the foreign policy of the previous government. Berdimuhamedow was acclaimed head of the HM in late March 2007, thus assuming all the top posts held by the late Niyazov. Berdimuhamedow has removed some of Niyazov's statues from Ashkhabad and other symbols of Niyazov's cult of personality, but Niyazov's spiritual guide, the *Ruhnama*, remains required reading in the schools. Berdimuhamedow appears to be the subject of an emerging cult of personality, which includes a monument built in part to glorify his proclamation of a "new revival era" for Turkmenistan.

A constitutional commission unveiled a draft constitution in July 2008 that after public debate was approved by the HM on September 26, 2008. The new constitution reaffirmed Turkmenistan as a "secular democracy" with a powerful president able to rule by decree. The constitution included an impressive list of individual rights, but emphasized that the exercise of rights must not violate public order or damage national security. The constitution abolished the HM and divided its powers between the *Mejlis* and the president. It enlarged the *Mejlis* from 65 to 125 members. An early legislative election was held on December 14, 2008. An OSCE pre-election needs assessment mission stated that "a lack of distinction between civil society organizations, the party, and the State," had resulted in only government-approved candidates running for seats, so that a democratic election was not possible.³ At least two approved candidates ran in each district, but campaigning was muted and noncontroversial. The Turkmen Central Electoral Commission reported that almost 94% of the electorate voted on December 14, but some observers reported a light turnout. President Berdimuhamedow hailed the election as advancing

² Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), February 12, 2007, Doc. No. CEP-950160. U.S. Department of State. *Daily Press Briefing*, February 15, 2007.

³ OSCE. ODIHR. *Turkmenistan, Early Parliamentary Elections: OSCE/ODIHR Needs Assessment Mission Report*, October 20, 2008.

Turkmen democracy.⁴ In operation, the Mejlis routinely has supported presidential decrees and has displayed little legislative initiative. The next *Mejlis* election is scheduled for December 2013.

In February 2010, Berdimuhamedow called for the creation of a multi-party system, and in April 2010 he ordered the legislature to consider a law creating such a system. In the meantime, he approved the registration of a new Farmers' Party as an alternative to the ruling Democratic Party. This new party, however, has since appeared largely moribund.⁵ In local elections held in December 2010, only the Democratic Party and approved "civil society" groups were permitted to field candidates. In January 2011, he urged the legislature to pass a law to facilitate the formation of new political parties.

The Turkmen government allegedly requested that the Kazakh government ban various exiled political oppositionists and human rights advocates from attending civil society functions held during the run-up to and at the time of the Summit of the Organization for Security and Cooperation in Europe (OSCE), held in Astana, Kazakhstan, in December 2010.⁶ The United States and other OSCE members protested against such a ban, and some oppositionists and advocates were permitted to participate in some meetings, but were effectively excluded by the Kazakh government from functions held during the summit. In his speech at the Astana Summit, President Berdimuhamedow urged the OSCE to limit its calls for reforms in his country, given the "the national peculiarities of Turkmenistan and its specific and singular historical way, traditions, and mentality of the people."⁷

Despite the highly authoritarian political system and human rights restrictions (see below), there has only appeared to be sporadic social discontent and little progress in Islamic extremism gaining a foothold, according to some observers. According to the constitution, a presidential election should be held in early 2012. In May 2011, the legislature unanimously approved new laws on presidential powers and the presidential election.

Human Rights

The Turkmen government's human rights record has worsened in the past two years, after initial improvements following the death of former President Niyazov, according to Human Rights Watch (HRW), an NGO. In 2010, the government prevented the registration of religious groups and NGOs, discouraged students from study abroad, blocked access to the internet, and banned the import of some printed materials. HRW also warned that "Turkmen authorities arbitrarily interfere with people's right to travel abroad through an informal and arbitrary system of travel bans, commonly imposed on activists and relatives of exiled dissidents."⁸

⁴ Annette Bohr, "Turkmenistan," *Nations in Transit 2009*, Freedom House, June 30, 2009; *CEDR*, December 19, 2008, Doc. No. CEP-950107.

⁵ *CEDR*, May 14, 2010, Doc. No. CEP-37001.

⁶ Catherine Fitzpatrick, "Turkmenistan Weekly Roundup," *Eurasianet*, October 15, 2010; "Turkmen President Attends OSCE Summit; Human Rights Activists Forced to Stay Home," *Eurasianet*, December 2, 2010.

