



## CRS Report for Congress

# Turkmenistan: Recent Developments and U.S. Interests

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### Summary

This report examines the political, economic, and foreign policies of Turkmenistan, where a leadership succession unfolded in late 2006. The report discusses U.S. policy and assistance and provides basic facts and biographical information. It may be updated. Related products include CRS Report RL33458, *Central Asia: Regional Developments and Implications for U.S. Interests*.

### U.S. Policy

According to the Bush Administration, the December 2006 death and replacement of Turkmenistan's long-ruling authoritarian president, Saparamurad Niyazov, "offers the United States an opportunity to turn a page in its relationship with Turkmenistan and encourage the development of a more stable, democratic, and prosperous country." The Administration argues that "Turkmenistan lags behind many other countries in terms of democratization and civil rights.... [S]ignificant resources will need to be applied ... if the U.S. goal of advancing" democratic governance in Turkmenistan "is to be met." Of strategic concern, "Turkmenistan's shared borders with Iran and Afghanistan make it a key player in the fight to combat trafficking in weapons of mass destruction (WMD), narcotics, and persons."<sup>1</sup> Perhaps marking the beginning of improved U.S.-Turkmen ties, the new President, Kurbanguly Berdimuhammedow, in February 2007 praised U.S. Peace Corps volunteers for fostering "friendly ties between



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

<sup>1</sup> U.S. Department of State. *Congressional Budget Justification for Foreign Operations, FY2008*; and *U.S. Government Assistance to and Cooperative Activities with Eurasia: FY2005 Annual Report*, January 2006.

the people of our two countries.”<sup>2</sup> Deputy Assistant Secretary of State Steven Mann visited Turkmenistan on March 3-6, 2007, where he reported that he offered expanded cooperation on education, healthcare, and energy resources development.

Cumulative U.S. aid budgeted for Turkmenistan in FY1992-FY2006 was \$263.1 million (FREEDOM Support Act and other agency funding), most involving food aid and training and exchanges. Turkmenistan’s lack of progress in economic and political reforms under its late president was cited by successive Administrations as a reason why only limited U.S. aid was provided (compared with other Central Asian states). Budgeted aid for FY2006 was \$7.65 million (FREEDOM Support Act and agency budgets). The Administration requested \$8.43 million for FY2008 (FREEDOM Support Act and other Function 150 foreign aid, excluding Defense and Energy Department funds), including \$300,000 for International Military Education and Training (IMET; for bringing officers to the United States for language and rule of law training), and \$1.88 million for Peace Corps activities. The State Department proposes to provide \$750,000 for Non-proliferation, Anti-terrorism, and De-mining. This U.S. aid aims “to help Turkmenistan control its borders with Iran and Afghanistan,” to improve counter-terrorism capabilities and prevent trafficking in narcotics and WMD.

The Administration argues that the increased foreign assistance request for Turkmenistan for FY2008 (about \$750,000 more than requested for FY2007) “will allow the United States to demonstrate to the new government the benefits of an expanded relationship.”<sup>3</sup>

#### 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, over 2 million in Iran, and over 900,000 in Afghanistan.

**Gross Domestic Product:** \$45 billion; per capita GDP is about \$8,900 (*CIA World Factbook*, 2006 est., purchasing power parity).

**Political Leaders:** *President and Prime Minister:* Kurbanguly Berdimuhammedow (also spelled Berdimukhammedov); *Chairman of the Halk Maslahaty:* to be named on March 30, 2007; *Chairman of the Mejlis* (legislature): Akja Nurberdiyewa; *Foreign Minister (and deputy prime minister):* Rashid Meredow; *Minister of Defense:* Agageldi Mammetgeldiyew.

**Biography:** Berdimuhammedow 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, since 1997, minister. Since 2001, he also was a deputy prime minister. He was named acting president on December 21, 2006, and was elected president on February 11, 2007.

## 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, former Turkmen President Saparamurad Niyazov on September

<sup>2</sup> U.S. Embassy, Ashgabat, Turkmenistan. *Peace Corps Celebrates its 46th Anniversary*, March 1, 2007.

<sup>3</sup> *Congressional Budget Justification for Foreign Operations, FY2008*.

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. During visits in 2004 and 2005, U.S. Central Command then-head John Abizaid thanked Turkmenistan for permitting humanitarian aid sent to Afghanistan since September 11 to transit the country, praised Turkmenistan’s increasing ties with Afghanistan, and called for greater cooperation on terrorism, drug trafficking, and border protection. Before the U.S.-led coalition launched actions in Iraq, then-president Niyazov made contradictory statements. In April 2003, however, he called for establishing “democracy” in Iraq to safeguard the interests of ethnic Turkomen living there, and in May 2005 praised the creation of a multi-ethnic Iraqi government.

## Foreign Policy and Defense

Turkmenistan’s “neutral” foreign policy is enshrined in its constitution and Berdimuhammedow has pledged to continue to eschew joining political or military alliances and to seek good relations with both 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 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 contentious, although both have endeavored to improve relations with the new Turkmen leadership. Turkmenistan and Uzbekistan have vied for regional influence and argued 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. Russia, however, has pursued close ties with Turkmenistan (see below, *Energy*). Turkmenistan and Azerbaijan have disagreed over the 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 (RL) free lancer, 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*, February 2007). Other forces include police and security troops, a presidential guard, and border troops. Former president Niyazov repeatedly purged 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

During the late President Niyazov's rule, Turkmenistan was the most authoritarian of the Central Asian states, according to the State Department. Corruption and nepotism were rife, and Niyazov's Ahal-Tekke sub-tribe dominated cultural and political life. Turkmenistan's May 1992 constitution set up a "secular democracy" granted the president overwhelming powers to rule by decree, although other provisions called for a balance of powers between executive, legislative, and judicial branches. The constitution includes an impressive list of individual rights, 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 or HM) 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 HM serves as an occasional forum and rubber stamp for the president's policy initiatives. 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 HM, 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. In August 2003, the HM 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.

