

# CRS Report for Congress

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## Turkmenistan: Recent Developments and U.S. Interests

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### Summary

This report examines Turkmenistan's halting economic and political reforms under the authoritarian leadership of President Saparmurad Niyazov. It discusses U.S. policy and assistance, including support for grassroots democratization and advocacy for human rights. Basic facts and biographical information are provided. This report may be updated. Related products include CRS Issue Brief IB93108, *Central Asia's New States*, updated regularly.

### U.S. Policy<sup>1</sup>

According to the Bush Administration, the United States "has strategic and economic interests in helping Turkmenistan achieve political stability, independence, and integration into the global economy." The United States promotes security cooperation to combat weapons and drug smuggling that are sources of arms and funds for terrorist groups. U.S. aid for "projects that address significant U.S. interests" is planned for FY2005 to enhance border security, reduce drug use, improve health care, and support student and military exchanges (State Department, *Congressional Budget Justification for Foreign Operations, FY2005*). A State Department fact sheet in November 2003 reported that there had been "a marked downturn in bilateral relations" because of Turkmenistan's human rights record. U.S. Ambassador to Turkmenistan Tracy Jacobson asserted that same month that the main focus of U.S. policy in the country is supporting democratization and human rights.



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

<sup>1</sup> Sources include Foreign Broadcast Information Service, *Daily Report: Central Eurasia*; RFE/RL *Newswire*; *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-FY2003 was \$227.71 million (FREEDOM Support Act and other agency funding), most involving food aid and training and exchanges. The United States also facilitated the delivery of Department of Defense excess and privately donated commodities worth \$45.8 million in FY1992-FY2003. 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 to other Central Asian states). Estimated U.S. budgeted aid for FY2004 was \$8.6 million (FREEDOM Support Act and other foreign aid, excluding Defense and Energy Department funds), and the Administration requested \$9.3 million for FY2005, including \$1.15 million for Foreign Military Financing and International Military Education and Training, and \$2.1 million for Peace Corps activities. In FY2000, the United States provided Turkmenistan with a coastal patrol vessel under the Excess Defense Articles grant program.

Among congressional action, S. 2305 (introduced on April 8, 2004) authorizes annual appropriations of \$1 billion for FY2005-FY2009 to support economic and political development in the Greater Middle East and Central Asia, including support for citizens who advocate reforms. The Defense Authorization Act for FY2005 (S. 2229; introduced on March 24, 2004) calls for not more than \$150 million for upgrading airspace controls in "key countries" of Central Asia to create "a permissive and controlled air corridor from Europe through the Caucasus to Central Asia and Afghanistan." S.J.Res. 3, approved by the Senate on May 1, 2003, calls for the Central Asian states to accelerate democratic reforms and fulfill their human rights obligations, and calls for the President, the Secretary of State, and the Secretary of Defense to press the government of Turkmenistan to respect due process and fair trials and to release democratic activists and their family members from prison.

## Contributions to the Campaign Against Terrorism

Immediately after 9/11, 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

### Basic Facts

**Area and Population:** Land area is 190,359 sq. mi.; slightly larger than California. The Kara Kum desert covers about 80% of land area. Population was 6.0 million in 2003 (Economist Intelligence Unit, est.).

**Ethnicity:** 5.7 million (94.7%) are Turkmen, 109,000 (1.8%) are Russian, 121,000 (2.0%) are Uzbek, and others (2003 Turkmen state data). About 150,000 ethnic Turkmen reside elsewhere in the former Soviet Union, and 3 million or more in Iran and Afghanistan. Clans include the Tekke, Ersary, and Yomud.

**Gross Domestic Product:** \$15.8 billion; per capita GDP is about \$2,633 (EIU, est. for 2003, current market prices).

**Political Leaders:** *President and Chairman of the Cabinet of Ministers:* Saparmurad Niyazov; *Chairman of the Mejlis (legislature):* Ovezgeldi Atayev; *Foreign Minister:* Rasit Meredov; *Minister of Defense:* Agageldy Mamedgeldiyev.