⁷ OSCE, Astana Summit, *Statement of the President of Turkmenistan H.E. Gurbanguly Berdimukhamedov at the OSCE Summit in Astana*, SUM.DEL/27/10, December 1, 2010.

⁸ *World Report 2011*, Human Rights Watch, January 24, 2011, pp. 485-490.

The Turkmen government has appeared to intensify human rights restrictions in recent months following revolutions and other dissidence in the Middle East, including by harassing journalists, constraining access to the internet and cell phones, imposing curfews on college students, and arresting and harassing musicians and homosexuals.⁹ In February 2011, U.S. Representative Howard Berman wrote a letter to President Berdimuhamedow expressing concerns about human rights abuses against Radio Free Europe/Radio Liberty and other journalists and calling for Turkmenistan to uphold its commitments to freedom of expression.

Considerable restrictions on the free practice of religion in Turkmenistan remain in place, although there was some marginal progress in a few areas, according to the State Department's latest International Religious Freedom Report (issued in November 2010). The government belatedly registered the Catholic Church and two Muslim religious organizations, and gave permission for some foreign religious leaders to visit the country. However, during the year the Turkmen government continued to imprison Jehovah's Witnesses for refusing compulsory military service and imprisoned a Pentecostal minister and at least two Muslim clerics on what HRW termed questionable charges.

According to the State Department's Country Reports on Human Rights Practices for 2010, there were continued reports of torture and mistreatment of detainees; incommunicado and prolonged detention; arbitrary arrest and detention; denial of due process and fair trial; arbitrary interference with privacy, home, and correspondence; restrictions on freedom of speech, press, assembly, and association; restrictions on freedom of movement for some citizens; violence against women; and restrictions on free association of workers.¹⁰

Economic Conditions

The Economist Intelligence Unit (EIU) estimates that Turkmenistan's gross domestic product (GDP) grew by 6% in 2010, after contracting by -8% in 2009 as a result of the global economic downturn that reduced demand for energy and by a cessation of gas exports to Russia in April 2009 following an explosion at a major export pipeline. GDP growth in 2010 was boosted by gas exports to China and Iran, now Turkmenistan's main export customers (see below), and by reportedly better wheat and cotton harvests. However, growth still was set back substantially by Russia's agreement to resume only a small fraction of its previous gas imports. The EIU forecasts that GDP will grow by 11% in 2011 as world energy demand picks up and as possible investments increase in the energy sector. However, higher global fuel and food prices may boost consumer price inflation up from an estimated 10% in 2010 to around 14% in 2011, according to EIU. About one-half of Turkmenistan's GDP is derived from energy production, about one-third from services, and slightly more than one-tenth from agriculture, although the latter sector employs nearly half of the country's workforce.

The State Department reported in early 2011 that "U.S. firms have identified widespread government corruption, usually in the form of bribe requests, as an obstacle to investment and business throughout all economic sectors and regions." In contrast to official corruption, however,

⁹ Catherine Fitzpatrick, "Turkmenistan Weekly Roundup," *Eurasianet*, March 4, 2011. See also *Turkmenistan: Dashoguz Women's Prison Colony*, Norwegian Helsinki Commission, January 2011.

¹⁰ U.S. Department of State. *Country Reports on Human Rights Practices for 2010*, April 8, 2011. The report did not assess whether human rights abuses had increased or decreased over the previous year.

violent criminal organizations that extort money from businesses are largely nonexistent in Turkmenistan, the State Department claims.¹¹ The United States and Turkmenistan do not have a bilateral investment treaty.

According to the *World Factbook*, Turkmenistan's "overall prospects in the near future are discouraging because of widespread internal poverty, endemic corruption, a poor educational system, government misuse of oil and gas revenues, and Ashgabat's reluctance to adopt market-oriented reforms." The International Crisis Group, an NGO, similarly warns that in Turkmenistan, "the façade of reform and prosperity conceals a deep corrosion of human and physical infrastructure. Education is paralyzed... healthcare is ... unable to grapple with the true extent of existing problems... the [electrical] energy and transportation sectors have nothing to show but a declining level of service."¹²

About one-half of the employed population works in agriculture. State ownership continues in the oil and gas industry, electrical power generation, and the textile, construction, transport, and communications sectors. These sectors account 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). About one-third of the population lives in poverty, and about 60% are unemployed (leaving an employed labor force of less than 1.3 million), 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.