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 HM in April 2003, but diplomats reported few signs of voters at the polls.

Exile groups opposed to Niyazov were joined by more and more former officials who fled his rule. Such groups included 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 Hajyyew (Khadzhiyev); the People's Democratic Movement, headed by former foreign minister Boris Orazowic Syhmyradow (Shikhmuradov); the Republican Party, headed by former ambassador to Turkey Nurmuhamet Hanamow (Khanamov); and the Fatherland movement, founded by former prime minister Hudayberdi Orazow (Orazov). The latter three leaders received life sentences in absentia (except for Shikhmuradov, who was apprehended) on charges of instigating the 2002 coup attempt.

President Niyazov died on December 21, 2006, at age 66, ostensibly from a heart attack. The morning of his death, the government announced that deputy prime minister and health minister Gurbanguly Malikgulyyewic Berdimuhammedow would serve as acting president. The HM convened on December 26 and changed the constitution to make legitimate Berdimuhammedow'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. The ruling Democratic Party endorsed Berdimuhammedow as its candidate, thereby seemingly anointing him as Niyazov's heir-apparent. Exiled politicians were banned from participation. Reportedly, nearly 99% of 2.6 million voters turned out, and 89.23% endorsed acting president Berdimuhammedow.

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, and one member allegedly termed the vote a "play" rather than a "real" election. 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 a free, fair, open and truly competitive elections."<sup>4</sup> In his inaugural address on February 14, 2007, Berdimuhammedow 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.

According to most observers, Turkmenistan's human rights record has been extremely poor. According to the State Department's *Country Reports on Human Rights Practices for 2006*, numerous, systematic violations of due process, including arbitrary arrest and torture, took place with impunity during 2006. 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. Political opponents were imprisoned, sent to psychiatric hospitals, or forcibly resettled in rural areas (so-called "internal exile"). A Radio Liberty correspondent, Ogulsapar Myradowa, suffered a "violent death" in prison in September 2006, according to the NGO Reporters Without Borders. Russians, Uzbeks, and other ethnic groups faced discrimination that led over half to leave within the past few years. The U.S. Commission on International Religious Freedom has recommended since 2000 that Turkmenistan be designated a "country of particular concern," where "egregious" abuses against religious expression merit the consideration of aid penalties. In 2003, 2004, and 2005, the U.N. General Assembly's Third Committee approved resolutions critical of human rights in Turkmenistan. Perhaps a troubling sign of the human rights stance of the new Turkmen government, oppositionist Annadurdy Hajyyew was detained in Bulgaria on an arrest warrant from Turkmenistan on February 19, 2007. On the other hand, Berdimuhammedow has pledged to make the internet more available.

Turkmenistan's GDP growth was 13% in 2006, and consumer price inflation was 11% (*The World Factbook*; according to the *Factbook*, official Turkmen economic data are problematic). The main sources of GDP growth were oil, gas, and cotton production. Turkmenistan has been among the world's top ten in cotton production, and about one-

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<sup>4</sup> Open Source Center. *Central Eurasia: Daily Report*, February 12, 2007, Doc. No. CEP-950160. U.S. Department of State. *Daily Press Briefing*, February 15, 2007.

half of the employed population works in agriculture. 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). About one-half the population lives in poverty and about 60% are unemployed (leaving an employed labor force of about 900,000-1,000,000), although a few necessities of life are provided free or at low cost. In late 2006 and early 2007, bread shortages were reported. Some observers allege that government corruption is exacerbated by official involvement in drug trafficking. Perhaps lending credence to such allegations, Niyazov accused a former prosecutor general in April 2006 of involvement with other relatives in drug trafficking. In March 2007, the government announced the destruction of seized drugs, and the president vowed to combat drug trafficking.

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 world oil reserves and less than 4% of the proven gas reserves in the Persian Gulf). The NGO Global Witness alleged in April 2006 that Turkmenistan's energy sector is rife with corruption, which it claimed makes Turkmenistan an unreliable gas supplier. 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 are held back by aging infrastructure, inadequate investment, poor management, and export restrictions. 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.

Appearing resigned to getting less than the world market price, Niyazov signed an accord with Russia in 2003 to supply it 200 billion cubic feet (bcf) of gas in 2004, rising to 2.8 tcf in 2009 to 2028. 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 late 2004. 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. However, following Gazprom's hikes in charges for gas it sold to Ukraine, Georgia, and others at the end of 2005, Turkmenistan demanded more money. Gazprom agreed to pay \$65 per mcm in 2006 and \$100 per mcm from 2007 to the end of 2009 (much less than it in turn charged most foreign customers for the gas), and Turkmenistan agreed to supply 1.8 tcf in 2007 and 2.8 tcf in 2009 to 2028.

Seeking alternative export routes, Turkmenistan in December 1997 opened the first pipeline from Central Asia to the outside world beyond Russia, a 120-mile pipeline linkage to Iran's pipeline system that has a capacity of about 300 bcf per year. 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.