**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 is president and head of the government, armed forces, the Democratic Party of Turkmenistan (DPT, formerly the TCP), the People's Council, and the State Security Council. He has created a "cult of personality," under which he is termed "Turkmenbashi," leader of all Turkmen, "the Eternally Great." 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 *Rukhname*, that is required reading in secondary, medical, and military schools and in mosques.

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 an August 2002 visit, U.S. Central Command head Tommy Franks thanked Niyazov for permitting up to 40% of humanitarian aid sent to Afghanistan since 9/11 to transit the country. 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 “open door” or “permanent neutrality” policy precludes joining political or military alliances and 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. Russia objects to Turkmen efforts to reduce dependence on existing natural gas export routes that transit Russia. 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, especially, has tried to maintain economic ties with Turkmenistan (see below, *Energy*). Relations with Azerbaijan are contentious, particularly regarding ownership of offshore oil fields.

Turkmenistan’s armed forces number 29,000, including ground, air, and naval/coast guard forces (*The Military Balance 2003-2004*). Other forces include police troops (2,000), security (2,500), a presidential guard (2,000), and border troops (12,000) (*Jane’s*). It inherited a sizable arsenal from the Soviet Union, but many air and ground craft may be inoperable. Turkmenistan has replaced its higher officer corps with ethnic Turkmen and has replaced almost all lower echelon officers from Russia. Troops are expected to grow their own food, earn money by picking cotton, and otherwise work twenty days of each month on economic projects. Large-scale conscription is used not only for military needs but to form “labor armies” that work with no pay in the energy or agriculture sectors. Ukraine reportedly has provided four patrol boats, two radar systems, small arms, and refurbishment for Mig-29s as part of barter for gas. In April 2003, Niyazov continued a purge of the military by firing the first deputy defense minister, accusing him of conspiring in the coup attempt and illicit arms sales. Perhaps indicating the underlying reason for the purge, Niyazov stated that he was taking virtually total control over military activities. In late 1999, Russia’s 1,000 border troops in Turkmenistan pulled out at Turkmenistan’s request (some “special border troops” reportedly remain). In early 1995, 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, according to the State Department. 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 People's Council (Khalk Maslakhaty) 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 Khalk Maslakhaty serves as a 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 structure and functions.

The most recent election of the 50-member Mejlis was held on December 12, 1999. Niyazov rejected a role for parties, stating that partisanship could lead to clan rivalries. Prior to the race, Niyazov stepped up his repression of political and religious dissidents. The Organization for Security and Cooperation in Europe (OSCE) refused to send monitors, citing the government's control over the electoral process. Changes to the Constitution were introduced in late December 1999 during a joint meeting of the Mejlis, the Khalk Maslakhaty, and Niyazov's National Revival Movement, to include naming Niyazov president for life. The State Department termed the life term "a further step backward on the path toward democracy." On April 6, 2003, 65 "people's representatives" to the Khalk Maslakhaty and 5,535 members of local legislative councils were elected. Reportedly, 144 candidates contested for the Khalk Maslakhaty seats and 56,323 for the local seats. The Central Electoral Commission reported a Soviet-era 99.8% turnout. The State Department reported that diplomats found polling stations mostly empty and that the use of mobile ballot boxes and family voting was prevalent.

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. In August 2003, the Khalk Maslakhaty unanimously elected Niyazov its "lifetime speaker," perhaps signifying that he will rule from this post after "retiring" as president. Niyazov also had the Khalk Maslakhaty approve amendments to the constitution 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.

In 2001, Niyazov granted extra powers to the National Security Committee (NSC; a successor to the Soviet-era KGB), a major pillar of his rule, to oversee the defense and foreign ministries. However, he launched purges of the NSC and defense and interior ministries in 2002-2003. In the wake of the coup attempt, Niyazov in December 2002 created an advisory State Security Council composed of defense and security officials. 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 Kulyev, and the People's Democratic Movement, headed by former foreign minister Boris Shikmuradov (convicted for leading the 2002 coup attempt and serving a life sentence). Both groups have warned that the United States should be careful in forging closer ties with Central Asia so that it is not perceived by the region's peoples as propping up authoritarian regimes.