In the face of the global economic downturn, in October 2008 President Berdimuhamedow decreed the establishment of a stabilization fund. Turkmenistan introduced a re-denominated currency, the new *manat*, in January 2009. The decline of the Turkmen economy in 2009, including as a result of the fall-off in gas sales to Russia, necessitated transfers from the stabilization fund to support the budget. In May 2010, Berdimuhamedow unveiled a National Socio-Economic Development Program for 2011-2030 that aims to diversify the economy away from reliance on raw materials exports, including by developing textiles and other industries, as well as liquefied natural gas (LNG). He has launched a large-scale building program "to turn Ashkhabad into one of the most beautiful cities of the world where the most favorable conditions for life ... are created." The city plan calls for new apartment buildings, power supplies, communications networks, and highways to be built.¹³

Turkmenistan continues to construct a massive lake that it claims will recycle irrigation water and ameliorate the regional climate, but which critics condemn as likely to siphon water from the Amu Darya River and to become concentrated with salts and pesticides.

¹¹ U.S. Department of State, *Turkmenistan: 2011 Investment Climate Statement*, February 1, 2011.

¹² *Central Asia: Decay And Decline*, International Crisis Group, Asia Report No. 201, February 3, 2011. See also *Turkmenistan's Opaque Health System*, Medecins sans Frontieres, April 2010.

¹³ *CEDR*, August 13, 2010, Doc. No. CEP-964017.

Energy

Turkmenistan's proven natural gas reserves—286.2 trillion cubic feet—are among the highest in the world, according to British Petroleum (BP) data, and its oil reserves also are sizeable.¹⁴

At the time it gained independence at the end of 1991, Turkmenistan largely was dependent on Russian energy export routes, and gas and oil production were held back by aging infrastructure, inadequate investment, and poor management. In 1993, Russia 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 as leverage to obtain Turkmenistan's agreement to terms offered by Russia's state-owned gas firm Gazprom.

The late President Niyazov signed a 25-year accord with then-President Putin in 2003 on supplying Russia up to 211.9 billion cubic feet (bcf) of gas in 2004 (about 12% of production at that time), rising up to 2.83 trillion cubic feet (tcf) in 2009-2028 (perhaps amounting to the bulk of anticipated production). Turkmenistan halted gas shipments to Russia at the end of 2004 in an attempt to get a higher gas price but settled for all-cash rather than partial barter payments. Turkmenistan and Russia continued to clash in subsequent years over gas prices and finally agreed in late 2007 that gas prices based on "market principles" would be established in 2009. Turkmenistan, Kazakhstan, and Russia signed accords in May and December 2007 on building a new gas pipeline that was planned to carry 353 bcf of Turkmen and 353 bcf of Kazakh gas to Russia. However, the Turkmen government appeared to have reservations about building another pipeline to Russia.

Seeking alternatives to pipeline routes through Russia, in December 1997 Turkmenistan opened the first pipeline from Central Asia to the outside world beyond Russia, a 125-mile gas pipeline linkage to Iran. Turkmenistan provided 282.5 bcf of gas to Iran in 2006 and reportedly a larger amount in 2007. At the end of 2007, however, Turkmenistan suddenly suspended gas shipments, causing hardship in northern Iran. Turkmen demands for higher payments were the main reason for the cut-off. Gas shipments resumed in late April 2008 after Iran agreed to a price boost. In mid-2009, Turkmenistan reportedly agreed to increase gas supplies to up to 706 bcf per year.¹⁵ In January 2010, a second gas pipeline to Iran was completed—from a field that until April 2009 had supplied gas to Russia (see below)—to more than double Turkmenistan's export capacity to Iran. However, Turkmen gas exports to Iran reportedly were about 290 bcf in 2010.

As another alternative to pipelines through Russia, in April 2006, Turkmenistan and China signed a framework agreement calling for Chinese investment in developing gas fields in Turkmenistan and in building a gas pipeline with a capacity of about 1.4 tcf per year through Uzbekistan and Kazakhstan to China. All three Central Asian states plan to send gas through this pipeline to China. Construction of the pipeline began in August 2007 and gas began to be delivered through the pipeline to Xinjiang and beyond in December 2009. In 2010, Turkmenistan provided about 212 bcf of gas to China.

¹⁴ *BP Statistical Review of World Energy*, June 2010, data for Turkmenistan are from 2008.

¹⁵ *Iran: Daily Report*, January 21, 2008, Doc. No. IAP-11017; January 24, 2008, Doc. No. IAP-950014; April 26, 2008, Doc. No. IAP-950049; and May 6, 2008, Doc. No. IAP-950052.; *CEDR*, July 12, 2009, Doc. No. CEP-950097.

Perhaps in an additional attempt to diversify gas export routes, Berdimuhamedow first signaled in 2007 that Turkmenistan was interested in building a trans-Caspian gas pipeline. Turkmenistan signed a memorandum of understanding in April 2008 with the EU to supply 353.1 bcf of gas per year starting in 2009, presumably through a trans-Caspian pipeline that might at first link to the SCP and later to the proposed Nabucco pipeline. President Berdimuhamedow asserted in March 2011 that “Turkmenistan intends to promote cooperation in the fuel and energy sector with European countries ... through construction of Trans-Caspian gas pipelines.”¹⁶ Russia and Iran remain opposed to trans-Caspian pipelines, ostensibly on the grounds that they could pose environmental hazards to the littoral states. Berdimuhamedow also revived Niyazov’s proposal to build a gas pipeline through Afghanistan to Pakistan and India. In December 2010, the presidents of Turkmenistan, Pakistan, and Afghanistan and the prime minister of India signed an agreement on constructing the Turkmenistan- Afghanistan-Pakistan-India (TAPI) gas pipeline. Financing for the project remains problematic because of ongoing conflict in Afghanistan.

On the night of April 8-9, 2009, a section of a gas pipeline from Turkmenistan to Russia exploded, halting Turkmen gas shipments. Russia claimed that it had notified Turkmenistan that it was reducing its gas imports because European demand for gas had declined, but Turkmenistan denied that it had been properly informed.¹⁷ After extended talks, visiting President Medvedev and President Berdimuhamedow agreed on December 22, 2009, that Turkmen gas exports to Russia would be resumed, and that the existing supply contract would be altered to reduce Turkmen gas exports to up to 1 tcf per year and to increase the price paid for the gas. Turkmenistan announced on January 9, 2010, that some gas exports to Russia had resumed. The incident appeared to further validate Turkmenistan’s policy of diversifying its gas export routes.

In 2010, Russia’s Gazprom gas firm purchased only 371 bcf of Turkmen gas, a sharp dropoff from past purchases. Unfortunately, Turkmen gas exports to Iran and China were not compensatory. Overall Turkmen gas exports fell in 2010 to about 865 bcf, down from 1.7 tcf in 2008, before the Russian gas cutoff.¹⁸ Reportedly, Russia further has reduced its gas purchases from Turkmenistan in 2011.

At a late April 2009 Turkmen energy conference, U.S. Deputy Assistant Secretary of State George Krol reportedly stressed that Turkmenistan and other states should continue to diversify their energy export routes.¹⁹ Turkmen President Berdimuhamedow pledged to continue such diversification. At an EU energy summit in Prague in early May 2009, U.S. Special Envoy for Eurasian Energy Richard Morningstar endorsed further development of the “southern corridor” for the shipment of gas and oil to Western markets. However, Kazakhstan, Turkmenistan, and Uzbekistan balked at signing a communique pledging the states to back the Nabucco pipeline. Despite this move, Berdimuhamedow asserted on July 10, 2009, that there are “immense volumes of natural gas in Turkmenistan [that] make it possible for us to carry out certain work related to the implementation of various [gas export] projects, including the Nabucco project.”²⁰ In

¹⁶ “President’s Welcoming Address,” *Turkmenistan: The Golden Age*, March 3, 2011, at http://www.turkmenistan.gov.tm/_en/?idr=4&id=110303a.

¹⁷ Open Source Center. *OSC Feature*, April 14, 2009, Doc. No. FEA-844966; *CEDR*, April 14, 2009, Doc. No. CEP-950339; *ITAR-TASS*, April 3, 2009; Sergey Blagov, “Turkmenistan: Ashgabat Wonders Whether Russia Still Has Deep Pockets,” *Eurasia Insight*, March 26, 2009.

¹⁸ “Turkmen Gas Could Find Chinese Outlet,” *Central Asia Online*, March 26, 2011.

¹⁹ Alexander Vershinin, “U.S. Urges Central Asia to Boost Gas Export Routes,” *Associated Press*, April 24, 2009.

²⁰ *CEDR*, July 11, 2009, Doc. No. CEP-950124.