According to most observers, Turkmenistan's human rights record is extremely poor. According to the State Department's *Country Reports on Human Rights Practices for 2003*, the human rights situation in Turkmenistan deteriorated markedly after an alleged coup attempt against President Saparmurad Niyazov in November 2002 and continued to worsen in 2003. Numerous, systematic violations of due process, including arbitrary arrest and torture were cited. The government severely restricted freedom of speech and assembly. It completely controlled radio and local television and censored all newspapers and access to the Internet. No parties other than the Democratic Party (formerly the Communist Party) were permitted to operate legally. Niyazov argued on U.S. television in November 2003 that parties should not be composed of "unsatisfied" and "offended people or mercenaries." New laws that took effect at the end of 2003 threatened the legality and activities of many domestic and international non-governmental organizations. Ethnic Russians, Uzbeks, and other non-Turkmen faced increased discrimination that led over half to leave within the past few years.

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. Niyazov dismissed these U.S. concerns in November 2003, asserting that the visa aimed to prevent criminals and terrorists from fleeing justice and that anyone who wanted to leave Turkmenistan only had to tell the authorities. In January 2004, however, he lifted the exit visa requirement. The State Department's 2004 *International Religious Freedom Report* lists Turkmenistan as a state that is hostile toward minority or non-approved religions, and it warns that religious freedom deteriorated in Turkmenistan during the past year (the report did not, however, mark Turkmenistan for possible sanctions). A law on religion passed in October 2003 bans faiths that violate "civil harmony" and gives Niyazov the ultimate authority to legalize or ban faiths. In May 2004, Niyazov repealed parts of the law criminalizing unregistered religious activities. In December 2003, U.S. and Russian emissaries joined others to approve an unusual U.N. General Assembly resolution urging Turkmenistan to implement human rights reforms as suggested by the OSCE and to permit prison visits. The United States also joined in approving a resolution in the U.N. Human Rights Commission in April 2004 criticizing human rights conditions in Turkmenistan.

Turkmenistan's GDP growth was 12.4%, down from 21.6% the year before (Economist Intelligence Unit est.). 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). Consumer inflation rates eased from

nearly 1,000% in 1995-1996 to 9.5% in 2003 (Economist Intelligence Unit est.). Niyazov has boosted wages, but wage arrears are high. This, and wage payments in goods keep down inflation. Poverty and unemployment are widespread and may be growing, although some 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 Khalk Maslikhaty in August 2003. Days before the session, Niyazov ordered that many of the targets be recalculated, and called for energy targets to reflect glowing foreign press prognostications. He declared that the strategy will bring Turkmenistan up to the par of Western states in terms of wealth and the quality of life. In May 2004, Niyazov hailed the meeting of plan targets and ordered the government to pay wage arrears and consider doubling wages. Mismanagement and corruption in the banking sector appear ongoing, despite frequent purges. In April 2004, Niyazov ordered banks to make no loans that might not be paid back.

The U.S. Department of Energy in August 2003 reported estimates of between 0.5 and 1.7 billion 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 Itera).

Appearing resigned to getting less than the world market price, Niyazov signed two accords. He signed a 4-year accord with Ukraine in 2002 to supply it over 60 billion cubic feet of gas (bcf) per year; this compares with yearly exports that have been about 35-38 bcf. In 2003, he signed the second accord, a 25-year accord with Russia to supply it 200 bcf of gas in 2004 (about 12% of production), rising to 2.8 tcf in 2009. The results would perhaps then tie up a large part of Turkmenistan's production. Both these accords call for Turkmenistan to accept 50% of payments in goods and services.

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 had 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, but investment remains elusive.