September 2009, he further suggested that Turkmenistan could provide even more gas than previously mentioned in 2008 for Nabucco—1.1 tcf per year—because an audit indicated that the South Yoloten-Osman and Yaslar offshore gas fields held vast reserves.²¹ Russia and Iran remain opposed to trans-Caspian pipelines, ostensibly on the grounds that they could pose environmental hazards to the littoral states. In May 2010, Morningstar suggested that “some might question whether gas exports from Turkmenistan to China come at the expense of Nabucco or other Southern Corridor projects meant to supply Europe.... It is not yet clear where Turkmen gas for European energy projects might come from, but given the economics, they are much more likely to be supplied with gas from Turkmenistan’s offshore blocks.”²²

Foreign Policy and Defense

Turkmenistan’s “neutral” foreign policy is enshrined in its constitution, and the U.N. General Assembly in 1995 recognized Turkmenistan’s neutrality. Berdimuhamedow has eschewed joining political or military alliances and has pursued good relations with both East and West. 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 1.3 million Turkmen residing in Iran. Turkmenistan has cooperated with Russia in some areas while seemingly resisting other 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 refused to sign other CIS agreements viewed as violating its sovereignty and neutrality. Relations with Uzbekistan and Azerbaijan have been tense but have improved somewhat during Berdimuhamedow’s leadership. Turkmenistan and Uzbekistan have vied for regional influence and argued over water sharing. Azerbaijan and Turkmenistan have rival claims to some Caspian Sea oil and gas fields.

Turkmenistan’s armed forces number about 22,000, including 18,500 ground, 3,000 air, and about 500 naval/coast guard forces. The army has about 700 tanks, 2,000 vehicles, and 560 artillery pieces, the air force has about 120 aircraft and helicopters, and the naval force has six patrol boats.²³ During 2011, Turkmenistan purchased four missile boats from Russia and Turkey. Other forces include police and security troops, a presidential guard, and border troops. 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. In January 2009, a new defense doctrine was released that calls for Turkmenistan to be able to provide for its own national security. Turkmenistan reportedly is actively purchasing military equipment in accordance with the new doctrine. In August 2009, President Berdimuhamedow decreed that the navy/coast guard base of Turkmenbasy would be upgraded

²¹ One estimate based on drilling control wells indicates reserves of 16 tcf in the South Yoloten-Osman field. *Trend News*, May 12, 2010.

²² U.S. Department of State. Office of the Special Envoy for Eurasian Energy. *Pipeline Politics in Asia: The Intersection of Demand, Energy Markets, and Supply Routes*, Richard Morningstar, Special Envoy for Eurasian Energy, May 4, 2010.

²³ International Institute of Strategic Studies. *The Military Balance*, March 7, 2011.

and coastal radars and ships would be purchased “to fight effectively against smugglers, terrorists and any other forces who try to illegally use our state sea border or create an unstable situation.”²⁴

U.S. Policy

In testimony on March 10, 2011, Assistant Secretary of State Robert Blake stated that “Turkmenistan is a country of growing importance to the United States.” He praised Turkmenistan’s assistance to Afghanistan and Turkmenistan’s efforts to develop diversified export routes for its hydrocarbon resources, including the Turkmenistan-Afghanistan-India-Pakistan, or TAPI, pipeline, which he stated “could help integrate the Central and South Asian regions.” He also called for the Turkmen government “to take concrete steps to fulfill its international obligations on human rights.”²⁵ In February 2011, Assistant Secretary Blake visited Turkmenistan as part of annual bilateral consultations that the Obama Administration had launched the previous year with all the Central Asian states, during which economic and other issues were discussed. In January 2011, Gen. James N. Mattis, Commander of the United States Central Command (CENTCOM), visited Turkmenistan and met with President Berdimuhamedow. Reportedly, the two sides discussed Turkmenistan’s role as part of the Northern Distribution Network (NDN) for the transport of supplies to support U.S. and NATO operations in Afghanistan.

Cumulative U.S. assistance to Turkmenistan has amounted to \$298.5 million over the period FY1992-FY2008 (all agencies and programs). U.S. foreign assistance amounted to \$8.85 million in FY2009, \$16.5 million in FY2010, and a requested \$13.3 million in FY2011 (country totals for foreign assistance for FY2011 under the continuing resolution, H.R. 1473; P.L. 112-10, signed into law on April 15, 2011, are being finalized). The Administration has requested \$10.275 million for FY2012 (these latter amounts include foreign assistance provided under the Assistance to Europe, Eurasia, and Central Asia Account and other “Function 150” programs). The boost in FY2010 was planned to support Turkmenistan as a frontline state in counter-terrorism operations in Afghanistan.

For FY2012, requested foreign assistance funds are divided almost equally among the four broad program areas of peace and security, governing justly, investing in people, and economic growth, with slightly more emphasis on the former two areas. The Administration proposes to provide assistance in drafting legislation that supports an open society, to expand aid to civil society organizations, and to train officials who deal with such organizations. It expects that these efforts will “result in greater government transparency and increased citizen participation in public decisions,” although aid for these efforts is reduced from FY2010-FY2011. The Administration plans aid to improve healthcare and education, stating that “despite having vast government resources, [the Turkmen government] is not as engaged as it could be” in improving these sectors, which are “among the worst of the former Soviet republics.” It also proposes to devote Foreign

²⁴ Open Source Center. *Central Eurasia: Daily Report* (hereafter *CEDR*), August 31, 2009, Doc. No. CEP-950194.

²⁵ U.S. House of Representatives, House Foreign Affairs Committee, Subcommittee on Europe and Eurasia, Hearing on U.S. Policy toward Europe and Eurasia, *Testimony of Robert O. Blake, Jr. Assistant Secretary, Bureau of South and Central Asian Affairs*, March 10, 2011. See also U.S. Department of State, *Geoffrey Pyatt, Principal Deputy Assistant Secretary, Bureau of South and Central Asian Affairs, Remarks to the Washington International Business Council Army and Navy Club*, January 13, 2011

Military Financing and International Military Education and Training funds to buttress Turkmenistan's fledgling naval capabilities in the Caspian Sea.²⁶

Figure I. Map of Turkmenistan



Source: Map Resources

The first U.S.-Turkmenistan Annual Bilateral Consultations were held in Ashkhabad in June 2010. Hailing the beginning of the annual meetings, Assistant Secretary of State Robert Blake stated that they “represent a new beginning to the relationship between the United States and Turkmenistan. We believe that today marks a new chapter in initiating an important dialog on all aspects of the bilateral relationship.” He stressed that “the United States is committed to working with Turkmenistan in the development of strong, prosperous ties between our two countries and to developing Turkmenistan into an independent country that is founded on the rule of law. We hope to do this within the context of a constructive relationship based on the principles of mutual respect and mutual trust.” He later reported that the talks had included

our common concerns about stability in Afghanistan and what we both can do to contribute to progress in that important country. We also talked about opportunities for further cooperation in the economic and energy sectors, including efforts to expand U.S. trade and investment and efforts to assist Turkmenistan with economic development and diversification.... we also talked about joint efforts to combat the spread of terrorism and narcotics. We talked about cooperation in humanitarian affairs, including educational and

²⁶ U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Annex: Regional Perspectives, FY2012*, March 2011.

cultural matters, as well as a good discussion on human rights issues. An important dimension of our visit was the opportunity to meet with civil society leaders.²⁷

Contributions to Counter-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 then-President Vladimir Putin acceded to an expanded U.S. military presence in Central Asia, however, former Turkmen President Saparamurad 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 and reportedly sold and transported jet fuel by rail to Afghanistan. Land transport reportedly was ramped down or ended in recent years.²⁸ In February 2009, President Berdimuhamedow agreed in principle that the country would again facilitate the land transit of humanitarian cargoes to Afghanistan. There have been reports that authorities have blocked or hampered some NATO overflights to Afghanistan. In late August 2009, Turkmenistan and Azerbaijan reportedly refused permission for German Airborne Warning and Control System (AWAC) aircraft to transit to Afghanistan.

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²⁷ U.S. Department of State. *Remarks at the Opening Session of Inaugural U.S.-Turkmenistan Annual Bilateral Consultations*, June 14, 2010; *Press Conference*, July 15, 2010; *Assistant Secretary Blake's Participation in the U.S.-Turkmenistan Business Council*, June 16, 2010.

²⁸ Deirdre Tynan, "Turkmenistan: Ashgabat Hosts US Military Refueling, Resupply Operations," *Eurasia Insight*, July 8, 2009; Deirdre Tynan, "Pentagon Paid Airport Fees to Turkmenistan, But Can't Say How Much," *Eurasianet*, July 12, 2010.